

## Agent vs For Sale By Owner

Why do you need a real estate agent? After all, an agent will charge thousands of dollars to sell even an average home, and that commission comes right off the top. With the Internet and all, you could do practically everything that an agent would do, so why should you pay out all that extra commission money?.

Many home sellers have similar thoughts, because so much money is at stake, these questions deserve some serious considerations.

The sale of real property is not just a marketing exercise as there are many legal issues involved which can create liability to the sellers. Of all the things you want and expect from selling your home, a lawsuit is probably not one of the issues that you expect.

Recently, residential transactions have seen an extreme increase in the number of claims and lawsuits. These claims, the majority of which are filed against the sellers, by their buyers may cause the potential do it yourself home seller to seriously consider the qualifications of a licensed Realtor and not be forced to endure the harshness of the 'bad buyer'.

In most states, the process by which title to real property is transferred is a rather complicated process. The typical home seller is not familiar with the many legal issues that can and do arise, even in a fairly simple transaction. Important decisions must be made concerning contract terms, escrow matters, transfer of title, apportionment of costs and any number of other matters. Keep in mind that a simple missing word, or a mistake in grammar can create a dispute which, in turn, can give rise to a lawsuit. Aside from the problem of drafting the contract language itself, sellers can face other problems as well. For example:

Typically, buyers who look for "FSBOs" usually offer 6-10% below the price of comparable properties because they know you are not paying a commission.

In today's changing financial market, many sellers are having to negotiate second mortgages held by the seller. Though it could be the way to finalize the deal, There can be substantial risks involved when a seller agrees to "carry back" a note from the buyer and all of the pros and cons need to be understood.

Alleged failure to disclose such things as previous repairs, insects, exact lot lines, and the presence of certain types of mold/fungus in the property are the source of many lawsuits against sellers.

Most buyer complaints involve alleged damages of less than \$10,000, yet you could be forced to spend thousands in attorney's fees to defend such a claim.

Once a buyer has made a claim and even if you know that the buyer's claims have no merit, it can take many months and thousands of dollars to prove that you are not at fault. If you lose, the outcome in a case like this can be disastrous. You have entered into a contractual relationship with the buyer, and sellers who lose this type of lawsuit can find themselves having to pay the amount of damages awarded to the buyer, their own attorney costs, and possibly be ordered to pay the fees of the attorney who sued them as well as court costs. Ask your realtor if they carry E & O Insurance.

An experienced, professional real estate agent, such as those at R & S Realty Group, Inc. understand the kinds of risks involved. They can help you, as the seller, minimize these risks in a variety of ways. A professional Real Estate Agent devotes many hours to training and educational programs which emphasize risk reduction, and protecting their clients' interests.

There are any number of reasons why your buyers may decide to take action against you. Most of these complaints allege problems with the condition of the property and/or representations made to them about the property or the transaction. An experienced, professional Real Estate Agent knows how to reduce the risk of these types of complaints, by including effective "AS IS" and other clauses when drawing up the language in the contract. A professional Real Estate Agent can avoid the many pitfalls by providing for such things as a professional home inspection, and a home warranty.

If a problem does arise during the transaction, an experienced agent can move quickly to settle the matter at hand. Their thorough understanding of the intricacies of a modern transaction helps them to identify the problem, and to either solve it themselves, or allows them resources that they can call upon that the typical seller simply does not have access to or knowledge of.

The best way to deal with a complaint is to prevent it in the first place. The organized real estate community has lots of knowledge and experience in how to reduce the possibilities of claims, and they have responded to this threat in a number of ways. For example, the standard contract forms that most agents use contain language which will help protect you,

and reduce your exposure to claims and possible litigation.

Selling your home without professional help is a very risky business. It does cost money to employ an experienced, professional real estate agent, but you will be more likely to sell your property faster and for a higher profit, while at the same time reducing the chances that your buyer will come back to haunt you.