

# **FOR SALE BY OWNER**

## **Is It Right For You?**

### **Apparent Benefit:**

#### *Saving the Sales Commission*

*The number one reason people decide to sell their own home is to save the sales commission. After all, with the price of houses today this can be a considerable amount of money and with the use of home computers and the Internet, getting information out to the public is easier than ever. Then why doesn't everyone sell his or her own home? Well...there are some drawbacks that should be considered before you decide to put your home on the market as F.S.B.O. (For Sale by Owner). We have outlined what we consider to be the major drawbacks of selling your own home below. If after considering each of these factors, you decide to sell your home without the assistance of a real estate professional you will at least be making an informed decision and For Sale by Owner may be right for you.*

### **Things to Consider:**

#### *Lower Sale Price*

*Buyers know that the seller is saving the sales commission and often present offers that reflect a lower sales price based on deducting the estimated commission from what they feel the selling price should be. An uninformed seller that has not had a home value market analysis prepared by a real estate professional and has had their home on the market for some time, may accept this offer without challenge, thereby, not getting the full value for their home as well as the many services provided by a listing agency.*

#### *Limiting Potential Buyer Prospects*

*First time buyers and people relocating from out of the area represent a good portion of the potential homebuyers in the market. These buyers often prefer to work with real estate professionals that can help them search and understand the market, negotiate a fair deal, obtain financing, and handle the*

*paper work and many other details needed to close the transaction. Many of these potential buyers will not respond directly to for sale by owner properties.*

### Dealing Direct With All Callers

*When you put your phone number on the sign in the yard, in the paper or on the Internet you are inviting anyone and everyone to call. Some will be serious about buying your home and some will just be fishing for prices or other information. Are you ready to deal with all the calls and will you be available every day of the week and on weekends to answer the calls?*

### Showing Your Home

*Most real estate professionals will ask the owner to vacate the home when the sales agent plans to take a prospective buyer through the house. This helps to make the potential buyer more comfortable and free to look at and discuss the features of the house objectively without involving the emotional feelings of the owner. Who will show your home? Will you be available everytime someone calls?*

### **SAFETY NOTE:**

***BE CAREFUL WHEN LETTING STRANGERS INTO YOUR HOME. HAVE SOMEONE ELSE WITH YOU AND NEVER LET ANYONE TOUR YOUR HOME UN-ESCORTED***

### Negotiating a Deal

*If a potential buyer offers your asking price with all your terms and conditions ...great!...you have a deal. More often, however, the potential buyer will make an offer for less than the asking price and may have some conditions as to the closing date, needed repairs, furniture and fixtures or other aspects necessary to make the deal go through. With your emotional tie to the house, it sometimes becomes difficult to negotiate these items objectively. A third party often helps in buffering the many offers and counter offers that sometimes are exchanged to make the deal go through.*

### Preparing Sales Contracts and Documents

*Price and terms are agreed to and now you have a deal. Is it legal? Is it binding? Is it in your best interest? We strongly suggest you get an attorney*

*involved at this point, however, part of a real estate professional's job is to get the contracts and documents prepared correctly to the mutual agreement of the parties for presentation to the attorneys, loan officers, government officials and others as needed to get the deal settled.*

### *Helping Buyer with Financing, Title Insurance and other Issues*

*Not your problem? That's right. But if your potential buyer can't get what he needs to make the deal go through you don't sell your house. As you may have concluded by now, real estate professionals do a lot more than just get a buyer and seller together.*

### **ONE MORE THING TO CONSIDER:**

*Who really pays the sales commission? Most people know the seller is usually obligated to the listing broker to pay the commission from the proceeds of the sale, however, if the deal is structured properly so that the seller gets the money wanted and the buyer writes the check at the closing..???*

*In the end think of this... Would you consider selling your home on your own to save the commission but use a real estate agent to look for your next purchase because you like or need the services they provide? Think about it.*

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