

Selling a house in New Jersey can be full of surprises. To get top dollar requires you to put time and money into your house in order to get it to its peak condition. It seems like everyone wants a “move in ready” or “turn key” house. Unfortunately the costs to get it in those conditions can be shocking. To prepare yourself it is a good idea to do your homework. A great place to start is to answer the following 7 questions.

What is your Time Frame?

Life will most likely dictate the answer to this question. You might have to move because of a job transfer and can only afford to carry two mortgages for 3 months. How about you inherited a house and the taxes are draining you dry. Sit down and figure out exactly how long you can afford to own the property. Sure you'd like to sell in 60 days but you should know how long you actually can go.

What needs repairs?

Before listing your home for sale it's important to identify what needs to be repaired. These items will assuredly be spotted by your buyers inspector. When this happens they will lower their offer by asking for a concession or even back out of the contract. Nothing is worse than losing a deal on something you could have fixed before hand.

Even if you have to call in an inspector yourself, it is a great idea to find all your house's trouble spots. At this point you can then get estimates on what it actually costs to fix these items. You can then make an educated decision on whether to fix the items or not. Also you now know if the concessions the buyer is asking for are reasonable.

Please also realize that you need to disclose all known repair items or you could be sued after the fact.

How much you will pay in Commissions and Closing Costs?

These are huge expenses when selling your house. If you don't have a lot of equity in your home, closing costs could eat what ever equity you do have. Some of these fees can be negotiated out or avoided all together. However you must know about the fees before hand in order to put together a plan that will help you avoid them.

Every state's fees are different so make sure you check with a lawyer/title company to get the latest costs. Below are the typical items you will see on your closing statement as well as the average costs for the state of New Jersey.

Average Origination Fee Charged by Lender = \$1,568

Average title and third party fees = \$2,507

Average Total Fees = \$4,075

Here are the average cost breakdowns...

Origination Fees charged by the lender

Points	\$490
Application	\$345
Document Preparation	\$75
Broker, Originator or Lender	\$1,112
Processing	\$495
Tax Service	\$79
Underwriting	\$200
Wire Transfer	\$25
Third Party Fees	
Appraisal	\$407
Attorney, Closing and Settlement	\$553
Credit Report	\$14
Flood Certification	\$10
Employment Verification	\$15
Inspections	\$125
Postage/Courier	\$75

Survey

\$675

Title Search and Title Insurance

\$1775

* this information is from bankrate.com

What is the value of the property as it sits?

Knowing the value of your property in “as-is” condition is highly recommended. This will be what you can expect to get for your home if you do not do any repairs or upgrades. Having an idea of what this value is will help you make a decision on what to do next. Should you spend money to replace the roof, upgrade the kitchen or even fix the flood damage in the basement. There is no sense in throwing good money into a property if you won’t get it back and then some.

How much will it cost to fix the house up?

After figuring out what the “as-is” value of your home is and what needs to be repaired it’s time to figure out how much it will cost to fix the place. Best way to do this is get a

couple of contractors in to give you an estimate of the items on your list. You will then have a good idea of how much it will cost to fix everything.

Are you emotionally attachment to the house?

Nothing prevents a home from selling more then an emotionally attached owner. The problems with emotion is it artificially inflates the value of the home...In the owners eyes only. Did you grow up in the house? Did you raise your family there? It is tough to let go sometimes, but you can't let those memories make you see something that isn't there. Your buyers will certainly not see it.

Treat the sale of the property as a business transaction. Refer to the property as “the property” or “the house”, stop using the word “Home”. Home has a direct line to your emotions and will affect your decisions.

What qualifications do you require your buyers to have?

It's a good idea to write down the profile of your minimum qualified buyer. This way when the offers start coming in you can easily check your buyer profile and make a decision. Below is a list of items you should consider...

Pre-approved/cash. A buyer that is pre-approved for a mortgage or has cash (and can prove it) is the ideal buyer. Many offers will come in that says the buyer is "pre-qualified" this doesn't mean they can get a mortgage however.

Down payment amount. Determine the minimum you'll accept for the down payment. The standard in NJ is 20% to 25%. A buyer who can afford that is a strong buyer in my book.

What contingencies (inspection, financial, other?). In most cases an offer will have at least an inspection and financial contingency. Anything more than those usually signifies that the buyer isn't 100% serious about following through with the offer. Make a list ahead of time of which contingencies you are okay with and if you get an offer that has more than it's easy to dismiss it.

Closing Costs. It is pretty common these days to split closing costs with the buyer. You have to make the determination at how much you are willing to give up. Like everything else it's a good idea to setup guidelines ahead of time so your decision is a logical one not an emotional one.

Final Thoughts

If you need to sell your house quickly you have to be flexible with your asking price and [I Buy Houses in NJ, any condition](#). Instead of trying to get what you want for the house you'll have to determine what you NEED for the house. Do you need to pay off some debt or pay off estate taxes? Houses can be a great investment but they also can be a huge burden if you can not sell it. Knowing everything that you can about your house can go a long way in making the right decisions.