



# Can I Buy or Sell a Home Without a Real Estate Agent?

Today's real estate market is one of the fastest-moving in recent memory. With record-low inventory in many market segments, we're seeing multiple offers—and sometimes even bidding wars—for homes in the most sought-after neighborhoods. This has led some sellers to question the need for an agent. After all, why spend money on a listing agent when it seems that you can stick a For Sale sign in the yard then watch a line form around the block?

Some buyers may also believe they'd be better off purchasing a property without an agent. For those seeking a competitive edge, proceeding without a buyer's agent may seem like a good way to stand out from the competition—and maybe even score a discount. Since the seller pays the buyer agent's commission, wouldn't a do-it-yourself purchase sweeten the offer?

We all like to save money. However, when it comes to your largest financial asset, forgoing professional representation may not always be in your best interest. Find out whether the benefits outweigh the risks (and considerable time and effort) of selling or buying a home on your own—so you can head to the closing table with confidence.

## SELLING YOUR HOME WITHOUT AN AGENT

Most homeowners who choose to sell their home without professional assistance opt for a traditional “For Sale By Owner” (FSBO) or a direct sale to an investor, such as an iBuyer. In an active, low inventory real estate market, it may seem like a no-brainer to sell your home yourself and save money on the listing agent’s commission. However, you’ll need to weigh your potential savings against the significant effort and risk involved.

One of the biggest problems FSBOs run into is pricing the home appropriately. **Even during last year’s strong seller’s market, the median sales price for FSBOs was 10% less than those sold by an agent.**<sup>1</sup> This suggests that, while you may think you’ll price and market your home more effectively yourself, in fact you may lose far more than you would pay for an agent’s assistance.

Homeowners who choose to sell to an iBuyer may walk away with less money, too. Also known as Direct Buyers, these companies use computer algorithms to provide sellers with a quick cash offer to buy their home.

However, sellers will pay for that convenience with, generally, a far lower sale price than the market will provide—as well as fees that can add up to as much or more than a real estate agent’s commission.<sup>2</sup> **According to a study conducted by MarketWatch, iBuyers netted, on average, 11% less than a conventional sale when both the lower price and fees are considered.**<sup>3</sup>

## BUYING YOUR HOME WITHOUT AN AGENT

You may be considering negotiating your home purchase directly with the seller or listing agent, especially if you are accustomed to deal-making as part of your job and if you are familiar with the neighborhood where you are searching.

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However, putting together a winning offer package can be challenging, especially in a multiple-offer situation. And a trusted agent can help you avoid overpaying for a property or glossing over “red flags” in your inspection.

**As a buyer, your real estate agent’s commission is paid by the seller and costs you nothing out of pocket. In exchange, you’ll obtain fiduciary-level guidance on one of the most important financial transactions of your life.** From finding the perfect home to submitting a winning offer to navigating the inspection and closing processes, most homebuyers find their expertise and guidance invaluable.

## IS A REAL ESTATE AGENT RIGHT FOR YOU?

Understand your options when considering whether or not to work with a real estate professional. If you are experienced in real estate transactions and legal contracts, comfortable negotiating for high stakes, and have plenty of extra time on your hands, you may find that a do-it-yourself sale or purchase works. However, if, like most people, you value expert guidance, experience, and professionalism, you will probably enjoy far more peace of mind and security in working with a real estate agent or broker.

A real estate agent’s comprehensive suite of services and expert negotiation skills can benefit both buyers and sellers financially. **On average, sellers who utilize an agent walk away with more money than those who choose the FSBO or iBuyer route.**<sup>1,3</sup> **And buyers pay nothing out of pocket for expert representation that can help them avoid expensive mistakes all along the way from contract to closing.**

## QUESTIONS ABOUT BUYING OR SELLING? WE HAVE ANSWERS

Sources: 1. National Association of REALTORS 2. Seattle Times 3. MarketWatch

The best way to find out whether you need a real estate agent or broker is to speak with one. We’re here to help and to offer the insights you need to make better-informed decisions. Let’s talk about the value-added services we provide when we help you buy or sell in today’s competitive real estate landscape.

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