



- **With online technology, buying and selling options abound**

Buyers and sellers have more options than ever with online tools



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The last time Yasmin and Adil Degani bought a home, they took the traditional route. They went with a commission-based real estate brokerage to show them homes and guide them through the homebuying process.

This time around, in an effort to [save money](#) and time, they decided to try an emerging path. The Odenton couple went with Redfin, a "technology-powered brokerage" that employs salaried agents and encourages buyers to use online profiles of homes to determine what properties to tour.

During their first home search several years ago, the Deganis said, they were limited in the number of homes they could see. Many of their tours, they said,

were wasted on properties that could have been eliminated after a review of information about the home online.

"I think if we had seen them online, we could have ruled out half of them," said Yasmin Degani, as she and her husband, with Redfin agent Lynn Ikle, assessed the kitchen of a home in Gambrills. They used a prepared checklist to record notes about the appliances and room colors while their 21-month-old son, Imraan, toddled by their feet.

The Internet is now an integral part of the home market. The National Association of Realtors says nine of every 10 homebuyers last year searched online for homes, up from seven in 10 a decade earlier. Because of the increasing role of the Web in buying and [selling](#) houses, the ways for buyers and sellers to enter the market have never been greater.

The Deganis first heard about Redfin from a relative who used the company when he bought a home several years ago. He told them Redfin would refund a percentage of the home's [purchase price](#) when a deal is reached, Yasmin Degani said. Traditionally, a seller pays about 6 percent of a home's sales price in commissions — 3 percent to the listing agent and 3 percent to the buyer's agent.

"I think I even said, 'What's the catch?' " she said, recounting her interaction with an uncle.

She followed up on the lead, and it turned out that what he told her was true: Redfin takes a smaller-than-normal buyer's agent commission and sends the remainder the buyer's way. Sellers using Redfin also see a savings. Instead of the normal 3 percent commission charged by most listing agents, Redfin charges 1.5 percent.

"We're able to work more efficiently and use technology," said Taylor Connolly, Redfin's Baltimore market manager, explaining the rationale behind the lower fees. "It's a misconception that we're not a full-service brokerage."

To keep costs down, the company only has one office, located in Burtonsville, to serve the Baltimore region. But not having traditional retail sales offices is not a disadvantage, Connolly said, since most consumers prefer to consult with their agents while they're out looking at homes.

Since launching in the region six years ago, Redfin's business has expanded significantly. At first, Connolly was Redfin's only agent here; now the company has 55 agents serving the region. Half of those agents joined the company in the past year.

"This year in Maryland we're budgeting to do 600 transactions," Connolly said. Still, that's a small percentage of the market — at most, Redfin accounts for 3 percent of any Maryland county's sales, he said. The majority of Redfin's activity in Maryland is representing buyers, though it's making a push for listings, he said.

"Our agents are able to work with a really high number of buyers" because of the efficiencies created by ZipRealty's online portals, said Lanny Baker, the company's president and CEO.

ZipRealty's agents also spend less time marketing themselves, he said, allowing them to serve twice the number of clients the average agent at a traditional brokerage has. That, in turn, gives ZipRealty's agents more experience, he said.

In about a month, USRealty.com is launching a new service that will allow do-it-yourself sellers to put their homes on a multiple-listing service, which will place the properties on the major home search websites without an up-front fee. Only when the home is purchased will the seller be charged by USRealty.com, according to Colby Sambrotto, the company's president and CEO.

The service, based in New York, will substantially reduce the cost of selling a home by eliminating a listing agent's commission, he said. (If the buyer is represented, a commission of that agent would still apply.)

"It really covers all of your bases from a marketing standpoint," Sambrotto said. "The big difference is you're showing the property yourself."

ForSaleByOwner.com is also trying to give buyers and sellers more options than the traditional commission structure, said Matt Brown, the company's business development director. For a \$699 one-time fee, a homeowner can have their home listed on the multiple listing service and gain the online reach of a home listed by an agent, he said.

"We feel like we can do everything that an agent can do — at least as far as it's virtually concerned," said Brown of ForSaleByOwner.com, which is owned by the Tribune Co., the parent company of The Baltimore Sun.

Despite increased availability of online services that help people selling their homes themselves to get their properties on multiple lists, there still is an overwhelming preference among sellers to get professional help.

The National Association of Realtors says that last year about nine in 10 sellers used an agent, a rate that has been consistent for the last decade. The rate of buyers employing an agent to assist with the house hunt last year was also nine in 10, the association said.

Agents are most equipped to prepare a house for sale and price it so it sells in a short period of time for the most amount of money, said Dean Cottrill, president of Coldwell Banker Residential Brokerage's Greater Baltimore operations.

People often waste time trying to sell by themselves and are apt to get less than their home is worth, he said. Plus, even with the reach of a multiple-listing service, homes for sale by owner are not going to generate the interest of a home sold by a well-known firm, he said.

"There's no one who's going to find them more ready, willing and able buyers than we will," Cottrill said.

Buyers are more at ease pursuing a home that is being offered by a well-recognized brand, like Coldwell Banker, a 106-year-old company, he said.

Plus, agents are educated — all Maryland agents are required to take continuing education classes on topics including developments in real estate law — and create a buffer during negotiations that increases the buyer's and seller's comfort, Cottrill said.

After trying for at least a year to sell a Perry Hall Colonial himself, Len Sipes, a public affairs officer and social media manager for the federal government, contemplated paying a Web service to place the home on the region's multiple-listing service.

He set up a website to promote the home, put a video tour on YouTube and listed the home on Zillow.

"We were getting lots of hits ... but we really were getting sporadic inquiries," he said. Recently, Sipes decided the online presence he set up wasn't working and that he needed expert help — and he signed a contract with a listing agent, he said.

"I'm as technically inclined as anybody," Sipes said. "It just wasn't working for us."

steve.kilar@baltsun.com

twitter.com/stevekilar

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