

Tuesday, November 22, 2011

House Sold, But With A Twist

We listed our house on 10/29. Had 7 offers by 10/31. Accepted an offer and closed on 11/18. Wow! Is that some sort of record? What a whirlwind, especially since we originally just put it on the MLS to “test the waters.” So much for that, it’s sold!



Praise God for a smooth and quick process! We will be renting our house back for about a month while we go through all of the many logistics of moving. We found an awesome rental in Austin this weekend. So now we have a place to go when we move. Just got back from Austin!

There was one unique thing about this process, though. What I’m about to tell you is a bit of a well kept secret... I’m hoping it will help any of you needing to sell a home in this tough economy save a little money.

With this home and the last home that we sold, we did what is called a “flat fee listing.” We used Congress Realty, a local company, this time.



If you've ever sold a home (this is our third), you know that it can get pricey since the seller is responsible for their closing costs and both agent fees. Many times, the sellers are even responsible for the closing costs of the buyers.

What is a flat fee listing? On a regular sale, you pay the listing agent 3% of the sales price and you pay the buyer's agent 3%, for a total of 6% (of the purchase price). When you do a flat fee listing, you are no longer responsible for the 3% to the listing agent. Instead of the 3% to the listing agent, you pay a flat fee upfront which is usually \$300-1000. This can save you thousands of dollars, depending on the sales price of your home.

For example, on a \$100,000 home, as the seller, if you pay the total 6% for both agents, you'd pay \$6000 in AGENT FEES. If you only pay the 3% (to the buyer's agent) plus the flat fee listing (instead of the 3% to the seller's agent), you'd only pay about \$3500. That saves you \$2500 on a \$100,000. This increases if the value of your home is more...

Is it difficult? What do you do differently?

It's easy, but you do have to be willing to put a little bit of effort into it. Mainly, you will need to negotiate your own offers and deal directly with buyer's agents. However, all paperwork is provided. Otherwise, it's not much different.

It is not distinguishable from any other MLS listing. This is the difference from doing "For Sale By Owner." It is on the MLS and has a regular sign out front. Nothing looks "homemade."

Most agents will discourage flat fee listings because they feel like it takes money from them. But, it is actually a good and quick way for them to make extra money. And, if you are someone who needs to sell a home and enjoys negotiations, it is a great way to save money.



Ready for the nitty gritty details?

The process went something like this. 20 simple steps.

- 1) We clicked “List Now” on the website. Then, filled out our basic information.
- 2) They emailed us a listing agreement to fill out saying what services we wanted. We ordered it to be listed on the MLS (and various websites that go with that), extra photos, a sign for the yard and was going to get a lockbox, but we never had to... You can order what you want – which means you can get as much help as you want.
- 3) We faxed them back the agreement as well as a form that I filled out about the details of our house.
- 4) Next, we emailed photos for the listing. You are responsible for your own photos.
- 5) The listing agent listed it about 24 hours later and we started getting calls immediately.
- 6) The sign was delivered and went up in about 24 hours, as well. It had our phone number on it, as did the listing. So we received all calls.
- 7) We manned the phones and scheduled appointments for potential buyers to come through the house. We answered the door and welcomed the buyers in and let them wander around with their agents. All agents left cards with us so we could verify who they were. If we had an electronic lockbox, they’d just put their code in, it would record their identity. And, we wouldn’t have to be there to let them in or show them around. I enjoyed meeting everyone, though.
- 8) If they seemed interested in making an offer, I would explain that it’s a flat fee listing and we’d be doing all negotiations ourselves. So, please email any offers directly to me. Many copied our flat fee listing agent on their offers, which was fine. Prior to this moment, they had no indication it was any different than any other listing. And, this information didn’t seem to bother or deter anyone.
- 9) We got offers via email. We wrote back to each thanking them, sent a floor plan and told them what to expect.
- 10) We collected offers through Monday night.
- 11) We then wrote to the top three offers to ask for their best and final offers by the next morning.
- 12) Once we got the final offers, we sorted through them and accepted an offer.
- 13) Signed the purchase contract.
- 14) We sent the flat fee listing agent a copy of the signed contract.
- 15) The flat fee listing agent marked it as under contract in the MLS so people wouldn’t continue to call for showings.
- 16) We could then get the seller disclosure forms or anything we needed from our flat fee listing agent’s web page. He gives you a login where you can get any paperwork you need. However, in this case the

buyer's agent sent us what we needed each time and asked us to sign it. So, we were set.

17) Got through the inspection and appraisal. Be sure to check in along the way to make sure all is going well and moving forward fine.

18) Closed just like you would with any home sale.

19) Let the flat fee listing agent know when things are closed and recorded within 1 day so he can mark the MLS listing appropriately.

20) Requested that the sign is taken down.

That's it. Not much different than listing with a regular agent. You could do an open house yourself, make flyers to put by the sign, etc, if you wanted. We didn't need to.

The flat fee listing agent was there to answer any questions. They have an office here so it's a local company that agents recognize. They do regular sales, so nothing stands out as odd.

And, it helps to have great buyers and agents to work with. Both times we have been lucky in that regard.

Another tip is to price your home well. Go as low as you can. If it's worth more, traffic will come in and the offers will be according to market value.

Hope that is helpful to you someday should you need to sell your house and save some money in the process. We enjoyed it both times we did it.

Have you ever done a flat fee listing? Would you?

Kristy

Posted by Kristy at [1:23 AM](#) [7 Comments](#)

Tags: [tips](#)

[« House Project – Guest Post from Blooming Hydrangea](#)

[Home](#)

[Christmas Decor – Guest Post from Simple Dwellings »](#)

7 Comments :

1. [Amanda](#) [22, 2011 at 4:28 am](#)

Wow! My husband is a real estate agent, but I've never heard of that before – very interesting! It sounds like it worked out really well for you – I'm still amazed you got so many offers in such a short amount of time!! 😊

[Reply](#)

2. [cassie 22, 2011 at 6:59 am](#)

i think it is different in every state. here the buyer is responsible for closing costs, so when we made our offer on the house we bought, we requested closing help and got it. our buyer also requested it, but since she was making an offer on our house after it had been on the market only a couple of weeks, we did not help much though because ours had only been on the market a couple weeks. but either way, moving in general is so darn expensive... i feel ya, kristy!

Reply

o [Kristy 22, 2011 at 7:01 am](#)

Oh, actually this doesn't affect the typical closing costs (title insurance and such). It affects the seller paid costs to the agents. So, buyer's and seller's agent fees. It will cut it from a total of 6% to 3% (of the purchase price). Hope I explained that well. I think those costs are fairly universal in the US.

Reply

3. [kim 22, 2011 at 10:51 am](#)

I had never heard of a flat listing but that sounds like a great idea! Congrats on such a quick and painless house sale!

Reply

4. [Barbara@HausDesign 23, 2011 at 12:37 am](#)

Sounds like a great option that might help us coming up so thanks for the details! I had heard of (and tried) for sale by owner but this sounds a bit different and sounds like it worked really well. Congrats on a quick sale!

Reply

5. [Dacia @ Lemon Drop Life 23, 2011 at 10:04 am](#)

Congrats on such a quick sell, Kristy! And thanks for introducing us to this (new to me) option!!

Reply

6. [Jessie 29, 2011 at 6:07 pm](#)

Wow, how interesting. I've never heard of this and unfortunately we've already got our realtor secured. Just a few more things to get the house up to snuff and it will be on the market too. I hope we'll be blessed with lots of buyers as you were, but our house is definitely not as cute.

Reply

Post a Comment

Your email address will not be published. Required fields are marked *

Name *

Email *

Website

You may use these HTML tags and attributes: `` `<abbr title="">` `<acronym title="">` `` `<blockquote cite="">` `<cite>` `<code>` `<del datetime="">` `` `<i>` `<q cite="">` `<strike>` ``

Notify me of followup comments via e-mail