

ForSaleByOwner.com Founder Sells Condo — Using Real Estate Agent

By Alison Rogers

They're known as "FSBOs" — properties that are For Sale By Owner. Every year, hundreds of thousands of properties are listed, not by real estate agents, but by the owners themselves. Now, I'm a real estate agent, but I do understand this: Often, these are property holders who want to save a real estate agent's fee. These FSBOs are willing to do the work of researching a property's correct price, staging it to its optimum, advertising it in the right channels and to the right buyers, and showing, showing, showing.

But sometimes, FSBOs are just owners who have unrealistic expectations of how easy it is to sell a property — why, just list it on the Internet and the buyers will come, they theorize. That's why it was a sweet tale for every real estate agent to hear that Colby Sambrotto, one of the founders of Internet listing site ForSaleByOwner.com, ended up hiring a real estate agent to sell his \$2 million condo.

The sale closed earlier this summer. The agent, Jesse Buckler of Bond New York, reportedly took a 6% commission, which is usually considered a full commission in Manhattan.

Now if you follow real estate, you know that this story isn't that unusual. I believe I've heard craigslist.org founder Craig Newmark say three different times at three different conferences that he loves his real estate agent.

Perhaps that's one reason why FSBOs accounted for just 9% of overall home sales in 2010, according to the National Association of Realtors.

More interesting to me was Buckler's pricing strategy. It's been reported that Sambrotto had the listing on the market for months as his own FSBO; I actually see it in my computer system — I'm a working agent in Manhattan — as having gone through two other agents.

However, when Buckler got the listing — this spring, as Wall Streeters got their bonuses and the market for 2-bedrooms heated up — he jumped the sales price by \$150,000, from \$2 million to \$2.1 million.

At that 7.5% higher price, the condo received multiple offers. So it can be argued that Buckler paid for himself and then some.

Are agents really so magical that hiring one is going to generate an extra 7.5% in sales price? Not always, but a working agent does have a big advantage over an FSBO seller — the owner is selling only one property, but the agent is involved in multiple transactions.

As a result, the agent can often get a better immediate "read" on the market, due to having a broader sample of information.

In fact, nearly a quarter of FSBOs surveyed said that "Getting the right price" was the hardest thing for them to do, even ahead of "having enough time to devote to all aspects of the sale" (23%) and "preparing/fixing up the home for sale" (18%).

Now if you've read this far and still want to go FSBO, don't let me stop you. Just remember, it's not as easy as the Internet gurus make it look.

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