

Real estate myths exposed & the smart way to really sell your house.

Posted on: 04/07/2016

Real Estate Myths exposed

We all love a good fairytale or an urban myth, but when it comes to selling our most important asset, our home, we don't want myths. We want our home sold as efficiently as possible. Selling real estate is an urban myth itself, and when it boils down to it, People buy houses. Agent's don't sell them. If you are shown the right house, in the right price bracket with the right features, you will buy it.

If you find the buyer who is looking for a home like yours the match is made. At Next Address we are focused on providing quality, educational information on the real estate process and show you the smart way to sell real estate. We are also Australia's first DIY peer to peer real estate platform. So you can experience complete control and have all the information you need at your fingertips.

Let's explore some real estate myths here.

Myth One

"Our agency has a huge database."

Real estate agency databases are made up predominately of buyers and sellers who have visited open houses with the agency. Compiled in the office after the weekend 'Open Houses', they are often outdated, have names which do not match your specific home criteria, and may also have inaccurate or wrong details. These names are not exclusive to that agency and are often on other agent's databases. They may already have bought property too.

Additionally, agents do not share your details within an office. So you may miss out on a home because your agent fails to tell you about it. New buyers are forever joining the market, and many younger buyers are very wary of agents.

So what is better than databases and what is the solution?

As Australian's we have embraced the online world enjoying the benefits of dealing directly with each other. Services such as online ride sharing and dating, to booking our holidays have made life simpler and given us so much more control over our choices and how we interact. Well, now we can buy and sell real estate by dealing direct. Australia and indeed the world has embraced online systems with 90% of Australians searching real estate advertising sites for homes for sale.

'The only way to have this exposure is maximise

how you use the internet to sell your home online, where most people look.'

Myth Two

Agents are focused on selling your home for as much as possible as they get a much higher commission.

Wrong. Let's take a good look at how real estate agent commissions are managed and structured. They are not set up to get the best outcomes for the customers. Take an average house sale of \$600,000 with a real estate agency taking 2.5% commission, which is around \$15,000. This fee is then split between the agency, who get approximately 60%, the agent who you signed the paperwork with gets 20% and the agent who finds the buyer receives 20%. These are approximate figures.

Sell for \$600,000 with \$15,000 commission

\$9000 to the Real Estate Agency

\$3000 to the Agent, who did the paperwork

\$3000 to the Agent, who sold the property.

Sell for \$580,000 with \$14,500 commission

\$8700 to the Real Estate Agency

\$2900 to the Agent who did the paperwork

\$2900 to the Agent, who sold the property.

Let's examine this carefully. Your house sells for \$20,000 less than you hoped. You still have to pay the commission, which is slightly less at \$14,500. When you break this down the individual agent only gets \$100 less in his commission. If the reverse happens and your home sells for \$20,000 more than you expected, you will only pay an extra \$250 in commission. And remember this \$250 is split between the 3 players.

'\$20,000 less for you but only \$500 less for the agency.'

The problem with this financial structure is it reduces the motivation levels for the agent to sell your home for the best possible price. You want to have a structure which rewards positive financial outcomes. If you want to use an Agent then think very carefully about how you structure your commission to them, all commissions, by law, must be fully discussed and negotiated with you before you sign any agreements with any agency.

Myth Three

You need to advertise your home in glossy real estate weekly magazines or print!

No, you don't. Each week thousands of glossy real estate magazines are printed, but how many of these attract buyers? Print media only has a one-week shelf life, if that. So, why would you advertise in a magazine or newspaper? In a recently written blog by a well-respected real estate professional in Melbourne on this very issue, the only methods of advertising which were listed as worth using were:

1. Online websites 85-90% of buyers
2. For Sale Signs 5 %-10% of buyers
3. Word of Mouth 5% to 10% of buyers

With over 90 % of buyers using websites to look for properties be very careful before you commit your cash to other methods.

By using Next Address, you are tapping into the web market reaching the right buyers quickly and simply. You are not wasting your well earned dollars on print. It's simple, easy, and saves time and money.

Together: lets get you moving!

More great Next Address Blogs

[Costly mistakes made when you use a real estate agent](#)

[Should I accept the 1st offer made on my house](#)

[Only 53% of real estate agent use technology](#)

<https://nextaddress.com.au/blog/real-estate-myths-exposed-or-the-smart-way-to-sell-your-house>