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How Much Do You Know About Selling a Home?

BY VERONICA DAGHER

Many Americans' most valuable asset is their home, and selling it can be nerve-racking.

Strategic blunders are often costly, especially in today's beleaguered market.

Take our quiz to test your knowledge:

Question 1: When inventory is high and demand is low, what is typically the best pricing strategy for getting the highest offer while still selling the home quickly?

- A. Set a low asking price to attract multiple offers.
- B. Calibrate the asking price based on what comparable houses nearby sold for in the past month or so.
- C. Calibrate the asking price based on what comparable houses nearby sold for in the past year.
- D. Initially price the home at a premium to test the market, and plan to cut the price a week later if needed.

Question 2: The commission sellers pay to their agent's brokerage is:

- A. Fixed by state or federal law.
- B. Set at 6%.
- C. Set at 3%.
- D. Negotiable between the seller and the broker.

Question 3: When preparing a home for sale, which of the following would typically provide the best return on investment?

- A.) Applying a neutral coat of paint in the living room.
- B.) Buying a new couch and coffee table.
- C.) Installing a new kitchen countertop.

D.) Remodeling the en-suite bathroom.

Question 4: How can a professional prelisting inspection benefit a seller?

- A. It legally shields the seller from disclosing known property defects to the buyer.
- B. It gets rid of the need for the buyer to order his or her own inspection, potentially speeding up the closing process and saving the buyer money.
- C. It allows the seller to address necessary repairs ahead of time, reducing the chance of price renegotiation or the deal falling apart later.
- D. It gives the seller a right to turn down any repair requests from the buyer after the offer is formally accepted.

Question 5: In what month do median home sale prices peak?

A. January B. April C. June D. July **Question 6:** A seller accepts an offer of \$500,000 that includes an appraisal contingency. The official bank appraisal comes back at \$470,000. Which of the following outcomes is least likely?

- A. The seller agrees to lower the sale price to the appraised value of \$470,000.
- B. The seller issues a notice of termination and places the home back on the market.
- C. The seller is forced to cover the \$30,000 gap in cash before the lender will approve the loan.
- D. The buyer terminates the contract and receives earnest money back.

Question 7: A seller is never required to disclose whether the property is believed to be haunted.

A. True B. False **ANSWERS: 1: B.** Homes priced correctly from day one tend to sell more quickly and get nearly 100% of their asking price, according to the National Association of Realtors.

2: D. Agents' commissions are open to negotiation. There is no standard rate set by law or industry mandate.

3: A. Low-cost improvements with visual payoffs typically have a higher return on investment for sellers.

4: C. By having an inspection report beforehand, the seller can set the asking price accordingly or make necessary repairs, reducing the chance of a deal falling through later.

5: C. The spike is driven in part by a surge in demand as families try to move before a new school year starts, according to Hannah Jones, senior economic analyst at Realtor.com. (The Wall Street Journal and Realtor.com are both owned by News Corp.)

6: C. The seller is never forced to cover such a gap. Instead, the buyer can cover it, renegotiate the price or walk away from the transaction.

7: B. False. Stigmatized property laws vary by state. In some places, sellers are required to disclose this if the buyer asks directly.

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