

If You Don't Put Your Home on the MLS, You May Not Get What Your Home Is Worth

A reader wrote me last week complaining that some homes in her subdivision are being sold privately for less than they should, without putting them on the MLS. It bothered her because doing so creates lower comps that could affect what she is able to get for her own home when she sells.

Just as important, there are buyers who would like to move into her neighborhood who are frustrated when a home is sold before they can submit their own offer for it.

And, of course, sellers are not getting the highest possible price for their home, as I'll explain below.

Among the culprits are fix-and-flippers and "iBuyers" such as Open Door and Zillow Offers, who convince sellers to take a cash offer, claiming to save them the cost and inconvenience of listing their home on the MLS. More about them below, as well. (In previous columns I have explained how iBuyers work. See www.JimSmithColumns.com.)

If anyone offers to buy your home for cash without listing it, there's one thing you can be certain of: they're going to pay you a price that leaves lots of room for profit. That is money that could be yours if only you exposed your home to the full market by putting it on the MLS.

REAL ESTATE TODAY



By JIM SMITH, Realtor®

The worst thing you can do in a "sellers market," which is what we have now, is to sell your home off the MLS. The next worse thing you can do is, after putting your home on the MLS, to sell it to a buyer who quickly offers you full price. If someone offers you full price on day one, you can be sure that there are other buyers who'd be happy to pay even more. Four days should do it.

But there is something worse than both those scenarios, and that is to put your home on the market at a price which does not attract any offers. I tell my sellers that they can **overprice** their home, but they can't **underprice** it, because a low price can trigger a bidding war. An experienced Realtor like myself can help you set the perfect listing price. Just remember not to accept the first offer — unless that offer comes long after you put your home on the market, because you overpriced it.

What I see all too often is sellers putting their home on the market at a wished-for price, then lowering the price reluctantly over several weeks, and ending up getting only one offer, not multiple offers, at a price that's lower than what they might have gotten if they had priced the home right initially.

It's tempting, I know, to accept an unsolicited offer to sell a home without paying 6% commission, but I can't even remember the last time I charged 6% commission. Remember, 2.8% of any listing commission goes to the buyer's agent. Typically, sellers who try to sell "by owner" end up paying that 2.8%, so they only save the difference between 2.8% and the full listing commission, which is 5.6% on average. At least that is what I charge, and I reduce it if I sell the home myself, and I reduce it further when I earn a commission on the purchase of the seller's replacement home.

If you factor in the totally free moving which I provide (locally, of course) when you sell and buy with me, it's hard to justify not putting your home on the MLS with Golden Real Estate, thereby exposing it to all those bidders in this still-hot seller's market.

Our Denver MLS, REcolorado, is now enforcing a new rule called "Clear Cooperation," which was voted into being by the National Association of Realtors last November. It requires MLS members to put their listings on the MLS within 24 hours of promoting their listings in any way.

The rule is very simple: If a list-

ing agent promotes his or her listing in any way — with a yard sign, tweet, Facebook post, or newspaper article, etc. — the listing must be on the MLS, either as "Coming Soon" or "Active." If it's "Coming Soon," the sign must say so, and it can't be shown, even by the listing agent himself. If shown, it must change to Active status, available for showings by all members of the MLS. Prior to Sept. 1st, REcolorado only issued warnings, but fines are now being levied for violations.

So, yes, there can be off-MLS sales, but not involving an MLS member unless there was no marketing at all, not even emails to his/her clients. Enter the iBuyers, firms that directly solicit homeowners to purchase their homes, charging a 7% "service fee," with the intention of flipping the home for a profit.

Only time will tell whether this new rule, with fines being levied, will make a big difference, but it surely will make *some* difference.

Last Week's 'Coming Soon' Listings

13615 W. Wesley Ave. — \$530,000.
Showings begin Sat., Sept. 12th. Video tour at www.LakewoodHome.info.

9692 W. LaSalle Ave. — \$525,000.
Showings begin next week. Updates at www.LakewoodPatioHome.info.

Brick Ranch in Golden's East Street Historic District



This exceptionally remodeled brick ranch with walk-out basement at **1910 East Street** is in a highly desirable location — within walking distance of downtown Golden, the Colorado School of Mines, Natural Grocers & Safeway, and a trailhead to the iconic Castle Rock formation above the Coors brewery. Entering the front door, you'll be pleasantly surprised by the open floor plan with modern kitchen, hardwood floors and a unique stair railing made from a ski-lift cable. The chef's kitchen features a Wolf professional gas range, stainless steel appliances, and quartz countertops. The large deck next to the kitchen extends the living space, offering a wonderful place to enjoy the views of Lookout Mountain and Mt. Zion while having your morning coffee or evening cocktails. Downstairs, the walkout basement's windows flood the office and bedroom with sunlight. A large multipurpose room would be the perfect spot for a pool table or home theatre. Sustainable features include solar PV panels, new Andersen windows, new exterior doors, attic insulation, a state-of-the-art high efficiency hydronic heating system, and a low maintenance xeriscaped front yard and a synthetic backyard lawn that looks and feels real. Other major improvements include new roof (2017) and sewer line (2007). The large backyard has room to build a dream garage (accessed from the alley) or perhaps a carriage house. This property has too many great features to list here, so check out the narrated video tour at www.GreatGoldenHome.info to learn more, then call your agent or listing agent **Chuck Brown** at **303-885-7855** to see it.

Just Listed: 1901 Farmhouse on Large Fairmount Lot

This home at **4820 McIntyre Street** sits on a 0.78-acre lot with three outbuildings, one of which is a 20'x50' heated building with electricity, water and an indoor garage space. For a 1901 structure, this home is beautifully updated and comfortable, but, with its large lot, the seller realizes the highest and best use of the parcel may be redevelopment, such as has already happened both north and south of it. Meanwhile, it's a lovely home with a gated driveway and is fully fenced, providing lots of space, covered and uncovered, for all your toys! You could even add more out-buildings! Inside the home, the plumbing was updated to PEX throughout, and the electrical was updated in 2011. The metal roof is about 15 years old and survived multiple hail storms with no damage. There are porches on three sides, although not connected. The east-facing porch includes an outside kitchen with its own refrigerator, propane grill with griddle and unplumbed sink set in a granite countertop. This has been a lovely family home for decades! Check out the narrated video tour at www.FairmountHome.info, then call Jim Smith for a showing.



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