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Selling your home?

Using a low-commission, full-service agent can save you thousands

Whether you're relocating for a dream job or downsizing as an empty nester, selling your home can be an emotional process. Selling it quickly and at the highest price can go a long way toward softening the blow.

Enter low-commission, full-service brokers who charge only a 1% listing fee for qualifying homes to help you keep even more of your profit. These agents sell more homes per month based on the high seller demand for this type of approach.

"The model has proven very successful in larger markets nationwide and we've brought it to Western New York in an effort to help homeowners keep more of their hard-earned equity," explained Jody Desnoyers, Licensed Real Estate Broker and cofounder of List 1 Realty, serving all of Erie and Niagara counties.

We've broken down the various selling models available to you to see how low-commission, full-service compares.

Traditional full commission

Sellers can expect to pay out 6% of their home sale price with this common model—3% to the seller's agent and another 3% to the buyer's agent. According to a 2019 report by the National Association of Realtors, the seller shoulders the entire cost in 75 percent of the cases. That's

\$15,000 off the top for a house that sells for \$250,000. Historically, sellers have been willing to pay these fees because there weren't any viable alternatives before technology changed the landscape.

"If it's a typical residential sale and the home is priced well, it should sell without much difficulty considering current technology and market conditions," said Desnoyers. "Traditional brokers would really only need to come into play in a down market or if a property is very unique and has a small pool of buyers, where it could take months of effort to sell."

Flat fee

Just as it sounds, these agents offer their services for a predetermined rate. While it's typically less than the standard commission based on the home sale price, payment is often required upfront—which means if your home doesn't sell, you're out that cash.

"You also get limited service," said Desnoyers. "These agents place your home on the MLS and then are removed from the process going forward. In addition to having to take care of the many logistics and details on your own, you won't have the benefit of a professional negotiator to make sure you sell for the highest price."



For-sale-by-owner (FSBO)

Technology has spurred an increase in FSBO listings in recent years, with sites like Zillow.com allowing homeowners to skip real estate agents altogether. But it's important to know that these provide nowhere near the exposure you'd get through a multiple listing service (MLS), a collection of databases used by real estate brokers to share listings to get their homes in front of the entire buying community.

"Statistics also show that FSBO listings usually sell for 10% less than homes through a realtor, which is more money than you were trying to save by listing it yourself," added Desnoyers. "And more times than not, buyer's agents will get involved in the end anyway, so you'll still have to pay them their 3%."

Low commission, full service

This model offers maximum exposure and profit without sacrifice. Like traditional full-commission agents, brokers list your home in the local MLS and dozens of other real estate websites, and handle everything from start to finish—including professional photos, signage, showings, open houses, negotiations, contracts, transaction coordination and more.

"One of the reasons our company is able to list homes at just 1% is that we keep our overhead low by skipping the fancy office space," said Desnoyers. "Big brokers pay tens of thousands of dollars a month for office space that is used simply as a vehicle to attract agents but is of no real value to the client. Additionally, we leverage technology and an efficient team approach to handle a volume of listings and pass savings on to our clients." ■

Learn more about how List 1 Realty can help you sell your home and save on commissions at List1.com.



List 1 Realty cofounders Jody Desnoyers and Ted Perrin have over two decades of home-selling success. This split-level in Amherst is one of their recently sold listings.