

Common Q&A About Selling Your Home - Q & A

Q: Do sellers have to disclose the terms of other offers?

A: According to experts, sellers do not have to disclose other offers

Q: Should I add on or buy a bigger home?

A: Consider these questions before making a choice between adding on to an existing home or moving up in the market to a bigger house:

- * How much money is available, either from cash reserves or through a home improvement loan, to remodel the current house?
- * How much additional space is required? Would the foundation support a second floor or does the lot have room to expand on the ground level?
- * What do local zoning and building ordinances permit?
- * How much equity already exists in the property?
- * Are there affordable properties for sale that would satisfy housing needs?

Ultimately, the decision should be based on individual needs, the extent of work involved and what will add the most value.

Q: What are some tips on negotiation?

A: The more you know about a seller's motivation, the stronger a negotiating position you are in. For example, a seller who must move quickly due to a job transfer may be amenable to a lower price with a speedy escrow. Other so-called "motivated sellers" include people going through a divorce or who have already purchased another home.

Remember, that the listing price is what the seller would like to receive but is not necessarily what they will settle for. Before making an offer, check the recent sales prices of comparable homes in the neighborhood to see how the seller's asking price stacks up.

Some experts discourage making deliberate low-ball offers. While such an offer can be presented, it can also sour the sale and discourage the seller from negotiating at all.

Q: How do I prepare the house for sale?

A: Making your home look as nice as possible may seem obvious. Apparently, it's not, because many sellers don't do much beyond vacuuming the living room rug and maybe cleaning the ring off the bathtub, says George Devine, in "For Sale by Owner," Nolo Press, Berkeley, Calif.; 1993. Short of spending a lot of money, Devine offers several steps people can take to make their home show better:

- Sweep the sidewalk, mow the lawn, prune the bushes, weed the garden and clean debris from the yard.
- Clean the windows and make sure the paint is not chipped or flaking.
- Be sure that the doorbell works.
- Clean and make attractive all rooms, furnishings, floors, walls and ceilings.

It's especially important that the bathroom and kitchen are spotless.

- Organize closets.
- Make sure the basic appliances and fixtures work. Get rid of leaky faucets and frayed cords.
- Ensure that the house smells good: from an apple pie or cookies baking, for example. Hide the kitty litter.
- Put vases of fresh flowers throughout the house.
- Pleasant background music is a nice touch.

Q: How long do bankruptcies and foreclosures stay on a credit report?

A: Bankruptcies and foreclosures can remain on a credit report for seven to 10 years.

Some lenders will consider a borrower earlier if they have reestablished good credit. The circumstances surrounding the bankruptcy can also influence a lender's decision. For example, if you went through a bankruptcy because your employer had financial difficulties, a lender may be more sympathetic. If, however, you went through bankruptcy because you overextended personal credit lines and lived beyond your means, the lender probably will be less inclined to be flexible.

Q: What do all of those real estate acronyms in the ads mean?

A: If you find yourself stumbling over weird acronyms in a real estate listing, don't be alarmed. There is method to the madness of this shorthand (which is mostly adopted by sellers to save money in advertising charges). Here are some abbreviations and the meaning of each, taken from a recent newspaper classified section:

- * assum. fin. -- assumable financing
- * dk -- deck
- * gar -- garage (garden is usually abbreviated "gard")
- * expansion pot'l -- may be extra space on the lot, or possibly vertical potential for a top floor or room addition. Verify actual potential by checking local zoning restrictions prior to purchase.
- * fab pentrm -- fabulous pentroom, a room on top, underneath the roof, that sometimes has views
- * FDR -- formal dining room (not the former president)
- * frplc, fplc, FP -- fireplace
- * grmet kit -- gourmet kitchen
- * HDW, HWF, Hdwd -- hardwood floors
- * hi ceils -- high ceilings
- * In-law potential -- potential for a separate apartment. Sometimes, local zoning codes restrict rentals of such units so be sure the conversion is legal first.
- * large E-2 plan -- this is one of several floor plans available in a specific building
- * lsd pkg. -- leased parking area, may come with an additional cost
- * lo dues -- find out just how low these homeowner's dues are, and in comparison to what?
- * nr bst schls -- near the best schools
- * pvt -- private
- * pwdr rm -- powder room, or half-bath
- * upr- upper floor
- * vw, vu, vws, vus -- view(s)

*** Wow! -- better check this one out.**

Resources:

*** "Real Estate's Ambiguous Language You Oughtta Understand," Glennon H. Neubauer, Ethos Group Publishing, Diamond Bar, CA; 1993.**
