

Private home sales come with risks

Owners try to save commission fees

BY PATRICK MANGION
Staff Writer

Sean Jackson knew selling his home privately could be risky.

But with sustained demand for York Region property, he didn't see the point in handing over \$15,000 in commission fees to a real estate agent to sell his four-year-old semi-detached Unionville home.

"I figured the market is so strong, why not give it a chance?" he said.

"I've lived in York Region since 1990, I studied the market.

"I'm confident we'll sell our home on our own."

With a closing date at his new East Gwillimbury home next month, Aurora resident Jeff Labine said he and his wife are willing to wait at least a few more weeks before they give up trying to sell their home privately.

"I'm willing to wait a long time for \$15,000 to \$20,000 savings. I didn't think twice about (selling privately)," Mr. Labine said.

While their \$380,000 home has generated plenty of interest, they have yet to field serious offers.

Some potential buyers have been tentative in dealing with a private sale and nearly all of the homes for sale in their well-established community are listed

through a realtor, but Mr. Labine remains undeterred.

Much to their surprise, the Labines' private listing incited a bidding war among local real estate agents willing to drop their commission to as low as 3 per cent should they contract an agent's services.

Instead, they placed advertisements and accepted the free offer from an online private real estate listing.

"We've had 125 hits," Mr. Labine said.

But quite often, homeowners who opt to sell privately eventually retain a realtor, said Les Alton of the Ontario Real Estate Association.

Early in the process, many private sellers realize how involved real estate can be, Mr. Alton said.

"When it's a fast market, it's tempting to do that. I've heard a lot of horror stories," he said.

They can be lured in by potential savings, while discounting numerous pitfalls.

And if they change their minds after listing their home privately, they could end up even further behind because they priced the property without accounting for the typical 4 to 7 per cent realtor commission, Mr. Alton said.

"Once you decide to sell your home privately, you're locked into that price to the public. You could end up losing money when you switch to an agent when you

factor in their commission," he said.

Private home sales are often sealed with a verbal commitment from purchasers prior to final closing, leaving homeowners exposed should a buyer experience a change of heart and back out of the deal.

Not to mention potential risk to anyone purchasing a privately sold property, Mr. Alton added.

For instance, nearly all realtors insist on sellers providing potential buyers with a property information statement, which asks if any renovations, additions or improvements have been made to the home, for example.

"I would never buy a home without one," Mr. Alton said.

Home sellers can have peace of mind if they know a professional is handling the sale of what is probably their largest investment, Mr. Alton said.

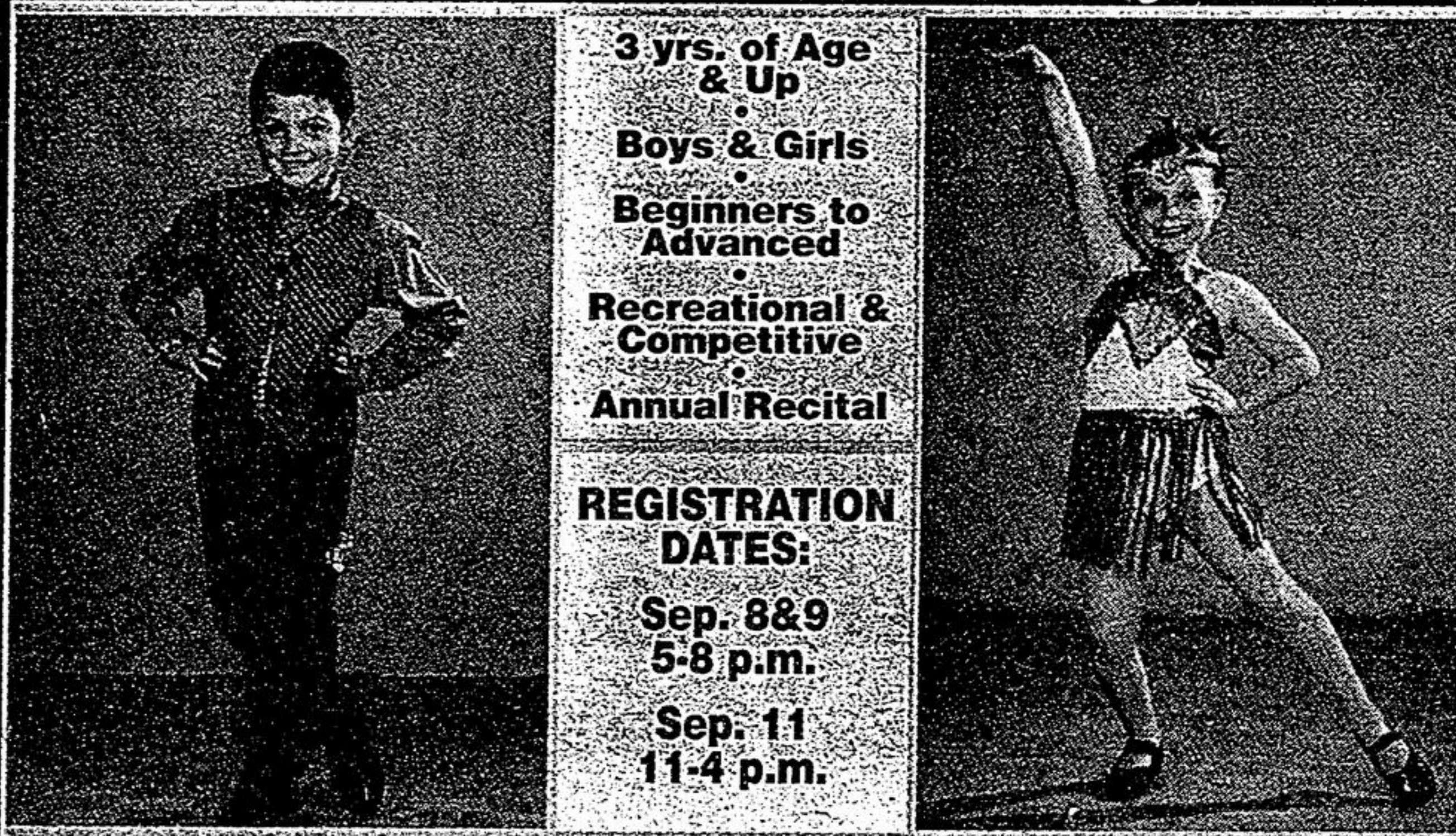
However, just as the real estate industry has benefited from technology, such as the online Multiple Listing Service and virtual home tours, a number of websites geared for private listings are zeroing in on the Greater Toronto Area.

Bytheowner.com made Mr. Jackson an offer he couldn't refuse: the Quebec-based business waived its \$400 listing fee, as it continues expanding throughout southern Ontario.

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