



# THE EXECUTOR'S GUIDE

## Selling Estate & Probate Property in Tennessee

A Step-by-Step Resource for Personal Representatives, Executors, and Administrators

*This guide is for informational purposes only and does not constitute legal advice. Consult with an attorney for guidance specific to your situation.*

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# Introduction: Understanding Your Role as Executor

Being named as an executor, personal representative, or administrator of an estate is both an honor and a significant responsibility. If the estate includes real property (land, homes, or other real estate), you face the additional challenge of managing and selling these assets while navigating probate court requirements, family dynamics, and market conditions. This guide is designed to help you understand the process of selling estate property in Tennessee.

## What This Guide Covers

- Timeline and legal requirements for selling estate property in Tennessee
- Practical steps for preparing and marketing the property
- How to price estate property fairly and competitively
- Managing family dynamics and multiple heirs
- Tax implications and financial considerations
- When and how to work with real estate professionals
- Common pitfalls and how to avoid them

**Important:** This guide provides general information about selling estate property in Tennessee. Estate and probate law can be complex, and every situation is unique. Always consult with your probate attorney before making major decisions about estate property.

## Chapter 1: The Estate Property Process Timeline

Understanding the timeline helps you plan effectively and set realistic expectations for heirs and beneficiaries. Here's a typical timeline for selling estate property in Tennessee.

Phase	Timeframe	Key Activities
Probate Filing & Appointment	0-30 days	File probate petition, receive letters testamentary, identify all estate assets
Initial Property Assessment	30-60 days	Secure property, get valuation, assess condition, notify utilities/insurance
Court Approval Process	60-90 days	Petition court for authority to sell, notify heirs & creditors, address objections
Property Preparation	90-120 days	Cleanout & repairs, staging, professional photography, resolve title issues
Marketing & Sale	120-180 days	List property, host showings, negotiate offers, accept offer (with court approval)
Closing Process	180-210 days	Title work & inspections, final court approval, closing & distribution

*Note: This is a typical 6-8 month timeline. Your situation may be faster or slower depending on court schedules, property condition, market conditions, and whether heirs agree on the sale.*

## Chapter 2: Getting Started - First Steps

The first 60-90 days after being appointed executor are critical. Here's what you need to do regarding estate real property.

### Step 1: Secure the Property

Your first responsibility is protecting the estate's assets. For real property:

- **Change the locks immediately** - Control access even if family members have keys
- **Verify insurance coverage** - Update to 'vacant property' status (standard homeowner's insurance may not cover vacant homes)
- **Winterize if necessary** - Drain pipes, turn off water, set thermostat
- **Arrange for maintenance** - Lawn care, snow removal, periodic inspections
- **Collect mail** - Forward or arrange regular pickup
- **Remove valuables** - Secure elsewhere

## Step 2: Obtain Property Valuation

You'll need the property's fair market value for determining estate value, establishing tax basis, setting expectations, and deciding whether to sell or distribute.

**Valuation Options:**

- **Formal Appraisal** (\$400-600) - Required by some courts; detailed valuation for tax purposes
- **Broker Price Opinion (BPO)** (Often Free) - Agent provides estimated value based on comparable sales
- **Comparative Market Analysis (CMA)** (Often Free) - Similar to BPO; good starting point

## Step 3: Assess Property Condition

Walk through and document: major systems (roof, HVAC, plumbing, electrical), structural issues, cosmetic condition, personal property disposition, and safety hazards (mold, pests, structural dangers).

**Tip:** Take extensive photos and videos now. This documents condition and protects you if heirs later claim items are missing or damage occurred.

## Chapter 3: Preparing the Property for Sale

Proper preparation can significantly impact your sale price and how quickly the property sells.

### The Estate Cleanout

The decedent's lifetime of possessions must be sorted, valued, distributed, or disposed of:

Method	Pros	Cons
Family Cleanout	No cost, personal control	Time-consuming, emotionally difficult, can cause conflicts
Estate Sale Company	Handles everything, generates revenue	Takes 30-40% commission, requires 2-3 weeks
Auction	Often gets higher prices, creates competition	May take longer to organize
Donation	Tax deduction, helps others	No revenue generated
Professional Cleanout	Fast (1-2 days)	Costs \$500-\$3,000+, no revenue

**The Hybrid Approach:** Many executors use a combination—valuable items to auction/estate sale, family takes sentimental items, remaining items donated or discarded.

### Repairs and Improvements

**Always Fix:** Safety hazards, active leaks, broken HVAC in extreme seasons, obvious damage affecting value

**Consider Fixing:** Dated but functional kitchens/baths, cosmetic damage, minor repairs under \$1,000

**Usually Skip:** Major remodels, expensive repairs (let buyer choose), improvements that won't increase sale price

### The 'As-Is' Option

Selling 'as-is' (in current condition with no repairs) is appropriate when estate funds are limited, property needs extensive work (over \$20,000), heirs want quick sale and accept lower price, property is in very poor condition, or executor doesn't want liability for repairs.

**Reality Check:** 'As-is' typically means 10-20% below market value. Sometimes investing \$5,000 in repairs generates \$20,000 in additional sale price. A good agent can help you run these numbers.

## Chapter 4: Pricing Estate Property

Pricing estate property correctly is crucial. Price too high and it sits on the market; price too low and you're not fulfilling your fiduciary duty to maximize estate value.

### Factors That Affect Estate Property Pricing

- Current market conditions (buyer's vs. seller's market)
- Property condition (dated/deferred maintenance reduces value)
- Location and neighborhood trends
- Time pressure
- Comparable sales
- Unique features (acreage, views, special characteristics)
- Seasonal factors

### Common Pricing Mistakes

**Emotional Pricing:** Heirs remember the home as it was 20 years ago, not its current condition. The market doesn't care about memories.

**Using Old Appraisals:** Markets change constantly.

**Overpricing 'To Leave Room to Negotiate':** This backfires—overpriced homes sit, then sell for less.

**Ignoring Market Data:** Only recent comparable sales matter.

**Pricing Based on Needed Repairs:** Don't just deduct repair costs from a 'perfect condition' price.

## The Right Pricing Strategy

Work with a real estate professional to prepare a Comparative Market Analysis (CMA) showing recently sold properties (last 3-6 months), currently active listings (your competition), pending sales (indicating current market strength), and adjustments for differences.

**The Goal:** Price at market value (or slightly below to generate multiple offers). This typically results in the highest final sale price and fastest sale.

## Chapter 5: Marketing & Selling the Property

Effective marketing ensures you reach all potential buyers and generate competitive offers.

### Essential Marketing Components

- **Professional Photography** - Non-negotiable (95% of buyers start online)
- **MLS Listing** - Gets property on Zillow, Realtor.com, and all major sites
- **Property Description** - Honest but compelling copy
- **Virtual Tour or Video** - Increasingly expected
- **Yard Sign** - Generates leads from neighbors
- **Open Houses** - Creates urgency
- **Social Media Marketing** - Facebook, Instagram ads
- **Email Marketing** - Direct outreach to agents and buyers

### Showing the Property

Keep property clean and well-lit, open curtains for natural light, maintain comfortable temperature, remove personal items that identify the deceased, provide access to all areas, be flexible with showing times, and consider a lockbox for agent access.

### Receiving and Evaluating Offers

Evaluate offers on more than just price: **Purchase Price** (obviously important), **Financing** (cash offers stronger), **Contingencies** (fewer = less risk), **Closing Timeline** (must work with probate schedule), **Earnest Money** (larger deposits show serious buyers), **Inspection Terms** (as-is sales should have limited contingencies).

### Court Approval of Sale

In Tennessee, most estate property sales require court approval: filing a petition, providing notice to heirs and creditors, waiting for notice period (usually 10-30 days), attending court hearing (sometimes), and obtaining order approving the sale.

**Important:** Work with your probate attorney to understand specific court requirements in your county. Some courts have unique procedures or forms.

## Chapter 6: Common Challenges & How to Handle Them

Challenge	Solutions
<b>Disagreeing Heirs</b>	Get everything in writing; share all information equally; rely on professional valuations; remember you make final decision (within legal authority); consider mediation if conflicts escalate
<b>Heir Living in Property</b>	Review will and court orders for legal rights; if no legal right, provide reasonable written notice to vacate; set firm deadline; offer help finding housing; consult attorney if they refuse to leave
<b>Property in Poor Condition</b>	Get repair estimates; calculate ROI; consider as-is sale to investor or flipper; look into estate property buyers; price accordingly if selling as-is
<b>Mortgage or Liens</b>	Contact all lienholders immediately; determine exact payoff amounts; ensure title company aware of all liens; make sure sale price covers liens plus closing costs; don't skip title insurance
<b>Out-of-State Executor</b>	Hire local property manager for weekly checks; use agent who handles showings; set up utilities on auto-pay; have local contact for emergencies; use technology (cameras, smart locks)

## Chapter 7: Tax Implications & Financial Considerations

Understanding the tax implications of selling estate property helps you make informed decisions and avoid surprises. Consult with a CPA or tax attorney for advice specific to your situation.

### Step-Up in Basis

One of the most important tax benefits for inherited property is the 'step-up in basis.' Example: Mom bought house in 1980 for \$50,000 (original basis). Mom died in 2024; house valued at \$300,000 (date of death value). Heirs' basis is 'stepped up' to \$300,000. If sold for \$305,000, capital gain is only \$5,000, not \$255,000.

**The Benefit:** This step-up in basis often eliminates or significantly reduces capital gains tax on estate property sales. This is why selling relatively soon after death is often tax-advantageous.

### Estate Expenses

As executor, you can pay for necessary property expenses from estate funds: property insurance, utilities during sale process, necessary repairs and maintenance, real estate commissions and closing costs, property taxes, appraisal fees, and cleanout and staging costs.

**Keep Good Records:** Save all receipts and document all expenses. You'll need these for estate accounting and tax returns.

### When to Consider Holding the Property

Sometimes it makes sense to hold temporarily: market is severely depressed, property needs major work but estate lacks funds currently, heirs want to keep it as rental (must agree and have plan), tax year considerations (consult CPA), or waiting for certain liens to expire.

**Caution:** Holding property costs money (insurance, taxes, maintenance) and delays estate distribution. Only hold if there's a clear strategic benefit.

## Chapter 8: Working with Real Estate Professionals

While you could theoretically sell estate property yourself, working with experienced real estate professionals usually results in higher sale prices, faster sales, and far less stress.

### Why Use a Real Estate Agent?

- Pricing expertise (avoid costly mistakes)
- Marketing reach (MLS, marketing tools, buyer networks)
- Time savings (handle showings, paperwork, negotiations)
- Legal protection (proper disclosures and forms)
- Negotiation skills (get better terms)
- Network access (inspectors, attorneys, contractors)
- Problem solving (experience handling common issues)

### Choosing the Right Agent

Look for: specific experience with estate and probate sales, knowledge of local probate court procedures, patience with probate timeline, sensitivity to family dynamics, willingness to coordinate with attorneys and other professionals, references from attorneys or past executor clients, understanding of 'as-is' sales and investor buyers.

### Questions to Ask Potential Agents

How many estate/probate properties have you sold? Are you familiar with our county's probate court procedures? What's your average list-to-sale price ratio? How long do your listings typically take to sell? Do you have relationships with estate attorneys? Can you help coordinate cleanouts, repairs, and staging? What's your communication style? How do you handle multiple heirs with different opinions? What's your commission rate?

## Understanding Commission

Real estate commission typically ranges from 5-6% of the sale price, split between listing agent (your agent) and buyer's agent. This is paid from sale proceeds at closing, not out of pocket.

**Example:** \$300,000 sale price × 6% commission = \$18,000 total commission. While this seems like a lot, professional representation typically generates \$20,000-\$50,000 higher sale price than FSBO (For Sale By Owner) attempts, making it a net positive.



## Appendix: Checklists & Resources

### Executor's Property Sale Checklist

- Appointed as executor by probate court
- Property secured (locks changed, insurance updated)
- Initial property assessment completed
- Property valuation obtained (appraisal or CMA)
- Consulted with probate attorney about selling
- Notified all heirs of intent to sell
- Obtained court authority to sell (if required)
- Property cleanout plan decided
- Cleanout completed
- Necessary repairs identified and completed
- Real estate agent selected and listing agreement signed
- Professional photos taken
- Property listed on MLS
- Property shown to potential buyers
- Offer(s) received and reviewed
- Purchase agreement signed
- Court approval of sale obtained
- Inspection period completed
- Title work completed
- Final walkthrough completed
- Closing completed
- Proceeds distributed per court order/will

### Important Contacts

Probate Attorney: \_\_\_\_\_

Real Estate Agent: \_\_\_\_\_

CPA/Tax Advisor: \_\_\_\_\_

Property Insurance Agent: \_\_\_\_\_

Title Company: \_\_\_\_\_

Appraiser: \_\_\_\_\_

Contractors/Repair Services: \_\_\_\_\_

## Need Help Selling Estate Property?

Collins & Company specializes in estate and probate property sales in the Tri-Cities, Tennessee area. We understand the unique challenges executors face and provide comprehensive support throughout the entire process.

- **Estate Property Valuation** - Free comparative market analysis
- **Auction Services** - We can auction valuable contents AND sell the property
- **Cleanout Coordination** - We manage the entire cleanout process
- **Repair Management** - We coordinate contractors and oversee work
- **Probate Court Experience** - Familiar with local court requirements
- **Family Mediation** - Experience managing multiple heirs



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### Schedule a Free Estate Property Consultation

*This guide provides general information about selling estate property in Tennessee. Every estate situation is unique. Always consult with your probate attorney, CPA, and other professionals before making decisions about estate property. Collins & Company is licensed in Tennessee (MLS #364, Firm #265789, P.A.L. #4465).*