

Al Gage Report

November 2018

The Case Against Discount Brokers

In the last issue, I explained why I-Buyers, while providing the convenience of allowing you to move on your preferred date and perhaps even moving you, will cost you dearly in the process. But what about Discount Brokers? You know, those folks who advertise that they can do what I do for far less than what I charge.

Every home seller should understand how traditional real estate agents make money in a transaction. **We charge our commission, which we disclose up front, on the sale of the home.** We split that commission with the agent that represents the buyer of the home and then our portion (minus expenses such as marketing, photography, and third party services) is used to pay our brokerage and our staff before we make any profit. On a \$300,000 home our typical fee is \$18,000. Of that, half is split with the agent representing the buyer. We must pay brokerage fees and hire our staff. There are costs of marketing your home, including professional

photography, listing fees, Zillow and mailing these newsletters. Our total expenses may total up to \$4,000 on a \$300,000 home. That leaves \$5,000 for our “business costs” – taxes, advertising, web expenses, and yes, a fair profit for our hard work and expertise.

So of these fees, which are avoidable?

The only fees that a discount brokerage does not have to pay are the costs of marketing your home.

How many months of additional mortgage payments might that “discount broker” cost you if your home sits and languishes?

I am an expert in selling homes in your neighborhood. I know about the best pricing, and what your home will bring. I can recommend those repairs and upgrades that will save you money, while advising you on those that will not bring you added value.

But those discount brokers advertise that you receive the same level of service by an experienced agent for less money. And you might find such an agent through a discount broker! You also might hit the Powerball! (I was going to buy a river with my winnings). But I have one more question! **If you were an experienced professional agent, why would you continue to work at a brokerage where you made less money?**

Why would you continue to work in an environment that you have to do two to

1 The Case Against Discount Brokers

2 Cover Article Continued

Happy Thanksgiving

3 Subscribers Win

Featured Homes

What's My Home Worth?

4 Best Wishes



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Continued from page 1

three times the number of home sales to make the same money and 4 times to be money ahead? It just doesn't make sense that these companies can retain great agents working for less money than they could make in a free market setting.

Discount brokers work based on the premise that all agents are the same. If you have read this far, you probably do not believe that all agents are the same. I consistently get the highest prices for my clients, in the shortest time. An experienced professional agent selling your home can overcome obstacles that discount brokers will not. If you think that all agents are the same, then I would opt for the discounted brokerages.

The premise that a quality agent can make the same or more money at a discounted brokerage is simply a fallacy that has been disproven over and over throughout my over thirty years in the business. There use to be several of these companies that advertised discounted fees. Some of them even achieved a modicum of success, but eventually the general

public decided that they simply were not receiving the same level of service, and more importantly were not netting more money by going with the discounted brokerage.

When you see the commercial about how a guy sold his home and is driving through the car wash with his windows down to illustrate how ignorant he was by not using the discounted brokerage, remember that this is generally not a long term home for experienced professional agents.

One of the newer concepts that we do embrace is the Homelight Concept, where they research who has sold the most homes in an area and send referrals to that agent. Based on their model, we must be doing something right because we get referrals from them in both Avondale and Litchfield Park.

Find us on
/AlGagePC 

If you want someone to vigorously represent you with the knowledge, experience and track record to make sure that the sale of your home nets you the most money it can with the least amount of liability and tribulation on your part, you should probably call us!

**Al Gage
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RITA'S CORNER

Happy Thanksgiving!

Do you, like me, have so many things to be thankful for? I like this time of year when the reminders of blessings are everywhere. It's great to think of them, especially when you have had a few slaps in the face with the reality of life. I'm fond of making a Ben Franklin list when faced with a dilemma. It involves making a list if all of the good things and a list of all of the bad things that come from your decision. The longest list wins, so that is your decision. No list needed to wish you all a wonderful Thanksgiving holiday.

Call me for information about this and other available programs. We have a large variety of programs!

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mortgage corporation

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Go to www.ai@algage.com/SubscribeToENewsletter.html or just send us an email with your address and subdivision. We now offer individual subdivision reports. Stay up to date with the current news, right in your inbox. Subscribers are placed in a drawing to win a set of FREE movie passes! 4 sets of passes will be given out this month! Please share this opportunity with family, friends, and neighbors.

featured listings



12906 W. Monte Vista Rd.

A beautiful 3 BR, 2 BA, 1119 S.F.
with a great room
in Rancho Santa Fe

Listed by AI Gage for **\$200,000**



3804 N. 106th Ave.

A beautiful 3 BR, 2 BA, 1311 S.F.
with a great room and upgraded flooring
in Westwind.

SOLD by AI Gage for **\$210,000**



12458 W. Holly St.

A beautiful Stetson Model (1899 S.F.)
3 BR, 2 BA with a den, family room, pool
and granite counter tops plus
a 2.5 car garage in Rancho Santa Fe.

Listed by AI Gage for **\$270,000**



12329 W. Virginia Ave.

A Portola Model, 1805 S.F., 4 BR, 2 BA
with a pool, RV parking and
3 car garage on a large lot
in Rancho Santa Fe.

Listed by AI Gage for **\$270,000**

What's My Home Worth?

Email AI at ai@algage.com with the address, a list of upgrades, the current condition of the property rated < from 1 being terrible condition and 5 being model perfect > and he will personally prepare a professional market analysis of your home free of charge. Use "What's my home worth?" in the subject line and also include the purpose of the evaluation in the email.

No automated valuations here!

Want a current and local Market Update go to www.algage.com/November2018MarketUpdates.html

In 2017, AI Gage successfully represented 72% more clients than the closest competitor and 328% more than the average of the Top Ten Agents in your neighborhood! #1 in your neighborhood four years in a row!



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Hello.

Interesting And Helpful
Real Estate Info
Just For You

Local Postal Customer

Over 1300 Homes Sold in Avondale and Litchfield Park!

*At this time of Thanksgiving celebration
our thoughts turn gratefully to you
with warm appreciation.*

*From our house to yours,
best wishes for a Happy Thanksgiving!*