

By Owner Coach

Most Expensive FSBO Mistakes

And how to avoid them!

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Introduction

Congratulations for taking on one of the most challenging DIY projects ever!

Since you've decided to explore selling your own home, you are probably looking to save a ton of money in commissions and have more control over the process.

Today we will cover the most expensive mistakes I see sellers make when choosing the For Sale By Owner (FSBO) route. The following is meant to help you avoid the biggest potholes on the road to your goals.

After 20 years of selling real estate and most of that doing [Flat Fee](#), I have worked with literally thousands of For Sale By Owners. I've had the honor of serving these customers and have definitely *learned* more from them than I could ever hope to teach.

Many agents see the FSBO crowd as amateurs and roll their eyes. I have always felt a special bond with you. You tend to be driven, intelligent, informed and absolutely willing to take the bull by the horns.

For me, a seller who is fully engaged in the process will always be better off than someone who hands it all over to the so-called "full service" agents only to give away a huge chunk of their equity.

While you are smart enough to avoid paying 6%, you can sometimes suffer from one key disadvantage; you have only done this a few times at most. Even if you do this every 3-4 years that's only about 10 times in the average adult life.

And remember, there is a 3-4-year gap between experiences. If you practice the guitar once every 3-4 years and 10 times in your life, how good do you think you would be?

Selling a home is not impossible once you know the basics. The trouble is, when you do anything infrequently, you miss the deep learning that comes from doing it every day.

We all learn by doing and by making mistakes—selling your own home is no different. Most mistakes FSBO sellers make are not that damaging and will be caught along the way, but there are at least **FIVE** that are killers.

I'm not only going to share these 5 deadly sins with you, I'm going to show you how to avoid or at least minimize them.

Let's get to it.

1) Pricing Too High

The Problem: You Are Priced Too High

Yes, I know—super obvious, but it’s a killer so it goes on the list.

Coming on the market too high is a seriously expensive tactical error. Sure, you can always lower your price, but “leaving room to negotiate” is possibly the fastest way to reduce your final selling price. You need to nail value and put your property at a price that will attract buyers.

Price it wrong, you will hear crickets. And after so long on the market buyers will start to wonder—what’s wrong with that place? This is especially true in today’s market where properties are selling so fast.

The Fix: Conduct A Market Analysis

Get a good market analysis done by an agent who is *not* trying to get your listing since that will bias them toward a higher price. You need to hire someone to do it.

If you’re going For Sale By Owner, use some of your savings to get a good value estimate. Put yourself in a position to hit the market at the right price. My company charges \$97 for a comprehensive market analysis. Well worth the money. [Email me](#) to get more information.

You could even hire a licensed appraiser for a few hundred dollars if you’d rather. Then—keep that document handy for all to see. Let them know you have an unbiased professional price opinion for the house.

2) Inconsistent Marketing

The Problem: Unfocused & Slow Marketing Efforts

Another expensive mistake FSBO sellers make is failing to get a focused market push. It's almost like they aren't quite sure how to go about the marketing, so they sort of tiptoe into it.

Many FSBO sellers like putting a sign out on a Saturday morning, then putting it on one FSBO website or Zillow on Sunday or Monday (or Tuesday), then maybe running an ad the following week, then maybe an open house a couple of weeks later. There is a better way.

The Fix: SHOCK AND AWE

This means that you put all of the marketing out at the same time. The ad, the sign, the open house, the website—all of it is a perfectly orchestrated symphony of marketing. You want your house to be EVERYWHERE all at once. Buyers need to be thinking, “Everywhere I look, I see this house.”

That momentum is a once-in-a-listing opportunity and it's your best chance at generating multiple offers (aka the Holy Grail of selling). You want a buyer FEEDING FRENZY when you finally pull the lid off. If you miss this window, you CAN NOT get it back.

If you really want to dominate the market, buy an inexpensive [Flat Fee MLS listing](#) (mine start at \$297 and I included an offer code in this guide). Next, set up a “coming soon” listing that forces everyone to wait to see your house until the first open house, which should be about a week after you list. It's amazing.

[Email me](#) and ask for my Complete FSBO Guide where I cover exactly how to create the buyer feeding frenzy. If you seem like a decent human, I'll send it to you.

3) Believing The Buyer's Agent Will Help You

The Problem: Believing That Nice Buyer's Agent Is There Help You Too

You are representing yourself. You are your own client. There's nothing wrong with that, but the reason you did this was to save money. Giving it all away during the offer phase is just criminal.

If the buyer has their own agent, the agent is LEGALLY OBLIGATED to work for their client and ONLY for their client. That means all terms in their paperwork are written to favor the buyer. All that "helpfulness" is a mask for their real goal—trying to buy your house for the lowest possible price and best terms for their buyer.

By definition, everything they negotiate for the buyer is going to hurt you, cost you money, or both.

It's not because those agents are evil—it's because that's the law. Since the buyer's agent, by law, must help their client, they are now your enemy. Anything you say CAN AND WILL be used against you.

This is like going into court with the other person's attorney kindly offering to help you draft the settlement while they are listening so intently to you. They aren't doing it to be nice—they are doing it to gain the advantage. They are doing it to beat you.

The Fix: Remember You, And You Alone, Are Representing Yourself

Be courteous and ask for clarity when necessary, but do not tell them anything you don't want the buyer to know and do NOT ask them their opinion. Bad move. Expensive move. Handle things yourself but never drop your guard around the buyer's agent.

One alternative is to ask them at the outset to become a dual agent. If they declare dual agency then they aren't really helping you, but they also can't hurt you. It's doubtful a good buyer's agent would agree to become a dual agent but it never hurts to ask. As Wayne Gretzky would say, you miss 100% of the shots you never take.

The better alternative is hiring a flat fee broker to look out for you during negotiations and closing. My company and a lot of others offer specific packages just for negotiations and closing. [Email me](#) to find out more.

4) Failure To Disclose

The Problem: Failing To Disclose A Full Home History

When you put your house on the market in Ohio you are required to fill out a [detailed history](#) of the repairs and maintenance on the property. Some sellers take it seriously—some don't. Let me tell you, this is the easiest opportunity to save yourself serious money.

Quick detour...

Pretend we just met today. I tell you right away that I spent some time behind bars.

Guess what—you now know, and you can decide RIGHT AWAY if you would like to hang out with me or not.

Fast forward—If I wait until 2 days before the wedding, it will be a much worse situation. You'll probably dump me and eat the cost of the dress.

Not only are you put off by my past, but now you have to worry about what else I "forgot" to tell you. It's a terrible situation and it could've been avoided if I'd just told you about it in the beginning.

If I wait until the second kid is born, all hell breaks loose. Now we've got pain, misery, deep trust issues, divorce, two-house situation for poor little Molly and Micky. Just an all-out disaster an expensive, gut-wrenching scenario for all involved.

Now, I ask you, wouldn't you rather know everything right away? Sure, maybe you leave after one date, but isn't that better than finding out years later? Wouldn't it be better for me to find someone who is OK with my past and then moves ahead, eyes wide open?

The Fix: Tell Your Buyers *Everything* At The First Showing

Now, they can't complain during inspections, or worse, sue you after closing--for failure to disclose.

Nobody likes being a sucker and if you try to get away with it...well, think of the children...

Trust me, the three most important words in real estate are...in order...**DISCLOSE, DISCLOSE, DISCLOSE.**

And now finally—the most expensive mistake FSBO sellers make?

5) Failure To Read The Contract

The Problem: Failure To Read, And Understand The Contract Before You Sign

“Seller shall furnish an owners title commitment with accompanying policy issued by...”. That single line costs sellers thousands of dollars every day. Most sellers don’t realize it until closing day. Way too late.

It’s understandable that you don’t know what every term means. It’s understandable that you expected things would go like they did 7 years ago. What’s not understandable is that you would sign the contract before you fully grasp what’s on the page.

This is a legally-binding contract and, for many people, the most expensive one they will ever sign. Why on earth wouldn’t you read it and ask some questions? And for the love of Pete, please don’t ask the buyer’s agent (see #3).

The Fix: Get Professional Unbiased Help

You can always ask a lawyer or hire a flat fee broker to help you. My [company](#) offers a simple contract review for \$97. You get a complete summary of the offer terms and a detailed net sheet, so you’ll see every dime of that offer before you sign it.

Flat fee brokers can also negotiate the whole deal for a fee. That’s pretty cheap insurance if you ask me. You don’t even have to list the house with us. You can just email the contract and we will do the review and email it back. Easy peasy.

Selling your own home is wonderful. My entire business is built around people just like you. But just because you’re doing most of it yourself doesn’t mean you should do **all** of it yourself. I like to do some wiring here and there, but I know when to call an electrician. Just saying...

We can help you with nearly every aspect of the home-selling process. [Email me](#) anytime with your questions. I read and answer every email. The fun questions get published on my blog at [ByOwnerCoach.com](#).

If you’re ready to get your home on the MLS, go to [OhioMLSFlatFee.com](#), click “Get Started” and use Promo Code 103175 to take \$75 off any listing package. It’s my way of saying thanks for reading.

[Let’s get started today](#)

Thanks!



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