



## ¿ HOW TO SELL YOUR REAL ESTATE IN COLOMBIA ?



### DISCOVER HOW TO

- Set the right price for your property.
- Create an effective marketing plan.
- Learn the advantages of advertising with Facebook!
- Sell your property according to the legal requirements.
- And much more!



**AlejandroBroker.Com**

Tu Aliado en Bienes Raíces



# HOW TO SELL YOUR PROPERTY SUCCESSFULLY IN COLOMBIA.



So, the time has come to sell your property and give way to new perspectives for your life! Whether it is your house, apartment or any other type of real estate, you are about to make a very important decision and I want to give you in this Guide some tips that will be useful in order to make it a successful negotiation.

Keep in mind that the sale of a real estate property is one of the most important financial and legal events at any stage of life. Therefore, given the large number of concerns that arise when selling a property, it is of the utmost importance to know each of the stages involved in this process, which can become somewhat complicated if you do not know the information to make the right decisions.

In this **GUIDE TO SELL YOUR PROPERTY** you will find a general framework that will help you to have better criteria in making such an important decision. If you have any questions, please do not hesitate to contact me. I will be here to assist and offer my professional services whenever you need them. So, it is a pleasure to present you this basic orientation, which I hope will be most useful for you and your family.



# THE FIRST STEP TOWARDS A SUCCESSFUL SALE



Would you believe me if I told you that 90% of the properties that fail to be sold in a reasonable time have in common that, at the time of advertising on the market, there was no clear marketing plan that would allow, among other aspects, to set a correct price for the property?

The fact is that selling a property is a process that goes far beyond placing a FOR SALE sign on the window or uploading photos of the property to an internet portal. After all, we are talking about an important sum of money or capital for which a transaction will be made in a market that has a growing number of alternatives.

Appraising the correct value of a property, regardless of the emotional attachments or personal opinions that we all may have as owners, can affect inflating or even depreciating the value of the square meter and the characteristics of the property in comparison with the sector or the economic situation.

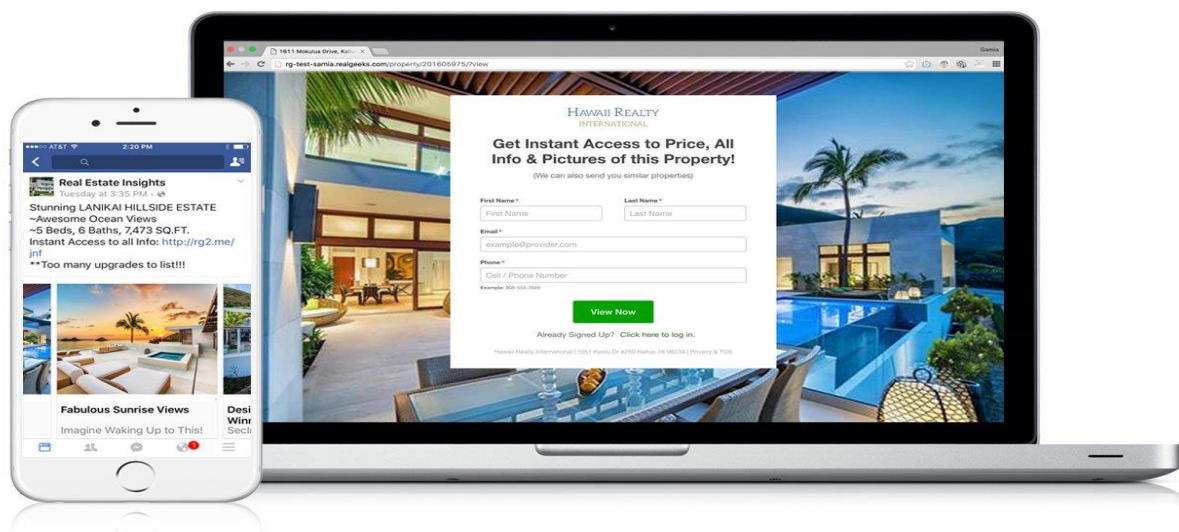
That is why it is imperative to conduct a study of the property. Taking this first step and doing it well may represent the success or failure of the whole selling process. For this reason, having the advice of a Real Estate Professional is so important since he/she



has the technical and commercial tools to give a correct and, above all, impartial appraisal of the property.

If you decide to make your own appraisal, allow me to suggest you to be well informed about the price per square meter of the properties in the sector, being clear that you do it with reliable information of the properties that meet the same characteristics as yours and have had a sales history; its time on the market, potential changes in prices, the actual amount of square meters built vs. the total area and in general the best possible survey that you can prepare.

## CREATE AN EFFECTIVE MARKETING PLAN.



With the above mentioned in mind, now the marketing and commercialization of your property begins. Usually those who wish to sell directly will make use of the basic tools such as placing an ad on the window, publish the property in a real estate website and tell family and friends that they are selling their property.

Although this is a basic first step, it does not guarantee that your property will be correctly introduced to the real estate market and that the legal process that comprises the various stages of the negotiation will be carried out efficiently. You see, details such as poorly taken photos, inappropriate advertisements, contacts or relatives who "know" a client without knowing if the client is properly screened, or who have no clear payment plan for the property, are in most cases, factors that hinder the successful sale of the property.



As the weeks and months go by, neither do you receive many calls from potential buyers, or you get a high volume of calls from real estate agencies inviting you to hire their services in order to make a faster negotiation...

Nevertheless, time goes by and the results are not forthcoming. Has this happened to you or do you know someone who is going through this experience? If so, it is imperative that your property has a professional Digital Marketing Strategy that incorporates comparative advantages such as: Professional Photography in 2D and 360°; Virtual Tour of your property (especially effective after the pandemic situation); an exclusive Web Page with organic ranking tools in Google (SEO); integration in Social Networks with Facebook Ads, among others, to exponentially improve your results.

## THE BENEFITS OF ADVERTISING ON FACEBOOK



By using a marketing strategy with Facebook ads, you guarantee that the content you are promoting will have greater visibility. In addition, you have access to a series of very important advantages that are perfectly aligned with how the public consumes information digitally, some of these are:

**1. Market segmentation:** Facebook allows you to select with high precision the target audience you want to reach with your ad. From demographic data such as Age, Sex,



Education, Residence, to other behavioral & lifestyle data such as some of their interests, family composition, interpersonal relations, etc.

**2. Optimizing your budget:** Did you know that you can reach more people in your target audience with very little money? (From \$20,000 pesos and up). When you choose to run a campaign on Facebook you have the alternative of paying per click (specific interaction) and not only for the impressions (times it appears in a person's news feed).

**3. Accurate measurement of results:** Thanks to the statistics presented by Facebook, you will be able to know which results are the most favorable for your ad. This allows you to modify, even during the same campaign (in real time), the advertising strategy to reach your objectives and optimize your investment.

**4. Multiple multimedia delivery options:** From photo & video integration in a single "Canvas" format, to a photo carousel with a link to a specific website and much more, Facebook presents you with options that visually attract the interaction of potential buyers, making your advertisement even more effective.

**5. Remarketing:** This is a tool that allows you to retain your audience thanks to the follow-up that Facebook makes of the interactions the publication has had, allowing you to reach several times the people who have shown interest in your ad.

If you decide to get advice from a Real Estate professional, make sure you know the services and added value they can provide you in achieving your goals by incorporating Digital Marketing Strategies such as the above mentioned, and that they also offer you:

- A Comparative Market Analysis that includes the appraisal of the market.
- Legal screening of potential bidders or buyers.
- Professional personalized guidance as a value-added service at each stage of the negotiation.



## NEGOTIATING YOUR PROPERTY



Once you have found the potential buyer, the negotiation process begins. It is common that in a direct sale, the negotiation margins (bid) made by the buyers, may be as much as 10% - 20% below the price established by the owner. (For used properties).

This is a critical moment of the negotiation, due to the fact that it is all about reaching an agreement on the amount of money for which the transaction of the property will be made.

Be aware that in a direct negotiation, it is possible that the selling price of your property may be significantly reduced, or that you may consider offers that do not correspond to the price you assigned to the property.

Having the professional advice of a Real Estate Advisor, you will know exactly what the negotiation ranges are (much lower than the previous 10%) and also the possible bidders will know that the price stated in the sale of the property is fair and does not allow for a greater discount.

Establishing a fair price from the start is the best way to conduct the negotiation.

Upon agreement, be prepared to reach a compromise. Since there are two parties in the negotiation, both will have the possibility of giving up some ground in order to reach



a good agreement regarding price, moving date, improvements needed to the property, among others.

Therefore, an agreement or purchase proposal to avoid misunderstandings at the time of processing the closing documentation should be put in writing.

## **THE CLOSING PROCESS.**



As you have noted, selling your property goes far beyond putting a "FOR SALE" sign on the window of your property or an advertisement on the Internet.

Getting to the closing stage of the negotiation, or confirmation of the sale, is a process that must be carried out with due diligence and attention between the parties.

It is during this closing process of the negotiation that the legal formalities are made present, such as receiving the "purchase option" or offer in writing, drafting the promise of sale, agreeing on the due study of titles, reviewing the credit support of the entity that will back the purchase (if any), agreeing on the tax payments of each of the parties, making the respective diligences before the public notary and legalize the new registration of the property sold, among several others.





We reach this stage when both Buyer and Seller have agreed on the price and the clauses that will govern the negotiation. This agreement will be reflected in the Promise of Purchase and Sale, a legal document signed before a public notary which stipulates the terms by which the negotiation will be carried out.

In the Promise of Sale, besides including the technical details of the property such as its location, boundaries and tradition, among others, it is also established that the seller must guarantee to the buyer that the property is of its exclusive domain and has no other alienation, therefore it is transferred free of any lawsuit, seizure, pledge, civil lawsuit, family heritage, etc.

In the same way, as the seller, you must hand over to the buyer the receipts of taxes, public services and administration fees dully paid, (if it is a condominium property).

In relation to the property tax and according to the date of the negotiation, its payment might be proportionally assumed by both parties in relation to the number of months that have passed during the year (on behalf of the seller), and those that are pending to complete the year (on behalf of the buyer).

Keep in mind that failure to comply with this agreement may result in the immediate collection of the earnest money presented as a settlement of the negotiation. Usually, the earnest money is equivalent to 10-20% of the value of the property, although this amount and the conditions for the requirement of the deposit, are negotiable between the parties, and the agreement is duly expressed in the Promise of Purchase and Sale.

The process is also usually accompanied by the presentation of a letter of credit approval or pre-approval, Mortgage Loan, Housing Leasing or Housing Credit by a financial institution (Bank), among other forms of financing, as this might serve as a confirmation to both parties that the property will be transferred upon receipt of the resources disbursed by the Bank.

Make sure you understand very well the step by step of the whole negotiation, as well as all the legal, tax, public notary and other aspects that it involves.



# DEEDS AND OWNERSHIP TRANSFER OF THE PROPERTY



The day to register and officialize the purchase of the property has arrived! This is the moment in which the parties will proceed to review the title deeds of the property and other legal documents that make up the negotiation.

This will be conducted at the agreed Public Notary's Office and the transaction will be executed, followed by the cancellation of the required taxes such as the **RETENCIÓN EN LA FUENTE** Tax, usually paid in full by the seller, and the **BENEFICENCIA Y REGISTRO** Tax, paid by the buyer.

Public Notary fees are generally paid in equal amounts according to the negotiation reached.

After signing the deed, the buyer must register it some days later at the "OFICINA DE REGISTRO DE INSTRUMENTOS PUBLICOS" according to the location where the property is to be registered in order to formalize the title and the real ownership of the property.



By hiring the services of a Real Estate Professional, you will be relying on the experience that such broker or their real estate firm provides you, knowing that your interests are properly represented throughout the negotiation.

I hope this guide has provided valuable insights now that you are about to embark on this important decision for selling your real estate assets. If you wish, it will be a pleasure for me to advise and represent you as a Professional Broker, not only during the process of selling your property, but in all real estate investment opportunities that may arise at any stage of your life.

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