

# **So You Want to Be a “For Sale By Owner?”**

by Joel Ward

While some people who choose to be a “For Sale By Owner” (FSBO) are successful, many eventually list their home with a REALTOR. Unfortunately, some have really bad experiences. Here are some of the things you can expect as a “For Sale By Owner” and the ways a professional REALTOR can benefit you.

## **Buyer Qualification**

FSBO: Most FSBO sellers show their homes to prospective buyers who may not be financially able to purchase their home if they wanted to. Some people who wish to see your home may not be potential buyers at all. Some FSBO sellers actually enter into purchase contracts with buyers who will never be able to complete the purchase.

REALTORS: Most REALTORS pre-qualify their buyers before showing them any homes at all. REALTORS cannot be successful if they waste their time showing homes to people who are not capable of purchasing them. I promise that I will not waste your time (or mine) showing your home to people who are not qualified to buy it.

## **Showing Your Home**

FSBO: Most FSBO sellers try hard to present their home in the best possible way, but often miss what’s most important to the potential buyers. The FSBO seller’s focus is naturally on their home. But the best way to sell your home to a potential buyer is to understand how your home meets the buyer’s needs. That means getting to know the buyers over a period of time, which usually the FSBO seller cannot do.

REALTORS: When REALTORS work with buyers, they typically spend a lot of time finding out what the buyer’s interest and priorities are, and how various features of homes meet those needs. REALTORS then show their buyers a selection of several homes and assist them in comparing the various choices. REALTORS have been trained and have experience in presenting your home in the best possible way to that particular buyer. And remember, typically 50% of the brokerage fee you pay us to market your home goes to the broker who represents your buyer.

## **Market Exposure**

FSBO: The best price for your home will be achieved when it is exposed to the largest possible market. As a FSBO, your marketing choices are limited to a sign in the yard, an ad in the newspaper, and perhaps a “FSBO Website” which will typically charge a fee. And the cost of yard signs, directional signs and newspaper advertising can really add up. Still, as a FSBO seller, the single most important marketing tool is not available to you.

REALTOR: Most people who purchase homes in Champaign County work with a professional REALTOR who is a member of the Champaign County Association of REALTORS Multiple Listing Service (MLS). *Therefore, because most buyers look for homes through the MLS, marketing your home through the MLS is the best single marketing tool available to expose your home to potential buyers.* Our other marketing activities, from promotional literature to Open Houses to internet exposure, are created to present your home as professionally and attractively as possible. And I pay for the signs, newspaper and magazine advertising, promotional literature, MLS exposure and website marketing.

### **“But I want to save the REALTOR commission!”**

Everyone wants to save money whenever they can, including REALTORS! And some FSBO sellers probably do “save” money. But many end up doing all the work of selling their homes, taking the risk of dealing with strangers without any professional representation, and end up making less from the sale of their home than they would had they hired a REALTOR in the first place. Why is this? In order to answer this, think about the FSBO buyer. **The FSBO buyer knows that you are not paying a REALTOR commission and therefore expects you to sell your home to him for less. He wants to get that same commission you planned to keep for yourself!** The astute FSBO buyer also knows that, because your home is not being widely exposed to the market, he has little competition from other buyers. This only strengthens his negotiating position. And, in negotiating with buyers, the FSBO seller is on his own—no help from a professional REALTOR who has helped many families successfully negotiate the very best sale price for their home. My duty to each of my clients is to promote and to protect their best interests during negotiations.

### **The “Bottom Line”**

Sure, some FSBO sellers are successful. Likewise, some Las Vegas gamblers come home winners. But the chances are that most gamblers will come home with less money than they started with, and that most FSBO sellers will end up spending a lot of time, money and energy before finally listing their home. The National Association of REALTORS has over one million members! The reason that there are so many REALTORS is that there is a strong demand for their services. And the reason that most sellers work with a REALTOR is just this: They believe that, even after paying the brokerage fee, hiring a REALTOR to market their home makes the process easier for them, and results in the most money in their pocket after the sale.

I want you to be successful in marketing your home. If and when you choose to hire a REALTOR to market your home for you, I would like for you to choose me. Until then, I am happy to provide you with whatever information or advice would be helpful to you in your efforts.

This article was written by Joel Ward of Joel Ward Homes, and expresses his opinions only. Other REALTORS or members of the real estate profession may have other opinions on the subject.