

Your Guide To Selling Your Home or Property



Continental Crown
BROKERS OF FINE REAL ESTATE

341 Central Avenue
Whitefish Montana 59937

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Introduction

One of the most difficult processes most people undertake is the buying or selling of their home or other real estate. The main reason this is so intimidating is that most persons do not buy or sell but a few times in their entire lives. Because of this lack of familiarity with the processes involved in real estate transactions, a great deal of uncertainty, apprehension, and fear may result. This guide, coupled with the expertise and professionalism to be found at [Continental Crown](#), will help to remove the uncertainty and fears associated with selling your home or other real estate.

Among the many questions the Seller of property seeks answers for are:

- How do I know how much should I ask for my property?
- What if I ask too much? Or too little?
- As a Seller, what are my obligations?
- If I have a real estate agent handle my property, who pays the commissions?
- What is a reasonable commission to pay?
- Are there any pitfalls I could unknowingly fall into if I try to sell my property myself?
- What do I do if a Buyer wants me to carry part of the financing?
- How long will everything take?

And there are dozens of additional questions that may be buzzing through your head, all of which contribute to your uncertainty and discomfort. All too often, only after the agony of getting the sale closed does a Seller learn some of the answers to these questions.

[Continental Crown](#) can, due to its extensive and varied experience in real estate matters, shed light on these unsettling issues from the very beginning, helping to make the sale of one's real estate as stress-free and speedy as possible. While no guarantee can be made that everything can or will go as smooth as silk, a concerted effort will be made to gain the end result you desire for you, the Client who is selling his or her property, with the least amount of agony and delays possible.

The following information will provide many answers to questions or concerns you may have regarding what really is involved in selling of your home or real estate. Many

transactions are rather simple and straight-forward. Others get so convoluted with complicating issues that it is a wonder that Closing Day ever arrives.

Continental Crown has the expertise and desire to handle all of these matters on your behalf, permitting you to live your lives more-or-less normally while your property is being marketed by our professional team, without undue stress or inconvenience. Please read through the following carefully, as knowing and understanding the many issues related to selling property are critically important to you, the Seller, and to achieving the objectives you've expressed to our brokerage.

What Sort of Properties does **Continental Crown Market?**

Continental Crown understands the economic dynamics of our region, and seeks to serve all persons living or desiring to own property in the Flathead area of Northwestern Montana. We do not specialize in any particular niche of the marketplace, but desire to work with Clients from all walks and economic means. The Seller seeking to sell a vacant lot will receive the same service and professionalism from our Associates as the Seller of an expensive upscale property.

Some of our Associates specialize in residential real estate, while others include vacant, commercial, rural, or development properties in their areas of specialty. The brokerage has experience and expertise in working with development properties, as well as pertaining to land use regulatory issues. **Continental Crown** does not target an exclusive economic sector in which to concentrate its dealings.

Our brokerage is committed to providing equal service to all Clients, and proactively engages in practices to ensure standards and goals established by fair housing and non-discrimination laws are extended to all.

What Price should you set for your property?

This question alone is one of the most difficult questions to answer facing any Seller. The value of any property is that price which a ready and willing Buyer is comfortable in paying a ready and willing Seller. Because every property is unique, and because every Seller and every Buyer are different, things can get very complex in arriving at a value, or price, upon which a Buyer and a Seller can agree.

As a Seller, you do not want to under value your property. You also do not want to over price your property, or it will languish in the marketplace seemingly forever. If your asking price is considerably out of tune with the marketplace, you will not be happy with the outcome.

There is help for this dilemma you face in setting a reasonable price for your property, a price that will strike a balance that is just right, neither too high nor too low. **Continental Crown** recommends that if you have not had an appraisal done by a professional appraiser

within the last year, that you engage the services of a licensed appraiser to place a value on your property. [Continental Crown](#) cannot do this for you, as we are not licensed appraisers.

Some real estate practitioners will offer to conduct what is called a Comparative Market Analysis (CMA) to help you derive a value for your property. A CMA is not an appraisal, nor should it ever be substituted for an appraisal. It is like comparing an amateur golfer with a pro golfer – on rare occasions their scorecards might come close to matching, but odds are the pro is going to be much better.

A CMA does, however, have some value – it can point you in the right direction with your price on a very broad scale, say within ten or twenty percent of the true value of your property. [Continental Crown](#) does not feel that any methodology that has so much potential variation is a methodology that you should rely upon in placing a value and corresponding asking price for your property. Again, we strongly recommend that you retain a licensed professional appraiser to assist you in establishing a value and price for your property.

Home Inspections

If your property includes a home, regardless of its age, you should consider retaining a Home Inspector to thoroughly inspect your home before you proceed with marketing your home. Nearly 100% of homes sold today have home inspections done as a part of the sales process. As a Seller, you want to be in a position of strength when it comes to negotiating a final acceptable sales price. You cannot remain in this position of strength if you are blind-sided by something the Buyer's home inspector reveals that is negative about your home.

Home inspectors are thoroughly meticulous in their review of your home. Most of what they find will be very minor, and can be remedied at very little cost. Every now and then, however, something significant may be discovered, and will be a bit more spendy to fix. But even these more expensive items can be taken care of by you much cheaper than the reduction in price a Buyer will want to negotiate if they discover the problem and require it be remedied or the final price be reduced.

Even brand new, never been lived in homes have flaws that Buyers will want either fixed or cash back for. Do you want to sacrifice your position of strength as a Seller by not doing a home inspection to discover these things up front, so you can fix them, or do you want the Buyer to be calling the shots? If you choose the latter course, you will typically spend far more fixing what the Buyer's home inspector revealed than you would have if you had had a home inspection done up front.

This brings up a point that needs to be made repeatedly in the course of selling your home or other property – make your home or other property as easy to sell as possible. Do those little things that set it apart from every other similar property on the market. If

your home is ready to sell, it will sell, and the closing can occur quickly after a Buyer makes an acceptable offer. If your home is not ready to sell, there will be delays and frustrations and expensive negotiations covering the shortcomings. [Continental Crown](#) will do its best for you, but we ask that you also do your best for yourself.

WE THEREFORE STRONGLY SUGGEST THAT YOU HAVE A LICENSED PROFESSIONAL APPRAISAL DONE OF YOUR PROPERTY, AND ALSO HAVE A HOME INSPECTION CONDUCTED BY A LICENSED HOME INSPECTION.

If you do these two things, you will go to the marketplace at the right price, with a marketable property.

What Commissions are Due [Continental Crown](#) for its Services?

All commissions charged by a real estate brokerage firm such as [Continental Crown](#) are negotiable to some extent. However, this brokerage, as is the case with all other brokerage firms, must charge commissions of a sufficient level to provide the scope of services required to adequately market your property. Commission levels are therefore based on several key factors, including:

- a) *The cost of the services that are provided,*
- b) *The value of those services to our Clients, and*
- c) *Competitive market conditions.*

Real estate professionals are mandated by the State of Montana to meet certain requirements pertaining to licensing and continuing education on an annual basis. And, as with any business, there are innumerable operating expenses that must be paid, simply to stay in business. All of these expenses must be paid out of the net commissions received upon the successful closing of a real estate transaction. [Continental Crown](#) only gets paid for services performed upon success, in the form of a commission reflecting that success.

Every property is unique, and [Continental Crown](#) designs a marketing program with the Seller's assistance tailored to each property. The marketing program ultimately chosen for your property may involve a variety of advertising media, ranging from possible newspaper advertising to use of the Internet, or direct marketing strategies.

Additionally, all properties listed by [Continental Crown](#) are entered into the Northwest Montana Association of Realtors® Multiple Listing Service, directly exposing your property to over 900 additional real estate professionals in Northwest Montana. In doing so, [Continental Crown](#) offers a share of the commission to whichever member of the MLS finds that Buyer who buys your property. This share of the commission is called the Selling Office Commission (SOC), and is typically one half of the total commission. The SOC must be sufficient to be competitive with the commissions offered for other properties listed with the MLS. Anything less, and simple common sense would suggest that a property offering a lower than usual SOC would languish, getting little notice, and being

presented to potential Buyers only as a last resort. Continental Crown cannot let that happen to your property.

Do Buyer's Ever Pay the Commission?

The only answer to this question is, without hesitation, yes. Some Buyer's contract with a real estate brokerage, retaining them to seek out specific properties; the Buyer then agrees to pay a commission directly to their Buyer's Broker. However, a Buyer cannot pay a commission directly to a real estate brokerage if the Seller is also paying a commission to the same brokerage without the Seller agreeing to that arrangement.

As a matter of practice, in almost every real estate transaction, commissions are paid out of the Seller's proceeds at closing. This is important for you to understand, and it is just as important for you to understand that the final negotiated price for your property, i.e. the sales price that you accept from the Buyer, should include a margin for those commissions.

For example, let's say you want to sell a vacant property that you acquired fifteen years ago at a cost of \$35,000. You want to recover your initial cost, and gain a return on your investment sufficient to give you a net amount equal to the original \$35,000 plus \$40,000, for a net total of \$75,000. Continental Crown hopes that you plan to reinvest this \$75,000 in a new investment property, but you may be using it for other purposes, such as funding college expenses for your children.

You will understand, after meeting with your real estate professional, that there will be some costs that you will have to pay out of the proceeds at closing, including real estate commissions. Let's estimate that your closing costs (title insurance, taxes, et cetera) will be \$1,500, and that you have listed the property with the brokerage at a negotiated commission of 6%. Your listing agent may suggest adding a bit of soft money, as a hedge, to the total asking price, say \$5,000 to give you room to come down a bit in negotiations with a Buyer, if necessary.

Let's now do the math, and make certain that you get what you want after all costs are deducted:

Acquisition cost:	\$35,000	
Desired ROI	\$40,000	
Misc. Closing costs	\$ 1,500	$\$81,500 \div 94\% = \$86,702.13$
<u>Hedge (Soft Money)</u>	<u>\$ 5,000</u>	
Total	\$81,500	

The reason we divided the \$81,500 by 94% is that 94% is the amount we need after paying the 6% commission, in order to reach your stated objective of ending up with not less than \$75,000 at the end of the day. By dividing in this manner we can determine what 100% of the gross sales price must be in order to meet those objectives. In this case, you would list your property at \$86,700.

At that price, you could sell it for up to \$5,000 less than the asking price, pay your closing costs and commissions, and still achieve your goals.

This example will work in principle for virtually any real estate transaction – list the amounts you want to recover or need to pay off (mortgages, SIDs, et cetera), list the costs of closing and commissions due, and then determine if the marketplace will support the price you feel you would need to ask in order to meet your objectives in selling.

Which brings us back to the question of who pays the commissions? [Continental Crown](#) believes a strong argument can be made that it is always the Buyer who pays the commissions. How can this be, you ask, when the commissions are subtracted from the Seller's proceeds?

If you, the Seller, have based your accepted price more-or-less as discussed in our example, you have factored commissions into the total, just as you factored in recovery of your initial acquisition cost and the miscellaneous closing costs. You have accepted a price that gives you what you desire, i.e. that meets your net objectives, and pays all other costs. If the Buyer were to pay the commissions directly out of his or her funds, a) your asking price would have been lower, b) your accepted price would have been lower, and c) your gross proceeds would accordingly be reduced at closing. You'd end up with the same net amount in your pocket, anyway.

A part of analyzing the marketplace to establish the current market value for your real estate is factoring in whether a commission was paid at closing on comparable sales. So if all the sales you use as comparables in establishing your asking price were sales involving payment of commissions, you would be hard pressed to ask for that same price *plus* commissions in addition.

Yes, you can always choose to not engage the services of a real estate professional, and hope to find a buyer on your own, thereby keeping the commission equivalent yourself. For some Sellers this works out well. For others, the 'savings' is mythical, as they end up dropping the final accepted price to where they net only what they would have if they had retained a real estate professional. And sometimes they actually net less than if they had utilized the services offered by a real estate professional.

So always remember, if you do choose to utilize a real estate professional, always factor the commissions into your considerations of pricing, and view them as something the Buyer ultimately pays, albeit indirectly, as the Buyer provides the total amount of money to make the transaction close. And a part of that amount of money effectively reimburses you for the commissions that made the transaction happen as smoothly as possible.

What Services Does **Continental Crown** Undertake on Your Behalf?

Continental Crown cannot offer an enumerated list of all the many tasks they will perform upon listing of your property, as every property is unique and demands individualized services. The following are offered only to indicate the type and diversity of the services that may be undertaken on your behalf:

- All properties will be entered into the Multiple Listing Service database promptly after the listing contract is signed. This presents your property to over 900 real estate agents in Northwestern Montana, many of whom may have Buyers actively looking for properties to acquire.
- A marketing strategy will be crafted to effectively present your property to a targeted market comprised of Buyers who desire properties such as yours. This marketing strategy will be developed based on characteristics unique to your property, and will not be a standardized 'one-size-fits-all' type of advertising program. There is a tremendous difference between marketing and advertising – marketing is a strategy, whereas advertising is a part of implementing that strategy.
- You will be informed of the marketing program that is determined to be appropriate for your property, and will be offered the opportunity to provide reasonable suggestions. Until your property is sold, you and the Associate you are working with will be partners in marketing your property.
- If you choose, you may enhance the marketing program by agreeing to directly pay for exceptional costs for supplementary avenues of promoting your property. These expenses paid directly by you would be in addition to the contracted commission fees established at the time of listing, which cover typical marketing costs.
- As the marketing strategy is implemented, you will be kept informed of results as they begin to happen, not to build false hopes, but to be kept fully informed of progress and success in the marketing of your property. Time may require modification of marketing strategies; again, you will be kept apprised of any changes or proposed changes in the marketing of your property.
- When a Buyer makes an offer to Purchase, you will be notified as promptly as humanly possible of the offer. **Continental Crown** will work with you through every critical step of evaluating that offer, and will always keep in mind your best interests as stated in your desired objectives in selling.
- When negotiations between you, the Seller, and the Buyer are completed, and the Purchase Offer becomes a Purchase Contract, **Continental Crown** will handle a number of matters for you, such as arranging for the Closing Agent, who will prepare all the documentation that is required for closing, and will arrange for title insurance, mortgage payoffs and/or releases, et cetera. Even simple and straightforward transactions require a number of steps between acceptance of an offer and closing. **Continental Crown** will be on hand to ensure all of those things are taken care of so Closing Date will occur as scheduled.
- A representative of **Continental Crown** will be available for the Closing, as requested or necessary. Some transactions proceed smoothly, while other transactions are laden with exogenous factors (unanticipated stuff that crawls out of

the woodwork at the last moment). **Continental Crown** will be on hand to expedite resolution of any unanticipated clinkers that might come up at the last moment.

By no means is the foregoing all-inclusive of the many tasks that might be required between the Listing Date and the Closing Date. Every property is unique, every Seller is unique, and every Buyer is unique; the duty of **Continental Crown** is to manage every aspect of the transaction, and the many, many peripheral parties involved so that you, the Client, will achieve your stated objectives in selling your property.

What Can **Continental Crown** Not Do for You?

Continental Crown can not do a number of things, and it would be improper for us to even hint that we can do these things. The following briefly explains some of these:

- **Continental Crown** cannot establish a value for your property. We are not real estate appraisers, and have neither the legal right to establish prices or values, nor do we have the expertise. We can, nonetheless, provide you with a Comparative Market Analysis, which is based on recent sales of properties similar to yours. This CMA is offered only as a tool for you to utilize in the decision-making process you must go through in establishing your asking price, prior to listing your property with our brokerage. The CMA does not substitute for an appraisal, which we strongly recommend you get done by a licensed professional appraiser.
- **Continental Crown** cannot make decisions for you. You always remain as the final decision maker in all areas regarding your property. Our initial expertise benefiting you is in developing and implementing a marketing strategy after you have listed your property with us. This is followed with negotiating on your behalf with a Buyer once an offer to purchase is received, but the final terms and conditions of the sale of your property are yours ultimately to decide. After you have accepted an offer to purchase from a Buyer, our expertise again comes in to play, making certain that the multitude of tasks required in completing the transaction are accomplished so that Closing Day will occur as scheduled.
- **Continental Crown** will not engage in providing services beyond the scope of our expertise. For example, at some point in the transaction of selling your property, legal advice may become necessary to protect your interests – our brokerage will advise you of that need, and arrange for that expertise if you direct us to do so. Or the needed expertise may be in another professional field. We are very good at what we do, but we don't cross into areas that require outside expertise. We can, however, serve as expeditors and liaison with those outside experts, working closely with them on your behalf to ensure your interests and stated objectives are ultimately served.

The above noted points demonstrate that **Continental Crown** cannot undertake every task needed to move from Listing Day to Closing Day. Other professional services may be required, and our task is to ensure those services are available and timely in pursuing your

stated objectives. But throughout the process, you, the property owner and Client, retain the ultimate decision-making role.

What is Expected of You, the Seller?

Between the listing of your property with [Continental Crown](#) and the successful sale of that property, we are partners. You have placed a great deal of trust and faith in our abilities to represent you regarding your property, and we will respond with dedication, professionalism, and integrity in pursuing your stated objectives. We can only succeed if you agree to a number of vital considerations:

- State and federal laws mandate certain guidelines regarding the sale of real estate, as expressed in Fair Housing and Non-Discrimination legislation. The following classes of persons are protected under these laws, and care must be taken by you, the Seller, as well as by [Continental Crown](#), to not transgress in these areas:
 - **Race**
 - **Color**
 - **Religion**
 - **Sex**
 - **Handicap**
 - **Familial Status**, or
 - **National Origin**
- From time-to-time, a prospective Buyer may wish to view your property. We request that you freely allow access to your property (a courtesy phone call will notify you ahead of time, if possible), so that we or a cooperating brokerage might show your property to prospective purchasers. This access would be limited to only viewing the real estate, and not any homes or other buildings, which are addressed below.
- If your listed property includes a home, occupied either by yourself or a tenant, we request that you permit access to that residence upon reasonable notice of at least 24 hours in advance of the showing time. If you have tenants occupying the residence, we request that you notify them upon our request to you, unless other arrangements have been made for direct notification.
- As a part of our reviewing your property at the time of the Listing Contract, it is possible that a number of issues related to your property may be identified as needing some type of remediation. For example, part of the grounds may have an overgrowth of weeds or other clutter detracting from the appearance of the property. To the extent possible and affordable, [Continental Crown](#) requests that you address these readily curable problem areas. Our Associates will work with you to remediate some of these matters if you cannot manage them yourselves.
- If your listed property includes a residence, we ask that you strive to make the premises as presentable as possible prior to a showing. If you need assistance in this area, either in undertaking special tasks or in envisioning how to better present your home, our Associates will again offer to assist you. While we do not want to

alter your living style and comfort, you and we should do what ever is necessary and affordable to make your property as marketable as possible.

- From time-to-time, the need for clarification of a specific issue, based on your intimate knowledge of your property, may be necessary. We have a very comprehensive intake process at the time of listing, regarding both the land and the improvements comprising your property. But we may need yet additional information to satisfy a prospective Buyer's query. [Continental Crown](#) asks that you respond quickly and completely to any such request for additional information – the sale of your property may hinge on even the most seemingly unimportant issue. It may seem unimportant to us, but may be extremely important to the Buyer.

Again, many additional specific issues may require your participation in our ongoing partnership as we work through the process of taking your property from Listing Day to Closing Day.

Showings of Your Home

It is understandably intimidating to have strangers traipsing through your home. The old adage that your home is your castle is true. And just as true is the premise that your home is a reflection of your being. And that is right and good, and as it should be. So never be embarrassed about your home.

But when it comes to the scary advent of marketing your home to someone else, the prospective Buyers won't know you, and may not understand all that they see when they tour your home. A balance must be found that truly represents your home to its very best advantage, yet still retains its hominess for you and your family. It may never be a model home in Architectural Digest, but it can become the very best it can be.

When an Associate meets with you to discuss listing your property, he or she will want to view your home thoroughly, so that [Continental Crown](#) can accurately represent your property. A part of this review will be noting those things that might be done to make the home more marketable, without totally disrupting you and your family. For example, miscellaneous repairs, that most Buyers would demand be accomplished prior to closing, would serve you better if they were to be done prior to beginning marketing, rather than be a cloud detracting from any prospective Buyer's interest. Your Associate will discuss these items with you, and will work with you to remediate them as best as possible.

When a prospective Buyer is scheduled to view your home, we ask that you not be at home, unless you are ill or unable to leave for some reason. Buyers are typically put off by having the Seller of a home present when they are critically viewing a property; they want to be able to be forthright with their real estate agent, but do not want to risk offending the homeowner if they are present. If you're not present, the prospective Buyer has a greater chance of becoming a Buyer who makes an offer to purchase.

You become obligated, upon listing your property with a real estate brokerage, to make that property available for showing to prospective Buyers upon reasonable notice. [Continental Crown](#) has a policy that permits you to defer showings until a later time, if you have a significant reason for doing so. A significant reason might be hosting a wedding reception or your grandmother's 95th birthday party, or some similar event. No one wants to intrude on those special happenings. Whenever possible, notify your Associate in advance of these special occasions, and the Associate will handle any requests for showings that conflict.

If you and your family have a daily or weekly routine that you do not want disturbed by an intrusive showing, at the time of listing you may put parameters on the hours your home would be available for showing. Always keep in mind that the marketing of your home must balance with your wishes. Marketing your home can disrupt your privacy, but we'll attempt to preserve your normalcy to the greatest extent possible.

[Continental Crown](#) has a policy that encourages an Associate from this brokerage to be present at all showings of your property if a home is involved. The reason for this policy is two-fold – to ensure that your property is safeguarded by having your representative in attendance, and to also provide onsite response to any queries the prospective Buyer might have regarding the property. Our Associate is not present to 'take over' the showing, but simply to be there in the background as a resource if called upon. We realize some cooperating brokerages do not favor this policy, but we feel obligated to serve your interests over their objections.

You may waive this policy, if you so choose. Our intent is to raise your comfort level with having your private spaces thoroughly inspected by unknown persons, an unfortunate aspect of the process of marketing your home. If you are totally comfortable with permitting showings of your home without your Associate being present, [Continental Crown](#) will ask you to sign a waiver so we can redirect our instructions to cooperating brokerages.

Lockbox, or No Lockbox?

A lockbox is a device containing the keys to your home, attached to your front door, permitting any member of MLS to access and show your home without anyone from [Continental Crown](#) being present. Some real estate professionals strongly advocate the use of lockboxes, as a) it is convenient for the listing agent, because they don't have to make sure the home is open at the scheduled time for a showing, or b) cooperating agents don't have to stop and pick up keys from the listing brokerage and then return them.

Some brokerages claim that use of a lockbox significantly increases the likelihood of selling your home. Ease of access to cooperating brokerages is certainly a factor for you to consider. [Continental Crown](#) believes its responsibility is first and foremost to you, the Seller and homeowner, not to the convenience of cooperating brokerages. A balance must be found that satisfies your needs and concerns. Therefore, a lockbox will be utilized

only if you authorize such use in your Listing Contract. We will not make this decision for you.

Security of Your Possessions

The security of your most treasured or valuable possessions will always be questionable during showings, whether your Associate is present or not. While [Continental Crown](#) believes all cooperating brokerages and their agents are trustworthy, we cannot vouch for all of their clients. As a matter of prudence, we suggest you secure, in a truly safe place, all objects and possessions you highly value, particularly those that are eminently portable. Please don't leave wads of cash laying about. Were we to suggest a list of commandments regarding the selling of real estate, one commandment would be that, "Thou shall not tempt anyone," other than encouraging the temptation a prospective Buyer might have to make an offer to purchase your home!

Yard Sign

One very effective marketing tool is the placement of a yard sign on your property. The yard sign indicates that the property is available through [Continental Crown](#), and includes your Associate's name and phone number so that interested parties may contact them directly. A brochure holder may also be attached to the sign, offering any interested person the opportunity to learn more about the property. Your Associate's name and phone number are also on the brochure.

A yard sign is not an invitation for casual drive-by home seekers to knock on your door and explore your home. Should someone attempt this, however, politely tell them that showings are by appointment only, and that your Associate would be happy to arrange one for them.

Yard signs that become a bit tipsy, or brochure holders that are empty are turn-offs. Call your Associate if either circumstance arises. Your Associate may leave a supply of brochures with you to re-supply the holder should it get depleted. Little things can sometimes be important, and we want you to be our onsite eyes and ears to make certain your property is presented as well as possible at all times.

The Next Steps

Montana Realty Regulation Laws, Standards of Conduct as established by the Association of Realtors[®], and [Continental Crown](#) Policies and Procedures provide the framework for accomplishing the processes involved in your selling your home or other property. In the foregoing, we have outlined many issues that may concern you about this process. The following might be termed the nitty-gritty of brokerage representation – contracts and forms and disclosures, and...and...and...

We trust we can present this intimidating package of required documents in a manner that you will find understandable. Please don't feel awkward about telling your Associate if you are confused about something – even real estate professionals go off muttering to themselves, occasionally. For an example of how confusing things can get, the Listing Brokerage works with Sellers in a real estate transaction, but the Selling Brokerage works with Buyers, not Sellers. Are you starting to get confused yet? If you're not, there are about 650 Realtors out there in Northwest Montana who could benefit from a seminar put on by you explaining this confusing terminology.

Anyway, the following outlines some of the requirements that must be followed to keep you and our brokerage on solid ground. Your Associate will further explain and clarify these many requirements and the documents related to each.

Fair Housing and Non-Discrimination Brochure and Affidavit

Before [Continental Crown](#) can enter into a Listing Contract with you, we are obligated by law to provide you with a brochure explaining fair housing and non-discrimination issues. We then ask that you sign a statement acknowledging receipt of the brochure either in hard copy or via an electronic format, affirming that you understand and accept the requirements presented in that brochure, and that you agree to abide by the fair housing and non-discrimination tenets of the law. Without your agreement, we cannot enter into a Listing Contract to market your property.

The Listing Contract

Montana Law requires that a Contract exist between you, the property owner desiring to sell, and a real estate brokerage firm before that firm can represent you in a brokerage capacity. [Continental Crown](#) uses a standard Realtor Listing Contract for most property listings. We also have a very good Listing Contract that spells out what is expected from you, the Seller, and what is expected from us, the brokerage firm representing you, which you may prefer for more expensive properties. Your Associate will take you through either contract step by step. Within reason, you may make modifications to language in the Contract. The Broker will review the Listing Contract you sign, and must approve the final language before signing on behalf of [Continental Crown](#). Only when the Broker signs the Contract does it become a contract in the legal sense, obligating the brokerage as well as you, the Seller.

Property and Dwelling Unit Information Sheets and Seller's Property Disclosure

As a part of the intake process related to listing your property, your Associate will complete a comprehensive information sheet for your property, as well as one addressing your home if a home is involved, together with ancillary improvements. The purpose of

these information sheets is to give your Associate, and by proxy all cooperating brokerages, as detailed and complete information as possible, so that we may convey accurate details related to your property to prospective Buyers.

In addition, you are legally required to disclose any material defects or problems associated with your property in a Seller's Disclosure Statement. For your protection, hold nothing back. Should you not reveal some problem area that you could be demonstrated to have had prior knowledge of, you may someday be liable for not only remedy, but damages. You are not being asked to disclose things you have no means of knowing; but you are being asked to acknowledge and disclose everything of a potentially adverse nature that you do know about, that could influence a prospective Buyer's decision to purchase or not purchase your property.

Work with your Associate on completing this disclosure. Your Associate may be able to assist you in resolving some of the problem areas prior to beginning marketing your property, both making it more marketable and resolving issues that might otherwise complicate or prevent the ultimate sale of your property.

Home Inspection

Virtually every Buyer making an offer to purchase a home today includes in that offer a stipulation or contingency that the offer is subject to a satisfactory home inspection. Home inspections are undertaken by firms specializing in thoroughly, carefully, and meticulously working their way through a dwelling from top to bottom, front to back, side to side, making note of every little problem detail.

For example, if your kitchen sink goose-neck trap leaked a bit nine years ago, and the leak discolored the cabinetry a bit, but you never bothered to paint over the discoloration after you fixed the leak, that discoloration might appear in a home inspection report. The Buyer might decide not to purchase the home, based on "...faulty plumbing." At best, you might salvage the sale by feverishly explaining that it did leak years ago, but it was fixed years ago, and hasn't leaked since.

This example might sound like too petty an issue to sway a decision to purchase or not purchase a home. One little item like this probably won't be fatal. However, if there are ten or twenty or thirty little 'items', we may be in trouble.

A home inspection costs several hundred dollars. If you don't have a home inspection done yourself, so that you learn what might work to kill the sale of your home, the Buyer will most likely have one done, and you'll be in the dark until the Buyer presents you with the bad news. Many, many times, the bad news is a list of relatively minor issues, readily curable. But Closing Day may have to be put off while you scramble to take care of these items.

Some brokerages require any Seller of a home to have a home inspection done as a part of the listing intake process. This is sound reasoning. Yes, it will cost you a bit of money that you could shift over to the Buyer if you waited. But it may be one of the least expensive marketing tools you could ever pay for. If you have a home inspection done, and if you then know what defects need remediation, you can probably cure 95% of them before they raise a red flag with a Buyer, not after the damage is done.

Continental Crown does not require a home inspection for every home it lists and markets, but strongly encourages Sellers to have one done at the time of listing, rather than waiting until a Buyer discovers what you, the Seller, should have already found and worked to cure. Please discuss this with your Associate. Undertaking this advance effort may prevent undesirable delays or the loss of a sale of your home and property.

Multiple Listing Service

As members of MLS, Continental Crown has agreed to promptly enter all properties for which it has a Listing Contract into the MLS database. This entry presents your property to over 900 member real estate professionals, many of whom may have Buyers searching for a property like yours.

However, you may desire that your property not be exposed to all of these many Realtors, for whatever valid reason you might have. If you choose not to have your property listing disseminated to every member subscribing to MLS, you must write a letter expressing this desire to have a restriction on the listing. Continental Crown is still obligated to promptly enter your property into the database, subject to the restriction that the listing information not be disseminated to any other member Realtors. You may be assured that the MLS Staff will honor that restriction. The consequence of such a restriction may be, however, that only the Broker and Associates of Continental Crown will promote your property via other marketing avenues, greatly hampering marketing successes.

Disclosures

In addition to the Seller's Property Disclosure discussed in the foregoing, two other categories of disclosures are required to be made, at appropriate times in the process of selling your property – *agency* related disclosures, and *property* related disclosures.

Agency Related Disclosures

State Law requires that Agency Disclosures be given by a brokerage firm to a Client revealing who they are representing and their duties and obligations to the respective parties involved in a real estate transaction.

Your Associate will provide you, the Seller, with a Seller's Agent Disclosure to the Seller at the time you sign a Listing Contract. Whenever a cooperating brokerage brings an Offer to Purchase from a Buyer, your Associate will present a Seller's Agent Disclosure to the Buyer to the Buyer's brokerage, who will convey it to the Buyer. Accompanying the Offer to Purchase will be a Buyer's Agent Disclosure to the Seller from the Buyer's brokerage, which will be provided to you with the offer.

If another Associate from [Continental Crown](#) brings a Buyer to the table, there may not be a cooperating brokerage involved. Should this happen, your Associate will still present to the Buyer's Associate and the Buyer, a Seller's Agent Disclosure to the Buyer. And the Buyer's Associate will present your Associate and you with a Buyer's Agent Disclosure to the Seller. This situation will also create Dual Agency, which is discussed in the following paragraph.

Occasionally, and only with the Broker's prior approval, your Associate may also find a Buyer for your property, and desire to act in the capacity of Dual Agency, equally representing both you and the Buyer. Should this circumstance arise, your Associate will present, to both you and the Buyer, a Dual Agency Disclosure Statement. Both you and the Buyer will have to agree in writing that you believe your Associate can fairly represent both your interests and the Buyer's interests in a balanced manner.

Should either you or the Buyer decline to approve Dual Agency, your Associate must forego any further attempts to proceed in a dual capacity, and will become obligated to refer the Buyer to another brokerage. Your Associate will remain exclusively your agent, and will then present, to the Buyer's Associate to whom the referral was made and to the Buyer, a Seller's Agent Disclosure to the Buyer when an offer is presented. The Buyer's Associate will present your Associate and you with a Buyer's Agent Disclosure to the Seller.

Fortunately, many of these disclosures are in the form of language included in other documents, so the number of separate disclosures is minimized somewhat. You do not need to be overly concerned about each individual disclosure, as your Associate is charged with making certain they are appropriately made.

You will be asked to sign whatever disclosures come your way, acknowledging receipt of the disclosure. You will keep a copy of anything you sign. Your Associate also always keeps copies, and the other side of the transaction keeps copies of appropriate disclosures.

If we didn't confuse you before, have we succeeded yet? If you're a little bit puzzled about all this agency disclosure stuff, don't worry. Your Associate will keep it straight, and make certain the proper agency disclosures are made.

Property Related Disclosures

Property related disclosures are hopefully somewhat less confusing. Only eight disclosures are presently involved...subject to additional disclosures being required tomorrow. Some of these eight are mandated by state or federal laws; others are required due to policies of [Continental Crown](#). Not all of these disclosures are required to be offered to you, a Seller, but we prefer to give all applicable disclosures to you on an FYI basis, so that you know in advance what will be given to every prospective Buyer.

Many of these disclosures simply state that we (you the Seller, and we the brokerage) don't know if there is any problem or not, but if the Buyer might be concerned, they should check things out by consulting an expert. However, if you, the Seller, do know of a problem related to one of these areas of concern, you are obligated to reveal that knowledge, and hopefully would have done so in the Seller's Property Disclosure.

The first disclosure is an Environmental Hazards Disclosure, which states that we know of no environmental hazards, and would reveal any knowledge we might have if we knew of any environmental problems. If the Buyer is concerned about environmental matters, he or she should consult an expert to investigate. This disclosure is brokerage policy, and is based on good business practice – a preventative measure we choose to take to protect both you and ourselves.

The next is a Lead-Based Paint Disclosure, mandated by federal law. It also covers copper plumbing utilizing solder containing lead. We want you to have the same information, which can be found at www.epa.gov/lead/pubs/leadpdf.pdf. A hard copy can be provided of this brochure if you desire.

Megan's Law Disclosure is a mandated disclosure that is simply a statement giving prospective Buyers information on how to discover if a registered sex offender or violent felon lives in your neighborhood. We suggest you not research this status unless you have already done so, because if you know or learn of any such individuals, you must reveal that knowledge. What you don't know you don't need to reveal, but we do provide the Buyer with the knowledge of where to find this information if they want to do so.

Hopefully, this next disclosure will seldom be necessary, the Methamphetamine Disclosure. Montana law requires that the Seller of any inhabitable property that is known by the owner to have been used as a clandestine methamphetamine lab (CML) must disclose this fact in writing prior to entering into an agreement for the sale or lease of the property, unless that property has been remediated by a contractor certified by MDEQ. If a CML property has been remediated, the owner and/or agent representing that owner may disclose that fact, and if MDEQ confirms that the decontamination standards have been met, neither the owner nor the owner's agent can be held liable in future.

Mold pervades the world, some of it harmful, and the Mold Disclosure is intended to warn a Buyer that mold may exist. This disclosure raises the issue with a Buyer, suggesting they retain a mold expert if they are concerned. Again, if you have bad mold and know it, you are obligated to reveal your knowledge. If you don't know whether you do or do not have bad mold, you are not obligated to retain an expert to find out if you do. However, most Buyer's will retain a home inspector, who may find bad mold you didn't know about and therefore didn't remedy, and you may lose a sale as a result.

The Noxious Weed Disclosure points out the possibility that noxious weeds may or may not exist on your property, even if you live in the middle of an urban area. State law requires that any property owner must eradicate noxious weeds. You might want to take preventative measures and comply with the law if you suspect you have such weeds.

The Radon Disclosure is another mandated disclosure. A radon brochure is available at www.epa.gov/radon/, but is not required to be given to Buyers. If you have already tested for radon, you are obligated to share the results of that test with a Buyer. If you have tested for radon and its presence was detected, you must disclose what remediation, if any, you have undertaken. If you have not tested for radon, you simply state that you have not done so. A Buyer may test for radon as a contingency to their offer to purchase.

Water and Water Rights are not adjudicated in most of Montana, and we present Buyers with a Water and Water Rights Disclosure, intended to apprise any Buyer of this fact. While you may have water rights which are transferring to the Buyer upon sale of your property, this disclosure is intended to warn the Buyer that adjudication has not been finalized, and a degree of uncertainty is attached to any existing water source and/or water rights. Individual domestic wells using less than 35 gallons per minute are exempt from required water right filing; however, to safeguard your priority right to use ground water, you should obtain a water right on your well as soon as possible. Seller's are obligated to ensure transfer of any water right. If your domestic water supply is either a municipal or a community water system, you do not need to be concerned about water rights transfers.

Closing Day

Closing Day is the day every participant in the process of selling your home or property is cheering for. You want it to happen, because on that day you exchange your ownership in the property for money. The Buyer wants it to happen, because they can then take possession of their dream property. The Buyer's brokerage wants it to happen, because they will receive the SOC – it's payday!

And [Continental Crown](#) wants Closing Day to transpire as scheduled, because only on that day have we succeeded in accomplishing, through our partnership with you, the achievement of your goals and objectives, as you presented them to us the first day we met. Hopefully, you and your Associate have become and will remain close friends.

We want you to always know that you have been, and are important to [Continental Crown](#) and its people. On Closing Day, we know that we can add you to our growing list of delightful people we have been privileged to have worked with and become friends with. There may have been difficult moments in the process of getting from Listing Day to Closing Day, difficulties that we successfully worked through together. And there may be difficult days ahead in your lives. Be comforted, knowing we are only a phone call away at any time, to serve you as real estate professionals, but more importantly, to be there as friends.

Thank you for coming to [Continental Crown](#).