

HomeCompanion Pro™ Library

I just found the perfect home, and it's For Sale by Owner. What should I do now?

It depends. How do you know it's a great deal? Are you a savvy investor, buying several properties per year? If so, you should probably go ahead and buy it from the owner.

Are you a first-time buyer? **YOU SHOULD DEFINITELY USE A REALTOR WHO WILL REPRESENT YOU!!!!**

Are you somewhere in between? Then consider these thoughts, and make your decision:

- ◆ Is the property priced at, above, or below market value? What do the sales comparables indicate the market value to be?
- ◆ Do you have a contract ready, which protects your interests? (Or do you know an attorney who specializes in real estate law?)
- ◆ If the seller has a contract ready, whose interests do you think it was designed to protect?
- ◆ How will you handle inspections?
- ◆ How will you handle possession?
- ◆ Who will pay which closing costs?
- ◆ Are there any contingencies to be negotiated? What eventualities should be anticipated in advance?
- ◆ Do you need or want to sell your present home? Would it help to have someone helping to coordinate both transactions?

If you are totally comfortable that you know the answers to all the above questions, then maybe you should buy the home directly from the seller.

If you see a For Sale by Owner home that looks interesting, but you'd like the security of being represented by a Realtor, here's how to get that representation for no cost, or a very low cost:

Call the Realtor of your choice **BEFORE** making contact with the seller. The seller has usually advertised a price somewhere (on a yard information sheet, in the newspaper, etc.) **90 TO 95% OF FOR SALE BY OWNER SELLERS HAVE ALREADY DECIDED THAT THEY WILL PAY A HALF-COMMISSION TO A REALTOR WHO BRINGS A BUYER.** If your Realtor calls the For Sale by Owner, and sets up the appointment to show the property to you, the seller is almost always happy to pay the half-commission. You don't pay anything. And the Realtor will usually represent you exclusively. (You should ask the Realtor to represent you exclusively when you call to

ask the Realtor to contact the seller.) Will you pay a little higher sales price? Maybe, but probably no more than an extra 1 to 2 %, and probably no more at all. Here are some of the benefits you'll receive:

- ◆ Are there better homes out there, which you would like even more? If so, your Realtor can help you find them, and compare them quickly, so you don't lose out on this opportunity, or wish later that you'd selected a different home.
- ◆ Your Realtor can help you compare the price of this home with other similar homes that have sold recently, and help you negotiate a fair price, so you don't pay too much.
- ◆ Your Realtor can provide a fair contract, which protects your interests.
- ◆ Your Realtor can make sure you get the inspections you need, so you don't get nasty and expensive surprises after you've already closed and moved in.
- ◆ Your Realtor can help you negotiate favorable terms regarding possession of the house, to help you avoid moving twice.
- ◆ Your Realtor can help make sure you pay only those closing costs that are fair, so you don't overpay.
- ◆ Your Realtor can help you negotiate and disclose any contingencies in a way that protects your interests, both legally and practically.
- ◆ An experienced Realtor can anticipate the many surprises that can catch both buyers and sellers off-guard, and help you and the seller agree in advance how to handle them, so you both have a smoother move, with less stress, and so you both can feel good about it afterwards.
- ◆ Do you need or want to sell your present home? Would it help to have someone helping to coordinate both transactions? Your Realtor can help you there, too.