



## Q&A: Unrepresented Buyers and Sellers

Facing a hot real estate market and growing base of do-it-yourself consumers, many REALTORS® are competing less with one another and more with consumers buying and selling on their own. Below are common questions that prospective clients often ask when considering this option and responses to consider.

### 1. Are more consumers trying to sell their homes on their own these days?

No, it just seems that way. When mortgage rates are low and the housing market is active, home sellers view the process as easy and become more likely to sell on their own.

Conversely, when mortgage rates are high and the market cools, those same consumers turn to experienced REALTORS®. In any market, it's proven that home sellers represented by a REALTOR® achieve a 20 percent higher home value statewide than those sold by owners.

### 2. Why use a REALTOR® when just sticking a sign in the ground will attract multiple buyers?

In a hot market, can a sign attract buyers? Sure. However, unless your home is priced properly and you can successfully write a solid contract, you will leave money on the table or fail to sell your home. REALTORS® are intimately familiar with real estate law and the closing process. When you chose to work with an experienced professional, you are making a solid investment that is usually repaid with a higher sale price and lower legal liability.

### 3. REALTORS® are great for people who want to avoid the hassle, but I'm an educated, do-it-yourselfer. What harm is there in cutting out the middleman?

Most sellers who begin the process without representation by a REALTOR® end up by listing in the end, as evidenced by a recent National Association of REALTORS® survey that found only 11 percent of sellers actually sell on their own. Real estate transactions are fraught with potential liability and it's easy for consumers to stumble into legal trouble. A seller that overlooks even one required form or legally mandated disclosure could face a lengthy and expensive buyer lawsuit after the transaction closes. Working with a REALTOR® ensures every part of the transaction is compliant with real estate law and can help you avoid the many pitfalls possible between the initial sales agreement and closing on the home.

### 4. What are the limitations involved in selling my own home?

- Valuation - Research shows that, on average, homes sold by their owners sell at prices 20 percent lower than homes sold by REALTORS®. Given that cost is a primary reason most consumers sell their own home, this statistic reveals they often take on that additional hassle and risk while actually decreasing their earnings.
- Inaccurate pricing - Like many homeowners, unrepresented sellers tend to believe their home is worth more than comparable homes in the same neighborhood. Unfortunately, this leads to their home staying on the market longer and eventually achieving a lower valuation anyway. REALTORS® have expertise in pricing homes for sale and will ensure your home is sold at the best price, quickly and with minimum hassle.
- Access to the MLS - By far the largest and most accurate source of information regarding properties for sale, the Multiple Listing Service (MLS) is the primary information source home buyers consult when represented by a REALTOR®. Thus, unrepresented sellers often are unable to reach this large group of prospective buyers.
- Intimidated buyers - Research shows that potential buyers spend less time in a home if the owner is present. They often feel uncomfortable discussing their opinions of the property if the owner is present and are less inclined to make an offer if they know they'll be negotiating directly with the seller. Thus, the pool of prospective buyers is limited further.

