

Title:

Houses For Sale By Owner - Negotiating Tips

Word Count:

428

Summary:

You might think buying houses for-sale-by-owner would be the same as buying those listed with a real estate agent. There are differences, however - important ones.

Keywords:

houses for sale by owner, for sale by owner, real estate

Article Body:

Houses for sale by owner, also known as "FSBOs," are a unique case in real estate investment. Buying from an uninformed seller who thought he knew enough to handle everything by himself can be frustrating. It can also be very profitable if you are prepared.

Why do people try to sell a house on their own? Only one primary reason comes to mind: To save the sales commission. Of course they usually underestimate the cost and complexity of going it alone. They end up frustrated and tired of the process, ready to drop the price and be done with it. Help them solve their problems, and your reward can be a good price on a good investment. Keep the following in mind:

1. An owner isn't an agent. Don't ask possibly offensive questions. Don't make negative comments about the house. Whether you like it or not, the truth is that it's difficult to get a good deal if the seller doesn't like you.
2. Houses for sale by owner have often been on the market a long time. The seller is usually tired of the process, and wants it to be done. In other words, you'll get a better price if you are willing to close quickly and easily.
3. FSBO sellers usually think they're being smart. Encourage that belief and they'll be more open to your offer. When they have a good idea, tell them so. It is not unethical to make people feel good about themselves when negotiating.
4. They usually don't have a plan for where to close, where to buy a title policy, where to keep a good faith deposit, etc. Be ready with simple solutions

to all these problems. Walk them through the process while letting them feel in control, and you'll both be happier.

5. They have often spent more than they anticipated. Advertising and other costs have already eaten into their imagined extra FSBO profit. Be generous in negotiating any pre-close expenses - as long as you get your price and/or terms.

6. Pass over problems and return to them later. Once a seller has invested more time in a negotiation, he'll be more inclined to give you what you want.

Professionals will tell you that most houses "for sale by owner" net less than those sold by an agent. It's too late for the seller to recover his money and time spent, however, so he usually just wants to get the thing sold as easily and quickly as possible. Help him with that, and you can get a good real estate investment at a good price.