



Making better property decisions- with better information.

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The road to selling need not be difficult: let's help you find your next address with these extra tools and tips.

Choosing how to sell your current home is one of the biggest decisions you will ever make. In the past, we have relied on real estate agents to sell our homes for us and many of us have walked away from that experienced wanting a better experience and slightly burnt. Some of us have had positive experiences and we want to make sure yours is just that!

We keep getting told the market has slowed but remember the market you are selling in, is the one you are buying in as well. Like for Like. Our focus is to make sure you have the right personal tools, tips and understanding of the sector to get you the best result possible.

Once you have signed with an agent, it sometimes isn't always an easy road trip. Unfortunately some estate agents many trained to condition us. This is to make the task of selling your house easier for them. And the price they get for you isn't their biggest priority. Think about this. For every \$10,000 extra you get, the agent's commission only rises by \$200 (based on 2% commission fee).

So if you are keen and believe you need to use an agent to sell, let's look at five tactics used fairly regularly by them to get you to lower your expectations. They are sourced from industry experts, from interviews with past sellers and those no longer in the real estate industry.

We also have a list of preferred estate agents and vendor advocates who we recommend.

So with all the following knowledge in your tool kit, you will be in a better place to manage the sale of your home.

1. Find an agent you trust!

Your plans are your plans; your news is your news. If an agent knows you have a new job interstate, are getting a divorce or you must move to educate the kids, you want to know that this information will not be used by them to their advantage. The only information the agent really needs is that you are keen and committed with a very strong desire to sell. Remember, this is a business transaction.

Once you have developed a level of trust, then you can share more personal information.

It really is no business of the agent or the buyer as to what your plans are. If an agent knows you need to start a new job with a time frame, this can be used to pressure you into a lower offer. You start to get 'conditioned'.

Next Address recently saw an entire real estate training document titled "Conditioning your Vendor". How this works is the agent, once you have listed with them, begins to point out the negative features of your home. It may be the small bedrooms or a paint job you haven't done on the spouts, a small back yard, no off-street parking, etc. Whatever they come up with, every comment is designed to make you question your homes value. You start to lower your price expectations.

'negative features.'

Before you know it the agent has asked you to reconsider the asking price, making the property easier for them and their agency to sell. This practice is particularly common in a regional or country setting, as well as outer-suburb areas or in a slow or falling real estate market.

An ethical trustworthy agent will be focussed on the selling process and making sure you get the best possible outcome. Find an agent with this as their mantra and not one wants to know the personal stuff.

2. They talk the market down.

"The market has taken a dive in the past couple of weeks" or "The market is flooded with homes at the moment" or there are 3 other homes, just like yours for sale at the moment." Ignore these tactics. These are used, once again, to get you to lower your expectations and to get a sale. If an agent can get you to question your price, then when they do come to you with an offer, you feel a pressure to accept.

The founder of Next Address, experienced this, even in a hot market. The agent spent the first 15 minutes of a chat conditioning them about the issues with the house: the second bathroom was in need of renovation,

there was no air-conditioning and only a carport. Then after this chat, said, "Oh but I do have an offer for you to consider."

So in her mind, she was already questioning the price of the home. She had been conditioned. So if an offer is presented below the asking price, we are more inclined to accept this. As the sellers we have already lowered our expectations, therefore we are making the agents task much easier.

If you are feeling this may be happening to you, then call it straight away with your agent. Open clear communication is a two-way process, if you make it clear you feel you are being pressured, most agents will cease this practice with you.

3. The pressure cooker tactic

The agent comes to you with an offer which has a short time frame, making you feel pressured. This is often used after your home has been on the market awhile. The offer is often lower than your stated offer. Comments will range from " they don't love the house but see it will work for them or there are two similar homes, so they don't mind which one they get.

'emotional stress.'

This tactic a Next Address team member experienced recently when buying a unit. The agent used the emotional stress of the auction and the fact that it was a deceased estate, on the vendors to get them to accept a low offer but with the advantage of a short settlement and no auction. The agent shared all this private information with the Next Address team member. Highly unethical. The offer accepted was \$20,000 less than the stated public asking price. Don't let this be you.

But also be mindful that the first offer you receive will more than likely be close to the true market value of the home. Buyers are educated about what is on the market. They have been looking at homes like yours, in many cases for longer than you have been thinking of selling. So don't fall into the trap of thinking there may be a better offer. There are many a story of the one that got away. Don't let that be you.

4. The Phantom Buyer...

So you have interviewed some agents, chosen one and have signed an exclusive sales agreement with the company. Your home is listed for three months with the chosen agency. It's now the 10-week mark of the sales campaign, with only two weeks to go and the house hasn't sold. You are committed to selling, getting impatient, time is running out and your stress levels are high. The agent knows this, and they also know they could lose their commission.

Suddenly there seems to be a bit of interest in your property. Known in the industry as the 'phantom buyer' an anonymous buyer suddenly appears. They have looked through your home, but the agents can't give you much detail. The only thing the agent can tell you is that the 'Phantom Buyer' is interested.

'Don't fall for this trick.'

This tactic, unfortunately, is used by numerous real estate agents and agencies to keep your listing. There isn't

a buyer at all. Some agents even go so far as to lead you to believe that you need to sign another sales agreement so that they can continue to deal with the 'buyer' and complete the sale. This is not necessary. Read your contract again if needed.

Don't fall for this trick. If you feel this may be a tactic, then request to know all the details and to even meet the possible buyer at home at the beginning of the inspection. This will soon sort out if the buyer is real or not.

5. The house around the corner just sold for less and was bigger than yours

Comparisons to other homes is a pointless activity unless your home has been compared to these in the pre-sale period. It is a regular sales tactic used by agents. Be respectful of the information but only compare your home to homes similar to yours. The interior may have been vastly different, there could have been an underlying problem or any number of possible reasons that you and the agent are unaware of for the difference in price.

The main learning for you is to do your homework prior to listing your home for sale. Spend the time and money to know your local market, what is selling, what are the prices being achieved. Again find an agent or advocate you can trust or sell your property yourself.

Finally, our 5 tips to avoid all this?

1. To avoid all these traps, the most important action you can take is to have your property appraised by a registered, independent valuer, not an agent looking for an easy sale and commission. They must provide an accurate appraisal as the banks and financial institutions, use these figures to set the loan valuation level for the house.

And remember an agent is not qualified to provide a valuation.
They can only give you a report or guide.

2. Another alternative is to use a couple of industry websites which will provide you with complete reports on your suburb and area with a comprehensive sales history. You can compare the reports and then approach agents with a fair and reasonable knowledge of the value of your home. This is the next best option. [You can get your FREE property report from Next Address](#)

3. Signing a short term agency agreement can also protect against this as the agent does not have the time to 'condition' you. They will instead be forced to focus on selling your home for the correct price in their limited amount of contracted time. If you want to use an agent, then sign an agreement for two months only.

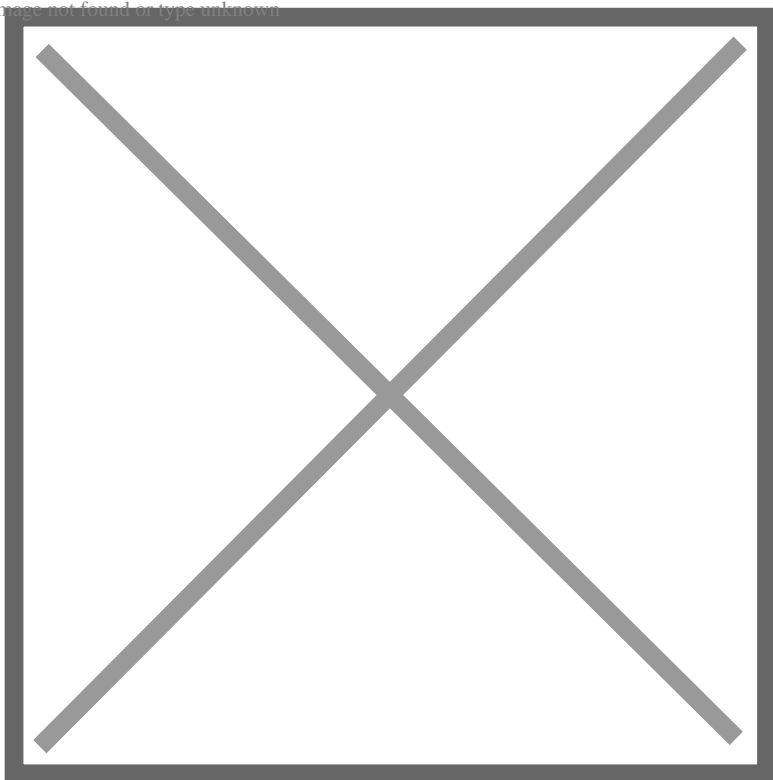
4. DIY and save. Finally, one easy way to avoid all of the above is to DIY. It is now very easy to sell your home online. In a world where we can book holidays direct with home-owners, ride in a luxury car to the footy, we now also have a platform which directly connects buyers and sellers to one another. That extra \$30K in your back pocket could be your kids school fees or a holiday.

5. Communicate openly and clearly with your agent. Foster a business relationship with them and you will be well on the way to having a positive experience. Now, remember- buying and selling property is stressful-try and sleep well so you are in the best emotional position possible.

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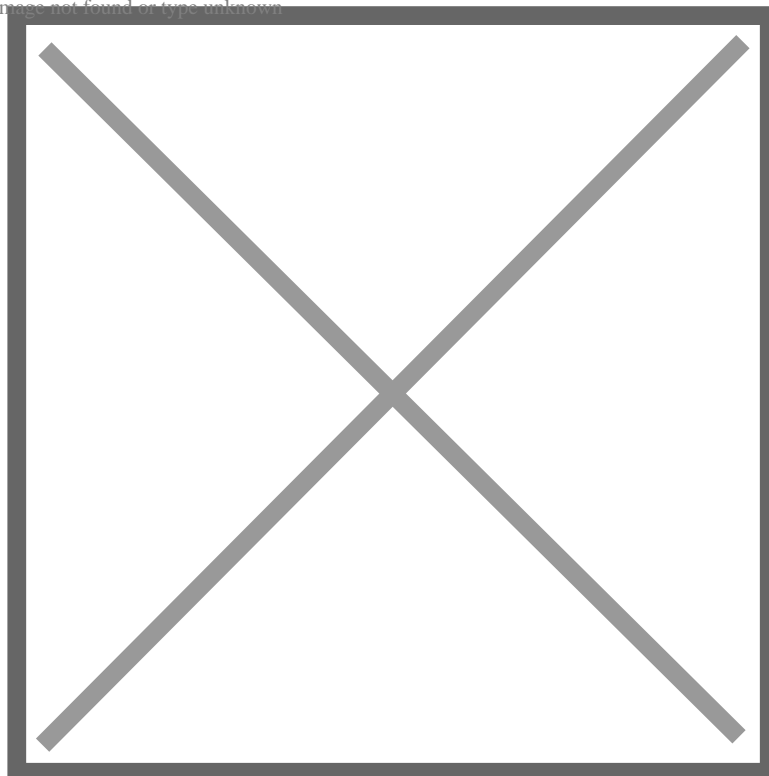
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Julie O'Donohue
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