



INFORMATION ABOUT "FOR SALE BY OWNER"

FOR SALE BY OWNER - DATA

- Percent of real estate transactions involving a FSBO (as Buyer or Seller),
 - 12% Nationally
 - 15% Locally
- FSBO's average sale price is 87% of the sales price for Realtor listed properties.
- 20% of FSBO contracts are from family, friends, and neighbors.
- Only 4% of all FSBO's net more than if the property had been listed.
- 5% of FSBO's are Realtors selling their own property.
- 90% of FSBO's eventually list with an Agent
- 19% of all FSBO's have legal issues after the sale.
- More than half are ruled in favor of the Buyer.
- 56% of surveyed FSBO's would not do it again.
- 1 in 5 FSBO contracts do not close



WHY DO FSBO'S NEED A REALTOR'S EXPERTISE

- Realtors have legally binding fiduciary representation duties, FSBO's do not.
- Realtors know the market and have ready access to more tools, to more accurately price properties.
- Realtors understand the entire Real Estate transaction process.
- Realtors provide safety by tracking showings and prescreening prospective Buyers.
- Realtors provide MLS and Internet exposure via Realtor.com and personal web pages and uploads.
- Realtors have more direct access to qualified buyers.
- Realtors have ongoing professional relationships with related businesses, including: financial, inspections, title, contractors, etc.

COMMON MISTAKES MADE BY UNSUCCESSFUL FSBO'S

- Over-pricing, resulting in long sales time or no buyers at all.
- Under-pricing, resulting in loss of revenue.
- Failure to properly disclose, resulting in litigation.
- Failure to show property timely, resulting in lost opportunities.
- Showing home and accepting contracts from unqualified buyers.
- Minimal advertising and underexposure of property.
- Underestimating the costs and requirements of the closing process.

* (From NAR, National Association of Realtors)





10 MYTHS ABOUT REAL ESTATE

THE BIGGEST REAL ESTATE COMPANY IS THE BEST.

- All brokerages are independently owned and operated, and Real Estate is a local business. You should choose the reputation and credentials of the agent, not the national advertising or the ambiance of the brokerage name on the door.

I WANT THE AGENT WITH MOST LISTINGS.

- Think about it. Can an agent with many listings and buyers spend quality time looking for you on your behalf? Most successful agents are part of team, to give you access to more specialized agents and more personal attention.

NEVER BUY THE BIGGEST HOUSE ON THE STREET.

- This one is true. It's great to own a super home, but at resale time, a five bedroom on a street of 3/2's is a financial liability. The reverse is true as well. The purchase price of that 2/2 may be great, but who wants it on a street with 4/3's or 5/4's?

IN A SELLER'S MARKET, YOU CAN'T NEGOTIATE.

- Another true statement. Many times it is "First-est with the Most-est." But a deal should be strong in financing, closing date, & Insurance, as well as price.



IF YOU USE THE INTERNET, YOU'LL FIND ALL THE PROPERTIES YOU NEED.

- How many homes have you found while surfing, only to call and find them gone? The internet is a tool, but you need a skilled professional to find actual availables and deals, and to help you create a winning package with mortgage, inspections, & insurance.

VACANT HOUSES SELL FOR LESS.

- You want a buyer to "visualize" their furniture in a home, which is actually easier in a vacant home, and it appears larger. Also, a buyer with an immediate need, or has had and several homes slip through their grasp, may be more willing to pay a premium.

IF A HOUSE SELLS QUICKLY, IT WAS UNDER-PRICED.

- Not in a seller's market, with a seasoned agent. In fact, it really means it was priced exactly right, for the seller, buyer, and appraiser. And remember, there are 7,000 agents looking at the same MLS and the same properties every day.

YOU SHOULD PICK THE AGENT THAT SAYS THEY CAN GET THE MOST FOR YOUR HOME.

- Otherwise known as "snooze the client". Get a listing at an exorbitant price, then ask for a price reduction or eagerly present bargain offers. They waste time. Insist on a written well-thought-out market plan and an empirical CMA to prove the true market value.

DISCOUNT BROKERS ARE JUST AS GOOD AS FULL-SERVICE BROKERS.

- 72% of all Real Estate Agents never sell a single property. Annual agent turn-over is very high (80%) and unsuccessful agents will trade anything for a listing. In fact, the area's largest discount broker does not even sell the major discount program that they advertise.

FOR SALE BY OWNER SELLERS MAKE MORE MONEY THAN LISTED PROPERTY SELLERS.

- NAR statistics show that 15% of all properties are sold by the owner, however, only 4% of these (.6% of all transactions), actually make more money for the seller than had the seller listed the property in the first place.

