

“Penny Wise & Pound Foolish” Comes to Mind When I See “For Sale by Owner”

As you may already have figured out, I'm a procrastinator — or, as we journalists say, I “work best under a deadline.”

That's why I rarely know what I'm going to write about until Monday, which is the deadline for this Thursday column.

Thus, the inspiration for a given column often comes from something I experience on Monday. Such is the case with this week's column.

Today (Monday), at about 5pm, a man walked into our South Golden Road office to announce that he is paying 2.8% commission to buyers' agents for his Golden fix-and-flip which he is selling “by owner.” He also emphasized that it's now \$325,000, reduced from his original asking price of \$360,000.

As you may know, it is common for FSBO's to offer a 2.8% co-op commission to brokers who bring a

buyer. Indeed, if a FSBO elects to have his or her home placed on the MLS as an “entry only” listing (for which they typically pay several hundred dollars to some agent with MLS access who solicits such business), then they *must* offer such compensation to buyer brokers, since that's the whole purpose of the MLS — “cooperation and compensation.”

But does this make any sense, when for just 2.2% to 2.7% more, the home can be listed with a full-service agent (like me) who will more thoroughly market his home? Sellers are attracted to the FSBO concept thinking they'll save 6%, but they risk not only saving far less but could even lose money being the only party lacking professional representation in the transaction.

My Monday visitor was justifiably proud of his home, which he had beautifully updated, installing slab

granite counters, stainless steel appliances and more. He said it is also beautifully staged, too.

Isn't it curious, I thought, that this investor would spare no expense in the renovation of his house but would then handicap himself in presenting it to the buying public?

The agent who “listed” this investor's home assured him that his home would be “showcased” on realtor.com, the nation's most important online marketplace for real estate. So I looked up his home on realtor.com as he watched and, sure enough, it said “Showcase” next to the listing, but the listor had never logged in to enhance the listing in any way — no headline, no scrolling text, no paragraph description, no open house dates — and certainly no video tour. Also, the virtual tour which this man had purchased was not linked to realtor.com as it should have been.

FSBO consciousness arises from a mindset that listing agents don't earn their money. My suggestion: learn how to identify one who does.

REAL ESTATE TODAY



By JIM SMITH, Realtor®

This Week's Featured New Listing:

This Golden Home Has 6 Bedrooms, 2 Baths

This week I'm featuring 500 Boyd Street, a 1902 home which was enlarged to its present size in 1948. More recently, its 2-car attached garage was remade into three extra bedrooms, allowing a family with eight children (some adopted) to get by quite well. Last year I helped that family buy a bigger home in Elizabeth and they rented this home for the past year to some Mines students. It would make a great rental/investment property, or a fine primary residence. If three bedrooms is all you need, you could always recreate the 2-car garage. It has a nice fenced yard and a storage shed. Inside, it has a large eat-in kitchen, and it is surprisingly clean and presentable considering its history! Other details: 2,070 square feet, two off-street parking spaces, corner lot, swamp cooler, walking distance to downtown Golden and numerous trailheads.



\$290,000

GOLDEN REAL ESTATE

Hometown Service, Delivered with Integrity

Promoting and Modeling Environmental Responsibility

Jim Smith  
 Broker/Owner
Golden Real Estate, Inc.
 DIRECT: 303-525-1851
 OFFICE: 303-302-3636
 17695 South Golden Road, Golden 80401
 EMAIL: Jim@GoldenRealEstate.com
 Search MLS at www.GoldenRealEstate.com