

## Choosing An Agent

**“Real estate agents sell real estate NOT real estate companies!”**

**Buying or selling a home is a business transaction!**

However, too often buyers and sellers make emotional or impulsive decisions that cost them money and time. Choosing the right real estate agent to market a property or negotiate the sale is the most important step in the process.



**“My uncle Jim Bob sells real estate.”**

The “friends and family” program isn’t enough to establish credentials. Hiring an agent is the same as hiring an attorney, a doctor, or an accountant to handle your taxes. A true friend will understand and appreciate that this is a business decision and will offer their credentials and expect to compete for the listing. Besides, if a problem or challenge develops while selling your home, do you want to risk damaging a friendship or family relationship?

**“The presentation may sound good but look beyond the “smoke and mirrors!”**

Interview more than one agent. Evaluate each agent’s presentation and consider the advantages and disadvantages of each. Making an impulsive decision when caught up “in the moment” could be difficult to correct later. Most listing contracts are for a specific period of time, you may find yourself unable to “switch” to another if you find yourself unhappy with the service you receive.

**“I want \$1,000,000 for my house! You’re the only agent who agrees with my selling price.”**

The problem is your home is only worth \$50,000. Many agents tell you what you want to hear and not what you need to hear. In the real estate profession, this is known as “buying a listing” and is a common practice among agents who are more interested in themselves than they are in you. Although this tactic is effective in the short-term to get your listing, it is an extremely poor strategy in selling a home at the highest possible price.

Homes get the most attention from other agents when it is a “new” listing. If priced properly, lots of agents will show it to their buyers. If priced too high, agents will not show the house and it will sit on the market. When the price is finally reduced to reflect its real value, your house is “old news” and buyers may think you are growing desperate. Therefore, the prices you are offered will come in lower and lower – and you may find

yourself accepting a price that is below what you could have received had the house been priced properly to begin with.

Besides pricing your home too high will only make similar houses for sale look that much better. Overpricing helps sell those houses, not yours.

**“The agent is what counts – not the company.”**

Amen! Many buyers and sellers choose an agent based on where they work. **THERE IS ABSOLUTELY NO DIFFERENCE BETWEEN A SMALL COMPANY AND A LARGE COMPANY!**

It's a sales pitch that agents who work for large well-established companies claim to have an advantage. Here is the pitch:

**The pitch:** Large companies generally have longer office hours, so someone is always available to answer calls regarding on your home.

**The truth:** Good agents are available 24-7 to schedule showings and take calls from interested prospective buyers. In fact, a good agent will never allow the company to schedule showings. They do it themselves. Who better knows what the home has to offer than the listing agent.

**The pitch:** Large offices often have larger budgets and can spend more on advertising.

**The truth:** Most agents' pay for their own advertising. Good agents spend their advertising money where it is the most effective not where it best promotes their company.

**The pitch:** Large real estate companies have large numbers of agents or market share. This is important because when your house is newly on the market, the company may stage an “office preview” where every agent in the office comes through and tours your home.

**The truth:** As long as the agent is a member of the Multiple Listing Service it will be previewed by thousands of agents. Moreover, most agents, even at large companies, don't attend these “preview tours.”

**The pitch:** Larger companies are often better at offering ongoing education to their agents. As a result, your agent may be better qualified and prepared to offer a quality service.

**The truth:** Although most states require real estate agents to enroll in “ongoing education” to keep pace with changes in the real estate market, many agents only take the “bare minimum” in ongoing education courses.

**“All real estate agents pass the same test so they must know the same things.”**

The real estate profession is constantly changing and, as mentioned above, the best real estate professionals stay abreast of those changes by continuing their education. Some go beyond the required minimum requirements.

**“This agent will hold an open house every week.”**

Open houses can and do sell homes, but usually not your home. Only a small fraction of the homes held open are sold as a direct result of the open house. More often, “open houses” are a way that real estate agents “prospect” for potential clients. If they develop a rapport with those visitors to your open house, they can find out about their housing needs and sell them the home that most closely matches those needs. Meanwhile, the person who eventually buys your home may be visiting someone else’s open house.

Good agents know better than to pin all their selling efforts on an open house. They use their time in more effective marketing methods. The most effective marketing is not directly to the public, but to other agents. By getting other agents interested in your home, your listing agent multiplies your sales force beyond just one individual.

**“I want an agent who lives in my neighborhood.”**

Knowledge of the local market isn’t only acquired by living in the immediate neighborhood. Sure, your agent should have intimate knowledge of recent sales, models, schools, businesses, and so on, but that is easily achieved through extensive research. Convenience shouldn’t be the primary reason for choosing an agent.

**“This agent sold more homes last year than anyone else.”**

Are you a client or a number? What is more valuable, an agent who listed 22 homes and sold 25 but treated you like a number or an agent who listed 5 sold 2 homes and negotiated the best deal for you and treated you like gold?

You need to ask some questions. Are their past clients happy with their service? How smoothly was the process handled? How accessible was the agent when there were questions or problems? Quantity is **NOT** important, but quality is!

**Oh those fees!**

Fees! Fees! Fees! They seem to be never ending. The single biggest reason For Sale By Owners don’t use real estate companies is they don’t want to pay a commission. Add a few hundred dollars in other fees and now the client is being “gouged.” Likewise, buyers are increasingly being charged “junk fees.” The most common fee is called the Broker Administrative Commission (BAC). Companies generally charge between \$150 to \$500.

## **The bottom line!**

**The best agent is the one, who will do the best job of marketing the property, negotiating the most favorable terms, and communicating with their clients regardless of what company they work for or what commission rate was negotiated.**

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