

FOR SALE BY OWNER

A Home Seller's Guide



Breeze Street Inc.
Green Cloud Realty

With the incredible advancements in technology, selling your own home has never been as realistic as it is now. We've collected data from our database, combined with feedback and survey responses we've received from our past customers Ontario-wide, and have compiled this guide. Below, we've created an essential guide on successful strategies and pitfalls to avoid when exploring the for sale by owner (fsbo) route.

TOP 3 REASONS FSBO SELLERS FAIL:

1. Price

Undoubtedly, our data has shown that overpricing a home is the #1 reason FSBOs are not successful. Even when a seller reduces their price afterwards, the damage has often been done as interested buyers and Realtors view the price drop as a sign of lack of interest by others and even desperation. This subsequently increases the risk of low offers. You will have an emotional investment in your home. When you are pricing it, remove the emotion and focus on what the market dictates.

2. Buyer's Agent Commission

Selling a home to a direct buyer is the ideal situation for most FSBOs. While this is the ideal, a very heavy majority of home owners still use a buyer's agent and as a result, if you are offering anything under the standard 2.5% commission in Ontario, you are putting yourself at a ***serious disadvantage***. If you offer the standard commission, you'll receive more phone enquiries, which ultimately gives you the best chance to negotiate the best price.

3. Showing Flexibility

Do not make buyers work around your schedule to see your property. More showings = higher likelihood of an offer. If you don't have flexibility in your job, consider taking a week off especially for the all-important first week of your listing. Also

TOP 3 THINGS THAT INCREASE YOUR CHANCES OF SUCCESS:

1) Get a Market Analysis

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Guesstimating the price your home *should* sell for based on what you heard a couple other homes near you sold for is like a cashier guessing the price of your items as you check out at a retailer. Either through a real estate professional, or a private sale company, have an extensive, comprehensive market analysis done that compares at least 15-30 homes in your area. Remember, poorly pricing your home can cost you thousands.

2) *List on Realtor.ca*

Not listing on Realtor.ca is the equivalent of running a business and not choosing Google as your search engine to advertise on. Realtor.ca is *by far* the #1 most visited website in Canada for real estate. Find any way possible to get on this site.

3) *Clear Your Calendar*

Do not underestimate what one missed showing could mean to your home selling. That could be your buyer! Clear your calendar especially during the first two weeks of your home going on the market.

KEY CONSIDERATIONS WHEN SELLING A HOUSE:

Pay close attention to other similar homes and price accordingly. Because often freehold homes have some variances between neighbouring homes, ensure you are showcasing those differences so potential understand why your home is unique.

KEY CONSIDERATIONS WHEN SELLING A CONDO:

Condos can have more challenges to sell simply because they are more of a commodity with less major variances. For this reason, some real estate agents with buyers will bring their clients to a similar unit that has a seller's agent simply to avoid dealing with a FSBO. High inventory of units similar to yours can reduce your ability to sell quickly.

ARE YOU A GOOD FIT TO SELL YOUR OWN HOME:

Questions to ask yourself. Will you have time to do showings at almost any time, especially during the first two weeks of your home going on the market? Can you be objective when evaluating how your home compares to others? Are you comfortable negotiating?

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WHEN SHOULD YOU REMOVE YOUR LISTING?:

If you've gone over the average days on market for a home in your area by 7-10 days OR by 50%, whichever is higher, our data suggests it might be time to consider taking your home off of the market.

KEY PREPARATION TIPS:

- 1) Find a real estate lawyer
- 2) Declutter/semi-stage your home
- 3) Get a market analysis and determine your pricing strategy
- 4) Get a lockbox (if you plan to let Realtors show your home without you home (recommended))
- 5) Determine an **objective** amount you would be comfortable selling for

Bonus:

HOW TO DEAL WITH REALTORS ASKING TO LIST YOUR HOME:

Invariably, you will have Realtors asking you to list your home with them. Understand that some will use unscrupulous scare tactics to try to secure your business. A quick tip – tell a Realtor that wants to sell your home that you have a very close sibling or parent/uncle/aunt that is a real estate professional, and that you will use their services if you decide to list with an agent. Simple – and gives little opportunity for an agent to consistently bother you without appearing to be incredibly insignificant.

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