



Thomas Ervin

Let's Talk About Real Estate

“FOR SALE BY OWNER”

When the time comes to sell your home, will you consider selling it yourself? The obvious appeal would be to save the commission that you would normally pay to a Realtor®. At first glance, it seems like selling a house may not be all that difficult. Homeowners with a sales background are often tempted to try it themselves because they feel selling a house is like selling anything else. As obvious as all this sounds, it really isn't quite that simple.

In fact, national statistics tell us that only eight percent of all “For Sale By Owner” efforts are successful. Yes, only one out of every twelve actually results in a completed sale. What are the pitfalls in selling your home yourself?

1. Bargain Hunters - Some people watch for homeowner ads in an effort to steal the house from an owner who may be inexperienced in pricing or negotiating. These bargain hunters also know the owner is not paying a commission so they will deduct the amount of a commission from their offer.

2. Unqualified Buyers - Because a homeowner does not have the opportunity to meet a potential buyer in advance of showing him or her the house, many owners spend time and effort showing their home to people who may be financially unable to buy the home.

3. No Third Party - There is usually a great deal of emotion displayed by the seller who is selling their prize possession and the buyer who is probably making the largest purchase of his or her lifetime. Because of this, it is difficult to negotiate a purchase of this importance without an intermediary who has the trust and confidence of both parties.

4. Improper Pricing - Because of the emotional attachment most people have for their home, they are not very objective when deciding how to price it. Most “For Sale By Owner” properties are overpriced. Some, on the other hand, because of inexperience, are sold at an unfair below market price.

5. Making The Close - Every selling situation needs someone to ask for the order. Many sales are lost because no one is there to get a deposit and a signed purchase agreement when the buyer is ready to buy.