



Wheeling and dealing

Real estate agents. Love 'em or hate 'em, you will inevitably deal with one if you're buying or selling property. *Your Mortgage* has some suggestions on making the relationship a happy one

When it comes down to trust, real estate agents rank about as highly as used car salespeople and lawyers. Negative perceptions of real estate agents abound, with many consumers suspicious of their underlying motivations.

These perceptions stem partly from a belief that real estate agents don't act in the best interests of the buyer or the seller. Agents are typically remunerated on commissions received from the sale of properties and not the eventual price achieved, so it's commonplace that an agent's

desire to achieve an impressive turnover volume will negate any efforts to maximise price.

Former real estate agent Dennis Kalofonos, director of Sydney Property Finders, maintains that miscommunication lies at the heart of problems between the agent and buyers or sellers. "Ninety per cent of real estate agents are actually quite honest," he says. "The problem is that people don't communicate with them – you need to engage the real estate agent in conversation, and ask them direct questions."

This sentiment is echoed by Meighan Hetherington, managing director at Property Pursuit Buyer's Agents, herself a former estate agent. "People I've talked to didn't feel that the things talked about in the initial listing discussion were delivered. There was no shared understanding of the experience. Sellers need to work out their expectations then communicate this back to their agents."

Making amends

Having a fruitful relationship with your real estate agent is all about managing expectations on both sides. "Ask very

direct questions," Kalofonos says. "Take a position as far as price is concerned, it may not be the highest that you're willing to offer, then ask, 'do you think I'm wasting my time at this level?'"

Determine the amount of communication you expect upfront, Hetherington says. "Do you want feedback after an inspection? Some people like phone calls, whereas others want to see it in writing. It's about setting those boundaries upfront and being accountable for following this through."

If you know your market inside out, then make sure your agent realises this as they will be less likely to think they can pull one over on you. "Make sure you do your homework. Throw comparable sales at the agent, letting them know you know what you're talking about," Kalofonos advises.

If you're selling, Kalofonos believes that "you need to act as a buyer in the

their area and knows the kinds of buyers they should target. They should have lots of testimonials from past clients – I'd also want to speak with at least two of their former clients."

Word of a reputable agent tends to spread quickly, she adds. "A good agent will recognise that it's not just about getting the sale, it's about the happy seller who talks to their friends and neighbours."

Tricks of the trade

A common sales tactic is to exaggerate the level of interest in the product or service in order to rush potential buyers into making a decision. Being salespeople, another perception is that an agent often stretches the truth, or omits vital details about a property in order to hurry a sale.

"Buyers can get caught out when an agent puts time pressure on them by saying that another buyer has shown interest and is returning later on for a second inspection," Hetherington says, adding that agents use the vendor's haste to sell as a tool to rush buyers.

"There are times when buyers do say 'I want to have a think' and then decide that the property isn't for them. An owner is always expecting an offer – and agents can use this to their advantage."

Creative pricing is another



"I look for someone who has good market knowledge in their area and knows the kinds of buyers they should target"

Meighan Hetherington, Property Pursuit

market that you're selling in. Go to as many inspections and look at as many similar properties as you can."

Even with the best intentions to communicate effectively, Hetherington says it's crucial to select an agent who has a track record of maintaining positive relations. "I look for someone who has good market knowledge in

technique agents employ, according to Hetherington. At an auction, the agent's job is to gather bidders in the first four to five weeks of the campaign who are interested in the property. They may use a hook price that is lower than what the vendors expect and encourage purchasers to make offers prior to

BUYER'S TIPS

- Find out how many sale contracts are out on the property or how many building and pest inspections have been carried out. This will indicate the true level of interest
- Be realistic and honest about how much you can afford
- Send a friend over to do a 'mock' inspection and compare notes
- Know your market – inspect at least 70 properties and find out what they actually sold for

SELLER'S TIPS

- Ensure that the agent who you appoint to sell your house is the same person who is present at the inspections
- Work on an incentive basis – set a bonus for the agent if they reach a certain sale price
- Ask the agent to draw up a marketing or advertising contract. What are they willing to contribute themselves?
- Act like a buyer – go to as many inspections in your area as possible

FOR MORE INFORMATION

Experts recommend that you use an agent who is a registered member of the Real Estate Institute of Australia. Each state chapter has a function on its website where you can search for a member. Visit the national website at www.reia.com.au and click on your state

the auction based on this indication. Agents can then use these low offers to condition the vendor into lowering the reserve price.

Fortunately, you can employ your own tactics to subvert agent trickery, Kalofonos says. "Visit the property outside the opening hours to see if there have been other private inspections. Send a friend over to see what the agent is saying about the property and compare notes." 🏠

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