

# SELLER REFERENCE GUIDE



**Baity** | Residential  
Commercial  
Development  
**Real Estate Group**

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This guide was designed to assist you in selling your home. We understand the many questions that sellers often have and hope the following reference guide will be helpful throughout the selling process. If you have any questions about this guide or a real estate topic that may not be covered in it, please feel free to reach out to us.

1. Seller Consultation
2. Comparative Market Analysis & Absorption Rate Pricing
3. Listing Price Assessment
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11. Contract to Closing
12. Settlement & Closing

Systems and processes are one of the most vital components to a successful business model. We have taken the time to create certain systems and processes for each aspect of the selling process. Not only does this help the process to run seamlessly, but it also provides complete transparency to how we will sell your home. These methods are proven and are continuously fine-tuned to ensure the best customer service and results.



**Why is the listing agreement a minimum of six months in most cases?** As a full-service real estate company, we invest a lot of time and money marketing your property. A listing agreement of at least six months provides us with enough time for our marketing dollars to be effective. At our seller consultation, we will inform you of how long to expect the process to take.

**Do all agents do the same marketing?** Absolutely not! Some marketing procedures are the same across the board, for instance, entering your property into the Multiple Listing Service and installing a sign in your yard. Beyond that, it is up to the company and agents as to what they will commit to in terms of dollars and time investment. You should always ask for a detailed marketing strategy.

**Is the commission rate the same everywhere?** No. Commission rates are determined by each company depending on the amount of service, marketing investment, and results.

**Do you share your commission with another company?** Each listing company decides how much of the total commission they will offer to another participating broker. This amount is entered into the local MLS so other agents know what they can expect at the time of closing. The amount offered to a cooperating agent may vary depending on their association with the local MLS or what duties must be completed by Baity Real Estate that would typically be conducted by a buyer's agent.

**Should I expect to hear from you weekly?** You should discuss your preferred methods of communication: whether email, phone, or text. We will explain our normal schedule of communication. If you require a certain amount of contact from us, it is imperative to convey that at the time of listing.

**Do I have to accept an offer to purchase?** No. There are many factors to an offer other than the purchase price. Communicating your needs will help us to best counsel you when there is an offer on the table. As your agent, we will always keep your confidences and help guide you to the best terms to fit your needs.

**What if I need to get a certain price for my property?** Every neighborhood and property are unique. We will show you a sound pricing strategy based on the market statistics for your area. Your motivation to sell will be a strong indicator of what you will get. Market value is not determined by a homeowner's needs, but how much a buyer will pay at the time.

**Should I expect you to show and sell my house?** Our primary job is to counsel you on how to best position your home so it will rise above the competition, assist you in negotiations and help you navigate the selling process. Along with that is exposing your property to as many people as possible, especially other real estate agents. We may not be the agent showing or selling your property, but the activity and interest is due to our marketing efforts and those of our company.



## Comparative Market Analysis:

Before putting a home on the market, savvy home sellers will obtain a *Comparative Market Analysis* from a real estate professional. A CMA is an in-depth report examining the sale prices of similar properties to determine the estimated value of a subject property.



To start a CMA, we gather as much data on the subject property as possible. Data includes square footage, age of construction, location, condition, upgrades, amenities, & more. When evaluating a property, we not only look at the physical characteristics, but also the strengths and weaknesses in the eyes of buyers. After all the data is collected, we find the most comparable properties that are under contract or have recently sold and crunch some numbers to derive a most likely sales price for the subject property. Once we revisit the market to verify the numbers make sense, we compile the information into a visually appealing report that sellers can easily understand.

## Absorption Rate Pricing:

Absorption Rate is the rate at which available homes are sold in a specific market during a given time period. It is calculated by dividing the total number of available homes by the average number of sales per month. This will show how many months it may take to exhaust the supply of homes on the market. A high absorption rate may indicate that the supply of available homes will shrink rapidly, increasing the odds that a homeowner will sell a property in a shorter period.

### For Example:

Suppose a neighborhood has 9 homes currently on the market. If buyers are purchasing 3 homes per month, the supply of homes will be depleted in 3 months. If a homeowner wishes to sell their property within the first month, they should be priced in the lowest 33% comparatively to the other properties.

$$\text{Absorption Rate} = \frac{\text{Number of Available Homes}}{\text{Average Sales/Month}}$$

Document Name	Description of Document
Working With Real Estate Agents	How agents can represent buyers or sellers
Exclusive Right to Sell Agreement	Terms of the listing agreement
Residential Property Disclosure	Discloses facts about the dwelling
Mineral, Oil & Gas Rights	Discloses MOG rights
Professional Services Disclosure	Discloses professional services available
Material Fact Disclosure	Discloses more material facts about the property
Property Information	Discloses more facts about the property
Sample Offer to Purchase	Sample doc of what buyers will submit
Q&A on Home Inspections	Information about home inspections
Lead Based Paint Addendum*	Discloses presence of lead-based paint
Company Policy	Discloses specific company policies

We cannot begin marketing your property until all required paperwork is completed. Typically, we can have your listing on the market within one day of contracting us to be your listing agent. There are many instances when the paperwork could be completed weeks before you want the listing to become active on the market. Marketing dates can be set in the future to accommodate any of these circumstances.

In most cases, the listing paperwork is signed electronically. If there is more than one seller for a property, separate email addresses will be needed for each seller. Digital copies will be provided to you once all paperwork has been signed by all parties. For those who have been through this process before, it can take as little as 10 minutes to complete. For those needing further clarifications, we are always available to answer any questions or concerns you may have. We are also able to provide printed copies of the paperwork to be signed by hand, if requested.

We encourage you to ask questions if you are unsure about something or have questions regarding the listing paperwork, especially if you are signing electronically. It is not our intention to use jargon or leave you uncertain about what you are signing.



We want to present your home as attractively as possible to potential buyers. The more attractive the presentation, the more buyers will have an interest in your home and wish to schedule an appointment to view it. Remember, 95% of buyers view home photos online before scheduling a showing. These are the things you should consider before photography:

### General

- Make sure all interior and exterior lights work. Replace any bulbs that are burned out.
- Remove or hide any personal items that you do not want to appear in photos such as family photos, valuables, artwork, etc.
- Minimize the number of people and pets in the home during the photography session. This will make the session go faster. It is best that pets (nor their bowls or toys) be shown in pictures.
- Write out notes on features you want conveyed in any narrative and make me aware.
- The garage and inside closets generally are not photographed.
- Seasonal/Holiday decorations should be removed to make the home remain current in the future. If certain decorations are tasteful for the marketing of your home, I will include them.

### Exterior

- Remove all vehicles from the driveway and in front of the home.
- Have the overhead garage doors closed.
- Ensure the lawn is freshly mowed, garden beds are weeded, and tools are put away.
- Ensure driveways, sidewalks, patios, and decks are clean and free of grass or leaves.
- Position outdoor furniture for a neat and tidy appearance.
- If you have a pool, have it clean and sparkling.
- Any outdoor pets should be removed for the photography session.
- Tidy up furniture and accessories on porches.

### Interior

- Completely clear all tables, floors, and countertops.
- Have all toys picked up and stored in closets or neatly in the garage. Do NOT have toys in family living areas such as the kitchen, living room, den, etc.
- Remove any items that make a room look cluttered and store them neatly in the garage.
- Have pets and their dishes and pet beds out of sight.
- Ensure no more than three items per bathroom counter.
- Remove all photos, notes, calendars, and magnets from the refrigerator.
- Clean windows and mirrors.

Good photography will attract the interest of more buyers and promote more showings. Your cooperation with the above items will help enhance the photographs of your home that buyers will see. We sincerely thank you for your cooperation and assistance in this vital piece of our marketing.



Our goal is not simply to sell your house, but to help you realize the best price obtainable for your property in the shortest amount of time. To help achieve this goal, we have some simple tips for home enhancement. Establishing the best first impression is critical to achieving a successful sale.

### Exterior

- **Curb Appeal:** Your property's landscape is not limited to the lawn and shrubs but encompasses everything from the street to your doorstep.
- **Landscaping:** Neatly trimmed shrubs are essential. Besides being freshly mowed and trimmed, a lawn should look healthy.
- **Paint:** A fresh coat of paint can be one of the best investments you can make to increase the value of your home.
- **Roof:** The roof may be the single most important aspect of your home front. A well-maintained roof will say a lot about the overall condition of the property.

### Interior

- **Appeal to the senses:** There are so many ways to create a more exciting and saleable interior, at surprisingly little cost.
- **Less means more:** Keep rooms clutter-free so buyers can visualize the property as their own.
- **Light:** Keep windows clean. Use mirrors to magnify the feeling of light and space. Open drapes and blinds as well as turn on lights prior to showing.
- **Color:** A fundamental rule when selling your house is to keep colors neutral & light.
- **Smell:** The smell of cleanliness is important to the selling environment of your house. Fresh flowers can be effective. Smells to avoid include pet odors, tobacco, cooking, and gas.
- **Kitchen:** The kitchen is perhaps the most important room in the house. It can have a major impact on the perceived value of your property. Make sure the room is virtually spotless and smells fresh. Consider replacing outdated light fixtures and spruce up cabinets by installing new knobs or hardware.
- **Bathrooms:** The bathroom has become an important selling feature in today's homes. Try placing a vase of fresh flowers on the vanity. Replace any old lights fixtures with a new style. Keep all personal care articles out of sight.

### The Result

Look at your home through the buyer's eyes. By showing attention to detail and understanding the buyer's need to visualize your house against a neutral backdrop, you can dramatically increase the salability and the perceived value of your property.







### Communication

While most agents would not consider communication an aspect of marketing, we believe that constant communication is the key component to a successful sale. Not only communicating with potential customers and cooperating agents, but also with our clients to keep them informed of showings and offers. It is the most vital part of any transaction.



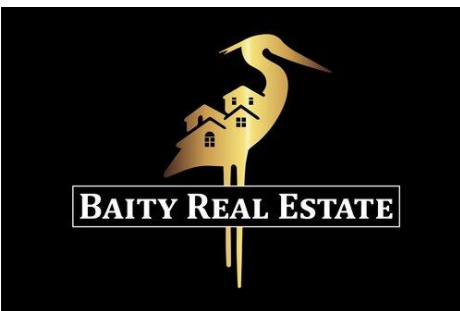
### Social Media

With approximately 80% of adults actively using social media, it is a great platform to display your listing and advertise to the masses. We have built a large online presence and also sponsor advertisements through our pages. We are able to capture customer information and re-target potential buyers through our campaigns.



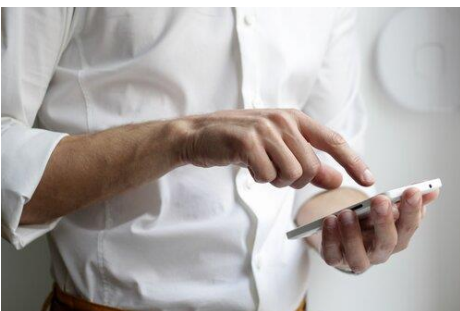
### Photography

We have partnered with some of the best photographers in the business. They have won awards and have also completed photo shoots for well known architectural magazines. The first impression buyers get of your property are the listing photos online and we want to ensure they impress.



### Sign & Post

Our luxury sign & post will show your home is professionally represented. The contact information is easy to find and with our clean branding, nothing will detract from your home's curb appeal.



### Sign Riders

Another way we empower buyers to engage and receive the information they need about your property 24/7 is "Text for Info" riders. This provides them with the listing at their fingertips and collects their information allowing for immediate follow-up.





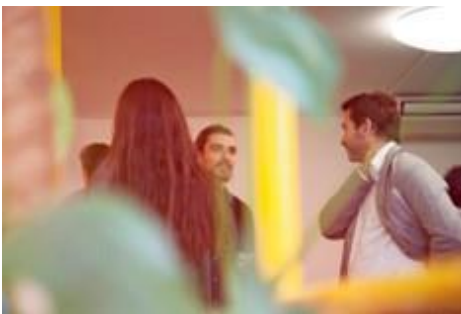
### Brochures

Professionally designed and commercially printed, a Baity Real Estate brochure or postcard will showcase your home in the best way possible. Eye-catching and full of information, print advertising is here to stay.



### Adwerx Campaigns

If you have ever clicked through several different websites only to find the same advertisements following you around, it is most likely due to a “re-targeting” campaign the advertiser has set up. We are able to continually advertise to those who have shown interest in purchasing a home or clicked on the listing advertisement in the past.



### Open Houses

Open Houses provide an opportunity to display your home to the community. In many cases, curious neighbors can lead to word-of-mouth sales. It is beneficial to be add showing availability to potential customers. Buyers in our area flood the market on Sunday afternoons to view properties and we have sold dozens of homes from conducting them.



### Email Marketing

Most agents browse through new listings on the Multiple Listing Service. We want your listing to stand out from the list so we created a professional email template to send your listing directly to brokers. By promoting your listing this way, brokers will have direct access to the listing without having to sift through hundreds of new listings.



### Networking

Whether speaking with other brokers in our office or making specific phone calls to buyer’s agents in the area, we are always networking with potential customers and other brokers. Word of mouth still carries some clout in the new digital era.



When a buyer wants to make an offer on your property, their agent will submit a completed Offer to Purchase and Contract. We will review the offer with you, and you will have the decision of accepting the offer as written, declining the offer or making a counteroffer.

**Accepting the Offer:** If you choose to accept the offer as written, you will simply sign the offer. We will communicate to the buyer's agent that the contract has been signed and we will enter the Due Diligence Period.

**Declining the Offer:** If you do not want to accept the offer or make a counteroffer, we will simply communicate to the buyer's agent that the offer has been declined. In most cases, this is where negotiations with that buyer will end. It is exceedingly rare for a buyer to submit another offer after having an offer declined. If you would like to continue negotiating with the buyer, make a counteroffer – even if it is full price.

**Counteroffers:** If any changes whatsoever are made to the offer, you have made a counteroffer. Changes, even as small as settlement date, are counteroffers that must be agreed upon by the offering party. All counteroffers are communicated between the parties verbally until an agreement has been made. When all parties agree to the terms of the contract, it is then reduced to writing and all parties will sign the contract. The house will then be Under Contract and enter the Due Diligence Period.

**Due Diligence Fee:** The Due Diligence Fee is negotiated between the buyer and seller during normal contract negotiations. **The check will be made payable directly to the seller and is non-refundable.** Instead of having specific and separate contingencies for home inspection, pest inspection, survey, financing, etc., in North Carolina, the buyer is given a specified period to do all their due diligence. The buyer has until the Due Diligence Period has ended to secure financing and complete any inspections or appraisals. During the Due Diligence Period, the buyer can terminate the contract for **any reason or no reason**. If the contract is terminated, the buyer is entitled to their Earnest Money Deposit but has forfeited the Due Diligence Fee. The Due Diligence Fee will be credited to the buyer at settlement as part of their down payment or closing costs.

**Earnest Money Deposit:** At the time a written offer on a property is accepted, the buyer will be required to make a deposit in the form of certified funds to an Escrow Agent. The amount deposited will be kept in a trust account with the Escrow Agent until settlement. The Earnest Money Deposit represents the buyer's sincerity in their attempt to purchase your property and is fully refundable if the contract is terminated during the Due Diligence Period. The Earnest Money Deposit is negotiable, but you should anticipate between \$1,000 and 1% of the sales price. **The check will be made payable to the Escrow Agent.** After the Due Diligence Period has ended, the seller is guaranteed this money. The Earnest Money Deposit will be credited to the buyer at settlement as part of their down payment or closing costs.



The seller’s estimated net proceeds is the amount of money one can expect to collect after the property sale is complete. After all mortgages and common fees associated with selling a home are deducting from the contract price, the seller will receive the remaining balance. While this sheet is not a legal document or required, we provide it as a courtesy to our clients for their knowledge and understanding during the transaction. Keep in mind there may be tax liabilities that arise from your transaction which are not accounted for on this document. We recommend consulting with your CPA or a tax professional regarding any state or federal taxes that may be owed after the sale.

	Credit	Debit
Contract Price		
First Loan Balance		
Other Liens		
Sales Commission		
Excise Tax (\$2 per \$1,000)		
Prorated Property Taxes		
Prorated HOA Dues		
Seller Document Prep		
Seller Concessions		
Negotiated Repairs		
Home Warranty		
Misc. Expenses		
Total		
Net Seller Proceeds		



### Contract:

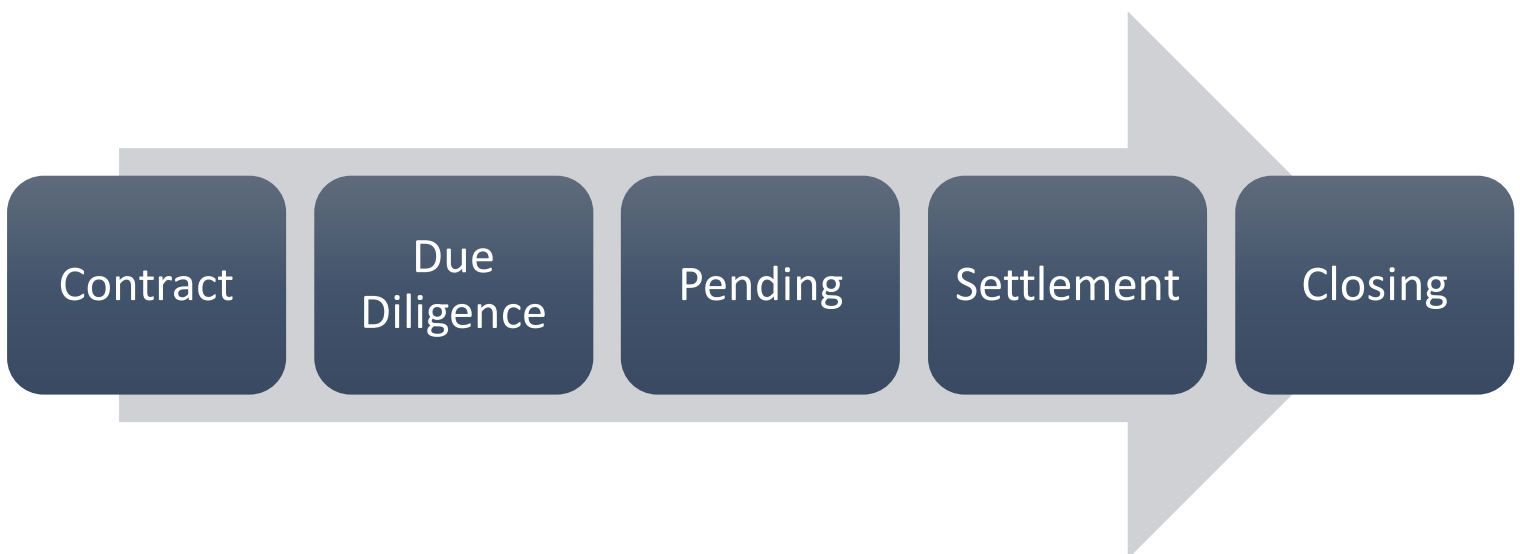
Once an Offer to Purchase & Contract has been fully signed by all parties, the property is officially under contract and the Due Diligence Fee is due to the seller. The buyer will select a Closing Attorney to handle the settlement and closing. The Earnest Money Deposit will be held in escrow with the Closing Attorney until a release is due. In most cases, the seller will agree to have the buyer's Closing Attorney prepare the Seller Documents, though they represent the buyer in the transaction. We will guide you through this process soon after we are under contract.

### Due Diligence:

In exchange for the Due Diligence Fee, the buyer has the unlimited right to fully investigate the property. A seller should expect a buyer to conduct a general home inspection (including pest and radon) as well as any other inspections recommended by their general home inspector. Additional inspections may include septic & well, foundation, fireplace, roof, HVAC, plumbing or electrical. The buyer has the unilateral right to terminate the contract **for any reason or no reason** by delivering written notice of termination to the seller within the Due Diligence Period. We advise sellers to accommodate all requested inspections, so the buyer is confident in moving forward with the purchase of the property. During the Due Diligence Period, expect the buyer to make a Due Diligence Repair Request for any items concerning to them on their reports. Any requests are negotiable and must be agreed to by all parties before becoming binding.

### Pending:

After the Due Diligence Period has ended, the buyer has completed their inspections and intends to move forward with the purchase of the property. Any repairs that were agreed to during the Due Diligence Period should be completed in a timely manner for reinspection. We will confirm the settlement details with the Closing Attorney. The utilities at the property can be scheduled for termination on the day AFTER closing. Should the buyer terminate the contract after the Due Diligence Period has ended, the seller is entitled to the Earnest Money Deposit being held in escrow with the Closing Attorney.



Preparation for settlement involves ordering and reviewing an array of documents. The Closing Attorney has the responsibility of ensuring that all legal documents are prepared and professionally delivered. Legal documents required to close a residential transaction that the seller is responsible for are as follows:

- The Deed
- Lien Affidavit
- Bill of Sale of Personal Property
- Leases and Related Documentation
- Mortgage Payoff Statements
- Proof of Repairs or Services

The Closing Attorney conducts the proceedings at Settlement and calculates the division of credits and debits between the parties. In North Carolina, the Closing Attorney has historically been the buyer's attorney because so many of the functions performed at settlement are of legal nature. The attorney must be available to answer any legal concerns that may arise such as the need for legal advice on how to take title or legal status of title.

Following the settlement meeting, the Closing Attorney will update the title search to verify that no recent recordings have occurred that would affect the title of the property. The buyer's documents are sent to their lender (if applicable) and a request to release funds is made. All pertinent documents are recorded at the county Register of Deeds in the correct order to ensure continuity of title to the property. For instance, if the seller is paying off an existing loan and the buyer is obtaining a new loan, the seller's Satisfaction of Mortgage should be recorded before the seller's Deed to the buyer is recorded.

**The transaction is closed when ALL documents have been recorded.**

The Closing Attorney can only disburse funds to the appropriate parties after recordation of all of the documents from each party. This delay in disbursement of the proceeds is mandated by the North Carolina Good Funds Settlement Act (G.S. 45A).

This concludes the residential sales process. We hope you find the Seller's Reference Guide useful. If you have any questions about this guide or any other real estate topics, please contact Baity Real Estate.

