

ULTIMATE SELLER E-BOOK

THIS E-BOOK IS PREPARED FOR YOU BY
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GAUGE YOUR NEED TO SELL

- Weigh the pros and cons of selling your property.
- Find your motivation for selling your property.

Understanding your motivation to sell will also help you set a realistic time frame as well as strategy you will most likely need to use. These are the **most common reasons** why you would sell your property:

- For health reasons
- To liquidate a succession
- Financial problems
- Moving away for school, new job, loved ones, etc.
- Going through a personal/business separation
- Upgrading to a bigger property because of a growing family
- Downgrading to a smaller property for empty nesters



FIGURE OUT IF SELLING YOUR PROPERTY IS FINANCIALLY FEASIBLE

Your banker will be the right person to answer all the questions:

- When does your mortgage term end?
- What is your **mortgage balance** now and at the end of your mortgage term?
- What is your **penalty** if you break your mortgage now?

Sometimes, the penalty is so big that it is wiser to wait until it's closer to the end of your mortgage term to sell your property

- What are all your closing costs?

For those who want to **sell their property to buy another one**, you should also ask your banker two more questions:

HOW MUCH CAN YOU AFFORD TO BUY IF YOU SELL YOUR PROPERTY?

This step is ultra-important! With the new mortgage rules that started since January 1st 2018 in Canada, some homeowners are no longer capable of financing their next purchase. For others, they would need to buy at a much smaller price range.

HOW MUCH CAN YOU AFFORD TO BUY IF YOU KEEP YOUR PROPERTY?

This will indicate if you are financially able to buy a new property without selling your existing house. In other words, are you capable of financing two mortgages at the same time? If you cannot, you have to sell your property before you can buy the new one.



CONTACT YOUR TAX EXPERT

If your property isn't your principal residence as defined by the Canada Revenue Agency, there could be significant tax implications.

It would be wise to talk with a tax expert or an accountant to find out what effects the sale will have on your income tax.

Note: since 2016, Canadians must report the sale of their principal residence on their income taxes.



UNDERSTANDING THE MARKET CONDITIONS

Market conditions affect home prices. You want to get as much as you can for your property and buyers want to pay you as little as they can. The market conditions dictate who has a stronger negotiating position.

ARE YOU IN A SELLER'S, BUYER'S OR BALANCED MARKET?

Ideally you want to sell in a seller's market, which occurs when there are more buyers searching for homes than there are homes available. Under this market condition, it gives you, the seller, the most negotiation power. This allows you to maximize your profits and minimize the time on the market.

ARE YOU IN A HIGH OR LOW SEASON TO SELL YOUR PROPERTY?

To strengthen your negotiation power, if possible, take into consideration putting your property up for sale at the right cycle. In other words, identify the best time of the year to sell your property to get the most money as possible.



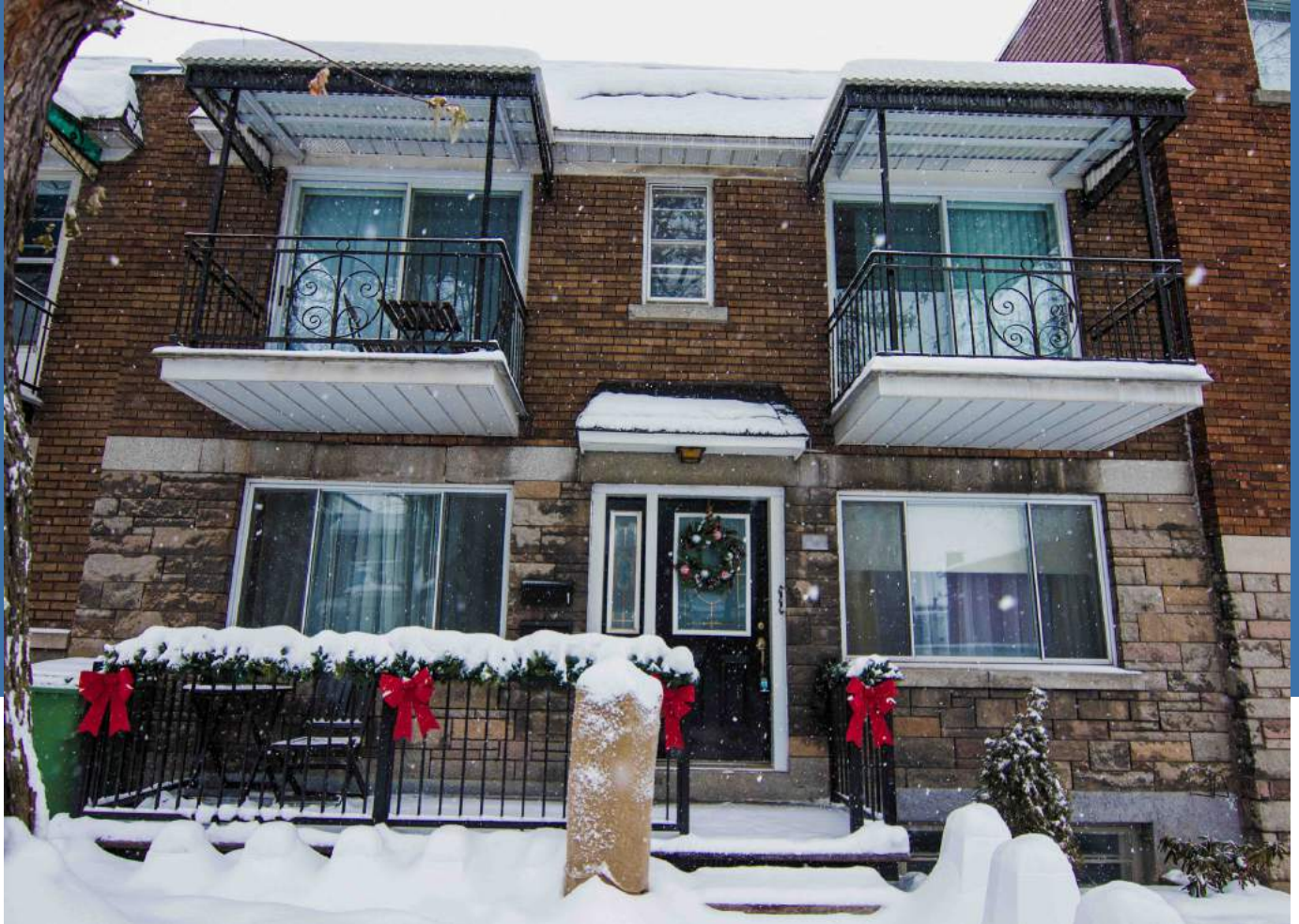
GATHER IMPORTANT DOCUMENTS

No matter if you are selling with a real estate broker or by yourself, you should have these **documents** ready. Missing documentation could put your transaction at risk and create unnecessary closing delays.

Documents	Undivided condo	Divided condo	4plex & less
Certificate of location*	x	x	x
Seller's declaration	x	x	x
Last municipal taxes statement	x	x	x
Last school tax statement	x	x	x
Declaration of co-ownership	x	x	
Financial statements (1-3 years)	x	x	
Board meeting minutes (1-3 years)	x	x	
Lease(s)	If applicable	If applicable	If applicable
Renovation invoice(s) & warranties	If applicable	If applicable	If applicable

Other important documents can also be required depending on the situation

* The certificate of location must be up to date and less than 10 years old. If not, the seller must provide a new copy. In average it takes 2 to 3 weeks to get a new one.



COMMIT TO A REPRESENTATION STRATEGY

Very early in the selling process you would have to decide if you want to sell on your own (which is called “for sale by owner” aka “FSBO”) or if you’re going to use a real estate broker.

Consider the **pros and cons** of each option including how quickly you need to sell, the conditions of your local market, the time you want to invest, any challenging features of your home that may require expertise in negotiation and the most publicized argument of them all... the commission!

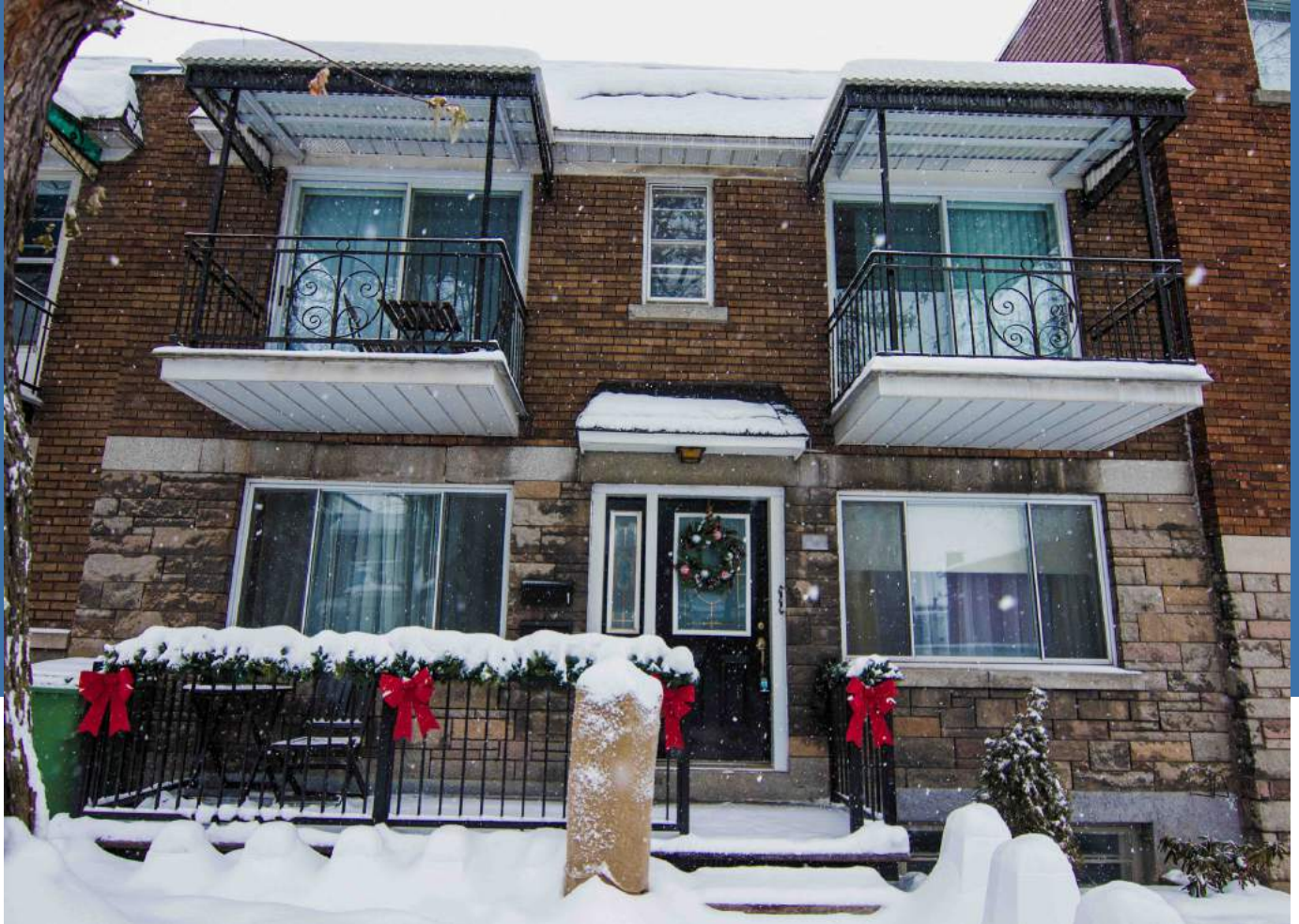
SELLING ON YOUR OWN

If you decide to use this option, you will have to **manage every step** of the sale. Not knowing the laws or the selling procedures can cost you greatly down the road in time, money and lawsuit. So make sure you know your stuff!

Whatever you are not familiar with or good at, you should allocate more time to acquire the necessary knowledge or skills on top of the selling procedures.

Here is something that you won’t hear too often from a realtor, I do believe that **you can sell on your own**. However, the home seller has to be ready and committed to take the time to learn everything about selling a house and take the time to market it, to do the visits right, to do the follow-ups closely and so on. He/she will most likely do a better job than the average realtor and save on the commission. Some people already have some or all of the knowledge and skills set.

The truth is that the property for sale with or without a realtor has **exactly the same value**. Have you ever seen a professional home evaluation report where an extra value is added because it is for sale by a realtor? The answer is obviously no. So why hire a realtor then? The short answer is that you don’t want to do it. You want to hire someone that can do it right, fast and for a commission that is fair to you. Just like when you are eating out, you can do a similar salad at home but you don’t want to take the time or have the headache to do it. It may even taste better than yours! So hiring a good realtor follows the same logic.



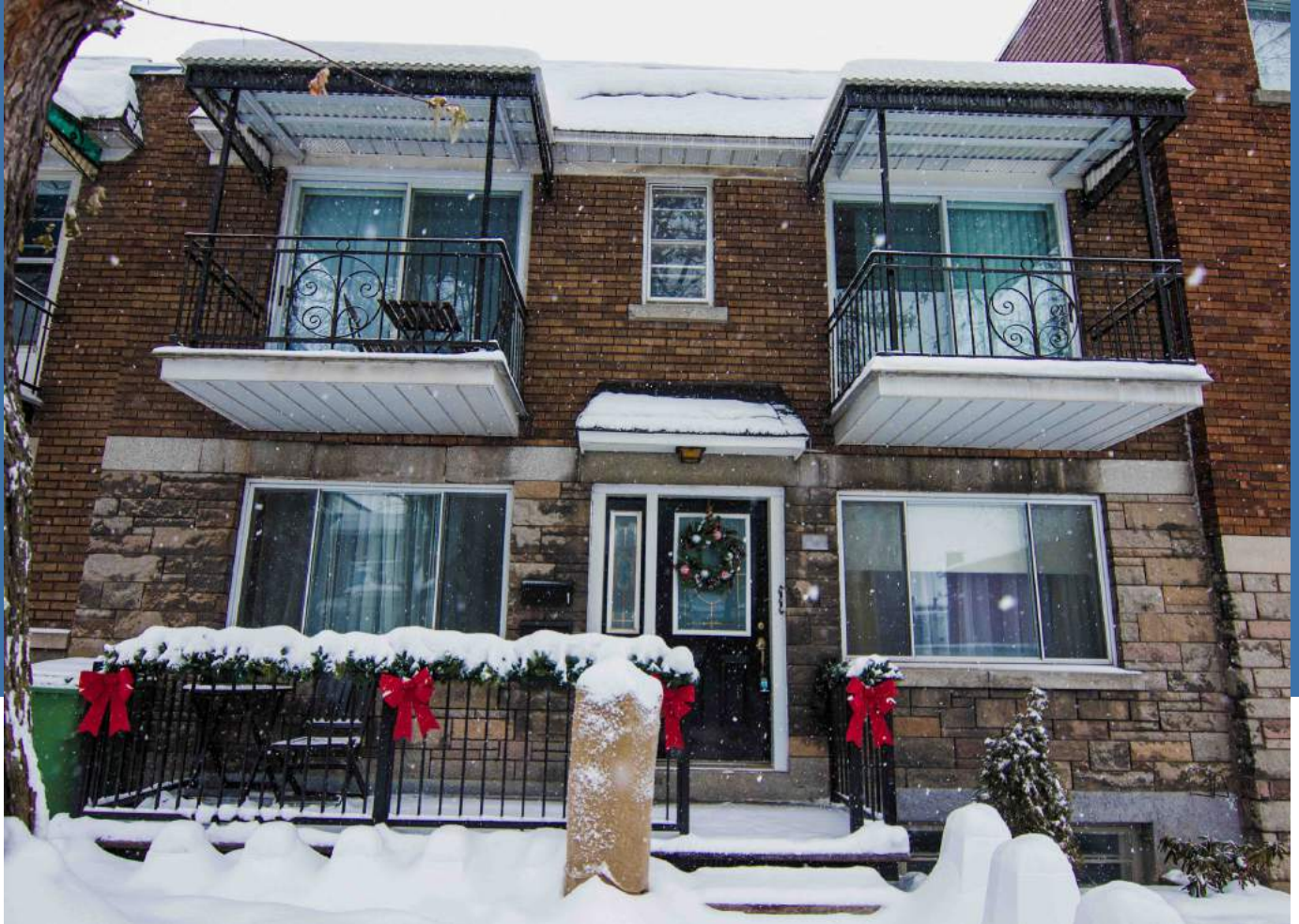
COMMIT TO A REPRESENTATION STRATEGY (CONT.)

For the majority of the home sellers, this is not their reality because they have not been honest toward themselves. Some of them would say that they took the time to learn everything but they did not. Most sellers don't have a realistic perception about the real estate market because they cherry pick what they want to take into consideration. Even worse, many of them would over value their house because they are too emotionally attached!

Those sellers will usually get discouraged after a certain period and remove their property off market or turn to a realtor for help. The statistics on the website Zillow, the biggest multiple listing real estate website in the US, proved my point: *"just 10 percent of sellers who sold in the last 12 months completed the sale of their home without ever engaging a real estate broker. Another 10 percent tried to sell on their own but eventually turned to real estate broker for help."*

This option is feasible if you take the time that's needed. Selling a property is easy. Selling it right for top dollar is a different question!

Note: if the buyer is represented by a real estate broker, you will have to negotiate directly with this real estate professional as long he or she has an "Exclusive brokerage contract-purchase" with the buyer. If not, there is a loophole you can use to negotiate directly with the buyer without the realtor. It is technically possible, but ethically wrong.



COMMIT TO A REPRESENTATION STRATEGY (CONT.)

USING THE SERVICES OF A REAL ESTATE BROKER

Not all realtors have a strong academic background (this is needed for a good professional advice), great work experience/ethic, good people skill set and the level of integrity that you are looking for.

Here are **some pointers** to help you find the right realtor for you:

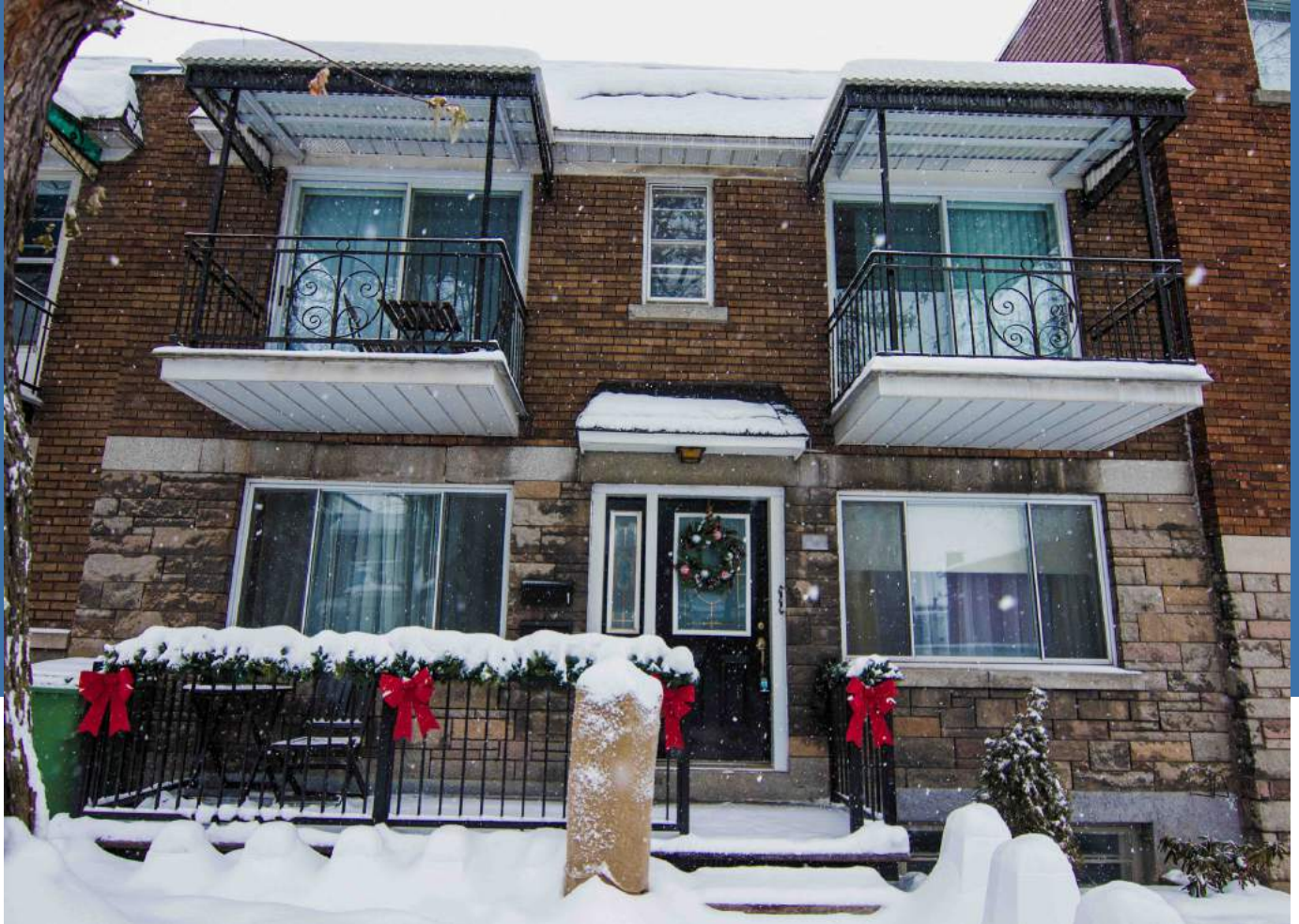
Interview at least 5 real estate agents before taking a decision.

If you believe in the Pareto principle of 80/20, which can be summed up that only 1 out of 5 realtors would be considered great. So for you to have the chance statistically to find at least one good realtor, you would need to interview at least 5 realtors.

Furthermore, the more realtors you interview, the more likely you will be able to pick up on some odd practices. The less experienced realtors will usually follow a pre-set script just like a robot. The more interviews you would do, the more you will hear the same script over and over.

The most common script we use would be from Tom Ferry, Mike Ferry and Craig Proctor. They usually have similar Comparative Market Analysis layout design (aka CMA) and they have typical generic answers to all of your questions and objections. They always, always, always finish their presentations with a pushy sales technique to make you sign on the spot and they won't give you their CMA if you don't sign with them.

As for best realtors out there, they will ask you a lot of questions about your needs before giving you options tailored to you. They don't really follow a script but rather talk to you like a real human being that is consulting a professional. They are very confident about the quality of their service and will gladly give you any material that they used during the presentation including the CMA. Often, they will give you the time to think about their services offered and contact you back after a few days. They are always ready to walk away from an un-reasonable seller.



COMMIT TO A REPRESENTATION STRATEGY (CONT.)

Never sign a selling brokerage contract the day you are meeting with the realtor.

Take time to think through all the offers of the realtors before taking a decision. In doubt, meet your top realtors again and again.

Make sure the realtor works full time.

On average, agents involved only part time, just don't have as much insight and knowledge about the industry to advise you optimally!

Ask them about their marketing plan.

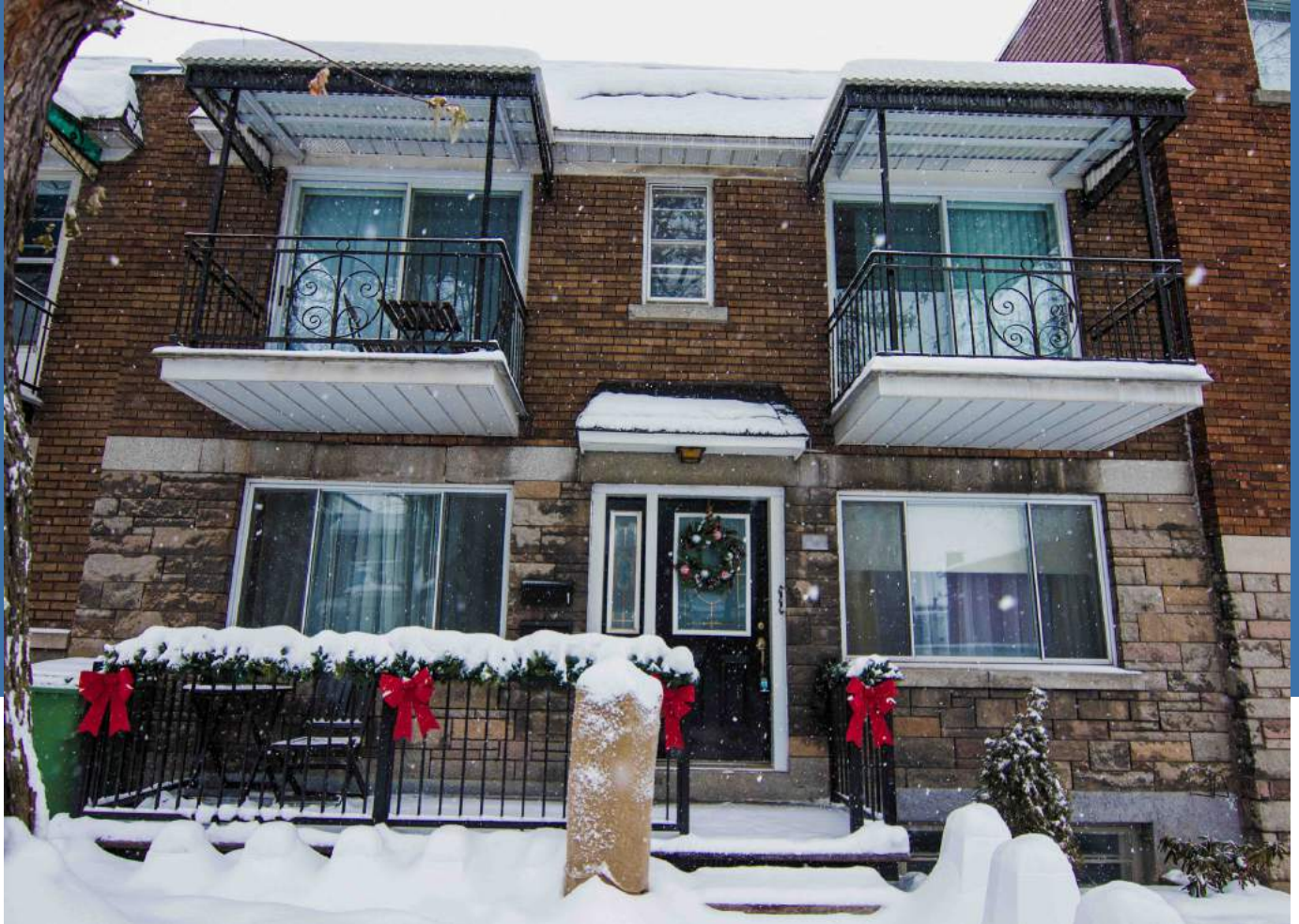
Even if you have the right marketing plan but the wrong pricing, you won't sell your property. Make sure the plan proposed by the realtor match your expectations.

Ask them for a free detailed CMA.

This is the single most important information that you will need to sell your property! Make sure these elements below are included in the CMA and ask them to show you how they came up with the number.

All CMAs must include all comparable listings SOLD. This will tell you what is the Fair Market Value (aka selling price) to sell your property. To do a great home evaluation analysis, you would need to compare at least the type of property, the right section of the neighborhood, the overall conditions, the right characteristics (such as the number of bedroom, the size of the living space and land, etc.), when the comparable were sold, etc.

When available, CMAs should include all comparable listings that are expired (aka properties that was for sale but didn't sell). This will give you a lot of valuable insight about the market conditions. Unfortunately, professional home evaluation reports or most realtors don't pay attention to this. This comparable will help you understand what is the price limit in your market and confirm the market conditions.



COMMIT TO A REPRESENTATION STRATEGY (CONT.)

Look at all active direct (same type of property) and indirect (substitutable type of properties i.e. buyer that wants a bungalow but would consider a split level) properties to compare.

This information will help optimise Positioning Strategy that will be discussed later. This advanced sale technique, in average, will net out more money in your pocket and shorten your time on the market. Again this comparable is often overlooked by many professionals because they don't know what to look at or do with this info. Professional home evaluation reports don't talk about this at all.

Is your realtor using a lockbox strategy to show your property or will they be there in person for each visit?

Seller-realtors that use a lockbox strategy will leave a set of keys in a lockbox for the buyer-realtors to have access to the keys and show your house when needed. In general, your realtor won't be on site at the showing.

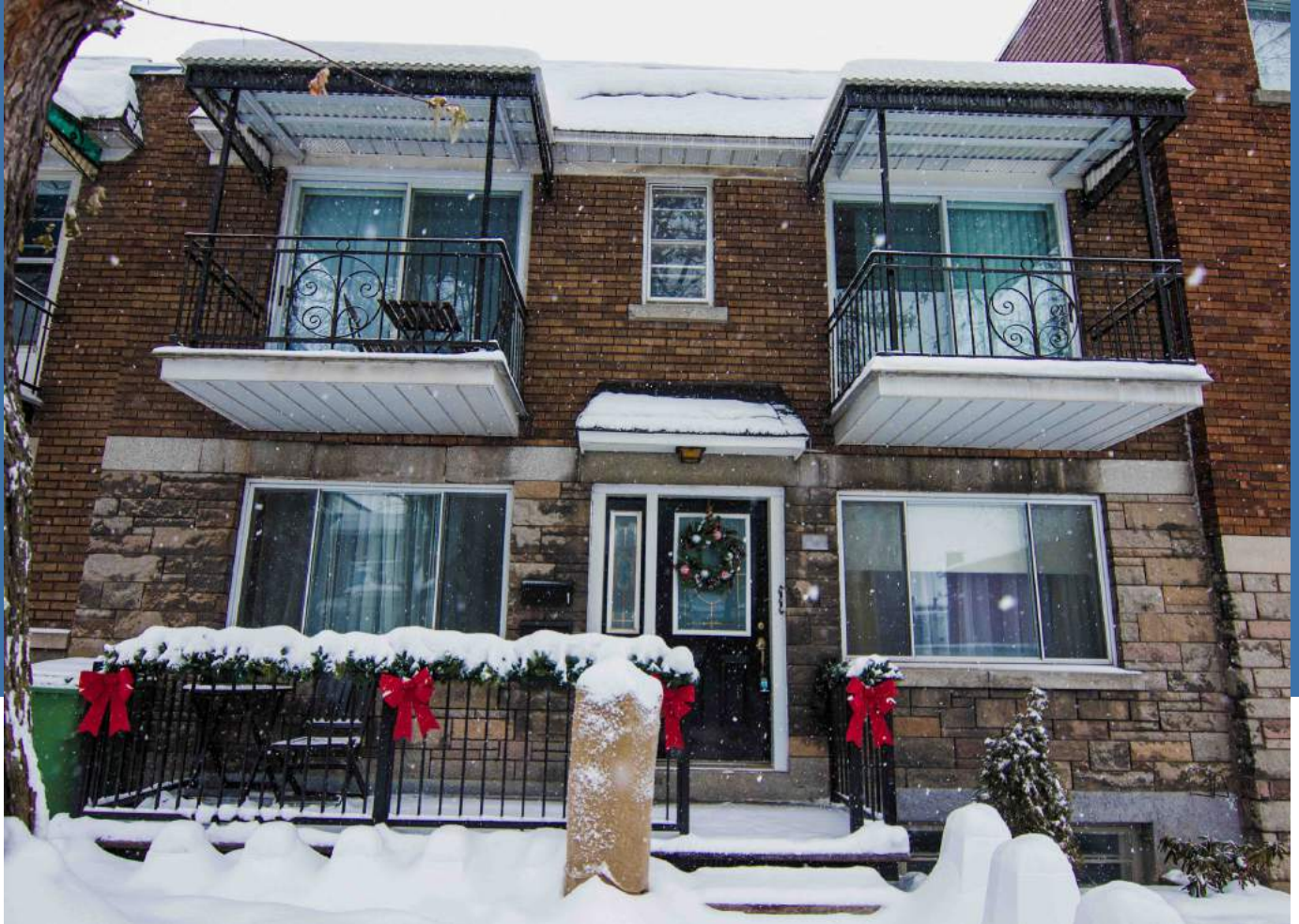
Why is it better to have your realtor show your house in person?

You're paying your realtor a big commission to sell your property. You should expect a great service from them. Being present at each showing is the service provided from all great realtors that focus on their client's needs first rather than making their job easier! If not, what are you paying them for?

Would you **trust a stranger** to come into your property without you? Having a lockbox would do exactly that. If your realtor is not there, would you trust the buyer-realtor to protect your interest? Or does he/she have their buyer's interests above yours?

Are you willing to make less money if your realtor is not present at the showing? When he/she is not there at the showing, he/she is losing potentially important insight from the buyer's side that could be very valuable at the negotiating stage.

If **showing the property in person** is important for you, add a clause into your Seller Exclusive Brokerage Contract - Sale imposing your realtor to be present each time. Make sure to add a penalty clause to that so each time he or she doesn't show up, listing agent commission would be reduced by a certain amount. Normally, a reduction between 500\$ to 1,000\$ would be a good number to put as penalty.



COMMIT TO A REPRESENTATION STRATEGY (CONT.)

Look at how many listings the realtor has.

Too low, he might be a part time realtor. But you have to take more than one factor to come up with this conclusion. Sometimes, some realtors prefer to work with buyers, so there are no listings to look at. Too high, he or she won't be able to give you A1 service.

On average, around 25 listings at one time per realtor is the maximum number of clients they can service efficiently. Beyond that number, realtors would rely on a system of lockbox to show your property or even worse, ask you to show the property while paying them top dollar. All realtors that focus on giving a fully personalized service shouldn't use a lockbox or ask their clients to show the house!

Read their online reviews.

Be aware that some of them might be fake. Here are **some pointers** to spot fake reviews:

- *Lacks detail.* It's hard to describe what you haven't actually experienced, which is why fake reviews often offer general praise rather than digging into specifics.
- *Look at dates on the reviews.* Did a bunch of positive reviews flood the site at once? If so, you're probably looking at fake comments.

Note 1: don't ever sign a brokerage contract with a clause making the contract non-cancellable (irrevocable). In the event that you are not satisfied with your real estate broker, this clause makes it impossible for you to cancel your contract without the approval of the realtor, even if they are offering a dreadful service.

Note 2: without any irrevocable clause, your contract can be cancelled at any time at your demand. However, the realtor can ask for a monetary compensation for the expenses they have incurred so far. The realtor needs to be able to provide proof/receipts of all the costs that they are claiming you for.



OPT FOR A PRE-INSPECTION

While your buyer will most likely do an inspection, sellers often opt to do their own pre-inspection also.

Why should you do it too?

A pre-inspection can help you avoid surprises down the road. By knowing the issue, it will help you better price your home according to its conditions which may help to sell faster.

Furthermore, it gives you a chance to fix the items that an inspector would flag for a buyer. Often, repairing the issue would be cheaper than negotiating with a non-handy buyer. Finding problems at the last minute can also delay your transaction. Time is money!



COMPLETE HOME IMPROVEMENTS

Preparing to sell your home typically takes some work, whether that's your own sweat equity or some professional improvements. Not all improvements increase your home value.

Take time to **understand what buyers are looking for** and think about which renovations will appeal to most of them. Also, knowing the market conditions can influence what renovations you do. Spend wisely!

A good realtor should know exactly what buyers are looking for and advise accordingly. Here are some of the **visual aspects** you should look and see if improvements are needed:

- Do smart improvements to increase its value
- Paint interior rooms neutral colors
- Replace outdated lighting fixtures and window treatments.

Note: You can also skip this step by avoiding improvements and selling as-is. While you will likely pocket less money in the end, selling a home as-is, is a way to speed up the overall sale process and limit upfront out-of-pocket costs. You'll also not waste money on the wrong improvement.



STAGE YOUR HOUSE TO SELL

Preparing your property to sell should also include arranging and/or removing some of your furniture, organizing and decorating in a way that appeals to the widest range of potential buyers.

Staging your property can take many different forms and require varying levels of effort, but here are a **few key tips**:

- **CLEAN**: no buyers want a messy or stinky house.
- **DECLUTTER**: too many things in a room can make your property feel small and crowded.
- **DEPERSONALIZE**: having too many personal items, like family pictures, can make it hard for buyers to picture themselves living in your home.
- **PUT AWAY PETS AND KIDS BELONGINGS**: while many buyers are pet owners or parents of young kids, they want to visualize their own families in the home, not yours. Take the time to repair pet damage, remove your pet's belongings, and clear away your kid's items like gates, highchairs and piles of toys.



KNOW THE VALUE OF YOUR PROPERTY

Finding the right listing price for your property can be a difficult, but it's the most **important factor** in a successful transaction.

Homes that are accurately priced are more likely to sell in a timely manner. Here are **two optimal ways** to get the listing price right:

Hire a professional home appraiser: It costs on average between \$500 and \$1000 per appraisal. It can be a small price to pay if it helps you sell your home quickly and for an appropriate price. It is important that you hire an appraiser that is familiar with your neighborhood.

Hire a real estate broker: Your real estate broker should be an **expert** in home values in your area, so they're a great resource for finding the right listing price. They would usually appraise your property for **free** without any commitment from you. Plus, they can provide guidance on a pricing strategy and what improvements that could spark the most interest from buyers to maximize your profit and sell quickly.

A great realtor will explain to you in details how it got the fair market value. The number is not as important as how he comes up with that number. Make sure to ask the realtor to show you how he came up with it step by step. The better you understand where the number came from, the more you can take the right decision.

*Note: most of the realtors only have one single course in home evaluation. I believe it is not enough to do an in depth analysis. it's very important that you find a realtor with a strong academic **background in finance**, mathematics, accounting, evaluation or something similar so you can get the best assessment possible. Finding the right fair market value is the single most important factor to sell your property.*



CHOOSE YOUR SALE PRICING STRATEGY

When it comes to selling your property in Montreal or anywhere in the world, knowing the right price is fundamental.

Price too high and you risk being on the market for a long time and getting less than what you would have had if you priced it at fair market value (aka FMV).

Price too low and you're leaving money on the table.

Here's the summary of three **common pricing strategies**:

► BELOW FAIR MARKET VALUE PRICING STRATEGY

This strategy is the most complex, rewarding and riskiest all at the same time. Just like a brain surgery, every single step has to be planned ahead of time and every action have to be executed with the highest precision and a perfect timing. A wrong move can kill your transaction or make you get less than the fair market value.

► PRICING STRATEGY AT FAIR MARKET VALUE

This is safest strategy of them all. Listing at the fair market value will sell your property in the average time frame of the market. Depending how hot the market/property is, you might or might not have multiple offers. If so, please refer to the strategy above.

► PRICING STRATEGY AT ABOVE FAIR MARKET VALUE

Also known as a testing market price strategy, this strategy can also be very effective if you know how to use it correctly. In realty, most of the time this strategy is often misused by overly ambitious sellers or realtors that use a "list high" strategy to get the listing.



APPLYING POSITIONING STRATEGY

This is an **advanced** selling concept but it's very important. It must be used in combination with either the below, the fair or the above market price strategy.

Most realtors/sellers don't know or understand how to use this strategy. No realtor association in Quebec gives a training about this advanced selling concept.

Positioning strategy focuses on how you will be **competing** in the market **versus the other sellers**. An effective positioning strategy considers the strengths and weaknesses of your property, the needs of the customers, market and the position of the other sellers. It is a dynamic strategy, which means your price needs to be adjusted as often as needed.

An **important element** of the market change such as your macro or micro economic conditions (interest rate change, new rules to get a mortgage, socio-economic cycle change, etc.), the conditions of your competitors (price change, change in number of units available for sell, etc.) and conditions of your property change (your roof start leaking, etc.) needs to be re-analysed. If not, your price will be over or under priced with the new conditions even if you have a home evaluation that was done recently by a professional that shows a different price.

The home evaluation proposes a listing price at specific conditions within a specific moment in time. The positioning strategy helps adjust the home evaluation price, in real time, as the market conditions change so you can keep your listing as competitive as you want to.



MARKETING STRATEGY

At this point you have to plan for your marketing strategy. The first thing you should do is to **hire a professional real estate photographer** or learn how to take great pictures yourself. This is the foundation for all of your marketing medium.

Here are some of the **most common** marketing tools used:

- Website: Centris.ca for all realtor listing in Quebec
- Social media ads such as: Facebook, Instagram, LinkedIn, etc.
- "For Sale" signs in front of the property
- Any print ads marketing such as: flyers, post card, etc.
- Classified ads in local newspapers
- Create your own website
- Email marketing
- Real estate publications (print or online)
- Create a video (very popular right now)
- Ads on free real estate websites

*Do you know what is the **number one** marketing tool to help sell your property?*

Your **price**! If all of your marketing are on point but your price is so bad, this single thing will kill all your effort for nothing.



THE SHOWINGS

I prefer to do one-on-one showings. Since this is the only time that I will come face to face with the buyer. Which create an opportunity for me to gather important intel about the buyers. This will help me better advise my seller at the negotiating stage.

For that reason, I'm not a fan of open houses. First you don't have control (or pre scanned) of who is coming in and, second, you don't have the chance to follow and gather intel from all the buyers that are showing up.

Here are some **elements** that I like to do at the showing:

- The person that's showing the property should always, I mean always, have a very **positive attitude** and be very accommodating.
- Keep the property in **show-ready condition**. Buyers don't like to walk in a mess.
- Ask **key questions** to the buyers as much as possible. Also look at their body language as they walk through the property. Gather as much intel as possible for the negotiation stage.
- **Adjust the lighting** and open the curtains, you need to show your property under the best conditions as possible. A dark room is, in average, not very inviting.
- Adjust the room **temperature**. Too hot or too cold can make the buyer uncomfortable. At the right temperature, the buyer will enjoy their walk through more.
- Try to keep it **odour free**. Neutral is good because some people hate this or that type of smell. You don't want to trigger at bad feeling for the buyer.



FOLLOW-UP

The majority of the properties will sell **at fair market** condition. Which means you need to do a lot of follow-ups before the house gets sold.

With the right follow-ups and conditions, you can create a multiple offer situation later down the sell cycle. A good system to do follow-ups is very important.

Furthermore, doing follow-ups will also allow you to get important reviews from some of the buyers. The constructive criticism will help adjust your marketing and pricing strategy to sell it right.



RECEIVING A PROMISE TO PURCHASE

If you have done your homework right, be ready! You could receive a promise to purchase sooner than you think.

- For **each offer**, note the proposed offer price, the percentage of cash down, pre-approved mortgage letter, the delay for the inspection and financing, the proposed closing and occupancy date and the offer expiry date and any other conditions that are applicable.
- **Keep emotions** in check when receiving lowball offers. I always say this to my sellers, it is not where we start that is important but where we finish!
- **Have a process** in place if you expect to get multiple offers.



MAKING A COUNTER OFFER

Approach each offer as an opportunity to negotiate.

If the buyer's offer is contingent on selling a home, **evaluate** the pros and cons to keep this clause. If I'm in a seller's or balanced market, I would surely suggest to my client to remove this clause. If they do accept this condition, they should always do a CMA to make sure the other property is well priced. If it is not, you should reject this condition.

If you won't budge on price, you can **be more flexible** on the terms and conditions such as closing and move-in date, inclusion and exclusion, etc.

Get your comparable ready to back up the price that you want. If everything is to your liking, **accept the offer**



COMPLETING THE CONDITIONS

Now that you have accepted the offer, you must follow-up with all the conditions to be completed.

The **most common** conditions would be: financing, home inspection, reading some valuable documents such as the certificate of location, financial statements, etc.



THE NOTARY

Whether you are selling on your own or with a realtor, this is the last step to complete your sale. Once all the conditions are complete, you must send the whole file to the notary at least **7 to 14 days before** your closing date.

THANK YOU FOR TAKING YOUR TIME AND READING THIS SELLER E-BOOK

If you are looking for more articles, reports, tips and FAQs, please visit my website

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