

7 SECRETS

Real Estate Agents

Don't Want You

To Know About

Cash Home Buyers



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THE NUMBER OF U.S.
HOMES SOLD FOR
CASH INCREASED
FROM
17,000 IN 2009
TO
41,000 IN 2019

STATISTA

You've probably seen the signs in your neighborhood offering cash for houses, and may be curious about what that is.

If you're looking to sell your home and avoid the headache of prepping your home, hosting open houses, and going through a drawn out closing process, a cash offer may be a great option for you.

These types of sales are growing quickly because of how efficient and hassle-free the process is for sellers. In fact, the number of U.S. homes [sold for cash increased](#) from 17,000 in 2009 to 41,000 in 2019.

But what is a cash offer, and when is it smart to sell a home for cash? Let's dive into the world of "cash for homes", how they work, and if it's a good fit for you.

Selling a Home for Cash: How Does it Work?

When a home is sold for cash, there are a few common traits:

- The buyer doesn't need lender financing to pay for your home
- The offer will usually come with fewer contingencies than usual—you won't need an appraisal from a bank, nor will you have to wait for the buyer to sell their home to get a loan.
- You get to skip home staging, open houses, and having to deal with realtors (who take a large cut).

We're diving into the details of all the benefits a cash home sale can bring, keep reading for deeper insights into the process!



Things to Consider about Cash Offers When Selling a House

There are a few things you can do as a seller to make sure a cash offer on your home sale goes smoothly. Check out these tips to consider when selling a house to make the process an easy transition.

Know Your Home's Value

The key to selling your house for cash to a house purchasing company is to do your research and know what your home is approximately worth before you sell. This helps you understand whether the cash offer is fair and that you are getting your worth. There are a few ways to better understand how much your home is worth, including getting an estimate from [Zillow](#) and [Redfin](#).

The Financials Make Sense

Of course, real estate agents will tell you that it's not a good idea to sell to a house buying company because you'll lose money. But the reality is that you will likely make almost as much as you would make through a regular real estate process. A cash sale saves you time, which equals money. When selling a home through the real estate process, this also requires real estate fees, closing costs, and whatever repairs are contingent for selling the home which adds up quickly. While most cash offers will be at the lower range of the spectrum, your home will be sold "as is" and you save time and fees.

Leave Your Worries At the Door

If you've inherited a home or you have things in your home that you don't know what to do with when you move out, a cash purchase is a great fit for you. If you go through the real estate process, you'll likely need to get a dumpster, throw out everything in the home and do a deep clean of every inch of the house. You may even need to repaint, fix up floors, or get new carpet. Cash buyers don't usually concern themselves with what's inside the home, they're just worried about the bones of the home.

7 Secrets Real Estate Agents Don't Want You to Know About Cash Offers

Selling your home is a major step in life, and it's not something you do every day, which is why sellers often depend on real estate agents to help during the process.

While there are great real estate agents out there, we have to remember that it's their job to sell your home and they may prioritize things in a way that might not give you all the information you need.

Selling a home all ends in the same way, selling a home to a cash buyer is a little bit different than the normal selling process. Here are a few things you should know:

1

The Process is Faster AND More Flexible

Cash offers have the benefit of faster closing times because they aren't contingent on financing. That means, the mortgage application and approval process, which usually can take about a month, is skipped. There is also a chance that financing, and therefore the sale, can fall through which would derail the sale. All of this is bypassed when you sell a home for cash. Approvals, which include proof of insurance and funds and signing closing documents can be wrapped up within 2-4 weeks, as opposed to 2-4 months with a realtor. With reduced formalities, reduced paperwork, and reduced selling activities, the process goes quickly and smoothly.

2

No Improvements or Changes are Needed

Often when buying or selling with a mortgage, the buyer will stipulate that they will only purchase if certain things are done before the sale. Realtors may require you to invest more into making repairs and updates before even listing your home on the market. Also, unless the property is in perfect condition, a bank will typically require repairs before a mortgage can be approved. With a cash sale, you can usually sell the house “as is” —you don’t need to make repairs or upgrades to sell it.

3

Avoid the Nitty-Gritty Fees

There are so many details that go into any home selling process, from appraisals, to mortgage lenders, and more. At every one of those steps, something can go wrong, and more so, is always a pain for buyers and sellers. With a cash home buyer, the deal favors the seller. There’s no appraisal needed, no mortgage company involvement, no closing costs, or realtor fees— which is a weight off the shoulders of a seller. While cash offers can sometimes be lower than retail, you often walk away with a similar net price by not having to pay all the additional fees, commissions, and repairs.

4

It's Less Intrusive to Your Home Life

Selling off market to a cash buyer is much less intrusive than the typical real estate process—you won't have countless people walking through your home for showings and open houses. It also means less stress with having to keep the house in 'showing' shape for months on end until it can be sold. Realtors encourage open houses because there's a two-fold benefit to them—they can show the home to get more people to buy it, but they can also gain new clients for themselves. Avoiding these inconveniences with cash offers is a huge advantage to those who value their privacy, or simply find showings to be exhausting and inconvenient.

5

You Can Leave Behind Belongings

It's one of the biggest burdens of moving—all that stuff. Whether it's your extra furniture or stuff that was left behind in a home that you inherited, it can be a hassle to deal with things that you don't plan on taking with you. With a cash offer, you can often leave behind anything you don't want to move. Some cash buyers will purchase the property with any unwanted items left behind. In fact, in many cases they'll even help arrange packers, moving trucks, dumpsters, or anything that may assist with making your move that much easier. When you're selling to a retail buyer on the market, you're on your own.

6

You'll Receive Cash for the True Value of Your Home

Realtors tend to be overly optimistic about selling price, or exaggerate the value of your home in order to get the listing. While you might get the original asking price they suggest, you most likely won't. And if your home doesn't sell for the suggested price, they will continue to decrease the asking price until it is sold, often matching what you would have received from a cash buyer- but costing you way more time and hassle.

7

Don't Get Stuck in Agreements

If you sign an exclusive listing agreement with an agent, you can't forgo any realtor commissions even if you find a buyer yourself. Depending upon how the listing contract is written, you might not even be able to cancel the agreement prior to the expiration. This is important to note before signing with a realtor, especially if there's a chance you might want to sell to a cash buyer after listing it on the market. If you make arrangements with a cash offer purchaser before listing your house on the MLS and you can avoid using real estate agents (and their commissions!). That also means no professional staging, open houses, and waiting around for offers and contingencies.

What to Expect When Selling Your Home for Cash

Depending on the type of investor you end up selling to, the process of getting an offer and closing will vary, but you can expect to go through these main steps:

- 1. Schedule a Consultation with a Home Buyer:** The first step in the process of selling your house is the consultation. There could be many reasons that you may want to sell your home to us for quick cash. Maybe you have taken a job in another state and need to sell your current home quickly. Closing the traditional way may take longer than expected, and you just don't have the time to wait. Maybe your home is dated and in need of costly repairs and renovations. Also, selling the house is not an option because the buyer requires you to make the fixes to sell it. No matter your reason for wanting to sell, a cash offer can get you money fast.
- 2. Receive "As Is" Cash Offer:** After your consultation, a property specialist assesses your home's condition. They review the interior and exterior of the home, inspect the home for problem areas, look at the property's character, and complete the value assessment. The market value and the neighborhood you're in will be taken into consideration. Once the assessment is finished, you get an offer.
- 3. Signing Your Cash for Keys Agreement:** If you agree to the offer, you will need to sign an agreement based on the agreed-upon price. Once you sign the deal, a team will quickly get to work on closing procedures to transfer your home for the cash.
- 4. Close on Your Home & Get Paid:** Once all of the backend procedures to get your property transferred are complete, you will be provided with your cash! It's just that simple. No strings attached, no middle men, and no dealing with a real estate agent.

Common Reasons to Sell Your Home “Cash Only”

A mortgage generally lasts 30 years and a lot can happen in that long time. Selling your house to a cash buyer is the fastest, most efficient way to get cash-in-hand for your home. It doesn't matter the condition or situation, although obviously these factors will affect the final price.

Every home seller has a unique situation, but there are a few scenarios that are more primed for a cash only deal. We're outlining some of the common reasons to sell your home cash only.



Who Benefits from Cash Sales?

Homes at Risk of Foreclosure

Homeowners facing foreclosure often face tough decisions—short sales, bankruptcy, eviction— that can negatively affect credit and make life difficult. Of course it's never an ideal situation, but if a seller is having trouble with an unpaid mortgage, selling a home for cash can help pay that mortgage and start over sooner. There are other situations that sellers can avoid, like having to go through the motions of selling an inherited property or someone looking to downsize quickly.

Homes In Need of Repair

Maintaining a home is expensive, there's no doubt about it. Sometimes, the repairs just exceed any practical expectations of a homeowner. If the foundation is cracked, the roof needs repairs, leaky pipes or electrical work—it could cost a homeowner tens of thousands of dollars. If you know you need to do major upgrades to your kitchen or bathroom, it could really make a dent in a wallet. Not only is it a tough sell, but many lenders don't issue loans for a property that's extensively damaged. Cash buyers don't have the same rules though. If your home has moved past the point of "fixer-upper", it may be worth seeing how much you can sell your property to a cash buyer.

Inherited Homes That Are Unneeded

Inherited properties often come unexpected from relatives, and they're not always needed or welcome. If you inherit a home you don't plan to live in and don't have time to rent out, it'll sit vacant. Selling an inherited home to an investor gives you cash up front, while relieving you of any financial responsibilities, and you won't need to clean and empty that house. An added benefit — inherited homes come with capital gains taxes that can be minimized by liquidating it fast.

You Need to Relocate

Whether it's for work or for family or other personal reasons, there are many situations that would require a quick sale and a fast move. Relocation isn't a cheap endeavor, and not everyone can afford to fund two mortgages or the addition of rent, which means the faster the sale, the better.

Your Rental is a Burden

You have a rental property and it's become more work than you wanted to take on. Whether it's terrible tenants or the "fixer-upper" is too much fixing, selling your unwanted rental property to a cash buyer relieves you of your responsibilities. You no longer need to worry about marketing and maintaining your property, trying to collect rent, or having to evict your tenants. The best benefit? Extra cash in your pocket to do whatever you want with.

You Have a Timeline

For many different reasons, some sellers have a schedule they need to sell by and stick to. Playing the real estate market can be difficult, and there's often a long turnaround time on selling a home. Selling to a cash buyer shortens the timeline and puts the schedule back into your own hands.

Homeowners Who've Experience Life Changes

Homeowners that go through major life changes such as marriage, divorce, retirement, job changes, illness, or a death in the family may need to move quickly in terms of their house. These life changes are already a stressful situation, so being able to quickly and less stressfully make a sale can be a great solution.

Frequently Asked Questions

People Have When Selling Homes Cash Only

When considering selling a home for cash, there are often many questions about the process. These are some of the most frequently asked questions to determine whether it's the right thing to do.

How is the Cash Value of my Home Determined?

1

There are many factors that determine the cash value of your home. Some of things the inspectors consider include:

- Overall condition of your property
- The amount of repairs needed to make the home sellable
- The length of time it will take to make the repairs
- The market value of the home comparable to other homes in the neighborhood
- Other maintenance costs including taxes, insurance, utilities, and more

Some cash for home companies will only purchase homes that are estimated within certain price ranges. How much you have left on your mortgage will also be taken into consideration. While the offer is usually slightly below market value, there are many fees that go into selling a home the traditional way and it usually turns out to be a similar payoff along with time and energy savings.

The key is to find a company that will work with you to negotiate a fair cash value price so you are confident in the price you receive.

2

How Quickly Will The Sale Go Through and I Get My Money?

Your typical house sale through a real estate agency could take anywhere from 2 months to a whole year and can be a huge hassle for anyone who is trying to move quickly. On the other hand, a cash sale can move much quicker, and typically lasts between 4-6 weeks or faster. Unlike the real estate process, there are no financial approvals, waiting on home inspectors, no real estate appraisals, and much less paperwork, saving everyone a lot of time and energy.

3

What Scams Should I Look Out For?

When searching for a cash buyer, there are a few things to look out for: you want your cash buyer to have a solid reputation. A few things to look out that may warn you that you're dealing with a scam artist including:

- **Upfront payments:** most legitimate real estate businesses will provide you payment after closing and definitely after knowing a bit about the property.
- **Stalling tactics:** Some companies want to keep the sale longer and make you more desperate to sell, so they use stalling tactics to drive the cash offer price down.
- **Don't see the property in advance:** A cash offer quote shouldn't be given without someone ever seeing the property and giving it an inspection.

4

Is Working with a Cash Home Buyer a Good Choice for Me?

Of course the true answer is that it depends on your motivations and what you're looking to get out of the sale. If you're looking for a fast, flexible process without the hassle of open houses, making improvements before selling, and worrying about moving all the extra stuff inside—a cash option is probably a good fit for you.

Many people worry that they will lose money on the sale, but the reality is that legitimate cash buyers will give fair offers based on the condition of your home, and while it will likely be a smaller number than if you sell it through a traditional process, if you consider all the extra fees it's likely the net profit will be similar.

5

Can I Sell Other Types of Properties like Mobile Homes, Townhomes, or Condos?

Many cash buying companies will invest in other types of homes outside of single family homes like duplexes, condominiums, townhouses, multi-family units and more.

Some companies only purchase properties over a certain amount, and some have restrictions on the type of property they acquire. It's best to talk directly to your cash purchase company to understand their opportunities.

6

Can I Still Sell My Home If I Am Behind on My Mortgage Payments or In Foreclosure?

Many cash home buyers will purchase an array of properties even if there are issues with mortgage payments, have tax levies on the property, or the properties are in poor condition. As for foreclosures, if it has not been finalized and is still owned by the owner not by the bank, a cash buyer can still purchase it. If the foreclosure auction has taken place and the deed isn't in the owner's hands anymore, it can't be purchased for cash anymore.

7

Can I Sell My Home With A Tenant?

If you are the owner of the home, you have every legal right to sell your home, even if you have tenants. In fact, it might be your best interest to off-load a property that has a bad tenant. Every circumstance is different, and this is taken into consideration when evaluating your home for a cash offer.

8

Do I Need A Real Estate Agent or Real Estate Lawyer?

If you've already listed the home and have an agent, you will still need to pay your agent's commission. Otherwise, you do not need a real estate agent to go through the cash buying process.

As for a real estate lawyer, it depends on what state you live in—some states require one to close a deal.

How to Choose a Cash Buyer

The decision to sell your home isn't easy, and it's especially stressful if you're trying to do it quickly. A cash buyer can be a great option, however you should be cautious about who you partner with. Here are some tips for choosing the best buying partner that buys homes for cash.

- 1. Research Your Options:** To find a good fit for your cash buyer, you need to start with some research for companies in your area. Find a credible agency that can quickly and properly price your home for sale and relieve the stress of the process.
- 2. Make Sure They're Legitimate:** Of course, you want to find a company that has a legitimate website and online presence, but you should take it one step further and ensure that they are accredited by agencies like the Better Business Bureau.
- 3. Check Online Reviews:** It's always great to get an outsider's perspective and understand how other people enjoyed working with the company, which is why online reviews are critical to getting other people's experience.
- 4. Share Your Details Honestly:** It's good to be up front about the peaks and downfalls of the home that you're selling. An inspector will likely find any issues during their inspection, so being up front will help the process go faster and initial conversations to be more accurate from the get go.

10 Questions to Ask Before Selling to a Cash Buyer

Of course there are upsides to selling your property for cash, but that doesn't mean you shouldn't do your homework first. Here are some specific questions to ask a cash home buyer before pulling the trigger.

Do you accept your home as-is?

While many cash home buyers buy homes as-is, not all do, so if you're looking to hand off your home in the condition that it is in this is an essential question. Some cash home buyers will also change their offer based on how much tidying, patching, and fixing they need to do once they own the home.

What is your company's specific process?

The cash home buying process should be simple and easy, but not everyone does. Getting this question out of the way from the get-go will give you a better idea of how much effort you'll have to make throughout the process.

Is the pricing and timeline reasonable?

When considering a cash offer you want the process to be quick and easy, but you also want a good and fair offer for your investment. If you're selling due to financial or personal situations, it's important that the company you are working with is understanding and aligns with your needs.

Are there hidden fees?

Usually in a cash home sale, the seller gets a cash payout and the buyer covers the closing costs and up-front fees. This isn't always the case though, there are times where the home buying companies will charge the homeowner with various fees from the real estate process.

What's your reputation?

Businesses can pretty much say whatever they want on their website, but promises don't mean anything if they don't follow through. The best way to understand if a business backs what they promise is by looking at online reviews. Look for solid reviews on the internet, or even better, a home buyer that has given a great experience for someone you know.

Is your operation local?

There are some cash home buyers that buy up large amounts of homes in a community just to flip and make large amounts of money. They don't know or care about the community they serve or the market conditions in the community. That means people in the community will get lower cash offers, poor service, and just not a great experience. Local buyers are part of the community and take it into consideration as they make purchases.

Can you provide an immediate proof of funds?

A great way to weed out shady buyers is to ask for proof of funds. This is an industry standard, and it's perfectly acceptable to make this request. If the investor has the cash, it's easy for them to show you the proof with a certified bank statement or letter.

Do you provide an earnest money deposit?

In addition to requesting proof of funds, another way to gauge a buyer's ability to follow through on a purchase is to ask about an earnest money deposit. Professional and serious cash buyers will be able to show their dedication and ability to buy the house by depositing earnest money into an account.

Do you require a home inspection?

A traditional process will most definitely need a home inspection, but cash buyers often don't, which makes them more attractive. If this is something you're relying on, make sure to clarify that with the potential buyer in advance.

Do I need to make repairs first?

Even if a buyer doesn't require an inspection, they may still expect you to spruce up the house before handing it over. Ask about the expectations up front to make sure they align with the effort you're willing to put in.

A Quick and Convenient Process

There's no doubt you've seen many "We Buy Houses" signs springing up in your community, and with so many financial emergencies arising, it might be something you're considering. The pandemic has been tough on a lot of people, and you may be short on cash but still need to take care of your home. In this case, a no-nonsense, hassle free home selling process can be a huge benefit. A quick process of a home review can get you a cash offer on the same day, and the transaction can be closed within a few weeks.

There are many home buying companies out there, but it's important to find a company that is not just legitimate, but a respectable business that cares about the community and people it serves. A straightforward approach with no nickel-and-diming at every step is what anyone can hope for in a cash home buying process.

If you need cash fast and are tired of all the delays that the traditional home buying process puts you through, finding a reputable cash buying company to review your home and make an offer is a great choice.



Ready to Cash Out on Your House?

Every seller's situation is unique, but for many, the perks of a cash sale can be well worth the sacrificed equity. If the process of selling a house for cash sounds like something you'd like to explore, find a direct buyer who purchases properties like yours — in terms of condition and price point — and who has been verified as ready to buy right now.

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