

## 9 Steps You Must Take Before You Sell Your Home

The home selling process differs from state to state, but there are some important steps that you should take before you put your house on the market--all steps that protect your interests and help you get the most return from your investment.

Download this list of time-tested solutions.

### 1. Get Pre-Approved for a Home Loan

I've known sellers who signed a contract to sell their house before they knew if they were qualified to buy another. Either their financial circumstances had changed since their last purchase, and they could no longer qualify for a loan, or they weren't able to sell at a price that allowed them to buy the type of replacement house they wanted. They ended up renting or buying something that was far from ideal.

Before you decide to sell the house, get pre-approved by a lender you trust and research the housing market in the area where you wish to live so that you have a good idea how much it will take to buy a replacement.

### 2. Check Your Mortgage Payoff

Call your lender to check the payoff for your current home mortgage. You'll need the figure to complete Step 6.

### 3. Determine How Much the House Is Worth

Determine your home's fair market value. Real estate agents will usually help you determine value as a courtesy, but you might take it a step further and [order an appraisal](#).

### 4. Estimate Your Costs to Sell

- Real estate commission if you use an agency to sell.

- Advertising costs, signs, other fees if you plan to sell by owner.
- Attorney, closing agent and other professional fees.
- Excise tax for the sale.
- Prorated costs for your share of annual expenses, such as property taxes, home owner association fees, and fuel tank rentals.
- Any other fees typically paid by the seller in your area (surveys, inspections, etc.).
- Real estate agents deal with transactions every day and can give you a very close estimate of seller closing costs.

#### 5. Determine Your Costs to Acquire a New Home

- Total your costs to acquire a new home: moving expenses, loan costs, down payment, home inspections, title work and policy, paying for a new hazard insurance policy--all expenses related to buying a home. Your lender should give you a disclosure of estimated costs when you apply for pre-approval.

#### 6. Calculate Your Estimated Proceeds

1. Deduct your mortgage payoff from your home's fair market value.
2. Deduct your costs to sell from the remainder to get an estimate of the proceeds you will be paid at closing.

Will your closing proceeds cover your costs to acquire a new home? If not, do you have cash or other funding to make up the difference?

#### 7. Make Necessary Repairs

Make all needed repairs unless you want the house to be regarded as a fixer-upper. I'm not referring to cosmetic updates, but to items in need of repair. Anything that's obviously broken gives potential buyers a reason to submit a lower offer.

For a preview of several repair hot spots that worry buyers the most, read [Passing Your Home Inspection](#).

#### 8. Get the House Ready to Show

Most houses need at least a little spiffing up before they are shown to potential buyers. Great curb appeal, fresh paint indoors (and sometimes out), organized closets and cabinets, sparkling clean windows and appliances, and a clutter-free atmosphere are essential if you want the house to appeal to buyers.

Read: [The Importance of Curb Appeal](#) and [Getting the House Ready for Showings](#) for more prep advice.

## 9. Get Psyched Up to Let People In

If you're listing with a real estate agent, she'll no doubt ask you to leave when the house is shown. Why? Because lurking sellers make buyers nervous--they don't feel comfortable inspecting the house when they feel they are intruding.

Unless there's a real reason for it, don't ask your agent to be present for all showings. That's the kiss of death for showing activity. Other agents want privacy with their buyers and they don't usually have time to work around your agent's schedule.