



**YOUR CASTLE**  
REAL ESTATE

# SELLER'S GUIDE

YOUR ROAD MAP TO A  
SUCCESSFUL HOME SALE



[TheMcCaffreys.com](http://TheMcCaffreys.com)

# WELCOME!

Tom and Colton McCaffrey are a father-son real estate team serving buyers and sellers across the Greater Denver Area. With deep roots in the community and two generations of local market knowledge, we're committed to getting you the best possible outcome when selling your home.

We are proud to operate under Your Castle Real Estate, Colorado's largest independent brokerage with more than 700 experienced agents. That affiliation gives our clients access to industry-leading resources, in-depth market research, and Managing Broker support at every step of the transaction.

Selling your home is one of the biggest financial decisions you'll make, and you deserve an experienced team in your corner. We bring the local expertise, proven strategy, and hands-on service to get your home sold for top dollar. We can't wait to get to work for you.



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**YOUR CASTLE**  
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# DECIDE WITH CONFIDENCE

## Partner With A Trusted Expert In Home Sales

### **BEGIN WITH CONFIDENCE**

The home selling process is not simply a transaction; it marks the start of a relationship grounded in trust and guidance. From the moment we sign an agreement to work together, it becomes our principal duty as your agent to act in your best interest and help you meet your real estate goals.

### **PREPARATION: PRE-INSPECTION, REPAIRS, AND STAGING**

Many sellers say their biggest concern is what their net profits will be, and what repairs they will be asked to make. Today's major repair expenses are roofs, heating, A/C, electrical, radon mitigation, plumbing, and sewer lines. You can complete a pre-inspection to help mitigate potential repair requests. You can avoid many last minute issues by doing some prep work ahead of time. Staging is also critical to show your home in the best light.

### **CONTRACT NEGOTIATIONS**

As your agent, I will present all offers to you, and explain them in detail. I will also give you estimates of your listing expenses as we go along, so you will be informed when it comes to ramifications or costs of things like:

- The Home Inspection
- The Appraisal
- Title Services

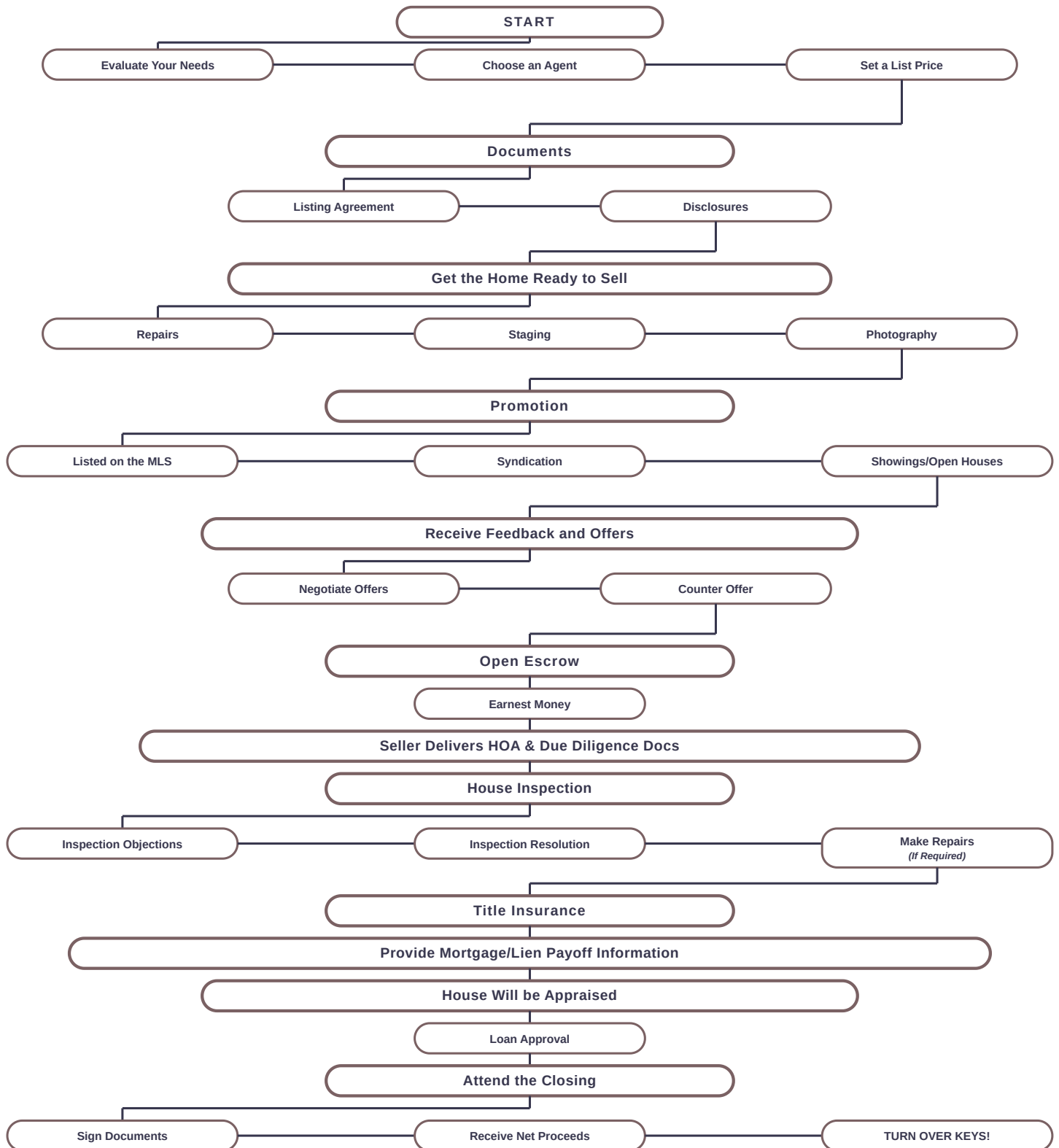
Our goal is for you to be well-prepared and confident in your choices, securing the best possible outcome for your home sale.

### **RELOCATION**

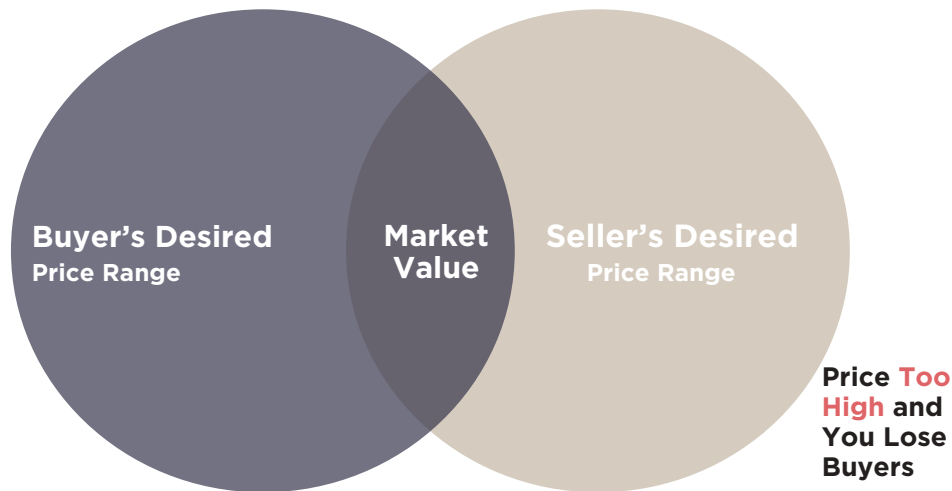
Our network of real estate professionals can assist you with an out-of-town move. If you would like, I can have a top-notch Broker from your new city contact you at your convenience. They will send you a relocation package that includes details about the local housing market, schools, recreation areas, hospitals, shopping, and any other pertinent information you request.

# THE HOME SELLING PROCESS

## Your Guide From Start To Finish



# Pricing Your Home



## CONSIDER MARKET CONDITIONS

There are many market conditions that can affect your home's value. Some of these include:

- Buyer Demand
- The Supply of Competing Properties
- Mortgage Interest Rates
- Economic Conditions
- Seasonal Demand Fluctuations
- Recent Sale Prices

## PHYSICAL FACTORS TO VALUE

There are also physical factors that can affect your home's value. Some of these include:

- The Location of the Home
- Proximity to Essentials
- Home Size and Lot Size
- Architectural Style
- Floor Plan Style
- The Age of the Home
- The Condition of the Home
- Bonus Features

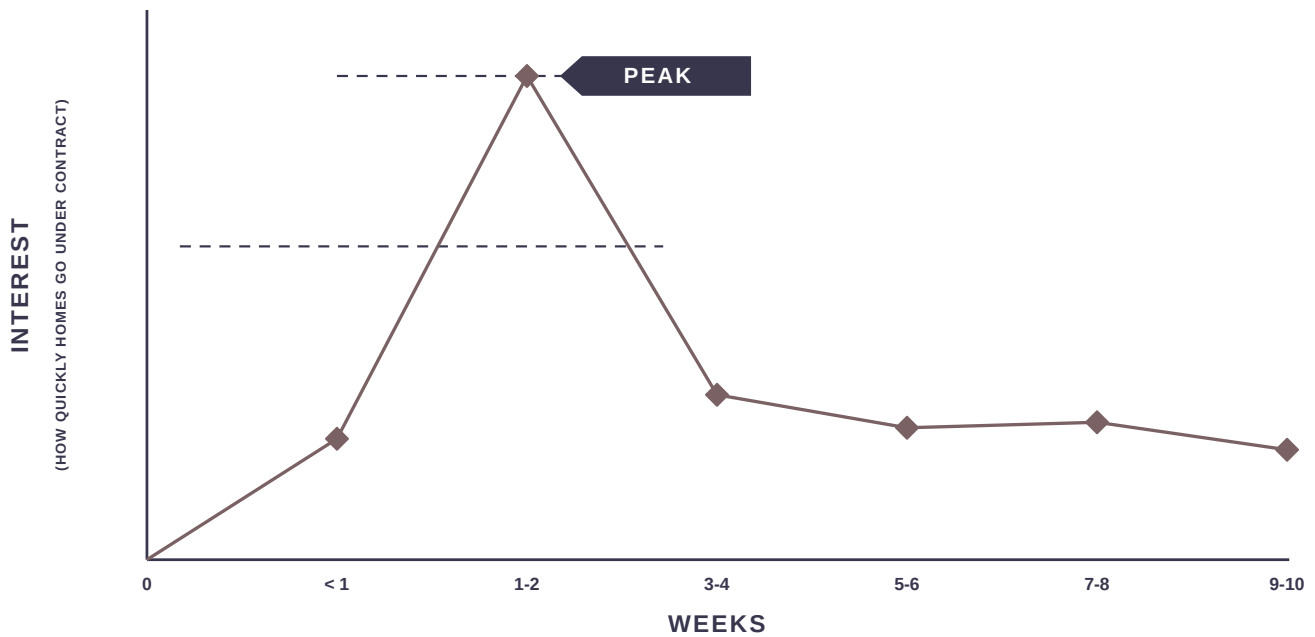
## SETTING UP A HOME SEARCH

To strategically price your home, it is crucial to stay informed about the competitive landscape in your local neighborhood. Right away, we will:

1. Establish a search on the local MLS to identify comparable homes in your area, also called "comps."
2. Analyze the list prices of homes that are selling vs. those that are not, to pinpoint the optimal price for your property.

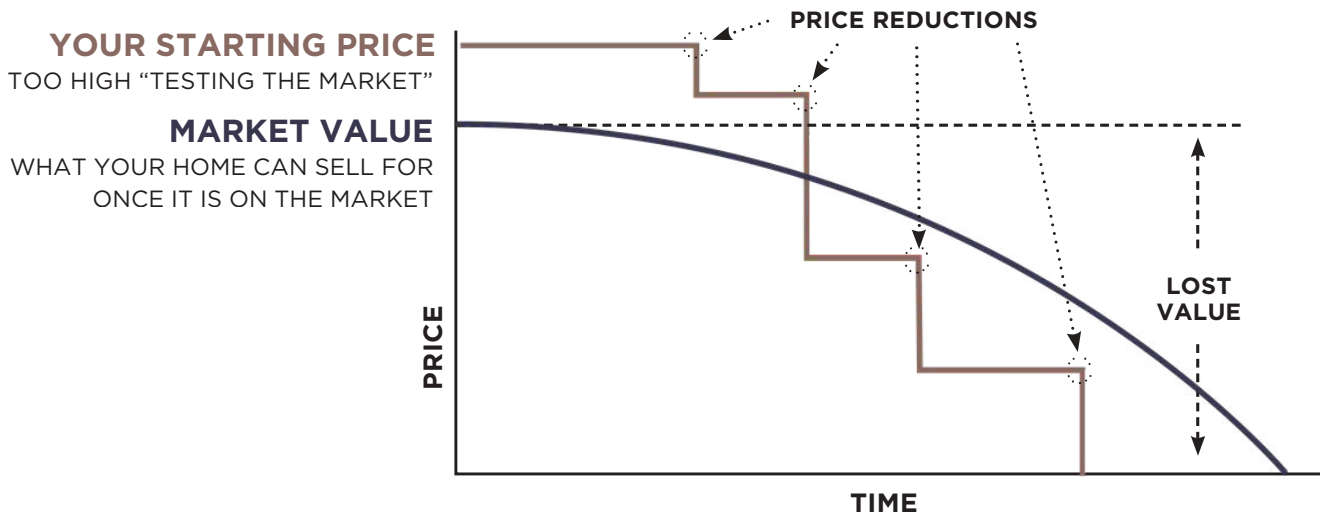
## THE HYPE OF A NEW LISTING

Interest builds quickly when a home is listed for sale, peaking in the first 1-2 weeks. However, if your home is priced too high, it will stay on the market for longer.



## THE PROBLEM WITH “TESTING THE MARKET”

A common mistake sellers make is to price their home too high to try and “test the market”. When a home is on the market for too long, buyers typically feel like something is wrong with the property, and that they should offer you less money. Homes that linger for 30, 60, or 90 days usually sell for below market value, or sellers take their home off the market out of frustration. That hurts your home’s long-term reputation, and your wallet!



# FIXING UP YOUR HOME

## Common Upgrade Costs vs The Recoverable Value

Below is a chart that will help give you an idea of what repairs & upgrades cost, and the best use of your money. As a rule, the broader the appeal of an upgrade, and the more savings it adds for future buyers, the more recoverable the costs are to you. These are estimates only:

UPGRADE ADDED	POTENTIAL PRICE RANGE (VARIES BY SQ. FT. AND MATERIALS USED)	% RECOVERABLE
Install Central Air (HVAC)	\$7,000 - \$14,000	Up to 85%
Add a 2 Car Attached Garage	\$20,000 - \$50,000	Up to 85%
Attic Insulation	\$1,000 - \$8,000	Up to 80%
Add a Fireplace	\$2,000 - \$8,000	Up to 75%
Repaint A House (Exterior)	\$2,000 - \$10,000	Up to 75%
Repaint a House (Interior)	\$2,000 - \$12,000	Up to 70%
Kitchen Remodel	\$14,000 - \$40,000	Up to 70%
Add a Full Bath (Existing Space vs. Addition)	\$20,000 - \$50,000	Up to 70%
Finish a Basement	\$30,000 - \$60,000	Up to 70%
Window Replacement	\$3,000 - \$10,000	Up to 65%
Install New Vinyl Siding	\$4,000 - \$16,000	Up to 65%
Add a Half Bath (Existing Space vs. Addition)	\$12,000 - \$30,000	Up to 65%
Add a Patio	\$4,000 - \$16,000	Up to 65%
Landscape Installation	\$3,000 - \$10,000	Up to 60%
Roof Replacement	\$7,000 - \$30,000	Up to 60%
New Wood Floors	\$5,000 - \$20,000	Up to 50%
Enclose a Porch	\$8,000 - \$25,000	Up to 50%
Add a Pool	\$25,000 - \$100,000	Up to 40%

(Data Sources: Y.C.R.E. Analysis, Homeadvisor.com, Forbes, Home & Garden, Manta Media)

# HOME PREP CHECKLIST

## Getting Your Home Ready to Show



Below is a checklist you can use when preparing your home for buyer showings. Some tasks are normal cleaning & decluttering, but others are a bit above and beyond your run-of-the-mill chores. It is important to also hide personal items you would normally display, so potential buyers can see themselves living there.

### EXTERIOR

- Remove cars from the driveway
- Close and clean all windows
- Sweep walkways
- Pick up leaves, sticks, & branches
- Put toys & bicycles away
- Store any seasonal decor
- Stow garden tools & supplies
- Remove all garden hoses
- Arrange deck furniture
- Clean the pool area

### KITCHEN

- Remove magnets from the fridge
- Store food in cabinets
- De-clutter counters & stove
- Stow small appliances
- Hide soaps & cleaning items
- Hide dish towels & sponges
- Clear sink of dishes
- Put away dish drying rack
- Organize items on open shelves
- Put out a bowl of fruit

### DINING ROOM

- Straighten dining chairs
- Add centerpiece candles
- Set the table for dinner
- Add a vase of flowers
- Add a bottle of wine & glasses

### MAIN AREAS

- Remove personal items & photos
- Remove all visible clutter
- Open shades and blinds
- Turn on all lights
- Replace burnt out light bulbs
- Tidy up children's toys
- Empty the waste baskets
- Hide pet dishes/toys/beds
- Vacuum carpets
- Sweep hard floors
- Remove newspapers & mail
- Display attractive books
- Turn off televisions

### BEDROOMS

- Make the beds
- Arrange decorative pillows
- Put away clothing & shoes
- Clean under the bed
- Clear surfaces of clutter
- Hide or organize children's toys

### BATHROOMS

- Make bathrooms \*sparkle\*
- Hang fresh towels
- Clear counters of toiletries
- Clean mirrors
- Clean toilet and close lids
- Declutter showers & tubs
- Open shower curtains

# MARKETING & SYNDICATION

## I Can Make Your Listing Stand Out

Your Castle is unique. We employ a full service marketing team in-house to create listing collateral, offer a suite of marketing software, and we even have a dedicated print shop right in our main office. These assets are all geared towards attracting more buyers to your house, which leads to more offers on your home, and potentially a higher sales price for you. Here is just some of what we can do to market your home to buyers:

### HIGH QUALITY PROFESSIONAL PHOTOGRAPHY



Once your home is “parade ready”, I have access to photographers that will help to display your home professionally to buyers. Homes with numerous, high-quality photos sell faster than homes with bad photos.

### VIRTUAL SLIDESHOWS & 3D TOURS



Slideshows and 3D Tours are important features that today’s home buyers seek. The better they can see your home, the more likely they are to set up a showing.

### INTRA-OFFICE MARKETING



We market your home to our network of 700+ Your Castle agents via several internal channels. This can be a powerful method for reaching potential buyers.

### A FEATURE ON OUR WEBSITE



According to NAR (The National Association of Realtors), over 97% of buyers find their next home online. As a Your Castle agent, my listings are added to YourCastle.com, where they quickly reach a broad audience.

### INTELLIGENT MLS ENTRY



By strategically entering your listing into the local MLS, we are more likely to reach potential buyers. Setting the correct starting price is also critical.

### SYNDICATION TO OTHER REAL ESTATE SITES



We can syndicate your house to Realtor.com®, REColorado®, IDX®, Nextdoor®, Homes.com®, ColoProperty.com® member websites, and more. We do our due diligence to make your home appear as frequently as possible.



### CUSTOM LISTING WEBSITES



Your Castle agents have the ability to create a custom mobile-friendly website that details your home's features, neighborhood, location, and more.

### SOCIAL MEDIA MARKETING



We encourage letting us share your home to social media. This drives listing engagement even further online, as other people react, and share the posts to their own friends & family.

### PROFESSIONAL SIGNAGE



Our marketing team designs signs in-house, then employs the best sign company on the front range for print & installation. This helps ensure that our signs command respect & attention in the real estate community and with potential buyers.

### PRINT & MAIL MARKETING



Our in-house printshop can create listing flyers, postcards, door hangers, and much more to advertise your house.

### LISTING OF THE WEEK



Our marketing team selects a house each week to feature as our "Listing of the Week". If selected, it will reach an audience of 8,000+ viewers via our company social media pages.

### AGGRESSIVE FOLLOW UP



With the help our CRM, I will aggressively follow up with agents who schedule showings of your home. This will ensure we don't miss out on any potential offers.

# EVALUATING AN OFFER

## Consider These Factors When Reviewing Offers

An offer comes in the form of a Contract to Buy & Sell Real Estate (CBS). The signed and accepted CBS is a legally binding, state-approved contract. It must be thoroughly reviewed before any decisions are made. Below are items you need to pay close attention to:

### **PURCHASE PRICE**

Be sure to factor in all the terms of the offer before getting too excited, or disappointed.

### **INCLUDED ITEMS**

What is included in the sale of the home? The refrigerator, washer & dryer, stove, microwave, dishwasher, hot tub, artwork, etc.

### **EXCLUDED ITEMS**

What is excluded from the sale? Appliances, attached items, TV brackets, etc.

### **WATER RIGHTS**

Do they apply? Do you need to hire a water lawyer?

### **EARNEST MONEY**

This is the initial deposit. The importance of this item is often overlooked.

### **METHOD OF PAYMENT**

Is this a cash sale, conventional mortgage, or seller financing?

### **SPECIAL ASSESSMENTS**

Are there any outstanding or upcoming H.O.A. assessments?

### **POSSESSION**

When will the buyer take possession of the home?

### **SELLER DISCLOSURE**

Seller's property disclosure completed by seller of all known adverse material defects and prior issues of property.

### **APPRAISAL CONDITION**

Is the sale contingent on the home's appraisal amount?

### **FINANCING CONDITION**

Is the sale contingent on the Buyer securing financing?

### **ADDITIONAL EARNEST MONEY**

Will the Buyer offer an additional deposit of earnest money?

### **ADDITIONAL ADDENDA**

Are there any additional terms of addenda attached to the offer?

### **HOME WARRANTY**

Is the Buyer asking you to pay for a home warranty?

### **MEDIATION**

If a dispute arises, how are you and the Buyer directed to handle it?

### **SELLER DISCLOSURE DEADLINE**

What is the deadline for you to provide all seller disclosures?

### **DUE DILIGENCE DEADLINE**

Deadline for when sellers to provide documents requested by buyers relative to the home.

### **FINANCING & APPRAISAL DEADLINE**

What is the deadline date for the Buyer to cancel, based on loan denial?

### **ACCEPTANCE DEADLINE**

Time at which the offer expires.

### **MULTIPLE OFFERS**

Negotiate strategically if you receive multiple offers.

# WHY HIRE A PROFESSIONAL?

## Advantages Of Having A Real Estate Pro At Your Side

01

### EXPERTISE & LOCAL KNOWLEDGE

Brokers have current information about the market. We provide you with valuable market insights you might miss otherwise .

02

### PRICING STRATEGY

Brokers perform comparative market analyses to accurately price your home based on its features, location, and more.

03

### MARKETING & ADVERTISING

We have extensive networks and resources to effectively market your home. We maximize exposure to attract buyers.

04

### NEGOTIATION SKILLS

A home sale can be emotionally charged. Your Broker can act as a buffer between you and potential buyers.

05

### TIME & CONVENIENCE

Selling a home requires significant effort. By hiring a Broker, you can offload showings, buyer inquiries, and paperwork.

06

### ACCESS TO QUALIFIED BUYERS

We have access to a wide network of financially qualified buyers, increasing the likelihood of a successful sale.

07

### PROFESSIONAL GUIDANCE

This is a complex legal & financial process. We help guide you through contractual obligations, docs, and proper disclosures.

08

### AN OBJECTIVE PERSPECTIVE

You may have emotional attachments to your home, which can cloud judgments. A Real Estate Broker is an objective ally.

09

### TRANSACTION MANAGEMENT

Home sales involve deadlines. Brokers ensure docs are accurate & timely, reducing errors or delays that may jeopardize your home sale.

10

### MAXIMIZING YOUR PROCEEDS

Ultimately, our goal is to help you sell your house for the highest possible price. This results in a successful sale for you!

# THE OFFERS



Price is just one consideration among many when a buyer is making an offer. Other factors include current market conditions and whether it's a buyer's or seller's market, both of which determine how competitive your offer needs to be.

**Contingencies:** In a seller's market, fewer contingencies and shorter timelines strengthen a buyers offer.

**All Cash Buyer:** Cash offers are often preferred as they bypass loan approval processes.

**Pre-Approval:** Demonstrates to sellers that the buyer can secure financing for the home.

**Loan Type:** Conventional, Federal Housing Administration (FHA), and Veterans Administration (VA) loans.

**Closing Timeline:** Aligning the buyer's and seller's preferred closing date can be crucial.

**Closing Costs:** Negotiating these costs, especially in a buyer's market, is common.

**Repair Requests:** Addressing needed repairs either through seller fixes or negotiated credits.

**Offer Price:** Ultimately, the buyers offer price should reflect the home's market value based on a Comparative Market Analysis.

## Offer Accepted! Now What...

Once you accept a buyers offer, both parties sign a sales agreement and you're officially under contract.

**Earnest Money Deposited:** Once the contract is signed, the buyer's earnest money goes into a neutral escrow account managed by the title company. It's held until closing and applied toward the buyer's down payment.

**Seller Delivers HOA and Due Diligence Docs:** You'll need to provide the buyer with all required HOA documents and any relevant due diligence materials within the timeframe specified in the contract.

**Home Inspection:** The buyer will schedule a home inspection, typically within 10-14 days of signing. Be prepared to provide access and plan to leave the home during this time.

**Negotiate Post Inspection Negotiations:** If the inspection turns up issues, the buyer may request repairs, a price adjustment, or credits. We'll work through any objections together and find a resolution that keeps the deal on track.

**Mortgage Application and Appraisal:** The buyer will finalize their loan application and their lender will order an appraisal to verify your home's value. We'll make sure the home is presented well and that comparable sales support your price.

**Prepare for Closing:** As closing approaches, make sure any agreed-upon repairs are completed, utilities stay on, and the home remains in the same condition as when it was shown.

# DATES, DEADLINES, & EARNEST MONEY

## Dates, Deadlines & Earnest Money

### **EARNEST MONEY**

The earnest money deposit is placed in an escrow account managed by a neutral third party (typically a title company or bank) who holds it during the escrow period. They oversee all funds and documents required for closing. The earnest money demonstrates the buyer's good faith and commitment to purchasing your home.

#### **How to Determine Earnest Money**

Earnest money is negotiable, but typically it is 1% of the sales price. In a seller's market, you might expect higher earnest money, whereas in a buyer's market, it could be less. Regardless of the amount, earnest money demonstrates the buyer's serious intent to purchase.

### **BUYER'S INSPECTION**

The buyer has the right to inspect your home to ensure it meets their standards and is in safe, satisfactory condition. Inspections usually occur within seven days of the agreement. It's advisable to leave the home during this process. Inspections can be general, covering the whole house, or specialized, such as for radon, termites, wells, septic systems, and sewer systems. If the home does not meet the buyer's standards, they can terminate the contract or ask for repairs.

#### **Inspection Objection/Resolution**

An Inspection Objection occurs when buyers request certain repairs before proceeding with the purchase. This leads to negotiations about these items. Our goal is to identify the most important repairs to the buyers to avoid contract termination. If you can't afford the repairs, a contractor can often do them and be paid at closing, or you can reduce the purchase price. Once resolved, an Inspection Resolution is drafted. Agreed repairs should be completed no later than two days before closing, with receipts provided to the buyer.

### **APPRAISAL**

The buyer's lender will require an appraisal to confirm the home's value. This appraisal is for the buyer and lender only, and the results are not shared with the seller. The lender might request repairs based on the appraisal. If these repairs are not made, the buyer may not secure their loan. Sometimes, buyers may agree to make repairs themselves. A re-trip fee may be charged by the lender to verify the completion of repairs, payable by either the buyer or seller.

#### **Preparing for Appraisal**

The general appearance of your home can impact the appraiser's evaluation. Ensure your home is tidy inside and out. Mow the lawn, trim bushes, and clear debris. Fix peeling paint, cracked bricks, damaged gutters, and siding. Repair or replace torn screens, broken door knobs, worn-out carpet, and faulty plumbing and light fixtures. Ensure all appliances are in working order.

# PREPARING YOUR MOVE

## The Checklist

### TWO MONTHS BEFORE YOUR MOVE

- Budget Planning:** Create a rough budget for your move to determine if you need financial assistance. Keep accurate records of all expenses, as many are tax-deductible.
- Hire Movers:** Call movers for estimates. Once chosen, discuss costs, packing, timing, and insurance. Make a list of your belongings. Sell, donate, or give away items you don't need.

### ONE MONTH BEFORE YOUR MOVE

- Banking:** Visit your bank to inform them of your move and get recommendations for setting up accounts at your new location.
- School Arrangements:** Determine your children's new school and arrange for record transfers.
- Notify Authorities:** Inform the Department of Motor Vehicles and update your driver's license.
- Insurance & Address Change:** Notify insurance companies and send a change of address to the post office.
- Utilities:** Contact utility companies for disconnection and inquire about refunds for electricity, gas, water, sewer, trash, telephone, TV, and Internet.

### TWO WEEKS BEFORE YOUR MOVE

- Safety Deposit Box:** Empty your safety deposit box.
- Personal Packing:** Pack items you will move yourself.
- Food & Refrigerator:** Clean out the refrigerator and cabinets; use up perishable food.
- Car Maintenance:** Service your car(s) for the trip.
- Furniture Layout:** Plan a layout for the movers in your new home.
- Home Maintenance:** If your home is unsold, arrange maintenance and security with your real estate agent.
- Cleaning:** Plan a thorough cleaning, including carpets & draperies.
- Tax Records:** Check with local tax assessors to ensure your records are in order.
- Vacant Home:** Arrange for snow removal/lawn care and notify police if the home will be vacant.

### FINAL DAYS BEFORE YOUR MOVE

- Survival Package:** Prepare a survival package with essentials like paper plates, plastic utensils, towels, soap, toilet paper, bedding, snacks, new house keys, and items for children.
- Box Labels:** Label boxes you'll need immediately.

### MOVING DAY

- Final Inspection:** Inspect your old home, ensuring all doors and windows are locked and lights are off. Take valuables with you.
- Closing Date:** Cancel utilities and trash service right after closing. Cancel your homeowner's insurance.

### ARRIVAL AT YOUR NEW HOME

- Moving Van:** Have someone present when the moving van arrives to direct movers.
- Appliance Check:** Ensure all appliances are functioning and utilities are operating.
- Inspect & Sign:** Inspect everything before signing the moving receipt and note the deadline for submitting damage claims.



# CHANGE OF ADDRESS

## The Checklist

### GOVERNMENT AGENCIES

- Change your address with the United States Postal Service at [moversguide.usps.com](https://moversguide.usps.com).
- Update your address with your state's Department of Motor Vehicles and state licensing agency.
- Notify the Internal Revenue Service using Form 8822.
- Update your address with the Social Security Administration if you receive Social Security or Medicare benefits at [ssa.gov/myaccount](https://ssa.gov/myaccount).
- Change your voter registration address at [mymove.com](https://mymove.com).

### FINANCIAL SERVICES

- Notify your banks and investment services.
- Inform your loan issuers.
- Update your credit card companies and retail credit accounts.
- Notify your accountant and tax advisors.

### UTILITIES

- Notify your gas and electricity providers.
- Inform your water utility.
- Update your Internet, cable, and phone companies.

### INSURANCE

- Notify your health, dental, and life insurance companies.
- Update your car insurance company.
- Inform your homeowners or renters insurance company.

### ONLINE SERVICES

- Update your address with retail websites like Amazon Prime.
- Notify streaming services like Netflix.
- Update payment services.

### PEOPLE AND ANIMAL CARE

- Inform your employer.
- Notify your doctors, dentists, and lawyers.
- Update your veterinarian.

### MEMBERSHIP SERVICES

- Notify retail clubs like Sam's Club and Costco.
- Update magazine subscriptions and subscription boxes.
- Notify religious institutions.



# FINAL STEPS

## The Processes



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# CLOSING ON YOUR HOME

## What to Expect

### TRANSFER OF FUNDS

- Pay offs to the seller's mortgage company and any lien holders
- Payments to local government for any due property taxes
- Payments to third-party service providers

### COSTS TYPICALLY PAID BY THE SELLER

- Mortgage balance and penalties, if applicable
- Any claims against the property
- Unpaid assessments on the property
- Title insurance policy

### TRANSFER OF DOCUMENTS

- Deed to the house
- Certificate of Title, Bill of Sale, and other real estate documents
- Signed closing instructions and/or settlement statement (HUD-1)
- Receipts for completed repairs as per the sales contract

### WHAT TO BRING

The buyer will need to bring to closing:

- A government-issued picture ID
- A cashier's check or prearranged wire transfer

### TRANSFER OF PROPERTY

- Recording of the signed deed at the county courthouse by a third-party
- Post-closing agreement if the seller needs to rent back the home for a specified timeframe
- Exchange of keys, garage door opener, security codes/devices, appliance manuals, etc.

Homeownership legally transfers to the new owner when the signed deed is recorded at the seller's local county courthouse.

### AFTER CLOSING

Keep copies of the following for taxes:

- All closing documents
- Receipts for all home improvements

# FINAL WALK-THROUGH

The buyer will do a final walk-through of the home right before closing or on the day of closing to verify the following:



**Verify the seller has vacated the home.**



**Verify condition.**



**Confirm all debris is removed from inside and outside the home.**



**Check that all inclusions stated in the contract are present on the property.**



**Verify any inspection resolution repairs are complete.**



## HERE'S WHAT YOU NEED TO BRING TO CLOSING:

Updated Forwarding Address	Access Codes To The Home
Social Security Card	Garage Door Opener
Photo Id (State ID Preferred)	Mailbox Number
Keys To The Home	

## MAKE SURE TO ALSO HAVE:

- Cancel utilities right after closing.
- Cancel trash service.
- Cancel homeowners insurance.

Make sure you are moved out by the day before closing and that the home is broom-clean with all debris and personal items removed. Sellers typically sign their documents separately and it usually takes 30 minutes or less. The title company will coordinate everything and let you know when and where to come in.

# BUYING & SELLING

## At The Same Time?



Buying and selling a house simultaneously is challenging and can be quite stressful due to the coordination needed for two closings. Synchronizing both closings on the same day or within a day or two is particularly difficult. If your home goes under contract, you might feel pressured to buy another house quickly, potentially leading to a purchase you're not entirely happy with. To reduce stress and ensure you find the right home, consider moving into temporary housing. Here are some key options to consider:

### BUY FIRST, THEN SELL

- **Less Pressure:** You can search for a new home without any time constraints.
- **Single Move:** Avoid the need for interim housing and moving twice.
- **Financial Risk:** You may face double mortgage payments if your home doesn't sell quickly, so have a backup.
- **Cash Reserves Needed:** You'll need cash reserves as the equity from your current home won't be available until it sells.
- **Convenient Repairs:** You can make repairs to the home after moving out, which simplifies tasks like flooring and painting.

### SELL FIRST, THEN BUY

- **Immediate Equity:** The equity from your home sale is available immediately for your new purchase.
- **No Double Payments:** You won't face the risk of double mortgage payments.
- **Buying Pressure:** You might feel rushed to buy something quickly, leading to potentially hasty decisions.
- **Temporary Housing:** You may need to find interim housing and store some belongings.
- **Repairs While Living In:** Minor repairs may need to be done while you still live in the home.

### IF YOU CAN BUY & SELL ON THE SAME DAY

- **Pack Everything:** Have all household items packed in a moving truck.
- **Move In Immediately:** Once you close on the new home, you can move in.
- **Stay Flexible:** Be prepared to stay in a hotel for a night or two if there are closing issues with either transaction.
- **Expect Delays:** Closing delays can happen, so be prepared for the worst-case scenario.

# IMPORTANT

## Terms & Definitions



### **MORTGAGE PAYOFF**

You must pay off all mortgages on your home, including any second mortgage or home equity line of credit. Note that the principal balance on your monthly statement isn't the total amount owed. Mortgage interest is paid in arrears, so the payoff amount includes interest up to the closing date. Any negative escrow balance and additional fees, such as mortgage release or late fees, will also be included, making the payoff amount higher than the principal balance.

### **REAL ESTATE COMPENSATION**

Listing Agents have a negotiable fee that they charge to represent your through that Sale of your home. This fee is negotiated directly between the Seller and the Broker Associate. The Seller may consider the following costs when discussing their fee: Paying Buyers Agent compensation, marketing, photography, brokerage expenses, and other costs.

### **TITLE INSURANCE FEES**

Title Insurance is insurance against potential future claims against the title/ownership of the property. It also ensures that the title is transferred from Seller to Buyer, free and clear of any liens, judgments, or other monetary encumbrances minus any listed exceptions.

### **ESCROW FEES**

The title or escrow company handling your closing acts as the intermediary between you and the buyer. They ensure the transaction is managed properly, including receiving funds and disbursing them to pay off your lenders and creditors. You may be able to negotiate these fees with the buyer.

### **PROPERTY TAXES**

In many states, property taxes are paid in arrears. You'll need to pay prorated taxes for each day you own the property up to the sale date. If the current year's taxes are not fully paid, you'll owe both the due taxes for the preceding year and the prorated taxes up to the sale date.

### **MISCELLANEOUS FEES**

Miscellaneous fees can include recording fees, notary fees, and possibly a Termite Letter if required by your state or the buyer's lender.

### **LIENS & JUDGMENTS**

Liens or judgments from unpaid HOA fees, contractor bills, or other collections must be settled before or at closing. These amounts are paid from the sales proceeds.

### **ASSUMPTIONS**

Assumptions allow buyers to take over the seller's existing mortgage, typically applicable for VA or FHA loans and common when interest rates are high.

### **ESCROW ACCOUNT**

An escrow account managed by your mortgage servicer covers property taxes and homeowners insurance. A portion of your mortgage payment funds this account.

### **APPRAISAL**

An appraisal estimates a property's value. Lenders require this to ensure the home justifies the loan amount the buyer seeks.

### **APPRAISAL CONTINGENCY**

This clause allows buyers to cancel a purchase if the appraisal is lower than the sale price, protecting lenders from overpaying.

### **AS IS**

An "as is" property indicates the seller won't make repairs and is often priced lower than market value.

### **BACKUP OFFER**

A backup offer positions a buyer to purchase if the current deal falls through. Only one backup offer can be accepted legally.

**SIGHT UNSEEN OFFER**

A sight unseen or blind offer is made without the buyer viewing the property, often used in competitive markets to secure a deal quickly.

**BUYER'S AGENT**

A buyer's agent helps buyers find properties, represents their interests, and negotiates the best terms and price.

**MLS (MULTIPLE LISTING SERVICE)**

An MLS is a database where agents list properties for sale. Buyer's agents use it to find and compare available homes.

**DOM (DAYS ON MARKET)**

DOM refers to the number of days a property is listed for sale on the MLS until the seller signs a contract with a buyer.

**DUE DILIGENCE**

Due diligence documents are any documents pertaining to the home including but not limited to any information regarding repairs, improvements, warranties, permits, past inspections, utilities, solar, any major systems information. The Buyers may ask for this documentation in their offer. They are able to review these documents, object to any issue, and/or terminate.

**COUNTER OFFER**

When buyers make an offer on a home, it can be for the full list price or a fair market value determined with their agent.

**EQUITY**

Equity is a homeowner's investment in their property. Calculate it by subtracting any mortgages or liens from the home's market value.

**EARNEST MONEY DEPOSIT**

An earnest money deposit (EMD) is initial funds a buyer puts down once the seller accepts their offer, showing the buyer's seriousness about the purchase.

**HARD MONEY LOANS**

These loans, based on the property's value rather than credit score, are financed by hard money lenders and typically require a large down payment.

**HOA (HOMEOWNER'S ASSOCIATION)**

An HOA manages a planned community or condominium. Buyers must follow HOA rules and pay dues, with the risk of liens or foreclosure for non-compliance.

**HOME SALE CONTINGENCY**

This condition in a purchase agreement indicates that the buyer's purchase relies on the successful sale of their current property.

**IBUYER**

An iBuyer uses technology to make quick offers on homes, offering the benefit of an all-cash offer and control over the moving timeline.

**INSPECTION CONTINGENCY**

The time in which the buyer is able to have the home fully and professionally inspected. Object to items they feel are deficient and negotiate a resolution moving forward or terminate.

**LOAN CONTINGENCY**

Deadline provided to buyers that allows them to fully navigate the loan process. The loan availability deadline is after the last date a buyer could terminate if all loan conditions can't be met and their is not approval.



# BUYER AGENT COMPENSATION

## Exclusive Right to Buy and Colorado Contract



Part of the conversation and potential negotiation is how the Buyer Broker Compensation is paid. Compensation will be established with the execution of your Exclusive Right To Buy through selecting one of the following:

### Buyer Broker Compensation

The Buyer Broker's compensation is negotiated between the Buyer and their Broker in the Exclusive Right to Buy Agreement.

1. The Seller Broker's might offer compensation to a Buyer Broker.
2. The Seller can set a specific Buyer Broker Compensation amount.
3. The Seller can review offers and compensation amounts individually.
4. The Seller can choose not to offer Buyer Broker Compensation at all.

While offering Buyer Broker Compensation is optional, it can help attract more buyers, especially those with financial constraints, potentially leading to a faster sale and better price. How the compensation is paid is addressed in the Contract to Buy as seen below.

#### 7.3.1. SELLER'S BROKERAGE FIRM OR SELLER MAY PAY

Buyer IS Obligated to Pay. Broker is authorized and instructed to request payment of Brokerage Firm's Success Fee from one or both of the following: (1) the seller's brokerage firm; (2) seller. Buyer is obligated to pay any portion of the Success Fee which is not paid by the seller's brokerage firm or seller, but only if Broker discloses to Buyer the amount Buyer must pay, in writing and prior to Buyer entering into a contract with the seller.

#### 7.3.2. BUYER WILL PAY

Buyer is obligated to pay Brokerage Firm's Success Fee. Brokerage Firm is NOT entitled to receive additional compensation, bonuses or incentives from listing brokerage firm, seller or any other source unless agreed to by Buyer in writing.

Compensation is negotiable between the Buyer and Buyer's Agent and will be established through the Exclusive Right to Buy for full transparency. It is also encouraged to discuss with your Buyer's Agent if you would like them to try to seek compensation from the Listing Brokerage Firm or Seller. Your Buyer's Agent actively work towards a path that best meets the needs of the Buyer.

\_\_\_\_ % of the Purchase Price or \$ \_\_\_\_\_ by Seller. Buyer's brokerage firm is an intended third-party beneficiary under this provision only. The amount paid by Seller under this provision is in addition to any other amounts Seller is paying on behalf of Buyer elsewhere in this Contract.

\_\_\_\_ % of the Purchase Price or \$ \_\_\_\_\_ by Buyer pursuant to a separate agreement between Buyer and Buyer's brokerage firm. This amount may be modified between Buyer and Buyer's brokerage firm outside of this Contract.

\_\_\_\_ % of the Purchase Price or \$ \_\_\_\_\_ by a separate agreement between Buyer's brokerage firm and Seller's brokerage firm.

# THREE TYPES OF RELATIONSHIPS

## Working for You as a Seller's Agent



**In a real estate transaction, there are three types of Agent representation relationships between the parties involved:**

### **SELLER'S AGENT**

A Seller's Agent works solely on behalf of the Seller to promote the interests of the Seller with the utmost good faith, loyalty, and fidelity. The Seller's Agent negotiates on behalf of, and acts as an advocate for the Seller.

### **BUYER'S AGENT**

A Buyer's Agent works solely on behalf of the Buyer to promote the interests of the Buyer with the utmost good faith, loyalty, and fidelity. The Buyer's Agent negotiates on behalf of, and acts as an advocate for, the Buyer.

### **TRANSACTION BROKER**

A Transaction Broker assists the Buyer, Seller, or Both throughout a real estate transaction, without being an agent or advocate for any of the parties.



# THANK YOU!

We Appreciate Your Time  
& Consideration.

Selling a home is one of the biggest financial milestones in a person's life.

I appreciate you considering us as your Seller's Agent. It is no small thing in today's competitive market, so thank you so much for your time! If you happen to have any other friends or family who would benefit from my services, do not hesitate to give them my information. I would be happy to walk through this guide with them too!





# THANK YOU!



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