

# Selling Your House without an Agent



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Maureen Legac has been a resident in Florida since the 1970's. Originally from New York, Maureen relocated to the Ft. Lauderdale area prior to attending the University of Florida. She started her career as an Engineer installing software controls in newspapers throughout North America. Maureen married in 1992 and moved to Chicago, spending about 14 years living in the suburbs and raising her family. In 2004, Maureen relocated back to Florida, this time in the Sarasota area where she currently resides with her family. Maureen is a Realtor, a Keller Williams Trainer, a member of the Keller Williams Associate Technology Council and a KW Regional Staff Member.

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## Selling Your House without an Agent

The Real Estate listing fee is generally determined by the area where the property resides. Here in West Central Florida, the real estate listing fee is 6% (although some Realtors charge as much as 7%). The listing brokerage collects the fee at the property closing with half paid to the buyer's agent (the Realtor that brings the buyer). From the remaining 3%, 1% is paid to the broker (covers their costs to maintain the listing paperwork, cover the liability insurance and pay the office staff), 1% covers the marketing fees for your property and 1% is paid to the Realtor representing you as the listing agent.

There are some local agents that will discount the listing fee. In this case, the listing broker will cover the discount in one of two ways:

1. They will offer a discounted rate to the buyer's agent (this is a concern because the rate paid to the buyer's agent has to be competitive with the other property listings so you are encouraging these buyer agents to show your home.
2. They will remove the 1% marketing budget for your property. Although the property will still appear in the MLS, it will not be included in other marketing sources critical for gaining full exposure of your property to serious buyers.

Since 90% of buyers use a buyer's agent, it is smart to factor in 3% commission to the agent that brings the buyer even though you are selling on your own. If you had a unique painting – would you get a better price at your garage sale or promoting it online to a larger audience like eBay? The fact is you do not want to alienate your most likely opportunities for a sale... the

buyer's agent. At the very least, be prepared to pay 3% to a buyer's agent that has a ready, willing and qualified buyer for your home.

For those of you using a flat rate or discount broker to place your home in the MLS, the listing commission (for this service) is generally between 1.5 and 2%. These brokers will add your home to the MLS but do not have a marketing budget for your property. The marketing time and effort will be up to you. Marketing your home on your own could save you 1 - 1.5% of the commission you would generally spend on a full service Realtor (this is the marketing budget built into the Real Estate commission).

So, if you decide to sell your home using a discount broker, you will spend between 4.5 – 5% in commission. In addition, the buyer will still expect to negotiate (because they feel that you are saving the commission dollars and expect those to be discounted off the price of the home). The real question is this: Is the net savings on a 5% listing going to cover your money, time and marketing expenses?

## Safety Checklist for Showings

1. Have an agreement ready for any prospective buyer to sign. In this agreement, you will want to include the following:
  - a. Contact information of where they can reach you to set additional appointments (let them know that they cannot just stop in at any time).
  - b. Signature showing that they are not represented and will not appear at a later time with someone claiming commission.
  - c. Space for their contact information so that you can reach them in the future.
  - d. Hold Harmless clause so that the buyer cannot suggest that you offered something in the purchase of your home that you did not say.
  - e. Additional terms (mentioned below).
2. Also part of the agreement include a statement that says something like "If you are with a party that includes multiple visitors, please do not spread out into different rooms during the showing – stay together in the same room as the owner".
3. In addition, add this waiver or a similar waiver to your agreement: "We will not hold the owner liable for any injuries that occur on premises." We suggest that you consult your attorney for the appropriate injury waiver.
4. Set expectations with the potential buyers that they will not be able to take any pictures during the visit. Some pictures may be innocent, but you want to avoid having photos taken that might be used to gain access to your home at a later time. It is recommended that you have a solid security system in your home and that your exterior doors have dead bolt locks.

## Additional Safety Tips

- Google the name given to you for any prospective buyer. What does the first page of Google say about the given name? A lot of recent felony convictions now appear on public websites. Convicted sex offenders are listed on some of these sites as well.
- Require a driver's license to be shown at the front door. Take a picture with your phone and email it to a close relative that can check in on you daily.
- Keep small talk to a minimum with a prospective buyer. Revealing names of children, schools they attend, and their sports activities could also give a prospective burglar a timeline of the best times during the week to rob you.

## Manage Your Time

Rather than accepting sporadic appointments during the week and on the weekends, plan in advance. Sometimes even the discount broker will have a lockbox for other real estate agents to use to enter your home in your absence and an appointment courtesy calling service to make the showings easier.

If you are committed to selling your house completely on your own - set expectation for your family that you may need to be "on call" for 3 to 6 months so you can save the extra 1%. If you have vacation days stored up at your place of business, talk to your boss and consider taking a half-day off each week to be prepared for mid-week showings. Most activity will be on the weekends so do not plan vacations until your home is closed.

If you stick to the consistent day of the week and weekend hours to show your house and promote this in your online advertising you will likely get more showings. Real estate agents will get to know your schedule. We do recommend that you **do not** overly advertise times you will not be at home on Craigslist or classified ad websites purely for safety reasons.

Another time waster is showing your home to unqualified buyers. A large number of the potential buyers looking at homes are not qualified to purchase the home. We suggest that you enlist the help of a loan officer. The loan officer can preapprove the potential buyers prior to showing the home so that you don't waste time! With the stricter guidelines from banks (following the down market) many buyers may not qualify.

Be careful to not offend savvy (qualified) buyers that tell you that they have already been qualified. In the higher price-point homes, you will be surprised how many times a showing is cancelled when the mortgage qualifying question is asked in the wrong tone. Most often, buyers working with a Realtor will come prequalified (the Realtors have confirmed the buyer's qualification before putting them in the car).

## Marketing Your Property

Most full commission real estate agents today not only advertise on the MLS (to other agents) – they promote the listings on websites like Trulia, Zillow, and Realtor.com. The best agents are promoting listings on upwards of 300 different websites. Through an agreement called broker reciprocity, we market all listings on over 300 Internet Real Estate websites and over 1200 Realtor websites (not just Keller Williams's websites).

We also market on Facebook, Twitter and other social media sites here in the United States and overseas.

### Online

With the saving on the commission, we recommended that you spend your money in online advertising. Nearly 90% of the homes being sold are using the services of a listing agent. To compete with these property listings and get top dollar for your home, you should contact a marketing company that can duplicate the online presence. Try to find one that charges less than \$1,000 and will market the home until it is sold. This way you still retain part of your savings.

### Photography

Photography is an expense worth paying. Statistically, buyers will skip over homes listed with few or bad photographs. Realtor.com allows Showcase Realtor members to list up to 36 photos on their websites. This is critical because Realtor.com sorts the listings by the number of photos including for that property. Those listings with the most number of photos show up first.

Make sure to use any remaining part of your listing savings on a professional photographer. Your images, especially your first image has to inspire at the very least - a first click online. If you do not have the best image possible, you will eliminate the majority of buyers.

A quick tip on the first image – the most popular websites have a white background. Avoid a daytime photo as a white skyline will blend in with the background. Twilight photos or photos a deep blue or purple sky as the back drop to an exterior view of your home will get more clicks.

### Pricing

There are 4 reasons that a home does not sell:

1. Location
2. Condition
3. Marketing
4. Price

You cannot do anything about the location of your home (except adjust the price). The condition of your home is completely within your control. If your home is in HGTV condition – then you will be able to expect top dollar (of course this depends on the other 3 factors).

We already spoke about marketing. If you are using a discount broker or no broker at all, you will be responsible for your own marketing. A sign in the yard is not marketing.

Finally – price. A home that is way off the current market value will typically not sell no matter how much marketing you are working in your favor. Banks will not finance a buyer above market value – so even if you were lucky enough to get an offer above market value, the bank will deny the loan. A Realtor can pull on market statistics from the MLS and determine the expected sale price and realistic list price.

Sold data is available online as well. You can also gain a lot of information if you spend 2-3 days at a city tax office or if you have a friend at a title company that can pull information on recent closings.

Make sure you have a good understanding of the market value before you select a list price. If you guess a low price, you could potentially walk away from thousands of dollars. If you price too high, you lose a lot of momentum. Each month your property is listed on the MLS, Realtors and buyers conclude that you are either desperate or there is something wrong with your home.

The concept of a Dutch auction – starting at a high price and then coming down until you get your first bid is rarely effective. However, this is how a home is typically sold without a Realtor (because the seller does not have the data needed to properly price a home). It is better to start with good data and accurate pricing so there are multiple offers early in the process. The urgency and engagement levels increase if the home is priced right. Realistic pricing creates more offers.

## Negotiations

Discount brokers are not negotiators. Do not share your negotiation strategies or list price you are willing to accept with your discount broker. You would not want that information revealed to a buyer or a buyer's agent.

Keep in mind that your negotiations continue past the purchase price period. Once the buyer completes the inspection, they will begin to negotiate repairs and then closing terms (including closing costs). Make sure you are comfortable with the process. Because a majority of buyers will be working with a Realtor, they may be more comfortable with the negotiation process. You do not want to give away anything that is not necessary.

## Legality and Paperwork

When selling your house on your own, it is critical to spend some of your savings is on a legally binding contract. You will also want to decrease the possibility of lawsuits from any buyer misunderstanding.

You may be able to find a lawyer to write the contract for less than \$2,000. Real estate agents typically include the official real estate paperwork for the state at no additional charge. Title companies may also be of service.

## Weigh Your Options

Houses are sold every day by owners directly to buyers represented by real estate agents. A buyer's agent represents the needs of the buyer. You (selling your own home) represents yourself.

If you hire a listing agent, your interests are represented as well as:

- Property safety
- Qualified buyers
- Conservation of your time and energy
- Marketing expenses
- Negotiations
- Contracts

*Either way, we would like to be a resource for you during the process...*

## Our Standing Offer to Help You

This ebook is truly designed to give you solid advice on selling your house without a real estate agent. There are a lot of considerations when selling your home. As a professional Realtor, we can provide an unforgettable experience and sell your home for the most amount of money in the least amount of time.

Not all agents or real estate teams are created equal. We would like to offer you an opportunity for a Free Market Analysis on your home and to show you what sets the Florida Gulf Coast Group apart from all the other Realtor options!

Click the link below if you would like a  
[Complimentary House Value Estimate](#)