

## Comparing the cost of marketing your own Home vs. Professional Real Estate



When you take a closer look at Real Estate sold by owner/sellers it becomes apparent that the return to the seller is not increased in most cases while the responsibility of the seller becomes many times increased.

Statistically there is only a 20% chance that homeowners selling their own home will accomplish a sale.

While the odds of selling your home are significantly decreased, the odds are also that in the event that you do manage to sell your home, the sales price (according to averages in North American sales) will be 16% lower than the price a home listed with a Realtor would invite.

The bottom line is that no matter how you decide to sell your home there will be significant costs involved. In the event you choose to sell without the assistance of a Realtor the cost is not only in advertising and marketing but also includes lower returns relating to limited market exposure and resulting lack of eligible purchasers. This in effect reduces or eliminates buyer competition and offers generated will generally be lower. A lack of experience in negotiating can also create a major cost factor. In this example the lower offer, lack of experience in negotiations and lack of possibility of back up offers is a direct cost related to your choice to sell without the assistance of a Real Estate Professional.

- The impact of offer and negotiations skills is very hard to define but also a very significant cost (or asset) when you are selling your home. Even a good offer if poorly drafted can collapse without leaving you a completed sale or legal recourse. The National Association of Realtors show that private sales on average are 16% lower in selling price than sales of homes sold by professional realtors.
- Even when acting as their own Realtor the private home seller in many cases becomes involved with paying a commission to a buyer's Real Estate agent. This is another cost, which can be negotiated but is very real if you wish to have Realtors bring you a potential customer.
- According to the National Association of Realtors 90% of all buyers work with a Real Estate representative. This significantly lowers your market exposure if you are unwilling to offer a commission to the sellers Real Estate Agent.

- The primary reason any realtors will be showing their customers your self-listed home is that they feel they can successfully negotiate a better buying price for their customer by dealing with an inexperienced vendor (You).
- In addition to any real costs there are additional factors, which you should consider when entering into an arrangement to sell your home on your own. The most significant of which is your time. I am sure you place a value on your time as does everyone. It is important to be aware of how much time you will be committing to procure the sale of your own property. Before sale the average home has 11-22 viewings each of these viewings create requirements that you be available to allow access.
- Once you have had the opportunity to put a sale together the next step is the hardest. You then need to continue to work with the purchaser in order to keep them feeling satisfied with their home purchase. Should you fail at this task they will start looking for a legal window through which they can get out of the deal, if they succeed in finding a way out, you start all over again.

If you take into account the costs of all the mentioned potential costs/services it becomes apparent that the cost of having the sale of your home handled by a professional real Estate Agent is more than covered by the potential of additional return on your property. Not to mention the lower stress level you will experience simply by not having to deal with all of the related learning curves.

When you choose to work with Don The Real Estate Mann as your listing realtor I promise to do everything within my power to create / generate enough interest in your property to facilitate a sale in a reasonable time frame at good solid market value for your home or property. I try to set your initial price in a range where the end result will be a sale at the best value you can expect to realize given current market conditions. This pricing strategy does not make for instant sales but rather sales over a period of 60-90 days in most cases. If you require a quicker sale a lower starting point is advisable.

Have a Great Day!

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