

Homes

Where to look • What to buy • How to borrow



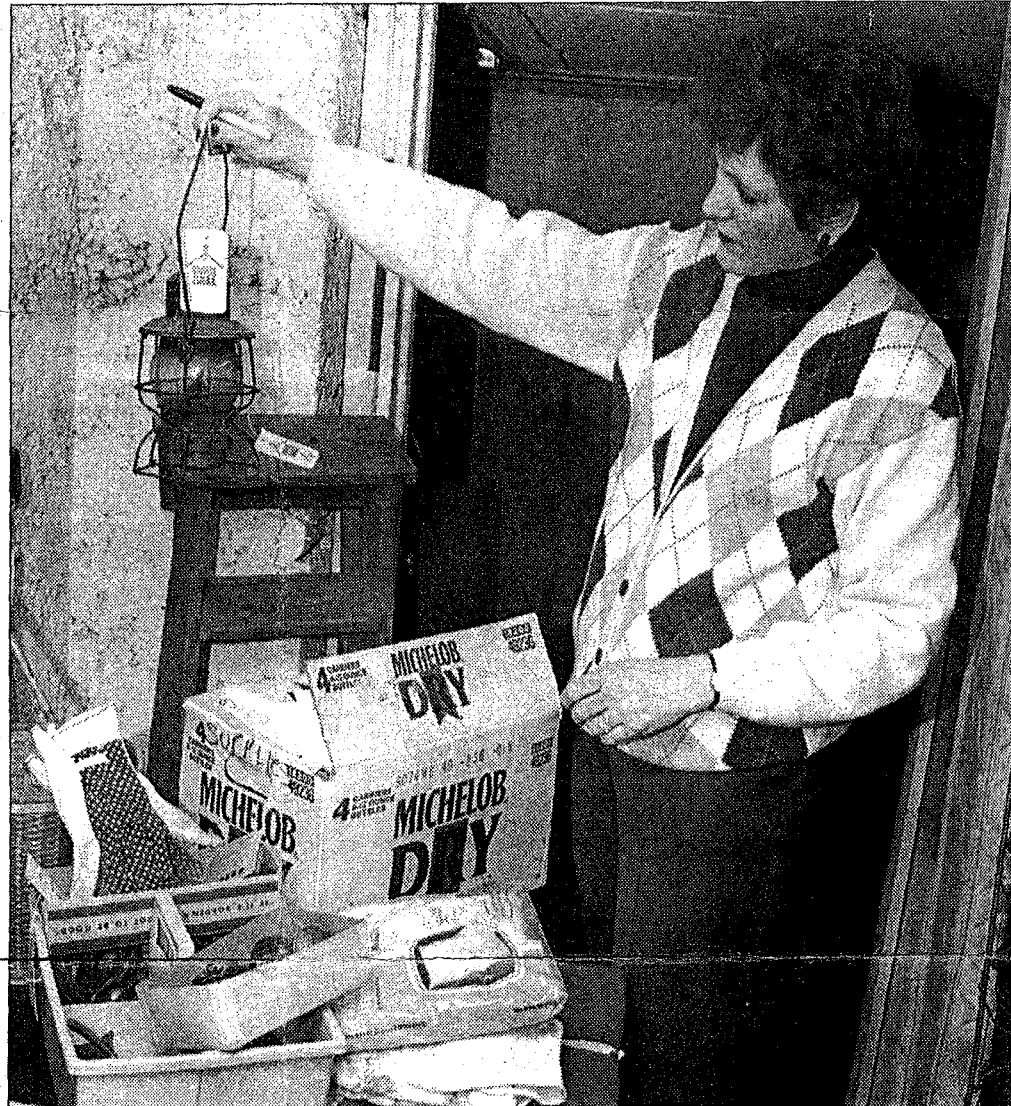
Photo for the Tribune by Mike Fisher

Agent Jeri Carey: "If I were a seller I'd spend the month of January to mid-February readying my house for the marketplace. . . ."

Changing seasons

It's time for sellers to make a checklist

By Helen J. Anderson
SPECIAL TO THE TRIBUNE



No matter who wins the Super Bowl on Jan. 30, the end of the big game signals the beginning of the 1994 home sales season.

So, if you're thinking of selling it's none too early to prepare yourself and your home.

"No doubt about it, with parties over, holiday decorations stashed away and football a soon-to-be memory, owners who plan to put their homes on the market next year should begin planning their strategy right now," says Jeri Carey, a sales associate with Doan Real Estate Co. in Elmhurst.

That's because, unlike bears, buyers don't hibernate; they like to begin shopping much earlier in the year than most sellers realize. In fact, it's during the Midwest's coldest months that sales really heat up.

What's there to do, other than a good cleaning and signing up a real estate agent? Not to belittle the work that should go into these two tasks, but there's a lot more to do. We've talked to real estate agents, lawyers and other professionals to help you set up an informal checklist if you're planning to sell your home this season.

"If I were a seller I'd spend the month of January or Jan. 1 to mid-February readying my house for the marketplace physically, choosing a sales agent and boning up on pertinent legal and financial matters," says Carey, noting February, March, April and May traditionally have been her biggest sales months.

1. Get rid of clutter.

"Now's the time to cut clutter," Carey con-

tinues. "Make your house look as spacious and open as possible. Pack up knick-knacks and family photos; personal items tend to distract buyers. Get rid of anything you thought might come in handy but never did. Keep in mind you're not only improving sales appeal, but also lightening your load when moving time rolls around."

Sorting through what stays and what goes may take some time. Then you'll have to hire a refuse hauler—and that could take more time. The point is, decluttering isn't done overnight and throwing it all away isn't the only answer.

If you're an empty nester, chances are you're still harboring some of your children's gear; invite them to retrieve it by a specific date and give them first dibs at your own excess baggage. That done, you can donate leftovers to one or more charitable organizations and take an income tax deduction if you list and assign a value to each item. Free Internal Revenue Service publications No. 561, "Determining the Value of Donated Property," and No. 526, "Charitable Donations," are available from local IRS offices.

You might opt, instead, to convert the unwanted accumulation to cold, hard cash, which will come in handy when it's time to pay the costs of selling your dwelling. There are a number of experts who conduct on-site

home furnishings sales, among them Carol Hutton, co-owner of Patterns of the Past in La Grange.

Following a call for help, Hutton and her partner visit the sales scene to assess the amount of merchandise, discuss their fees with the owner and set the date. Once the contract is signed, action begins. Unsalable items—old paint cans, newspapers and magazines, for example—are removed from the premises; extra tables are brought in to hold items culled from closets; and the partners begin pricing, tagging and arranging items artistically. Newspaper ads are placed and helpers are hired for the sale, which is usually a one- or two-day event. Patterns of the Past charges 30 to 50 percent of the total sales amount for this complete service.

Hutton also offers a pricing service for \$40 an hour. She does the pricing, tells the homeowner how to set up a sale and furnishes a list of people seeking certain items.

Monica Thompson, owner of Park Ridge-based Chaos to Order, is a professional organizer who helps home sellers weed out unnecessary possessions—everything from files to home furnishings. She orchestrates entire moves or works for just a few hours, according to the client's wishes. Her price for most organizing work begins at \$40 an hour, with

Checklist

CONTINUED FROM PAGE 3

a three-hour minimum; closet design is priced according to the job.

2. Make quick improvements that will enhance chances for a sale.

After cleaning out the clutter, new carpeting is a wise investment, according to many real estate agents.

"It's been my experience you can spend \$500 and gain \$2,000," says Carey. "You may have looked at your old shag stuff so long you don't notice it anymore, but you can bet prospective buyers will notice and wonder how many other things in the house are outdated."

3. Make repairs.

Take a look at your property critically, inside and out, through the eyes of a stranger.

"Little things mean a lot," says Thomas Myers, general manager of Century 21 Clark & Holm Ltd. in Woodridge and a director of the Du Page Association of Realtors. "For example, cracked window panes should be replaced and everything must be in good repair. Owners who put their houses on the market in winter should be meticulous about keeping sidewalks and driveways clear of snow and ice. And it's especially important to

make sure the entrance is attractive. A good, strong storm door is well worth the \$200 or so it costs, because it spells warmth and comfort."

Myers agrees that new carpeting is a selling point—"we call it Realtor beige"—and added that new appliances are another means of speeding up a sale.

"These are big ticket items and many buyers would prefer paying for them on a 30-year mortgage rather than putting them on their credit cards. Buying a house is a physical and emotional experience for most people. People pay for what they see," he says.

4. Interview and hire a sales agent.

Once you've made your house shipshape, it's time to interview at least three real estate agents. As independent contractors, they constantly polish their pitches in order to sell sellers on signing with them. But before you sign a listing agreement, find out exactly what an agent will do to earn your money.

If you do nothing but listen to various sales presentations, you'll find yourself trying to compare apples with oranges. However, if you ask the same specific questions of each agent and record the answers, you'll have a much better basis for comparison.

Philip Stoker, a vice president in the financial planning ser-

VICES department of Harris Trust and Savings Bank in Chicago, says a key question to ask is: "How long have you been selling real estate?"

"Experience counts," he says. "I also think it's important to find out how many houses comparable to yours the agent has sold during the past year. What does the agent know about your market? Does he or she operate within a wide or a narrow area? What's the track record on sales versus listings?"

"Ask for references—names, addresses and phone numbers of sellers who were pleased with the agent's performance—and check them out," he advises.

5. Consider hiring an attorney.

If you're preparing to put your house on the market, it may also be time to hire an attorney. Attorney Norman Goldmeier of Skokie, a real estate specialist, advises home sellers to hire a lawyer before signing a listing agreement, rather than waiting until closing.

"Normally, people don't get me involved until it's time to close, but my feeling is that it's best to have an experienced attorney on board from the beginning," he says. "Most attorneys have a set fee for residential closings—basically, \$300 to \$500; that figure should include looking over the listing agreement, aiding in contract negotiations and reviewing

the final sales contract.

"For example, if a buyer defaults and forfeits the earnest money, my feeling is that all of that money should go to the seller, none of it to the broker; I insert a clause in the listing agreement that says the real estate broker doesn't earn a commission until the closing takes place," Goldmeier says, suggesting that sellers who don't have an attorney can locate one through the Chicago Bar Association.

Jack Kuhlman, a Hinsdale-based attorney who concentrates on real estate law, says the Illinois disclosure law in place now and effective Oct. 1, 1994, changes the old saw from "Let the buyer beware" to "Let the seller beware." Under that law, a seller must fill out a form disclosing known defects and alterations to prospective buyers. Failure to disclose a defect could lead to lawsuits.

"An attorney can be effective in jogging a seller's mind regarding property defects. If a seller says there's never been water in the basement, the attorney can pursue it by asking, 'Never?' he says. "And an attorney can provide accurate figures on closing costs.

"There seems to be a feeling that lawyers might be deal killers, but most times we can be deal makers. Our job is like that of a quarterback; we try to bring all facets of a transaction

together."

6. Even if you're not planning to buy another house, taking stock of your finances is in order.

It's important for homeowners to know about costs associated with the transfer of property, Goldmeier says. In addition to broker's and lawyer's fees, there are state, county and, in some cases, municipal transfer taxes; some are the responsibility of the seller, others of the buyer. In addition, there are fees for the necessary title search and survey. Further, the seller must pay real estate taxes; if the closing date is March 15, 1994, the seller will owe all of the 1993 property taxes plus 1994 taxes prorated from the first day of January to the closing date.

If you're planning to buy another home after the sale of your current one, make sure you have investigated the costs of moving your furniture and other belongings.

And, there's the matter of earnest money. If you buy another home before you close on the sale of your current one, you won't be able to use the proceeds from your sale for earnest money. Ten percent of the purchase price is the standard amount of earnest money that a home seller expects in this area. So, if you're going to buy a \$200,000 house, now is the time to figure out where \$20,000 in earnest money will come from.