

Real Estate Views

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Santa Clara County Region

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Mortgage Rates*

30-year Fixed (Zero Points, \$417,000, 3.774 APR)	3.75%
15-year Fixed (Zero Points, \$417,000, 3.051 APR)	3.00%

* As of November 4, 2016. For reference only.

Santa Clara County Market Snapshot* October 2016

# of Listings (Single Family Homes)	1,174
Average selling price	\$1,283,920
% of asking price	101.8%
Avg. number of days on market	31
Number of Homes Sold	906

* MLSListings.com

Putting Commission Rates Into Perspective

It's time to address one of the hottest topics in the real estate business head on. That is commission fees. Most people understand there are some costs that are necessary to execute a real estate transaction, but the part that makes the topic hot is the varying opinions of what the commission amounts should be.

For many years, and to this day, the standard commission to sell a home is 6% of the sale price. In recent years, more exceptions and discounts have become commonplace to the point where many believe 5% is the new standard. On the buyer's side, there's never been a commission fee, yet many buyers believe all they have to do is ask for a rebate and they'll get it.

Don't get me wrong. I don't mind sellers trying to negotiate a commission fee reduction or buyers asking for a portion of my commission. To some degree, I expect it. It's the smart thing to do. However, at the same time, I expect those who are asking to consider other points of view with an open mind.

If you're a believer in the saying, "You get what you pay for," then you'll understand my position when it comes to this topic. Sure, they'll be times when you get higher value than the price paid, but that's the exception and not the rule.

An agent in my office put it best when he asked, "If you or a loved one is seriously ill and in need of surgery, would you find

the cheapest doctor or the most skilled one?"

In the same way, if you understand and appreciate all the complexities and potential legal implications associated with a real estate transaction, you'll value my skill and feel that I've earned the commission.

The money you might save with a discounted agent might pale in comparison to what you might spend in legal fees or what you might give up in a poorly negotiated sale.

I will always welcome a discussion regarding commission fees. However, I will never compromise value in favor of a discount.



Shifting Market Showcases Agent Value

For most of the past year, the real estate market in the South Bay Area has been shifting towards a more balanced market. No longer can sellers put their house on the market on a Tuesday and assume it'll be sold after the first weekend.

What this means to sellers, and the agents who represent them, is they have to work harder to get the home sold. Marketing is no longer just a listing on MLS. Home preparation and staging is

a more important differentiator. Negotiation is more critical as buyers no longer readily accept "as is" condition.

This is a period that well trained, branded sales agents make a big difference in servicing their clients. No matter how technology has tried to automate the process, real estate is still a hands-on, high touch business.

It's times like these that brings those points to light.