

Is it Worth Selling Your Own Home? We Break It Down

For Sale By Owner... Is it worth it?



As a homeowner, naturally you want to make as much profit as possible on the sale of your home. Perhaps the thought of selling your home on your own without the expertise of an agent has crossed your mind in order to save on commissions. I get it... the pro is that you can potentially make more money by saving on listing agent commissions. However, selling your home on your own is a lot harder than you think! Make sure you know the drawbacks before taking that leap.

If you decide to go the For Sale By Owner (FSBO) route, here is what you need to be aware of:

1) Liability: There are so many laws and regulations involved in real estate, and they are constantly evolving.

Essentially, you are paying your Realtor® for their knowledge when you hire them... we take that liability off of you so that when you hand over your keys at closing, no one is going to come back to you and sue you for not properly following state mandated requirements and disclosure laws. Additionally, you are covered by your Realtors® E&O insurance should any issues arise!

2) Weak Exposure: Because Colorado is a “no limited service” state, FSBO’s cannot be listed in the MLS (multiple listing service), which is the hub for your home to be found by

interested buyers. Additionally, FSB0's cannot be listed on www.ReColorado.com, or www.Realtor.com. You are limited to sites like Craigslist, Zillow, and online FSB0 sites. This drastically limits your homes exposure to other agents and homebuyers.

3) Marketing: As a FSB0, how will you market your home? Will you have professional staging, professional photos, online marketing, extensive networking with other real estate professionals, open houses, etc? First impressions of your home and getting it in front of the right people are key!

3) Safety: Dealing with the public can be daunting, and you will need to have a system in place to keep track of all strangers that enter your home. When will you show your home, how will you capture and track their information? What will you do if you have valuable items stolen from your home (another scenario where you are covered by your Realtors® E&O insurance)?

4) Dealing with Potential Buyers: Part of being a good Realtor@ is dealing with and answering all of the dumb questions that people ask, that you as the client never know about! Ha! How much time will you have to devote to selling your home, and answering the public's calls? How will you filter and qualify potential buyers? A mistake FSB0's often make is not ensuring the potential buyer is fully qualified to purchase their home. Are they pre-qualified or pre-approved, and how does that affect your ability to get to the closing table? Another potential pitfall are those buyers who will try to lowball a FSB0. They have the mindset that since you are not paying commissions, you will take a lower asking price for your home.

5) Dealing with Buyers Agents: The Buyers agent is going to aggressively negotiate on their clients behalf, and that can be intimidating for some FSB0's. Without a Realtor®, you have no one advocating on your behalf or negotiating in your favor. Some Buyers agents are scared to work with FSB0's, because they know they will be doing the majority of the work (the contract, amendments, inspections, appraisals, objections,

title, etc)... that being said, if the FSBO is not willing to pay additional commission for the additional work, the agent may require the potential buyer to pay. This may deter buyers from asking to see your home.

6) Price: This can swing both ways... often FSBO's price their home too high, leaving themselves sitting on the market for way too long. On the other hand, FSBO's often under price their homes, leaving money on the table! There are studies that show using a Realtor® will sell your home quicker, with up to a 30% higher purchase price... putting more money in your pocket after paying Realtor® fees. Selling and buying a house can be very stressful! This is where I love to come in and ease that stress and make the process as smooth as possible! I love to be a resource and advocate for my clients! If I can be of any help to you, please don't hesitate to ask. Whenever you decide the time is right for you to make the move, I'm here for ya!

Additional questions or comments? Contact us at 303-810-5757