

Top 10 mistakes of home sellers

1. Overpricing your home.

It's important to be realistic about the value of your home. "Sellers must make their agents present them with objective criteria for pricing," says Terry Hankner, a Realtor with Comey & Shepherd Realtors in Cincinnati, Ohio. "Comparative information is most critical in getting a house priced properly." While all sellers are tempted to see how much they can get for their homes, Hankner says once you ask for too much, it's hard to ask for less later on in the process. "You run the risk of buyers thinking 'Oh boy, I wonder why they had to reduce this one. There must be something wrong with it.'" To get a realistic assessment of your home's worth, research the cost of similar homes in your neighborhood and price it accordingly.

2. Not displaying curb appeal.

You don't have to invest thousands of dollars into redecorating your home. But there are some basic steps you must take to present your house in the most positive light. "When people drive by a home they're either turned on or turned off. There's nothing more important than the exterior of your home," says Richard F. Gaylord, a broker with RE/Max Real Estate Specialists in Long Beach, Calif. "I once showed a home that was magnificent. But it had an old, ugly front door that hadn't been painted in years," he says. "People were only able to focus on that front door."

3. Overdoing home improvements.

Don't go overboard with staging your home. "You don't want your house to be so pristine that it feels cold or so overdone that it looks like it's out of a magazine," says Allyson Bernard, regional vice president for the National Association of Realtors. "You want it to feel warm and welcoming." Do, however, spruce up the yard, plant some flowers, de-clutter the home's interior, rid the home of unpleasant smells, and apply fresh coats of paint to all walls and doors.

4. Misunderstanding the buyer's offer.

Carefully reviewing and understanding the offer or purchase contract is imperative. Here are a few things to look for: How much deposit the buyer has agreed to put down -- is it a significant deposit? Has the buyer asked for some credits to cover loan costs? Is the offer contingent upon the owner selling his or her current home? If so, how is the selling process going? "In most cases that contingency stays into effect until their deal closes so you better find out if their home is priced properly," Gaylord says. "These kinds of things are worth investigating."

5. Not getting your home inspected before listing it.

Have general inspections done ahead of time. Even though buyers will often have the house inspected again, it's best to prepare for any potential problems. "It can be very costly to the seller if he or she does not go ahead with the inspection before the offer is placed," says Gaylord. "You don't want to get stuck with a \$7,000 fee because the termite, dry rot, and fungus report determined that the wood in the foundation of your house had deteriorated so badly that the whole house needs to be leveled."

6. Withholding information from potential buyers.

While it is tempting to hide or fail to mention the downfalls of a home -- perhaps it's a haven for cockroaches or located in an area that's prone to floods or earthquakes -- it is best to give buyers full disclosure. This kind of information can greatly affect the value or desirability of the property.

7. Not being objective about your home.

While you may think your purple walls or poly-classic columns are great, it is best to keep that opinion to yourself. "Sellers may feel they know their home best but that doesn't mean they are the best people to sell it," Bernard says. She recommends that sellers leave their home while the agent shows it. "A lot of people feel uncomfortable looking at a home if the buyer is right there. It's important to give the buyers space."

8. Poorly communicating with your agent.

Sellers should take a proactive approach to the selling process and not rely solely on the agent. Sellers should insist upon regular updates about the house and never assume the agent has taken care of everything. Ultimately, it is the seller's responsibility to ensure everything is running smoothly.

9. Not investigating your buyer.

Once you have an offer on the table, it's important to secure letters of pre-qualification or loan approval from the buyers. These letters should not only state that the buyers' credit has been checked but also that it was acceptable to the lender. Also, it's important to ask buyers to complete a loan application and submit it to their lender within a few days after acceptance of the offer.

10. Not proofreading the closing statement.

Carefully review the statement, including the loan balance, repairs, and other expenses that are detailed in order to avoid last-minute surprises or errors. Make sure you get an estimated statement a few weeks prior to closing and compare the final statement to the estimated one.