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Experience missing in FSBO equation

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I have a friend who is selling his own home. He contacted me last winter and I recommended a listing price based on recent sales in the area. He decided that he needed more money and I told him that I would not list the home at a higher price.



Flickr photo by [sidewalk flying](#) [1].

He decided to save a buck or two. He paid a fee to have the home listed on the multiple listing service and he will pay a commission to the buyer's agent. At the price I have estimated the home will actually sell for, he could save about \$12,000 in commissions if he sold it.

Interestingly, he listed it for the same price that he wanted me to list it at. A more logical strategy would have been to use the commission savings to lower the price of the home so that it would sell more quickly.

The seller is doing a fine job marketing the home. He has taken some amazing photos of it. He asked me how I would market the home before he decided to do it himself, and apparently he paid attention and did some additional research.

He has a camera, a computer, Internet access and he can write, so he has some basic tools for selling real estate.

His marketing materials are as nice as any that I have seen. He has taken a lot of time and the home even has its own website. He has watched me on various social media platforms and is advertising the home on those as well.

At first he had an open house every weekend. He sent out notes to local Realtors letting them know about the open. He has learned to network with agents and his announcements look identical to the e-mails that agents send around.

Even though he has done almost everything a person can do to sell a home, it is still on the market. If I had listed the home it would still be on the market. The only way he would have signed a contract with me is if I would have agreed to the price, which is about 25 percent more than the home can be sold for.

We talk to our clients about a value proposition. Experience -- knowing how to price a home, how to market it and sell it while managing seller expectations along the way -- is one of the greatest values that agents can offer.

Sometimes I'll pass on a listing and another agent grabs it and ends up listing the home but never makes a dime. Sometimes the home stays on the market for years and the sign in front changes every six to nine months.

Over the years I have watched these sellers chase the market down. I saw one instance in which a home was on the market for more than 400 days and now it is priced right, but in the time it has been on the market it has lost at least 30 percent of its value.

The same agent has had it listed the entire time. I can't imagine myself signing a contract to list any home for that long. I would have asked the seller to let me reduce the price. If the seller wouldn't do it I would let the contract expire.

I have told my friend that if he had listed with me, the home would still be on the market. I told him in the beginning that I can't get him the price he wants for it.

I have explained to him that I work on a 100 percent commission basis and that I cannot afford to list his home, as I take only listings that I can sell. I have projected, based on inflation and assuming that the economy recovers, that his home may be worth close to what he is asking for it in 2015.

There are not as many for-sale-by-owner sellers in my area as there used to be, but it can be done more easily than ever before -- and to be honest, I think some people should be FSBO sellers so they don't waste our time and money. They don't understand our value proposition or the advantages of working with a Realtor.

Even though business has slowed a bit I think it is important to walk away from sellers who will not take our advice on pricing and who don't understand that the way we add the most value is through our experience and negotiating skills.

The marketing piece is important but it doesn't take as much experience or skill to learn, and FSBO sellers like the one I am writing about demonstrate that as marketers we can be replaced.

Teresa Boardman is a broker in St. Paul, Minn., and founder of the [St. Paul Real Estate blog](#) [2].

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