

Why Any Denver Seller Would Be Smart to List With Golden Real Estate

Choosing the best agent and/or brokerage for listing your home is no small matter. For most people, their home sale or purchase is the biggest transaction of their life, one they would want handled by an experienced and resourceful agent **and** brokerage.

For many sellers, perhaps even most, the decision seems all too simple. We all have a relative, classmate or friend who holds a real estate license, and there's a compulsion to use that person, or, to put it differently, a fear of upsetting or insulting that person by using someone who might, in fact, do a better job.

At the end of this article I will suggest how to navigate **those** waters, but first let me lay out the argument for using one of our great agents at Golden Real Estate.

Let's accept as a premise that any listing agent's job is to maximize exposure of your home and thereby get the highest possible price for it, perhaps with competing bidders driving the final price above the price at which it was listed.

Golden Real Estate's "value proposition" is all about maximizing exposure of your home, beginning, of course, with featuring it in this column. We don't have a featured listing in this edition, but regular readers know that one or more new listings appears here nearly every week. This column/ad appears in more than just this newspaper. It's in **four** Jefferson County weekly newspapers — the Golden Transcript, Wheat Ridge Transcript, Arvada Press and Lakewood Sentinel — as well as in the YourHub section of **every** Denver Post delivered throughout Denver and Jefferson County — from Green Valley Ranch near DIA, to Evergreen/Conifer and beyond. Altogether, this ad exposes your home to nearly 200,000 newspaper readers — a great demographic!

The Denver Post version of this ad is then emailed to more than 800 subscribers, about half of whom are fellow agents. The articles and featured listings are also posted on our blog at www.JimSmithBlog.com and are archived at www.JimSmithColumns.com

In addition, we create a custom website for every listing, the URL for which is included in the "featured listing" article. On that website, as on the MLS, we post our magazine-quality photos plus a narrated video tour, as well as the open house information. The video tour is hosted on YouTube, which provides additional exposure, and we promote the listing and every open house on our Facebook page, which is www.Facebook.com/GoldenRealEstate1.

Just as important as maximizing the number of people who learn about your home is making sure that the information is as complete as possible. We enter every possible bit of information on the MLS, instead of completing only the required fields. That means that instead of just entering "public remarks," we enter a description of every room in the house, including dimensions, flooring, closet information, view out the windows, ceiling fan and other features that add to the sales pitch for

your home. This is not common practice among the majority of agents.

As you may know, listing agents can double their commission by not having to share it with a buyer's agent. To that end, your agent might hold your home off the MLS for some period a week or two (and sometimes even longer!) in an attempt to find a buyer on their own. This is commonly done by putting a "coming soon" sign in your yard and advertising it as "coming soon" on websites such as NextDoor.com or craigslist.org. The listing agent might then convince a seller to go under contract with that first buyer and put the home on the MLS as "Under Contract" without it ever being listed as "Active."

In 2017, there were 2,781 homes listed as "Sold" on REcolorado.com, the Denver MLS, with zero days on market. That means they were never "Active," and therefore never exposed to the widest possible number of buyers. Not surprisingly, 19% of them sold for less than the listing price, and only 19.7% of them sold for more than the listing price.

By comparison, 4,007 homes were on the MLS for 2 days before going under contract. Among those sales, only 12.2% sold for less than full price, and 59.1% of them sold for more than full price. At Golden Real Estate, we have found that 4 days on market is the "sweet spot," for the length of time it takes to attract the number of buyers that allows us to obtain the highest purchase price for our sellers. Just last week, I had a listing which could have sold for \$15,000 less than listing price on the second day, but we waited until day 5 and got it under contract for \$11,500 **over** the listing price. Half of Golden Real Estate's listings in 2017 sold at or above listing price, and 3 of them sold for more than 10% above listing price.

Above, I mentioned that a listing agent can double his or her commission by not having to share that commission with a buyer's agent. At Golden Real Estate, it is our policy to have what's called a "variable commission," meaning that we reduce our commission when we sell a home ourselves. Based on my own sampling, roughly 5% of the listings on the MLS are double-ended, but of those homes that sold last year with zero days on market, over 50% of them were double-ended, and less than half of those reduced their commission for doing so. When you interview a listing agent, ask if he or she will reduce their commission if they don't have to share it with a buyer's agent. If you **ask**, the agent will typically agree to do so, but I think you'll find

that most agents **hope you won't ask**. At Golden Real Estate, we offer that discount **without** you having to ask for it. It's on our printed list of services.

Now, most people who sell their home are also going to buy a home, and you should consider using the same agent who lists your home to help you buy your replacement home. Why? Because you should get a discount on your listing commission in return for allowing that agent to make a commission (paid by the seller) on your purchase. You sacrifice that opportunity when you don't have a buyer's agent and deal only with the listing agent on your purchase.

Too many buyers think they will get a better deal if they purchase a home without a buyer's agent — that the seller saves that 2.8% co-op commission. But that's not the case. Unless there's a variable commission (and I already explained that only 15% of listings have a variable commission), the only person who profits from you not having a buyer's agent is the listing agent, not the seller. In most cases, you'll do a whole lot better by having your own listing agent earn that 2.8% commission on your purchase and discounting his listing commission by, say, 1%.

So, what about that friend or relative who expects you to hire him? Tell him/her that you want to use Golden Real Estate, which has agreed to pay him/her a 25% referral fee.

Buyers Should Use Us, Too!

I already mentioned that your listing agent should be your buyer's agent, too, but if you are buying without selling, or have already sold your home, say, in another state, here are some reasons you should hire an agent from Golden Real Estate to represent you in the purchase of a home, whether a resale or a new home.

You need our advice on what to offer and you especially need our help if you find yourself competing with other buyers. We have a moving truck, which is free to you, but we also can offer it free to the seller as an incentive for them to accept your offer over that of another buyer. We have excellent home inspectors and loan officers, and you'll appreciate our closing gift, which is a free energy audit of your new home.

Negotiation skills are needed not just to get under contract, but when it comes to negotiating inspection, appraisal or other less common issues. This is a particular strength here at Golden Real Estate.

Buying a home can be a tricky proposition, so don't go it alone, and don't put your trust in the listing agent, who isn't looking out for your interests.

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By JIM SMITH,
Realtor®



Promoting and Modeling
Environmental Responsibility

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Broker/Owner

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