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8 QUESTIONS

Smart Home Sellers Ask

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The Importance of the right choice.

When interviewing real estate agents, the questions you ask will dictate the quality of the information you receive, which in turn affects your decision on which agent to hire.

Agents' selling strategies vary greatly, and while all agents have some selling strategies in common, many avoid discussing specific strategies as they don't serve their interests.

Some agents focus on the arguable benefits of Auction, whilst failing to disclose the inherent financial risk. Others talk a good marketing game, yet spend no time discussing what should be the agent's key point of value to you - their ability to negotiate the best price for your property.

Here are the

'8 Questions Smart Home Sellers Ask'.

The answers given by the agents you interview will provide all the information needed to decide which agent's strategy and philosophy are right for you.

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1

What **sets you apart** from other real estate agents?

2

How would you take my property **to the market?**

3

What **price** do you think my property is **worth?**

4

How much do I pay if the property **doesn't sell?**

5

How do you conduct property **inspections?**

6

Can you explain your **negotiation strategy?**

7

How does your **fee** compare to your **value?**

8

Will you **guarantee** to live up to your **promises?**

Agent Selection

Question 1
What sets you apart from other real estate agents?

Look for answers beyond the superficial. For example, *"I sell lots of houses in this area"*, or *"My average time on market is only 22 days"*. Be wary of agents that are self-focused. They are easy to identify as they often simply sit and gloat about property they have sold.

The right agent will focus on you and your goals, and how they can help get you where you want to go. Good agents are well trained in methods and strategies of sale that benefit you, the seller.

Decide what it is YOU want from your agent.

Choosing your agent is a key factor in making smart selling decisions. They will guide your decisions around price, method of sale, use of advertising media and your marketing strategy.

Hiring the right agent to sell your property is crucial. Hiring the wrong agent costs a lot more than just their selling fee. Take great care when deciding which agent to trust.



Method of Sale

Question 2
How would you take my property to market?

When asked this question, good agents will provide a strategy that is risk-free.

Any agent you interview should be able to discuss their strategy for managing this conflict.

Many home sellers have a legitimate fear of underselling their property. And why wouldn't they? With real estate agents at an all time low approval rating of 5%*, no wonder sellers are reluctant to trust real estate agents.

The right agent is able to discuss the many factors that can drive a sale price below market value, including poor advertising, a sale price indication that is too low, an asking price that is too high or an agent underselling a property to a friend or colleague (real estate's version of insider trading).

To avoid underselling a property, it's important to understand the methods of sale various agents are likely to recommend, what they are designed for, and the significant part the agent plays in selling property.

The golden rule of selling is:
Pay no money** until your property is sold, and you are happy with the result.

The Smart Sale Strategy (used by Tidbold Real Estate) is being used throughout Australia with great success, and is one of the most recognised risk-free methods of sale available to property sellers.

As well as providing financial safety, the Smart Sale allows home sellers to test the market without damaging their property's Digital Footprint. A Digital Footprint is important; it is your property's online history and can greatly affect the final price you receive.

Your agent should be aware of, and closely monitor, your property's Digital Footprint. To safely market a property and obtain the highest price, a strategy must exist to manage the conflict that arises between advertising online and the Digital Footprint.

The chosen method of sale will affect marketing options, initial costs the agent expects sellers to pay, the price quoted in advertising and, most significantly - the final price achieved.

** Source Roy Morgan Image of Professions Survey.*
*** This includes any marketing costs.*

Price

Question 3
What price do you think my property is worth?

While seemingly an obvious question, agents will rarely give a clear and direct answer.

The two most common lies* told in the real estate industry involve the price estimate quoted to potential sellers. They are:

1. ***The Improbable Lie***

   This is when an agent intentionally inflates a property's potential selling price; it's the lie most people are aware of and dislike about real estate agents.

2. ***The Lie of Omission***

   This is when an agent, knowing the probable selling price, chooses not to tell the owner; it's a more subtle lie, but still prevalent in the industry.



Both lies have the capacity to hurt you financially and emotionally. An agent who is honest about all facets of selling, including price, is a rare, true professional. They deserve your trust.

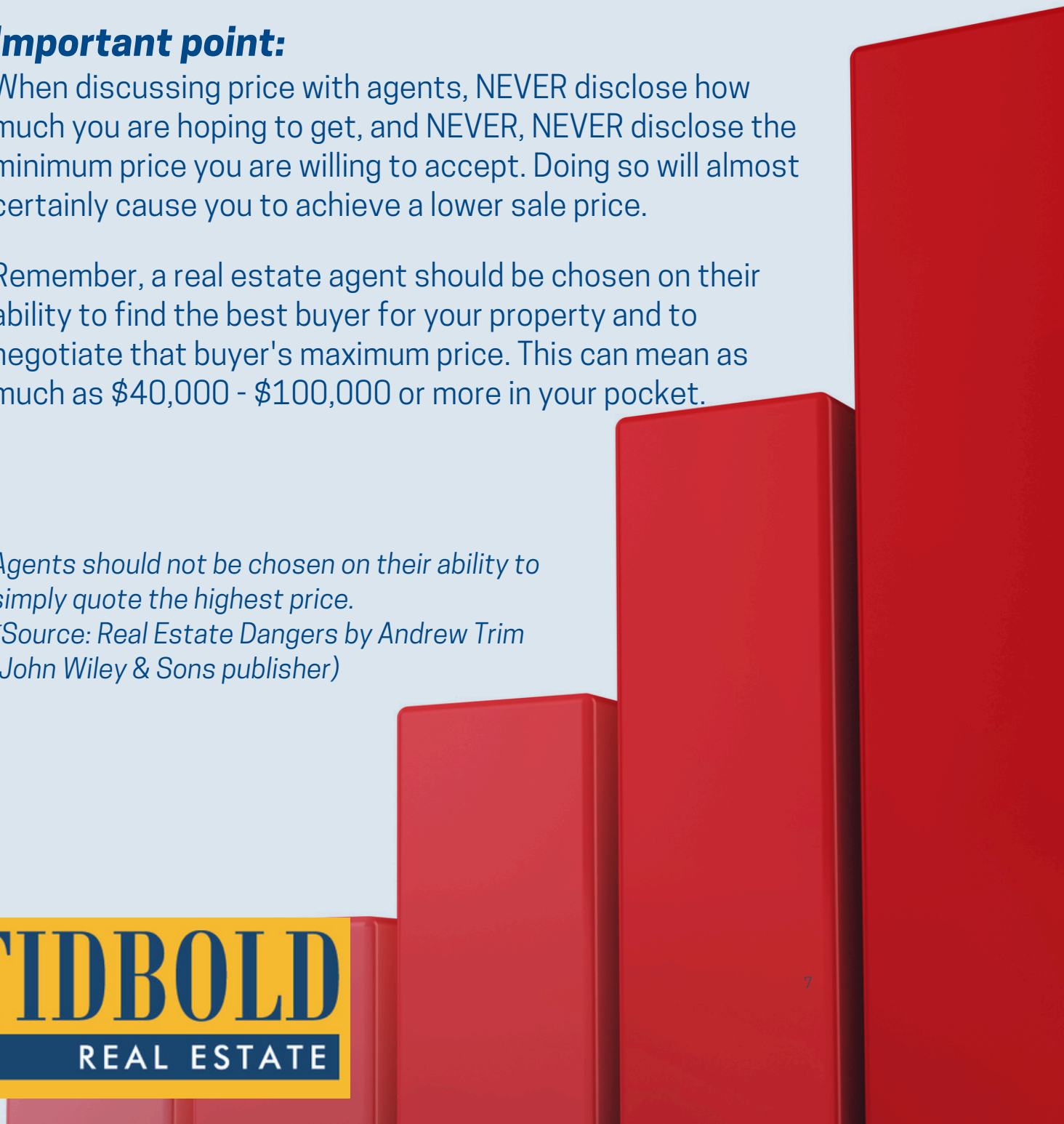
Ensure that any price agents discuss with you is based on evidence in the form of comparable, recently sold properties in your area. They should also reference other properties you would be competing with and current demand for your style of property.

Important point:

When discussing price with agents, NEVER disclose how much you are hoping to get, and NEVER, NEVER disclose the minimum price you are willing to accept. Doing so will almost certainly cause you to achieve a lower sale price.

Remember, a real estate agent should be chosen on their ability to find the best buyer for your property and to negotiate that buyer's maximum price. This can mean as much as $40,000 - $100,000 or more in your pocket.

Agents should not be chosen on their ability to simply quote the highest price.
**Source: Real Estate Dangers by Andrew Trim (John Wiley & Sons publisher)*



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Marketing

Question 4
How much do I pay if the property doesn't sell?

Agents love to discuss marketing. It's often glossy, exciting and the main part of their presentation. Yet how much of this marketing is necessary?

Agents often claim that 'you can't sell a secret'. However, in the age of online marketing - with detailed buyer databases, filtered searches, and new property alerts - agents still attempt to convince smart sellers to pay upfront for largely unnecessary marketing campaigns. No property is a secret on the internet.

The Truth

Home sellers are being duped into spending unnecessary money on real estate advertising through a system known as Vendor Pays Advertising (VPA).

The main reason agents push Vendor Pays Advertising is to promote themselves. If an agent had to spend their own money on advertising, they would spend far less.

Agents and media companies encourage sellers to focus on the amount, size and positioning of advertising, all of which come with extra cost. However, quality marketing has been shown as a cost-effective alternative that generates the same, if not better results.

Quality marketing will always attract buyers to a property. Quality marketing consists of the right price, good quality photography, a great script and smart recording of buyer enquiries. It does not require extensive, expensive advertising. Quantity and positioning, the two factors that add cost, run a long way behind in a quality marketing campaign.

Not every property sells with their first agent. Auction clearance rates vary greatly and rarely climb above 60%. Sellers, and not agents, nearly always bear the marketing costs of these failed campaigns, costs that can run into thousands of dollars.

A point to consider: the true test of any marketing campaign is its end result:

Has the property sold?

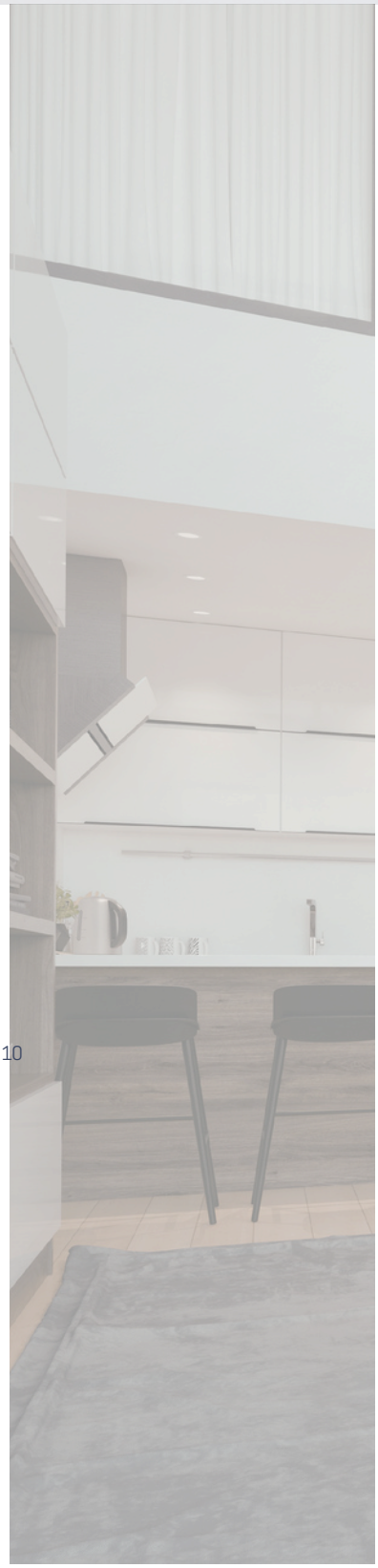
If the answer is no, then why should you, the home seller, pay?



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Inspections

Question 5
How do you conduct property inspections?



This question is two-for-one. Smart sellers will look to see if the agent has given consideration to how buyer inspection styles affect the final sale price. Does the agent understand how the inspection process is tied to the negotiation?

One-on-one inspections should always be available to buyers. This is particularly important in a stable or falling market. If the power tips towards the buyer, a property should be available for inspection at a time that suits them.

If a genuine buyer wants an inspection, the agent should arrange it. In stable or falling markets there are fewer buyers and more property for sale, forcing buyers to wait for a scheduled open home which increases the chance they will purchase elsewhere. A private appointment to inspect, set promptly, increases a buyer's expectation this property will sell quickly, in turn increasing your negotiation power as the seller.

Good agents will have given their inspection strategy and be able to articulate it to you.



Public open houses with restrictive viewing times could cost you a sale. Public open houses are nothing more than a lead generating activity for lazy agents who wish to meet other potential home sellers and buyers for other properties.

Scheduling private one-on-one inspections is the best and safest method for conducting property inspections. This method of inspection has the following six benefits for the home seller, buyer and agent:

1. Buyers prefer flexible inspection times.

2. Buyers prefer not to be rushed. They need to have time to envision themselves in the home.

3. Buyers are pre-qualified to their affordability and suitability of the property.

4. Agents can focus on the real needs of the buyers and engage the buyers in conversation at the property.

5. The agent's knowledge of the buyers will aid the agent in negotiating the buyer's highest price.

6. Genuine feedback from genuine buyers can be passed onto the sellers.

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Negotiation

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Question 6
Can you explain your negotiation strategy?

It is likely that the agent you're interviewing doesn't have a negotiation strategy. Most, quite simply don't understand negotiation and instead choose to discuss their 'offer process'.

This is NOT negotiation.



An 'offer process' is simply the conveying of a buyer's offer to you, the seller. Smart sellers realise that this isn't a negotiation strategy, but rather a basic mediation.

A mediator is a person who assists and guides parties toward their own resolution. The mediator does not decide, nor influence the outcome. They simply allow parties to reach an acceptable agreement with one another.

When selling your property, you do not want a mediator. you want a negotiator.

An agent's negotiation ability is their true value to you as the seller - a point that is often overlooked or misunderstood. The skills and tactics are employed *after* an interested buyer is found. The method of sale, the marketing, the pricing and the inspections all lead to this final negotiation.

The contract negotiation is the final chance to ensure you get the best price in the market today. An agent with great negotiation skills and the right strategy could make a difference of tens of thousands of dollars, and help you achieve your goals.

Your agent should always prioritise helping you to achieve your goals. It is unfortunate that many agents instead focus on their own commission, payable to them regardless of the price.



Smart sellers understand an agent's most important duty is that of a negotiator. Ensure your agent has a proven negotiation strategy focused on one goal: achieving the best possible result for you.

Costs

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Question 7
How does your fee compare to your value?

Agents must add more value than they charge.

Consider this, if an agent charges an extra $5,000 but negotiates an extra $20,000, wouldn't you agree that this agent is $15,000 more valuable to you than a cheaper competitor?

Often people will hire an agent based on the answers to these two questions:

- *How much will you get me?*
- *How much do you charge?*

On the surface these questions appear to be a fair and reasonable way to choose an agent.

However, quite simply they are the wrong questions to ask. Smart sellers understand that superficial questions invite superficial answers.

Any agent being interviewed must be able to prove their value. You have to dig deeper than the superficial to make a smart decision.

Always consider value as opposed to cost when selecting an agent.

Guarantee

Question 8
will you guarantee to live up to your promises?



Guarantees provide property sellers with the peace of mind that if they select the wrong agent, they are not stuck with them.

Under various guises, almost all agents offer some sort of guarantee, such as 'Our promise', 'Service Plan', or 'Our Commitments'. Unless there is recourse for the owner to terminate an agent's agreement if they do not live up to their commitments, such promises, plans and 'guarantees' are all but useless in holding an individual agent or agency to account.

It is an unfortunate truth an agent's promises cannot be taken at face value. Therefore, along with their listing agreements, agents should offer a dismissal clause.

If the agent doesn't deliver on their promises, you can end the selling agreement.

A fair dismissal clause allows the agent a brief period to resolve any problems, and continue as your agent if they do.

Smart sellers know that if an agent is not prepared to back their service with a guarantee that contains a dismissal clause, then they are not the right agent for them.

Remember *95% of people have a low opinion of real estate agents when it comes to trustworthiness.

**Source Roy Morgan Image of Professions Survey.*

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Conclusion

You have made it to the end of this booklet and now know the
8 Questions Smart Home Sellers Ask.

Being a property seller you are in demand, a person who is at the forefront of every agent's mind.

You are advised to approach the process of finding an agent as a job interview, with you as the employer.

Put potential agents to the test. Insist on clear answers to these questions and you will be better positioned to choose a skilled agent who can sell your property for the highest price with the least amount of stress to you.

You will also provide agents with enough time and leeway to demonstrate their suitability. If you're not satisfied with the answers you receive, keep interviewing agents until you are.

Good luck with your property sale, and if you have any questions, please call us anytime on 07 3207 6000,
24 hours a day, 7 days a week.

Thank you.

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"The Smart Sale strategy is the best method of sale when there are multiple buyers and the only effective method of sale when there is just one buyer."

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Ethics in Real Estate

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