

A SELLERS GUIDE



Pros and Cons of Selling To A

PROFESSIONAL MOBILE HOME BUYER

Versus Listing With an Agent or Selling It Yourself

**HOW TO KEEP MORE OF YOUR
MONEY AND SAVE YOUR TIME**

How Selling Your Mobile Home to a Real Estate Investor Stacks Up Against Your Other Options

Pros, cons, costs, and timeline of each option

Do you need to sell your mobile home? Selling in a market like today's can sometimes be frustrating. With so many manufactured homes on the market it gives buyers lots of options. It can take sellers 3, 6, 12+ months to sell their mobile home for a price they feel is fair.

This brief guide will walk you through your options to help you decide what's best for you. Should you go the traditional route and work with a real estate agent? Attempt to sell it yourself? Or work with a real estate investment company to sell it directly?

Each of these strategies have different pros and cons and each one will help you reach a different goal. Compare your options and pick the one that will help you to reach your selling goals!

The 3 Options for Selling Your Mobile Home

Like I mentioned above, there are 3 real options for you in selling your mobile home. I'll dive into those 3 options a bit more below and spell out what's great about each, as well as the drawbacks of each. This way you can decide which option is right for you.

1) Working With A Real Estate Agent

The most popular way to sell a manufactured home is to work with a real estate agent. The general process of working with an agent is...

1. You contact an agent and they evaluate your mobile home to determine what they feel it may sell for.
2. You sign a listing agreement with the agent (normally 6 months) where they exclusively represent and sell your mobile home.
3. The agent will list your property on the MLS, market it, and takes buyers through your mobile home for showings. The home needs to be kept clean in order to sell.
4. If the mobile home sells, the agent will handle the paperwork and negotiation with the buyer, and the agents involved will collect their commission which can be 6-10% of the sale price.

Agents know the market and have direct access to the MLS which is the main way manufactured homes are listed when selling the traditional route. They may not have access to other specialty listing sites.

Cost: Commissions usually cost 6-10% of the final sale price. As an example, if your manufactured home sells for \$50,000, you could expect to pay up to \$5,000 in agent costs.

Timeline: From 3 - 12 months (with an average of 6 months in many markets)



Pros: Agents know the market well, have access to the MLS to list your mobile home to expose it to a broad range of retail buyers, they'll take care of the marketing, showing the property, and putting together the closing documents.



Cons: It can be expensive. An agent's commission is paid out of the proceeds of the sale at closing. Most agents tend to do "traditional" marketing which often takes 3-12 months to sell a manufactured home (in most markets the average time on "market" when listed with an agent is currently 6+ months.) This of course means you're responsible for the lot rent, utilities, mortgage, and maintenance costs while it's trying to sell. Agents focus on "retail" buyers who want to live in the home themselves. This requires showings of the house and the need to keep it showing ready. If you get an offer, there is always the chance it will fall through, or delay the closing date. One last "con" is that many retail buyers will ask you as the seller to pay for part of the closing costs and any additional repairs. These are extra expenses you will face during the transaction.

Who Working With An Agent Is For:



People who aren't in a time crunch and can wait 6-12 months to sell. They have room in their budget to pay the agent fees, and are looking for full market value. They will be patient, waiting for the right buyer to come along.

2) Selling Your House Yourself (FSBO)

In the last 10 years "For Sale By Owner" has become very popular. With sites like forsalebyowner.com, craigslist.org, and many others, listing online is easy. You can put a "For Sale" sign for your yard, taking full control of the sale process.

The general process of selling a mobile home on your own is...

1. You determine the value of your home. Sometimes this can be tricky... but there are resources out there. Usually paying for an appraisal is the most accurate and

best way to find the true value of your manufactured home by getting an appraisal or asking a real estate agent who is willing to give you a value.

2. Take pictures of the manufactured home, gather all of the details, (sq. footage, etc.), and create a listing on a FSBO website. Also, put a FSBO sign up in your yard.
3. Then, you market it. Since marketing is your responsibility... you can do as much or as little as you want. Many people list in the newspaper, online, and there are even "flat rate" MLS services out there where you can get your house on the MLS for under \$500 (with no agent commissions).
4. You handle offers, showings, and putting together the paperwork for the sale.
5. You and the buyer show up at the closing table and complete the purchase.

This can be a very attractive if you're familiar with the real estate sales process and are a good marketer.

Cost: The only real costs are whatever fees there are to list on a FSBO site – typically between \$100 - \$1000. If you choose to list on the MLS with a flat fee agent, expect to pay about \$300 - \$1.500 plus any cost to fix your house up so it shows well. You will also need to pay any closing costs you share with the buyer.

Timeline: This depends on your ability to market the property. Usually, FSBO houses stay on the market longer than selling with an agent simply because agents sell homes every day and know the tricks to sell. You should budget 6-12 months to sell with this strategy in most markets (some more, some less).

 **Pros:** You can save a big chunk of money by not paying agent fees. And, you have control and full responsibility for the whole process.

 **Cons:** It's a lot of work to sell your own mobile home, and if you're not comfortable and experienced in the process of selling a house, the paperwork, valuing your house, etc., you could end up in over your head and end up having it cost more than working with an agent. The largest drawback with going the FSBO route is the amount of time it could take to sell.

Who The FSBO Route Is For

Selling your own house is really great for people who don't need to sell quickly and who have no urgency to get out of their mobile home. It's for people who have a certain comfort level with negotiations, working with offer documents, and handling all the paperwork. If you need to sell quickly and/or don't want to hassle with everything that goes with listing and selling the mobile home yourself... this isn't the strategy for you.

3) Selling Your House To A Real Estate Investor:

A third option for selling your manufactured home is to work with a local real estate investor who specializes in buying mobile homes. In virtually every city there are independent mobile home investors who buy houses and either: fix them up and sell them, hold onto them as a rental property, or sell them to other mobile home investors who will hold them as rental properties. Every area has reputable investors who you can contact to work with.

The general process of selling your house to a mobile home investor is...

1. You connect with the investor, providing information about your mobile home and situation.
2. The investor will evaluate the mobile home and come up with a value for it. They will determine if any repairs are needed, find out what your goals are, and make an offer that fits their buying criteria and helps you reach your goals.
3. You look at the offer and decide if it works for you.
4. If it's a fit, the closing will take place at a title company. The investor buys with all cash so it's a quick close and you get your cash quickly.
5. The mobile home sale is complete.

The process can take from 7-30 days (many times investors can close in as little as 3 days if you need it to.) It's the option many sellers go with if they need to sell their mobile home fast with little hassle.

Cost: The cost to sell your house to a mobile home investor is very low. There are no commissions or fees and often times the investor will actually pay for 100% of the closing costs as well. This immediately eliminates thousands in costs that you would have to pay when working with an agent or selling the FSBO route.

The main cost of working with a real estate investor is the fact that an investor can't pay full retail value for a house. They usually look to buy houses at discounts that allow for them of course to turn a small profit on the deal... just like any other business turns a profit. But, for many people, selling at a lower price makes sense in return for the elimination of commissions and the faster timeline to sell.

What many people don't take into consideration are the "carrying" costs when selling a manufactured house with an agent or the going the FSBO route. Carrying costs are all of the costs associated with owning and maintaining the mobile home. The lot rent, mortgage payment, taxes, insurance, utilities, HOA fees, etc. These can really add up. If your mortgage payment (including taxes and insurance) is \$500 and you opt to work

with an agent and it takes them 8 months to sell the house that equates to \$4,000 in costs you will be faced with. Plus, you'll be paying the commissions, fees, etc. In the end, you could net in your pocket less if it takes a long time to sell your house with an agent for full retail value versus selling very quickly to an investor at a discount today.

A similar situation we're all familiar with is trading in your car to the dealership when you buy a new one. Most people trade in their car to the dealership to eliminate hassle and headache. We all know the dealership is paying a discounted rate and will turn around and sell your car for a markup and make a profit. But, because of the convenience and speed, it makes sense for you to sell it for less money in return for not having to worry about taking it home, spending money on marketing it, and trying to sell it yourself.

Timeline: The timeline to sell your house when working with a real estate investor can be very quick. Since investors buy with all cash. They don't use conventional banks which take more time. Many times you can have an offer on your house in less than 48 hours and can close in as little as 3 days from the time you accept it (sometimes it may take a week or two).



Pros: It's less headache, you can have your mobile home sold by this time next week if you wanted to, without any fees or commissions. Many times the investor will pay all closing costs as well. The closing happens at a title company just like when working with an agent, making sure everything is done correctly. In addition, most investors will buy your mobile home "as-is" and won't require you to repair anything, clean anything up, or even remove everything from the house. They'll pay for those costs themselves after the sale is closed.



Cons: Just like with anything, there are drawbacks. The main drawback may be that you are selling at a discount in return for the speed and convenience that a real estate investor is able to offer. If you're able to work with an agent and the agent is able to sell your house for full market value within 3 months (and you can wait 3 months) you may be ahead going that route. But, if it takes longer than 3 months for the agent to sell it... the "carrying" costs we mentioned earlier start to eat away at any gains you may have working with an agent.

Who Selling To A Real Estate Investor Is For



This strategy is mainly for people who are willing to sacrifice a bit on the sales price in exchange for a fast convenient sale with no hassles. If you need to sell quickly (days or weeks rather than months), investors can close quickly. If you don't want to hassle with repairs or cleaning up the mobile home, investors will take care of that for you. Investors are able to get a good house at a fair price that leaves them room for a small profit and

you are able to get out from under the house, the payments, and can move on more quickly.

Conclusion

In the end, there's no one-size fits all solution for selling a mobile home. If you have lots of time and aren't in a hurry to sell, consider going the FSBO route to see if you get any bites. Then, if you still have lots of time (you don't care if it takes longer than 6 months to sell) you may want to try working with an agent.

However **if you need or want to sell quickly**.... maybe you're about to have your mobile home repossessed, or you inherited the house and don't want to mess with the hassle, or you're moving, or you already bought a new house and can't handle two payments anymore, or any other situation that calls for a fast and no hassle sale... working with a local mobile home buyer may be the way to go.

Just like with anything, do your research and make sure you trust the investor you're working with. Make sure the closing is done at a reputable place like a title company. The vast majority of real estate investors out there are honest and do great business. Always ask for references and trust your gut.

Good luck with the sale of your mobile home! We hope this guide will help you make sense of your options when selling and will help you move forward with what makes the most sense for you and your goals. In some instances working with a reputable agent is the best route... and in some cases working with a reputable mobile home buyer is the best route. Weigh your options... and good luck!

If you have questions about working with a mobile home investor or want to evaluate how much your mobile home is worth, return to the website where you got this guide and contact us. We are a real estate investment company that focuses on helping mobile homeowners reach their goals... whether we buy your manufactured home or not... we're on your side.

If you're still not sure what option is right for you, use this quick little test. Can you wait 6 months to sell your mobile home? If the answer is no or "I'm not sure"... contact us and we'll give you a no-obligation offer. Look it over, share it with people you trust, and take your time to decide. There's no pressure. We can close quickly, no fees, no commissions... and we'll even pay closing costs. Pretty darn painless. Just connect with us to get the ball rolling!