

Selling your home without a realtor? Understand 4 risks first



Sara B. Hansen involved.

Before deciding to sell your home on your own, it's essential to understand the potential risks and challenges

Some homeowners sell their homes independently, hoping to keep more of the proceeds.

According to research from Clever, a real estate data company, selling a house without a real estate agent in Colorado can save an average of \$31,112 in realtor commission.

However, research shows that for-sale-by-owner homes typically sell for about 24% less, and 36% of sellers make legal mistakes.

"Let's keep this simple — representing yourself in court? Not usually a great idea, right? The same goes for selling your home," said Michael Coleman with The Agency Denver.

"Most people who try to sell on their own quickly realize they're in over their heads, which is why most homes are sold with the help of a professional. You've got enough on your plate, so leave the heavy lifting to someone who lives and breathes real estate and loves it."

Selling your home without a realtor poses risks, including inadequate knowledge, pricing challenges, limited exposure, and complex negotiations.

Inadequate knowledge

Real estate transactions involve complex laws, regulations, and disclosures. Sellers may be unaware of their legal obligations, leading to legal risks and financial liabilities.

"The old adage, 'You don't know what you don't know,' rings true when an owner tries to sell their home without being represented," said Christine Dupont-Patz with RE/MAX of Cherry Creek.

"Real estate transactions are multi-layered and have so many nuances. Is the owner current on the recent regulations and local laws?"

For example:

- Realizing they must provide information on radon or lead-based paint
- Knowing what they have to disclose to potential buyers
- Knowing what to ask lenders to ensure a smooth escrow process
- Managing deadlines while moving
- Understanding the implications of buyers changing their minds and when they are entitled to their earnest money.

Pricing challenges

Determining the right listing price is crucial. With realtor expertise, sellers may be unable to accurately price their homes, leading to overpricing or underpricing, which can deter potential buyers or result in financial losses.

"Realtors are market experts and will advise sellers on the proper pricing of their homes. Pricing too low will leave



money on the table for the seller, and pricing too high can lead to undesirable delays in the sale of the home and even prevent a seller from getting the possible sales price," said Stewart Seeligson with The Agency Telluride.

Limited exposure

Realtors have access to professional networks, multiple listing services, and marketing strategies to ensure your property gets maximum exposure. Without a realtor, sellers may not be able to reach a large number of potential buyers, which can lengthen the selling process.

"Statistically, 84% of home sales come from the multi-listing service, which syndicates to other websites like Zillow where qualified buyers look. That's how you reach buyers who are prequalified and actively looking," said Kendra Lanterman with West+Main. "It increases the market value."

Complex negotiations

Negotiating offers, handling contingencies, and navigating contract terms can be challenging for sellers without realtor representation. Working without a professional can lead to less favorable terms and misunderstandings.

"There are hundreds of things that can go wrong in a real estate transaction," said Jorge Becerra with 8z. "A realtor can creatively solve transactions. If a seller tries to negotiate, they don't have a buffer. It can become too emotional."

Sara B. Hansen has been an editor and writer for more than 20 years. Her professional background includes editing positions at The Denver Post, The Des Moines Register, The Fort Collins Coloradoan, and At Home with Century 21. She's also the founder and editor of DogsBestLife.com and the author of "The Complete Guide to Cocker Spaniels."

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