

Considering 'For Sale by Owner'? Here Are the Considerations

I understand the temptation to sell one's home without an agent, especially now that there are multiple websites which can give you some all-important Internet exposure. After all, it's estimated that 80% of homebuyers begin their search on the Internet before ever contacting a real estate agent.

There are real estate brokers with access to the MLS who sell "entry only" service, meaning they will put your home on the MLS for, say, \$500 (even though it costs them almost nothing) but on your MLS listing, brokers and buyers are instructed to direct all showing requests and contracts to the seller directly.

Part of getting on the MLS, however, is that your "broker" — even if he provided "entry only" service — must offer a co-op commission to

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fellow MLS users, and that commission is almost always 2.8% in order to compete with the commission offered on other listings.

So, right from the start you are not going from 5 or 6% commission to zero, you are going from 5 or 6% to 2.8%. And some brokers will offer you even lower than 5% if you agree to have them represent you on the purchase of your replacement home or earn a referral fee if you are buying out of state.

When you see a company offering to "sell" your home (not "list" it) for a reasonable sounding flat fee, there's always an asterisk referring to some small print that will say "plus 2.8% to buyer's agent" and maybe a fee to put it on the MLS.

Remember, you do need to get your home on the MLS if you want to get on any of the non-FSBO websites such as realtor.com and on company websites such as remax.com, homesincolorado.com, [\[dohomes.com\]\(http://dohomes.com\), and on the countless "interceptor" websites such as \[homegain.com\]\(http://homegain.com\), \[justlisted.com\]\(http://justlisted.com\), etc.](http://colora-</p></div><div data-bbox=)

Moreover, most buyers are represented by an agent nowadays — and why not, since the seller pays their commission? — so even sellers who take the straight FSBO route (without MLS presence) tend to offer a "co-op" commission in order to attract brokers and their buyers.

Therefore, the question becomes, "Will it be worth saving the *listing agent's* share of the commission to go it alone?" To answer this question, you first need to assess your availability to show your own home whenever a buyer asks to see it.

The showing process among agents is designed not only to facilitate the showings themselves, but to protect you from criminality. A showing desk, for example, will not give out the lockbox code to the calling agent, but rather give the lockbox code in a return phone call to that agent's company, asking for the agent by name, having found that agent on the state's list of licensed agents.

The next question is the value

question: What will you get for the 1 to 3% extra that is the true cost of being represented as a seller?

Unless you're an experienced seller, you'll want to be represented, especially if the buyer is represented, or else you'll be at a real disadvantage in negotiation and sheer expertise. If your home was built before 1978, will you remember to sign a lead-based paint disclosure or risk a five-figure fine? When inspection issues or a low appraisal value threaten to kill the contract, will you know how to negotiate around those problems?

Marketing a home well — creating virtual and video tours, color brochures, enhanced presence on realtor.com (not available to you from "entry only" brokers), and the like — come easily to an experienced bro-

ker, but may not be so easy for you to carry off.

Personally, I believe in the value of expertise. That's why I hired a commercial Realtor to list my office building last year, even though I could have listed it myself. That's why I use an accountant for my taxes, and even an auto broker to locate a hard-to-find car. The more experience I gain in this business, the more convinced I am of the value which I bring to my clients. In almost every transaction there's at least one occasion where I handle something in a way that I know my client wouldn't have been able to handle it, and it gives me great "job satisfaction."

I have left no room this week to promote one of my great listings, so please visit my website (below) and check them out! Thanks.

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