



A HOMEOWNER'S GUIDE · NY · CT · NJ

# Selling As-Is: Cash Offer **vs.** Listing

How cash offers are calculated, what you'd really net with each option, and how to protect yourself, so you can choose the right path for your home and your timeline.



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# Three ways to sell a home that needs work

Every home can be sold. The real question is which path gets you the best result for your situation: the most money, the fastest timeline, or the least hassle. Most sellers have three choices.

## 01

### Cash offer, as-is

- From us or our network of cash investors
- No repairs, cleaning or showings
- Close in as little as 2-3 weeks, or on your schedule
- No financing or appraisal risk
- Usually the lowest price

## 02

### List as-is

- Full market exposure to buyers and investors
- Often a higher price than a cash offer
- Showings and a longer timeline
- Some buyers may need financing

## 03

### Light prep, then list

- Targeted repairs, clean-out and staging
- Typically the highest net proceeds
- Requires time and some upfront money
- Best when the home is in good condition overall

## When a cash sale makes sense

- ✓ The home needs major repairs or has code issues
- ✓ You inherited a property you don't want to manage
- ✓ You need to sell quickly because of a move, divorce or financial change
- ✓ The home is tenant-occupied or vacant
- ✓ You want certainty: no buyer financing falling through
- ✓ You'd rather not handle showings or a clean-out
- ✓ The property is a 2-4 family with deferred maintenance
- ✓ Carrying costs (taxes, insurance, utilities) are adding up

**Our approach:** We'll always show you all three options side by side, with real numbers. If your home isn't a fit for our own purchases, we can present it to our network of cash investors. And if listing will put more money in your pocket, we'll tell you, and we can list it for you.

# How cash offers are calculated

Investors and cash buyers work backward from what the home will be worth after it's renovated. Most use a version of this formula:

**Cash offer  $\approx$  After-repair value (ARV) – repair costs – holding & selling costs – the buyer's profit**

**After-repair value** is what the home would sell for fully updated, based on recent comparable sales. **Repair costs** include materials, labor, permits and contingencies. **Holding and selling costs** cover taxes, insurance, financing, utilities and the eventual resale. The buyer's profit reflects their risk and capital.

That's why cash offers are usually below market value, and why it pays to compare them against your listing options.

## Example: what you might net with each option

| Example only                        | Cash offer, as-is | List as-is       | Light prep, then list |
|-------------------------------------|-------------------|------------------|-----------------------|
| Sale price                          | \$420,000         | \$480,000        | \$530,000             |
| Repairs / prep                      | \$0               | \$0              | –\$15,000             |
| Commission (example 5%; negotiable) | \$0               | –\$24,000        | –\$26,500             |
| Seller closing costs (example)      | –\$4,200          | –\$7,200         | –\$7,950              |
| Holding costs while on market       | \$0               | –\$6,000         | –\$7,500              |
| <b>Estimated net to seller</b>      | <b>\$415,800</b>  | <b>\$442,800</b> | <b>\$473,050</b>      |
| Typical timeline                    | 2–4 weeks         | 2–4 months       | 3–5 months            |

Hypothetical example for illustration only, based on a home worth about \$600,000 after roughly \$60,000 of renovation. Your numbers will differ. Commissions are negotiable and closing costs, transfer taxes and fees vary by state and price. We'll prepare a free, personalized comparison for your property.

# Run your own numbers

Use this worksheet to compare offers. We're happy to fill it in with you using recent sales near your home.

| Your property                   | Cash offer | List as-is | Prep, then list |
|---------------------------------|------------|------------|-----------------|
| Expected sale price             |            |            |                 |
| Repairs / prep / clean-out      |            |            |                 |
| Commission                      |            |            |                 |
| Closing costs, taxes & attorney |            |            |                 |
| Mortgage payoff / liens         |            |            |                 |
| Monthly holding costs × months  |            |            |                 |
| <b>Estimated net</b>            |            |            |                 |

## Questions to ask any cash buyer

- ✓ Who is the buyer, and is anyone licensed in real estate?
- ✓ Do you have proof of funds?
- ✓ Is the offer contingent on inspection, and could the price drop?
- ✓ Will you close on my timeline?
- ✓ Who pays closing costs and transfer taxes?
- ✓ Can my attorney review the contract?
- ✓ Will you assign the contract to someone else?
- ✓ What happens to my deposit if you back out?

# Red flags with cash buyers

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- × **Upfront fees.** A legitimate buyer never asks you to pay to receive an offer.
- × **Pressure to sign immediately** or discouragement from talking to an attorney or family.
- × **Requests to sign over the deed** before closing, or to make payments to a third party.
- × **Big price cuts after inspection** on a home that was offered "as-is."
- × **No proof of funds** or vague answers about who is actually buying.

## How sales work in New York, Connecticut & New Jersey

In all three states, real estate attorneys typically prepare contracts and handle closings. You should always have your own attorney review any purchase contract, including a cash offer. New Jersey contracts include a three-business-day attorney review period.

**Facing foreclosure?** New York, Connecticut and New Jersey have special laws that protect homeowners in foreclosure, including specific contract terms and cancellation rights for certain sales. If your home is in foreclosure, tell us up front. We'll walk you through every option, including a traditional sale or short sale, and recommend you speak with an attorney or a HUD-approved housing counselor.

# Two options. One honest conversation.



## Michael Vasquez

Team Leader, Property Solutions Team · eXp Realty

Michael is a real estate agent and an active investor who buys single-family and 2-4 family homes across the tri-state area, with a large network of cash investors behind him. That gives our clients something rare: a team that can get you a cash offer or list your home on the open market, and will show you honestly which option nets you more.

## What we and our investors buy

- ✓ Single-family homes
- ✓ 2-4 family homes
- ✓ Homes needing repairs or updates
- ✓ Inherited and estate properties
- ✓ Tenant-occupied or vacant homes
- ✓ Westchester, the Hudson Valley, Fairfield & Bergen

## Get your free cash offer + listing comparison

Visit [pspteam.com/sell/cash-offer](https://pspteam.com/sell/cash-offer) or call **(914) 483-2883**. No obligation, no pressure.

**Disclosure:** Cash offers may come from an investment company owned by Michael Vasquez, a licensed real estate salesperson with eXp Realty, or from independent investors in our network. When our company is the buyer, we purchase for our own account and are not acting as your agent. When we present an offer from another investor, we'll explain our role and any compensation in writing. We encourage every seller to consult an attorney. You are never obligated to accept a cash offer. Property Solutions Team · eXp Realty · 777 Westchester Ave, Suite 101, White Plains, NY 10604. Equal Housing Opportunity. Cover photo: "Fixer-Upper" by Nicholas A. Tonelli, CC BY 2.0, via Wikimedia Commons.