



Selling a house means being informed!

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The more you know about selling a house the better the outcome will be for you.

Making the decision to sell a house is one of the biggest you will ever make. In the past, we have relied on real estate agents, but our world is changing, and there are some fabulous tools out there to support us in the selling process from DIY selling to full service. But for many of us, we may want to use an agent still as we are time poor or just a bit unsure about the procedures.

But before you make the big decision, read on to be really informed about the processes and issues you need to consider.

We keep getting told it is a still a strong market but that's not everywhere. Plus many agents like to condition us, to make the task of selling your house easy and quick as possible, 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 to use an agent to sell, let's look at five tactics used relatively regularly by them to get you to reconsider your expectations. They are sourced from industry experts, from interviews with past sellers and those no longer in the real estate industry.

1. They know your plans!

Your plans are your plans; your news is your news. If an agent knows you are getting a divorce or you must move house for a new job, this gives them the information they can use to their advantage. The only information the agent needs is that you are a keen, committed buyer with a compelling desire to sell. Remember, this is a business transaction.

It 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 begin 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 backyard, no off-street parking, etc. Whatever they come up with, every comment is designed to make you question the value of your home. 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 prevalent in a regional or country setting, as well as outer-suburb areas or in a slow or falling real estate market.

A good 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 no 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." All these tactics you need to ignore. 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 the price set, then when they do come to you with an offer, you feel a pressure to accept.

The founder of Next Address interviewed a seller, who had this experienced. The estate agent spent the first 15 minute of a chat conditioning the seller about the issues with her 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 have already lowered our expectations, 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 estate 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 estate 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 price. 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 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.

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 selected 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. Reread your contract 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 more significant 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 first learning for you is to do your homework before listing your home for sale. Spend the time and money to know your local market, what is selling, what are the prices being achieved.

Finally, our 5 tips to avoid all this?

1. To avoid all these traps, the most critical action you can take is to have your property appraised by a registered, independent valuer, not an agent looking for a smooth 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. Next Address uses the WBP Group

*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 straightforward 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 kid's 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.

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