Discount Realtor a Better Option

by Jim Shawn

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Discount realtors can be a great option to reduce the expense of full-service realtor commissions from the sale of a home that typically range in the amount of six percent of the sale price for which a home sells. Before using a discount realtor, homeowners must consider that using a discount realtor will not save them the full commission price. Discount realtor services range in price from a flat fee mls service to lower percentage rates depending on the services the seller wants. Lower commissions or fees means less service so that the homeowner must determine services he or she is willing to forfeit for savings in commission costs.

Getting a for sale by owner listed on a flat fee mls service is the best way for homeowners to get the word out about their home for sale to realtors. Whether a local or a flat fee mls service covering a larger geographic area, only flat fee realtors can get homes listed on these services. There are flat-fee services that permit for sale by owner to get their names on a multiple listing service through a realtor that can range in price usually around $100. Therefore, having your for sale by owner home listed on a multiple listing service is not sufficient justification for signing a contract with a traditional realtor.

By having a for sale by owner home on a flat fee mls service other realtors will bring home buyers into your home. If another realtor brings in a buyer, the homeowner will have to pay a commission to that selling realtor. This is important for sellers to remember because it means that they will be saving half the commission they would have paid using a full-service realtor rather than the full amount.

Flat fee realtors offer many of the same types of document services that full-service realtors provide including binder and contract documentation. Realtors that assist with this documentation also range in providing document services for less than traditional rates or for flat rates. Because contracts used by flat fee realtors are typically fill-in-the-blank documents, sellers can often obtain such a document on their own and the provision of such a contract would not in itself justify commission paid to a realtor. Sellers can also use an attorney for the contract for the sale. Receiving the down payment at the time of the contract signing which is typically about 10 percent of the purchase price will require that a homeowner have a realtor or attorney or escrow agent to hold the down payment money. Other documentation from title searches to mortgage documents are typically handled by professionals in those fields and as long as a seller is using a checklist to make certain necessary documentation is obtained for a closing, a realtor is not a necessary part of assembling this paperwork. Arranging closings and contacting appropriate parties will also likely be part of a for sale by ownerâ€™s job when a discount broker is used.

The most significant area that distinguishes full-service flat fee realtors from the range of full-service realtors is in the area of marketing the home. From signs to advertisements in media to screening buyers and bringing in traffic, realtors advertise that their services will save a seller hassle and effort in getting an interested buyer. This is a judgment call that each seller must make for him or herself. Showing a home, making appointments for buyers to see your home and determining the ability of a buyer to pay for your home can be time-consuming work that may be worth the additional expense. On the other hand, discount realtor services are thriving because many people do not believe that realtors live up to their promises about providing these specific marketing services.For more visit http://www.ownerama.com/.

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Jim Shawn is a shrewd consumer who writes about personal finance and real estate topics like: a for sale by owner, flat fee mls, a flat fee realtor and a discount realtor.

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