

For Sale By Owner: Is It Worth It?



In recent months, we've seen an increase in the number of FSBO (For Sale By Owner) home sales being conducted by individual sellers and buyers. This may be a result of increased knowledge brought about by information on the Internet. Or, it may be there are more sellers who have bought and sold their own homes before and are saying, "I know what I'm doing." Or, it may simply be a result of the low inventory level of available homes on the market.

Whatever the reason, the seller will be thinking, "I'll just sell it myself and save the commission." They think that all they have to do is put up a sign, buy one or two ads in the newspaper, and they'll save a "bunch of money". Sometimes buyers also will utilize this approach and attempt to find a way to buy the home direct.

On the surface, it may appear to be a good plan. However, both buyers and sellers, beware. Often, it's a plan filled with pitfalls. Following is a list of some of the pitfalls you could encounter if you don't use a Real Estate Professional.

SELLER PITFALLS

- You have only one property to show. However the buyer will be making comparisons. Do you know what else is "out there"?
- After you place your ad, are you ready for numerous telephone calls and for the appointments that do not materialize?
- Do you want to open your home to "lookers" or to qualified buyers? The real estate professional will have already screened them for you.
- Do you know the true "market value" of your home?
- Do you know how to get the maximum price and still sell your home in the desired or required time frame?
- Do you know how to write a contract that is certain to be valid? Is the generic one from the forms store good enough for what your buyer offers and what you need, legally?
- Will the buyer be open and honest with you about their financial status or will you waste a great deal of time with an unqualified buyer?
- Will you be able to get away from your job to show your home at the potential buyer's convenience?
- Is negotiating a price directly with the buyer the easiest thing for you to do, or would a third party do a better job and not get emotionally involved?
- Typically, a buyer won't openly admit to you as the homeowner what they like or dislike about your home. Therefore, you are operating with only partial information.
- You cannot pursue or "follow-up" with a potential buyer because this will imply that you are desperate to sell.
- Are you truly objective about the appearance of your home and what needs to be done to ensure a faster sale or increase the potential for getting the