

“FOR SALE” or “SOLD” or “SETTLED”?

Have you noticed how many houses are “For Sale”? Hopefully, most will be “Sold”. However, there is a vast difference between having your house “Sold” (“under contract”) *and* having your house “Settled” (“closed”). Based on my years of Real Estate experience, I have developed a list of Real Estate “Truths” that I think make a lot of sense and put the whole process into perspective:

- there are “**Five Steps**” to selling any house or property: none can be skipped;
- the primary purpose of an “asking price” is to generate buyer interest. Price is a key aspect of *marketing* (one the “**4 P’s**”): marketing creates *exposure*, exposure creates *competition* and competition creates a *higher* selling price (supply and demand);
- an “Agreement of Sale” is like an “engagement period”, giving each side several opportunities to decide whether or how they should proceed with the transaction;
- accepting an “Agreement of Sale” *merely* means that the marketing period is over. What happens between then and the “proposed settlement date” will determine whether the transaction actually “closes” (“settles”) or the house goes “back on the market”;
- it is **NEVER** over *until* the Buyer has the keys to the house and the Seller has the Buyer’s money!

Let’s see what *may* take place after you accept an Agreement of Sale (Step #3 of 5) in order to actually close the transaction (Step #5). Your situation may not include all of these, especially if you have a “cash” buyer, and there are other “contingencies” possible. The “usual” process includes most of the following steps. **NOTE:** where it says Buyer or Seller I am referring to them or their agents.

- the Buyer must make a formal, written mortgage application
- the Buyer must obtain Homeowner’s Property Insurance
- the Buyer orders a Property Inspection or certifications of the major systems
- depending on the location, the Buyer may order a Water Service Inspection (such as for well water) and/ or an On-Lot Sewage Disposal Inspection (such as for septic systems)
- the Buyer orders a Wood Infestation Inspection (termites are only one aspect of this)
- the Buyer orders a Radon Test/ Inspection
- the Buyer orders a Lead-Based Paint Inspection
- the Buyer orders a Mold Test/ Air Quality Inspection
- the Seller orders a Municipal/ Borough Inspection (for Re-Sale/ Use and Occupancy)
- the Buyer verifies the lease information (for investment units)
- the Buyer verifies the zoning classification (unless assumed “residential”)
- the Buyer reviews the Condominium/ Planned Community re-sale documents
- the Buyer makes additional deposits
- the lender orders the mortgage appraisal and related inspection (FHA or VA)
- the lender provides the mortgage commitment/ approval for the Buyer’s loan
- the Buyer orders a title report to ensure that the house can be transferred into their name
- the Seller obtains tax certifications to ensure that all property taxes are paid and up-to-date
- the Seller obtains a mortgage/ lien payoff for the Seller’s house
- the Buyer conducts one or two “pre-settlement” “walk throughs”/ inspections of the property
- the Buyer schedules closing (this includes the Buyer bringing closing funds to the settlement table and signing the mortgage papers) and ordering the transfer of the utilities into their name.

If you are considering hiring or changing your Real Estate agent, *which* Professional do you want “on your side” of the settlement table? Call me and let us get started today.