



# HOW TO...

## re-sell your property



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You've decided that it's time to sell your dream property in Florida; but where do you begin? Property experts **Lesley Dolby** and **Steve Schaffer** share their tips on the selling process and getting the best deal for your house

**T**here are many reasons that you may be considering selling your Florida property: the first step is to examine your own personal reasons for wanting to sell and see if these reasons are valid, make financial sense and that you won't regret the decision later! You may want to upgrade to a larger property, or downsize to a smaller one, or have decided to leave the area completely and buy somewhere totally different. Shrewd buyers may choose to sell in order to cash in on a hot seller's market; or may need to sell their property to complete a long-term investment plan. The need to sell can also arise from unexpected circumstances, such as liquidating assets in order to cover a personal or business emergency; or perhaps the costs of operating the property outweigh the benefits of keeping it on.

Whatever the reason, you'll need to make sure that you are not pressured into making this important decision for the wrong reasons. So let's assume that you have thought things

through and you are ready to make the move: how do you go about doing this from your base thousands of miles away?

### STEP 1: HOW TO SELL IT?

There are three ways to sell your property: for sale by owner (FSBO), through a licensed real estate agent and through a realtor (a licensed real estate agent who is a member of the National Association of Realtors). While it may be tempting at first glance to save thousands of dollars in commissions by selling your own property, the reality for FSBOs is actually often different. Even though realtors are experts in selling property, it is no small coincidence that when it comes to selling their own personal properties, the majority of realtors pay other realtors to help sell them, instead of trying to sell FSBO. For most readers of this magazine, the sheer distance makes it extremely difficult to try this alone. While it is indeed possible, there are so many complications that can arise



Photo: Homesearch Overseas

“ Only realtors have the legal access to use the MLS to its full capacity ”

**Right** Consider using your original realtor to help you sell in your property  
**Below** Getting your property on the MLS means that more people have a chance to see it

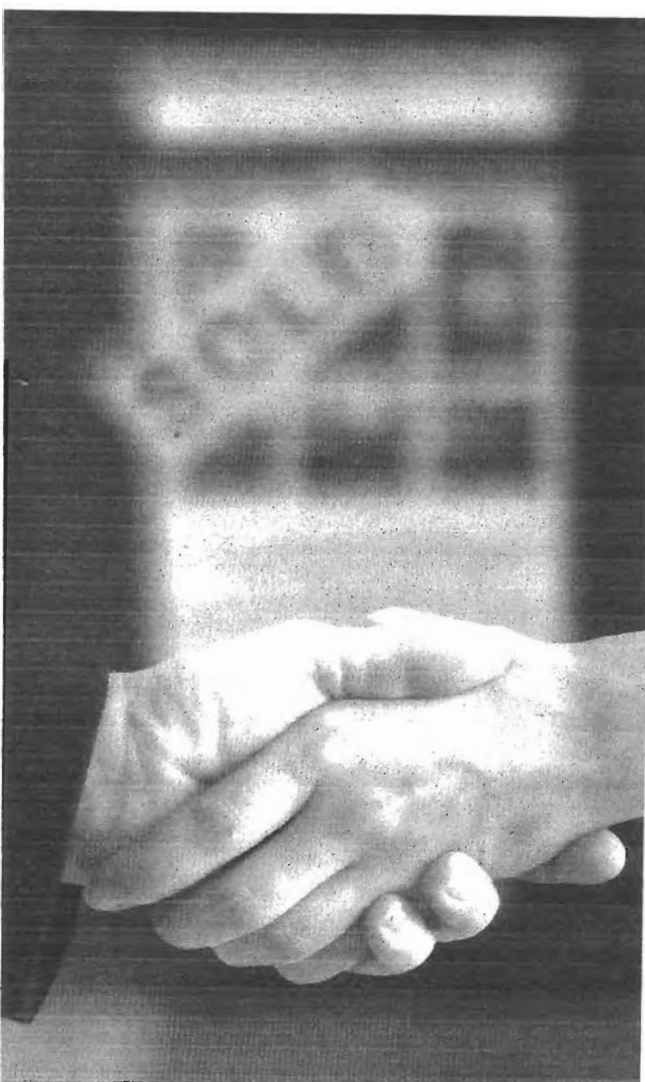


Photo: iStockphoto

from contract to closing, which are much better handled by a professional in the know.

A licensed real estate agent who is not a realtor has the legal right and ability to help you sell, but when compared to a realtor, has limited capabilities. The best way to sell your property is to let as many people as possible know that it is for sale. The best tool for doing this is the MLS (multiple listing service), and only realtors have the legal access to use this system in its full capacity. In addition, local realtor associations promote the ongoing education and training for their members, to better ensure successful transactions.

**STEP 2: LISTING CONSIDERATIONS**

Assuming you have chosen to work with a realtor, then you'll need to decide whom to appoint. If you bought the property through a realtor and you were happy with their services then, the best choice you can make is to have them help you sell your property now. If not, then seek out a licensed brokerage that is local to the area where your property is located and whose agents are most likely to be knowledgeable and experienced in the intricacies of your particular market. Don't focus on the commission, because it's not usually the best idea to go with the one who offers to work for the least money. Although there is no set commission and this is always negotiable, most realtors charge six per cent of the selling price. Remember that the commission you pay usually has to be shared by four people – the listing broker, the listing agent, the selling broker and the selling agent. The

Photo: Stock.Xchng



# Market trading

The location of your property can make a big difference to your selling prospects.

Certified independent Florida property specialist **Andrew Bartlett** looks at the housing market state-wide



For those considering selling a property on the Gulf Coast the current position is somewhat different from the position in Orlando, where many British buyers wishing to sell are trapped on developments where overselling has led to saturation of the market. The position on the Gulf Coast is somewhat more complex. Areas such as Rotonda give some cause for concern as price increases have outstripped buyer demand and there are possibilities that the market may fall back.

Another area of concern relates specifically to expensive condo developments, particularly in Naples and Sarasota, where there has been heavy investment over the past two years. With many investors planning to resell, there are already enormous levels of inventory.

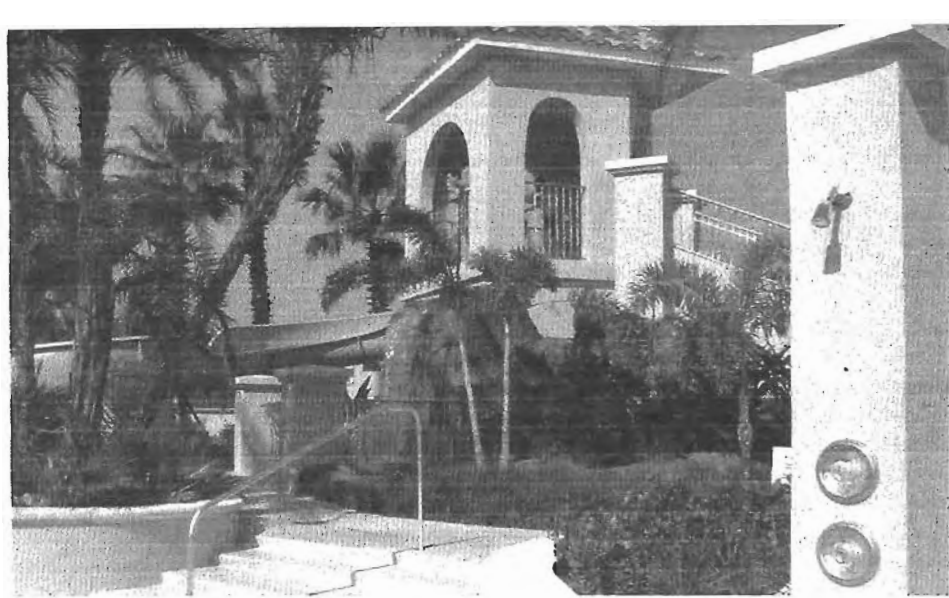
For home owners in areas favoured by both British and American buyers such as Rivendale in Osprey, Stonybrook in Sarasota and Sabal in Bradenton, ongoing demand means interest remains buoyant and selling should not be a problem. In these cases, the focus is more on finding the most appropriate selling agent who can provide a competitive commission rate and will also market the property extensively, both overseas and domestically.

There is a huge difference in America between talking the talk to obtain the rights to sell your property and delivering the sale. Commission rates charged do not always correlate with successful sales; and with over 100,000 licensed agents in Florida determining who is the best for you is not easy.

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Photo: Stock-Xchange



big difference between the US and the UK when it comes to listing property is that in the US, the agent with whom you list your property will most likely not be the one who actually sells it. Realtors co-operate with each other to get your property sold, then split the commission between them. In the US the realtor also monitors most aspects of the transaction during the weeks from contract to closing, often encountering and fixing unforeseen problems along the way. The reality is that a deeply discounted commission doesn't usually motivate anyone to work especially hard to sell your property before anyone else's, especially in a buyer's market. In a normal market, a good agent will get you the right price, in reasonable time, saving you money in the long run. The most important consideration, whomever you choose, is that they should be experienced in working with foreign nationals, as this can change the selling process entirely.

## STEP 3: THE SELLING PROCESS

Your realtor will usually have you sign an exclusive right of sale listing contract, along with other supporting disclosures and forms, which must be on file prior to listing your property. Most regional MLS regulations give a very short time period, usually 48 hours, for a listing broker to input the listing to the MLS. It will then immediately be seen by tens of thousands of fellow realtors and be automatically fed to popular consumer websites, such as Realtor.com. To gain maximum exposure for your property, you should make sure that the realtor you hire is actually co-operating with other realtors and not just keeping the listing "in-house", thereby limiting the exposure. The intention to keep listings "in-house", or even delay the MLS input, must be written into the listing contract.

As a foreign national, there is normally a requirement for the closing agent to withhold 10 per cent of the contract price, to comply with FIRPTA (Foreign Investment in Real Property Tax Act). If your accountant has completed the required paperwork in good time, then most likely this withholding will be for only a short time (60 to 90 days), pending authorisation by the IRS (Internal Revenue Service) for the closing agent to release it back to you, minus any capital gains taxes owed. If not completed on time, then the closing agent is obligated to remit the 10 per cent to the IRS upon closing ▶▶

“As a foreign national, there is normally a requirement for the closing agent to withhold 10 per cent of the contract price”

Above Highlight nearby amenities like spas: they can make your property seem more rentable, and profitable



and you will have to wait much longer for the refund. If you have been renting out your property, you will probably already have an accountant; but if not, your realtor should be able to recommend one knowledgeable in working with foreign nationals and in particular with FIRPTA.

In Florida, closings are normally handled by title companies, who handle the paperwork for both parties and charge reasonable fees. A well-chosen realtor will already work with a preferred title company who can handle transactions smoothly; so unless you have your own particular choice, then your realtor should be able to handle that for you. Not all title companies are expert in handling foreign nationals, so again, it is very important to trust your realtor to guide you.

#### STEP 4: KNOW YOUR MARKET

The length of time you can expect your property to be on the market depends on the type of market we are in. In a hot seller's market, such as in 2004 and 2005, properties were sold within hours, many with multiple offers at more than the asking price, creating a frenzy and pushing prices artificially high. This usually causes more people to jump on the bandwagon and list their property for sale, hoping to cash. Unfortunately, the additional flood of properties for sale at higher prices causes an imbalance, where sellers find themselves with their property on the market for months and often need to reduce the price before their property gets sold. Most of Florida is currently in this type of market and it is not uncommon for listings to expire or be withdrawn, simply because there are too many around. In normal times, one can expect a property to go under contract within about 30 to 45 days, then complete about six to eight weeks after.

A properly priced property should sell even in a buyer's market, so listen to your realtor, even if the price they suggest for your property is lower than what you expect. They know the market and know that overpriced properties that stay on the market a long time are not the best way to go. ☀

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Above Your property's location and the current state of the property market will play a huge part in the selling process

## Checklist

Follow our top tips for a less stressful re-sale

- Determine how motivated you are to sell. Unless in a hot seller's market, it is not a good idea to list your property to test the waters. If you really want or need to sell, then you'll need the right tools and the right price for a successful sale.
- For the maximum exposure and the most professional guidance, seek out an appropriately experienced licensed realtor to handle your sale. Although it is rare for a transaction to go absolutely perfectly, the pitfalls you will avoid when using a professional will be worth the commission you pay. Remember that the lowest cost isn't usually the best deal.
- Avoid agents who tell you what you want to hear and eagerly agree to list your property at a higher price than what it is really worth. These agents will often suggest you lower your price later on.
- In a buyer's market, don't hold out for the high price that your neighbour got in a seller's market. If you want or need to sell, only a properly priced property will sell.
- Make sure you disclose all known defects on your property, because you can be held liable even after the closing if you hide anything from buyers.
- Hire a local US accountant who is experienced in working with foreign nationals and make sure all paperwork is attended to well before closing.