

IF YOU'VE NEVER: CONVERTED A FOR-SALE- BY-OWNER (FSBO)

People who have decided to list their property without an agent (for-sale-by-owner, or FSBO) usually have strong opinions about not working with an agent – typically based on the commission – but if you can convince them of the service you provide and how much more money they stand to make by working with you, they can prove to be lucrative leads. Most homeowners eventually list with an agent once they see how much work goes into selling a house. The secret is to have a strong strategy.

- To find FSBO listings, set up alerts on sites such as your local MLS, Realtor.com and Zillow to send you notifications when new FSBO listings are posted. Also search Craigslist, ForSaleByOwner.com, FSBOs.com, HomesbyOwner.com and other sites that list in your area.

QUESTIONS TO ASK PROSPECTIVE BUYERS

- Check whether they have appropriately priced the home to sell. Compare it to similar homes and the strength of the market in that area to get a sense of whether the seller is eager to sell or has higher expectations than the market bears.
- Get an idea of how motivated the seller seems. Does the listing have language such as “Must sell right away”?
- Ensure that the seller isn’t a broker or agent. Read the listing carefully.
- Develop a marketing strategy for the home with a list of comps in the area along with your reasoning for how this home compares. Compile information valuable to the seller.
- While converting FSBOs to clients takes persistence, avoid being pushy, as these sellers are likely to be reluctant and require a gentle approach.

WHEN YOU MAKE CONTACT

- Compliment the seller on their decision to sell the home themselves, so that they know you understand what they are doing.
- Preview and compliment the home. Point out benefits that would help the home sell.
- Present yourself as a marketing specialist, saying something like “I have a proven marketing strategy that gets great results.”
- Offer free value, such as home staging tips, a free market analysis, helping them come up with a pricing strategy, offering to run an open house for them, sharing their listing with your sphere of influence, reviewing their current ad/marketing materials, or showing them some of your marketing plan. Give them some tips for how to sell the home themselves.
- Help them understand feedback from potential buyers, including comments from buyers or a total lack of feedback. It can be very difficult for an FSBO seller to get real feedback from potential buyers. You could offer to call the buyers and find out what they liked about the house and what they didn’t like. (source: Sherri Johnson, Colibri Real Estate)
- After you’ve given some value, get an appointment. Emphasize that you’re not coming to list the property, you want to offer advice or a free report, and then offer appointment options.

WHEN YOU MEET

- Show them the data. In most markets, homes sold by agents sell faster and for more money than FSBO listings. Show them the data for how much more money they stand to make overall if they sell with you, so that your commission would be a drop in the bucket. Most local MLSs have data that compares agent-listed properties to FSBO properties. According to the National Association of REALTORS®' 2022 Profile of Home Buyers and Sellers, FSBO homes last year sold for a median of \$225,000, while agent-assisted homes sold for a median of \$345,000.
- Explain your marketing strategy, and how you will enhance the work they have already done.

