

For Sale By Owner or List with a Real Estate Agent?

So you've decided to sell your home but haven't decided to do it yourself or list with a real estate agent. In order to make an informed decision it is important to learn what the process entails and consider what a real estate agent can offer.

Selling a house without an agent is called a FSBO (pronounced "fizzbo") -- For Sale By Owner. Be sure you have the time, energy, and ability to handle all the details if you choose to go this route. FSBOs are usually more feasible in sellers' markets where there's more competition for homes, or when you're not in a hurry to sell.

Tips on Selling Your House on Your Own

No law requires you to hire a real estate agent when you sell a house. Some states, however, require a real estate attorney to handle the transfer documents and closing. To determine if an attorney is required check with your state department of real estate. In Texas an attorney is not required in the home selling process.

The most important tasks that a real estate agent will normally perform for you include:

- evaluating the local market and comparable home values
- suggesting an appropriate listing price
- advising you on how best to present your home, including providing referrals to painters, repair persons, and more
- helping coordinate preparation of disclosure and other needed forms and documents
- creating advertising materials and arranging for photographs
- placing ads on the Multiple Listing Service (MLS) and in other media, and sending out postcards to potentially interested buyers on the agent's mailing list
- arranging for individual visits to the property
- answering questions and providing documents such as disclosure packets
- holding one or more open houses, possibly including weekday open houses for other real estate brokers to visit and weekend open houses for the public
- receiving offers to buy your house
- helping you evaluate the strength of each offer and strategize on issues like whether to accept or reject an offer outright or make a counteroffer, and whether to also look for or arrange a backup offer.
- negotiate with the buyer's agent until the purchase contract is complete
- coordinate with the buyer's agent throughout the escrow period, helping to make the house available for inspections and appraisals and make sure you're doing your part to close the deal
- help you strategize over requests made while in escrow, such as for a reduction in purchase price due to repair issues revealed in the inspection, and negotiating such issues with the buyer's agent, and
- attend the closing.

Also, you must learn the legal rules that govern real estate transfers in your state, such as who must sign the papers, who can conduct the actual transaction, and what to do if and when encumbrances are discovered that slow down the transfer of ownership.

Reasons to List Your Home with a Real Estate Agent

Expect a Higher Selling Price - The median sales price for a home sold by a real estate agent is 16 percent higher than one sold by the owner, according to Dianna Kokoszka of BOLD.

No Advertising Costs - All advertising and marketing costs associated with selling your home are absorbed by the listing agent.

Will Negotiate for You - A real estate agent will conduct negotiations on your behalf including sale price, financing, date of possession, inclusion or exclusion of furnishings or equipment and repairs to the home.

The Buyer's Agent - Buyer's agent does not work for you, but cares only about the best interest of her clients. A real estate agent who represents you will tell you anything she learns about the buyers that might strengthen your negotiating position, will perform price counseling with the buyer's agent that supports your price, and will check the contract to make sure that you are protected from any protective buyer's clauses.

Paperwork - A real estate agent will fill out the required forms and make sure that everything is processed as required by law. She will provide information about any debt that is secured by your home, your property tax records and any pending property taxes. She will make sure that the buyer is apprised of any homeowner by-laws or local ordinances that will impact them after buying the home.

Unemotional Decision Making - A real estate agent can help you objectively evaluate each buyer's proposal.

Good real estate agents get paid the commissions because we know how to market your property. We know what contracts are required in the sale and disclosures required by law. We also know how to screen buyers to ensure that they are qualified to purchase your home.

Real estate agents follow a code of ethics to minimize any litigation. We carry insurance to safeguard ourselves and our transactions from frivolous law suits, and do everything in our power to protect our clients throughout the entire transaction.

You don't have to make a decision right away. You can try selling on your own first then choose an agent if that doesn't seem to be working.