



CLASSIFIEDS/REAL ESTATE

## COVER STORY/On Their Own

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AFTER 17 YEARS in her three-bedroom Hollis, , home, Ann Lynch really didn't want to move. But she retired in January, and her husband, John, began having trouble with the stairs. They realized they wanted a smaller house. Then their son suggested they all move into a two-family house on, and that clinched the decision: The Lynches, 63, were going to move.

But once they made that decision, they were in no rush. So in an effort to save money, Ann suggested they try to sell the house on their own - without a real estate agent.

"That was going to be my last alternative," Ann Lynch said of using a real estate professional. "I said, 'We'll give it a month.' "

She only needed a day. Within 24 hours of putting a sign on the front lawn one day in April, four bids were made, and the couple got their asking price: \$177,000.

The Lynches used the local For Sale By Owner service, based in Coram, which they found on the Internet. They paid \$700 for a complete package - signs for the lawn, advertisements in the For Sale By Owner publication, and

additional space on the Web. They picked their price based on an appraisal of the house done two years ago, which valued it at \$165,000. They saved just under \$10,000 in commission.

"I said, 'Let's do it for higher, just to see'," Ann recalled, admitting that she didn't know anything about the local market when she put the house up for sale. "It was a figure from the sky."

In a hot local real estate market where sellers feel they have the upper hand, they are increasingly choosing to try to save the typical real estate agent's 6 percent commission by handling the sale of their houses themselves. Most experts agree that by-owner sales usually make up about 15 percent of home sales. But in this frenzied marketplace, according to Long Island's For Sale By Owner president Kevin Wood, that number is hovering around 40 percent. Real estate agents, too, admit that by-owner sales are up.

In fact, Long Island is one of several "hot beds" of for-sale-by-owner activity in the country, according to Hans Koch, chief executive of Owners.com Inc., which runs the largest by-owner home sales Web site (<http://www.owners.com>) with 20,000 to 25,000 listings at any given time. Said Koch: "It is a part of the country where we see there is a very strong appetite for selling one's home on their own. It's a very dynamic and independent environment, and that helps." Some are simply buying a sign, putting it up on their lawn and waiting for bites. Still others

are putting postings on any number of Internet sites that advertise by-owner sales. And some are choosing to hook up with a For Sale By Owner, or FSBO, service that often provides package deals. Wood's service, for instance, offers sellers packages for \$495 to \$995. Besides advertising in the local FSBO magazine, in Newsday and online (<http://www.lifsbo.com>), the company also provides signs, an information kit, voice mailboxes so prospective buyers don't know the sellers' home phone number, mortgage prequalification and referral services for attorneys, inspectors and movers.

"The biggest difference between what we offer and what a broker offers," Wood said, is that whatever the price of the home, the cost of FSBO services remains the same, in contrast to a broker's commission-based fee. "And a lot of people like to be in control of the sale," he added.

In the last three years, selling by owner has taken a new twist.

Thanks to the Internet, owners don't need a Multiple Listing Service or newspaper advertisements to expose their property to many potential buyers. Simply putting it on one of dozens of sites can lead to a significant response, local home sellers said. While some Internet advertising is free, most costs \$50 to \$200, depending on the length of time it is posted, the size of the ad and the photos it includes.

"As the Internet grows, I believe more and more people will search for homes on the Internet and even use the Net to sell their homes," said Babylon resident Dan Lun, who last year started his own by-owner company and Web site called Buy it Yourself, Sell it Yourself Inc. (<http://www.buyityourself.com>), based in Babylon.

Now with 200 listings, the site offers an ad with five photos, listing information and a 20-word description for free. As of June 30, the same ad will cost \$59 for a year of advertising.

But despite the wide range of new marketing possibilities, sellers are still very much on their own in the process. And while sellers and by-owner company executives argue that the independence improves the process, real estate agents staunchly defend their roles.

The No. 1 concern: pricing.

"As a rule, they are asking less than they would have gotten through" a real estate agent, said Ed Gitlin, the broker/owner of Century 21 Benjamin, which has four offices on Long Island and in Queens. "Sometimes they are getting less than they should be getting."

While owners do have the final determination in pricing their houses, they often have a lot of help. For Sale By Owner programs often provide appraisal services or guides with recent comparable home sales, and executives are often willing to advise their customers as well.

"A Realtor doesn't know the prices any more than anybody else," argued Bill Stern, president of Real Estate Market Space, a New Jersey by-owner firm with online listings in 34 states. "Anybody can do it themselves."

Still, in a market with multiple bidders, where negotiating is often key, the seller's responsibility goes beyond simply choosing a price and hoping for someone to come close. Often, sellers must choose the buyer from among several offers. Real estate agents are quick to say that in the current frenzy, they are necessary third parties to a sometimes complicated process.

"We neutralize the feelings of the buyers and the sellers," said Daniel Gale agent Angela Anderson, who heads the company's Huntington office. "There are strong feelings that get in the way of having them come together."

Melville real estate attorney Scott Malin noted that by-owner sellers have to put those feelings aside.

"The transaction is really a business deal, and you have to draw the line," he said. "That's where the most danger is -you can't let your emotions get too much into play."

While Anderson argued that most buyers and sellers are unable to be completely objective, she admitted that some owners "are selling successfully on their own."

"But our services are still needed and required for most sellers," she added. Nodding in agreement are the many sellers who try to price and market their homes without any help and end up turning to a real estate agent when they are unsuccessful.

Greenlawn resident Peter Marino, 38, and his wife, Alison, tried for less than a month to sell their Port Washington home last year but gave up quickly out of frustration. He put one advertisement in Newsday and one on the Internet, listing the house at \$250,000. About a dozen "sightseers" showed up to take a look. No one ever called back.

With one child and another on the way, the Marinos wanted a bigger home and were anxious to move, so they turned to a real estate agent.

The agent suggested lowering the price to \$245,000. Suddenly, they had five bids within as many days and sold the house for \$252,000, closing in November.

"I was hoping to avoid the 5 or 6 percent commission," said Peter Marino. "The unfortunate thing is the Realtors really have the clout. I don't think people are willing to be aggressive on their own to seek out For Sale By Owner. They prefer to go and tell a Realtor: 'This is what I'm looking for.'"

For sellers like Marino who have trouble using the by-owner tactic, a real estate agent is never far away. Agents readily admit to calling FSBO sellers, knocking on their doors and contacting them several times to encourage them to use a professional.

And the sellers say they are often inundated with real estate agents offering their service. Marino, for one, received at least six phone calls even after putting a "No Realtors" request in his ad.

"We approach them right away," said Daniel Gale's Anderson. "We try to let them know that we are there to help them if and when they need our help."

And "more often than not," by-owner sellers eventually take them up on that offer, Anderson said.

However, those sellers who complete the process on their own are strong advocates of leaving the agent out on the front stoop.

Coram resident Rosemarie Snyder, for instance, said she didn't even need the official services she used with For Sale By Owner, much less a real estate agent, in selling the modified ranch she has lived in for 32 years.

"I should have done it all on my own," said Snyder, 69, who worked in retail sales for years before she retired. "Don't go to a Realtor. If you're sure of yourself, if you have confidence in yourself, there's no need to."

Snyder, who is moving to Florida, listed her five-bedroom, mother-daughter home at \$154,000 with the local For Sale By Owner. The first woman who called about the house - one of three bidders - bought it for \$150,000.

While some sellers shy away from the by-owner process because they don't want to show strangers their home, Snyder said she never felt unsafe, though she and a neighbor opened the house to several potential buyers. Once the buyer was determined, Snyder dealt with her directly and said she had no problems. And, like many by-owner sellers, she had her lawyer handle the paper work, contracts, mortgage commitment and closing, which should occur by the end of the month.

Real estate attorneys, said Wood, play a more significant role in by-owner sales, and often can handle the responsibilities that usually fall to a real estate broker. But attorney Jonathan Hoffman, a partner with Mineola-based Meltzer Lippe Goldstein, said he usually doesn't deviate from his standard tasks in a residential deal, whether it's brokered or not.

"In my experience, attorneys don't like to negotiate dollars and cents," said Hoffman, who noted that usually, the attorney is involved only after a buyer and seller have come to an agreement and are ready to sign contracts. "The attorney doesn't take the place of a broker, the principles take the place of the broker."

But Malin noted that lawyers could take on additional responsibilities - at an additional charge beyond the average \$750 fee.

Malin said his by-owner clients often just call for advice. "As an accommodation to my clients, I will do that to a point, but I can't become involved on a daily basis," he said. Right now, Malin noted, at least half of his residential real estate business consists of clients without brokers.

But he said he doesn't encourage sellers either to use a broker or go on their own. Said Malin: "It's a matter of the buyer and seller getting to a meeting of the minds."