



Thinking Of Selling *'For Sale By Owner'?* Read This First!

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We've all heard the stories. A woman is outside washing her car when a man drives by and says, "I'm interested in moving into the neighborhood and I'd love to buy your house if you're ever selling it. Here's my card."

A dream scenario, right? No real estate agent. No showing the home to potential buyers. Sure, it can happen. But how often does it happen? Let's look at some numbers.

In 2006, just 12% of all sellers nationwide were "FSBO"—For Sale By Owner. Of that 12%, 40% were closely held transactions. A closely held transaction means that the buyer and seller knew each other. A father selling to a son. A neighbor selling to another neighbor.

So, only about 7% of all homes sold in the United States last year were true FSBO transactions. And yet, we see so many "For Sale By Owner" signs in yards all over the place. Surely, that statistic can't be correct, right?

Well, the truth is that FSBOs usually come to realize that they're losing money by selling their home on their own. They're hoping for the magic sale where they can avoid real estate agent commissions. They think they're saving a bundle by doing so. But the harsh reality is that they are losing money.

What are they missing out on? The power of the open market—the final judge for what a home is worth. When a property is placed for sale on the MLS (Multiple Listing Service), literally thousands of pairs of eyes look at it almost immediately. This is the "market." They will decide what your home is truly worth—and it might be a lot more than what that drive-by buyer will give to you.

Plus, your home will certainly sell faster. FSBO properties are exposed to only a tiny fraction of the market, meaning that only a few potential buyers will see the property. The percentage of people who drive your street or read your ad in the paper will never equal the reach of the MLS.

Not only that, FSBOs are also missing out on the competitive bidding that can drive a home's selling price up. If you have more than one person interested in your property, then there's nothing like a little competition to make people pay for what they truly want.

Numbers don't lie. Selling "For Sale By Owner" is a statistically proven money vacuum. Don't be misled. Find a good agent who can sell your home faster and for more money. You'll thank yourself later.