

SELLER'S GUIDE

If you are selling a house, you probably bought it, too, and therefore already gained some insight into the world of property dealings. However, selling a house is a bit different from buying one.

You obviously want to sell your house when the market is strong and demand high. Therefore, it is advisable that you keep an eye on the property market and time your sale well. Generally, the market tends to be stronger in early and late summer than the rest of the year.

If you are not only selling your home, but also looking to buy a new one, we recommend that you put your house up for sale before you start looking for new properties. This way, you will be able to time the process much better because you will have an idea how quickly you can sell, and you can estimate the price range your new home could be in.

You should have a rough estimate of how much the whole selling process will cost you. This helps you adjust your financial priorities and prevents you from unpleasant surprises when the bills start coming in.

Costs of preparing your house for sale

It is up to you how much you want to spend on getting your house ready for sale. If you are a DIY expert with all the necessary materials at hand, you can end up spending very little money and a lot of time on repairs and polishing. If you are not, however, you will have to pay someone to do it for you. Make a list of things that have to be done and get quotes!

Selling fees

These costs depend on how you decide to sell your house.

Estate Agent fees

Agents normally charge a percentage-based commission – usually 2 – 3 %. This means that the higher the sales price of your home, the more money the Agent will earn.

Auction fees

Usually amount to 2% of the selling price. Check whether you will be charged separately for advertising and cataloguing. Keep in mind that you will have to pay the latter even if your house is not sold.

Private sale

You will usually incur some costs for marketing and advertising. The advantage is that these are one-off costs unrelated to your property's sales price, so clear budgeting is easier.

Conveyancing

Unless you are a legal expert with strong nerves, you will have to hire a solicitor for the legal and administrative aspects of the sale. Although your expenditures will be lower than when you buy a house, solicitors will still charge you according to the price band your property is in.

Who is going to sell your house?

Estate Agent – Privately – By Auction

If you have already bought a house and dealt with an Estate Agent you trust, this question may not even arise. Conversely, you may have had a bad experience with an Agent and told yourself 'never again!'

Consider the following three points before making a decision regarding the method of selling your property.

Money

If it is your overriding priority to make as much money as possible out of the sale, you should definitely sell your house privately. This way you are in absolute control of marketing expenditures and do not have to pay any commission.

Time

If you need to sell your house as quickly as possible, go for the auction option which guarantees you a completion of the sale within 28 days after the day of the auction.

Convenience

If you simply do not have the time or the will to bother with adverts, viewings and negotiations, while at the same time looking for a new property, handle three children and perform your daytime job, the best method for you is doubtlessly to instruct an Estate Agent. Although the most expensive way to sell a house, many people prefer to lean back and leave it to the professionals.

How much is your house worth?

Always carry out an independent property valuation first, which will help you estimate how much your house is worth and where to set the asking price. Chartered surveyors not Estate Agents carry out independent valuations - Estate Agents provide a marketing service for your property, they don't provide underwritten valuations. It is a common misconception that Estate Agents value your property for you; they simply give you a very intuitive estimate of what they think your house is worth. Moreover, their estimates might be influenced by their motivations – they might set the asking price too high to secure your instruction or too low to secure a quick sale.

It is perfectly possible for you to perform your own estimate of your house's market value by comparing the prices similar properties in similar locations have sold for recently.

Estate Agents' Services

Estate Agents can handle the whole selling process from the beginning to the end for you, however, in order to maintain a good working relationship it is important that you decide on how much you want to interfere, and let the Agent know about it.

Suggest an Asking Price

The first thing an Estate Agent will do is to suggest an asking price - factors that play a role when setting the asking price are the time frame you want to sell your house in and the strength of the property market. Take your Agent's suggestion into account, but do not rely solely on it!

Presentation and Advertising

Your Agent will take pictures of your house and compile a list of property details to put into a standard format for presentation. Make sure to tell your Agent about all the plus points of the property that he might not notice in one visit. Furthermore, confirm that you can check the presentation materials and property description before they are being posted on listings and web sites.

The form the advertisements take vary from Agent to Agent, but most will list your property in their windows and brochures. Some also place ads in property magazines or local papers, while others have a website with property listings. Your Agent will make sure that the advert reaches the target audience.

Arrange Viewings

If you want your Agent to arrange and perform the viewings, make this clear from the outset, otherwise you might incur additional charges..

Negotiation

Estate Agents are negotiation professionals. Yet an Agent's might be more concerned about securing a quick sale and advise you to accept the first offer that comes along or be so keen on pushing up the price as to scare away potential buyers with his negotiation techniques.

Have a fairly good idea of how much you want to (and reasonably can) get for your house, and to stick to it. If your house really does not sell, you can still make adjustments at a later date.

The Costs

Typically, an Estate Agent will charge you between 2 and 3.5 percent of the sales price as a commission, but their fees are usually negotiable. It is not recommendable to simply go for the Estate Agent with the lowest fee. Read the small print of the contract and make sure the amount and quality of advertising is sufficient!

Do not forget that you will be charged VAT on the Estate Agent's commission.

Privately

Before you become all enthusiastic at the thought of what you will buy with the 3 percent Estate Agent commission you are saving, consider the amount of work that a private sale involves. If you are also buying a new property, consider it again! This might well be one of the most stressful things you have done in your life! The following is a list of things you will have to do: Set the asking price – which should reflect the market value, but you may want to add in a buffer amount.

Let people know about your sale - There are various ways of generating publicity. The most obvious is the word-of-mouth approach, but you can also put adverts in newspapers and property magazines, put your house on internet property listings, and put up a colourful "For Sale" sign.

Hold Viewings - Show people around your house and try to make it look as good as possible. When it comes to property viewings, the first impression is crucial. Try not to sound like a salesperson – potential buyers might get suspicious if you are overly enthusiastic.

Negotiate - A lot of money might be at stake, so you should be prepared for negotiations.

By Auction

Selling at auction is best for people who want to sell their house as quickly as possible. But remember you will have to hand over the keys 28 days after the auction date.

Make sure you choose the right auction house. This involves picking an auctioneer who offers property similar to yours, within the same price range. Also, perform a property valuation before you decide on the reserve price.

The Costs

The auctioneer will charge you for the advertisement in brochures and catalogues, a cost that you will have to cover regardless of whether your property is sold or not. You will also have to pay a commission of around 2.5 percent of the sales price. Before signing any agreement, find out about all the expenses you will have to cover, even if your house is not sold.

Proceedings

Set the reserve price - This is based on your valuation; however, you should consult with the auctioneer before setting the price.

Prepare a contract - Instruct a solicitor to prepare a contract which contains the terms and conditions of the sale; this will be included in the auctioneer's brochure.

Open your property for viewings - Potential buyers will want to have a look at your house, and some will even want their surveyors to inspect it.

Completion

When the hammer falls, the sale is official and legally binding. The buyer will have to pay you 10 percent of the agreed sales price straight away, the outstanding balance within 28 days after the auction.

The Disadvantages

You can never know how much your property will sell for. An auction is a highly volatile marketplace – if there is no demand on the day of your sale, you might end up selling it below its market value.

You will have to pay your solicitor to be present at the auction in order to sort out any last-minute irregularities and answer questions which can be quite a costly affair. Selling your house at auction can be more expensive than selling it via an Estate Agent. Also, you will have to cover certain expenses even if your property does not sell.

Preparing your house for sale

Before you start welcoming potential buyers for viewings, spend a bit of thought, time, and maybe even some money on polishing up your home. Although a clean bathroom or freshly painted kitchen ceiling do not increase the value of your house substantially, they improve the overall impression of your house and thus help to convince hesitant buyers.

Remember, the better your house looks, the more people will consider buying it, the more quickly you will get it sold and the higher the price you will eventually get for it.

Repairs

Address any major and minor faults in the house, things that you actually wanted to do ages ago but never had the time to.

- Get rid of damp and dry rot
- Check that all the doors and windows open smoothly
- Fix the roof
- Replace dead light bulbs
- Fix dripping taps
- Mend loose or broken handles
- Check that all cupboards and drawers open and shut well
- Make sure your doorbell works
- Stick peeling bits of wallpaper back to the wall
- Fill small cracks with a thin layer of filler and sand them down
- Paint any dirty patches on the wall

Refurbishments

Many people do not wish to undertake any major revamping after moving house. Therefore, you will be able to attract much more interest with a tastefully decorated property. Use natural, cream colours and refrain from eccentric design ideas.

A cost-effective way of getting the most out of your renovation is to play to the property's strength. Refurbish open fireplaces or ceiling ornaments. Emphasise large windows, high ceilings and wooden floors.

Outside Edge

The first thing a potential buyer will see of your house is its outside. Follow the same approach as inside and make sure everything is clean, tidy and in a good state of repair. This includes doing up your garden, stairs, front door, elevator and whatever else there is between the street and your front door. Make sure no rubbish is lying around and the neighbour's dog has not used your front yard as a loo again.

Clean & Tidy

Give the house a spring clean before showing it to potential buyers who will feel much more comfortable in a tidy and well-groomed house, and it will look more spacious, too.

Tidying up and removing accumulated junk make it easier to clean. This is especially true of the bathroom and kitchen which should be clean and hygienic.. Washing your carpets and curtains will do miracles to a house, and cleaning the windows is not a bad idea, either.

Viewings

If you prefer to show people around your place yourself, there are some guidelines to keep in mind.

Dress appropriately - don't greet potential buyers in your pyjamas or with a deep-cleansing facial mask – you might scare them away.

Be polite – people prefer to buy from someone they get on well with, so be nice, offer them something to drink and smile!

Don't lose your temper - even if someone makes an inappropriate comment. If the buyers are well-informed, they will keep critical records of every house they visit; this is not a personal offence!

Don't cling to the viewers - show them around, but leave them some space and time to themselves. They are probably choosing their future home, so don't try to rush them.

Answer their questions - viewers will usually ask lots of questions, so be prepared with your answers. Examples of questions:

- how many potential buyers have seen the place and / or made an offer
- why you are selling
- what is the neighbourhood like
- what is to be included in the sale (have a list ready!)
- how much utility bills amount to

A few points of personal safety to bear in mind:

- Make sure you are not alone when you let people into your house
- Do not leave any valuables lying around openly
- Do not leave viewers alone in a room for a long time
- Do not let people into your house without an appointment - if anyone rings your doorbell and want to have a look around, take their details and arrange a date for a viewing.

Are they serious?

This is your opportunity to get to know potential buyers and find out whether they are serious in their interest, and have the necessary funds to buy your house. Ask them questions, for example:

- whether they have a mortgage agreement in principle yet and how much they can afford
- how many other properties they have seen and how many offers they have made (this helps you assess how serious they are in their interest)
- how soon they want to move

Just as the buyers are keeping notes on your house, you should make notes on them including contact details, the answers to the questions above, and your personal impression. Keeping a record helps you make a decision once the offers start coming in.

The Chain

Buyers will want to know whether you have already found a new place to buy, and when you are expecting to move. It is important that you are completely accurate in your answers otherwise the whole chain can break down.

The best types of buyers those that have sold their house already and are living in temporary accommodation. They are experienced and flexible in their timing.

Buyers who have already put their house on the market have at least made the first step, but neither you nor they can be sure when they will actually sell the place. If they are dependent on the sales money to buy a new place, you should be flexible in your timing. If the buyers have not even put their house on the market yet but are dependent on the proceedings of the sale to purchase, you should not give them any serious consideration.

Other Types of Buyers

First time buyers can be relatively easy to deal with. They usually have sorted out their mortgage and are not part of a chain. While they are usually honest in their interest, their budgets might be quite tight, restraining negotiations. Buy-to-let investors are usually professional and efficient in their dealings and you should not have to worry about the money. However, they can be merciless and cold-blooded when it comes to the haggling part.

Browsers are unpredictable since they have not made up their mind yet.

Choosing a Buyer

At some point, you will have to decide who to sell your house to. When choosing a buyer, there are several factors you should take into consideration:

High offers - the price is obviously the most important consideration, but by no means the overriding one.

Agreement in principle - this is a mortgage guarantee issued by the lender and assures you that the buyer actually has the necessary funds to buy your house. Make sure your buyer has one.

The chain – if buyers rely on the proceedings from a sale this poses a disadvantage to you, since one fault in the chain can cause a breakdown and upset your entire time scale. Look out for first-time buyers, buy-to-let investors, cash buyers and buyers between homes.

Conveyancing

Although as a house seller there are less administrative issues you have to bother about, it is still recommended that you hire a professional solicitor or conveyancer. The legal aspect is highly important, and you should not run the risk of inaccuracies that might cost you later on. Since conveyancing takes on average 2 to 3 months, it is safe to get a solicitor as soon as you decide to sell your house. It will not cost you any more to instruct him early, so you can avoid serious delays by getting him to set up legal documents like the contract when you start advertising.

The Tasks

As a seller, your administrative duties are not as extensive as the buyer's. Still, you will need to get a solicitor as soon as you accept an offer in order to take care of the following tasks:

Sale agreement – the solicitors will exchange contracts details and letters specifying the particulars of the sale.

Title deeds - your solicitor will have to obtain the property title deeds for the lender. They will be sent back to your solicitor at a later stage.

Property information form - list of all the details to be included in the draft contract. Have to be checked and approved both by you and the buyer's solicitor.

Answer buyer inquiries - the buyer's solicitor will send a list with questions concerning property details, tenure, utilities, items to be included in the sale etc. to your solicitor. This should erase any ambiguities as early as possible.

Draft contract - your solicitor might have done this as soon as you instructed him. This is not a standard contract and will probably be changed quite a lot before you sign it. The draft consists of two parts:

- The Particulars of Sale spell out property details and items to be included in the sale.
- The Conditions of Sale concern the proposed completion date and deposit required on exchange of contracts.

As soon as the title deeds are returned, your solicitor will send the draft contract to the buyer's solicitor. When the completion date and the terms of the draft contract have been agreed by the solicitors, it will be sent to you for approval. As soon as approved, the standard contracts will be set up and sent to you for signature.

Sign contract - after signing it, send the contract back to your solicitor. Remember that until contracts have been exchanged, the whole thing is not legally binding!

Exchange of contracts - each party signs all the contracts and sends them back.

Receive deposit - you will now receive the buyer's deposit, if there is one.

Transfer of money - the buyer's mortgage lender will send the money to your solicitor by electronic transfer.

Transfer of deeds - now you are no longer the owner of the house.

The Costs

Solicitors either charge a fixed fee or a percentage of your house's sales price (usually 1%). Make sure you get some quotes before choosing a solicitor and to agree on his fee, in written form, before instruction.

The good thing about selling a property is that there are virtually no expenses that you have to cover for local authority searches, stamp duties and the like. All you will have to pay is a Land Registry fee.