

An insider's guide to estate agents

Learn how to pick the right agent, how to avoid stress
when selling your home and discover some of the tricks of the trade

Introduction

Have you ever wondered exactly what estate agents do for their money? Do you know the right questions to ask? How do you pick the best agent in your area?

There are plenty of articles in newspapers and on the internet about how to deal with estate agents. Most are a simple list of tips without any explanation. Some only highlight the agents that use their services. Many newspapers run articles about estate agents but tend to concentrate on highlighting the worst examples.

Having spent over 20 years working inside the industry, I regularly encounter clients who have limited knowledge of our profession – after all, most of the public will only need to deal with estate agents every 5 – 10 years so it's easy to forget how the selling process works.

With this guide, I have tried to create a comprehensive story of what estate agents do from the day they meet you all the way through to completion. It's vital to get every stage of the process right in order to ensure you have the smoothest ride and I've collected here specific advice from the vendor's point of view.

Your home is a valuable asset and, to ensure you choose the best estate agent to help you move, I hope you'll find the following pages useful.

Carey Gilliland BA (Hons) FNAEA CPEA
Published in Jan 2012

Contents

Estate agents - should I use one?	Page 3
The story of selling a property	Pages 4 to 8
Qualities to look for in an estate agent	Page 9
Presentation checklist	Page 10
General advice	Page 11

What is an estate agent?

Estate agents are a curious mixture of sales, marketing, administration and counsellors. Used right, an estate agent can maximise the selling value of your home by marketing it to the widest possible audience. Once buyers have started to enquire about the property, agents switch over to their sales skills to make sure any enquiries are handled and negotiations are conducted to the benefit of the owner. If an offer is agreed, the agent becomes an administrator and shepherds the transaction through to legal completion. Counselling generally comes in useful when things don't go as planned.

Types of estate agent

There are three main types of estate agent – corporate, independent and internet based.

Corporate – in terms of numbers, most of the UK's estate agents are part of national chains with multiple branches across the country. Many of these chains are owned by several large corporations or financial institutions – it is a little publicised fact that several agents in a town can be owned by the same company but trade under different names. *Widespread brand recognition, lots of outlets, but high staff turnover and a tendency to heavily target employees to sell mortgages and extra services.*

Independent – owner/operators, often running one branch or a small network of branches.

Usually local people who have worked in estate agency for many years. A more personal hands-on approach with time to concentrate on the vendor, their needs and obtaining the best price from the best buyer.

Internet based – little or no High St presence, often charging fees up front and invariably expecting owners to do much of the traditional agent's work.

Considerably cheaper than most estate agents but they do much less marketing – you pay for what you get.

Do I need to use an estate agent?

No - you can sell your home privately and attract buyers by using some of the techniques an agent would use (for example – newspaper advertising, for sale board). If you have time, you can organise and conduct viewings, negotiate with your buyer and deal with solicitors. However, you won't be able to use the largest property websites to advertise your home, newspaper advertising will cost considerably more and you will have to devote a lot of your own time to the sale. Research from buyers indicates that the majority would prefer not to deal with owners direct.

The story of selling a property

Market research

Before you choose which agents to value your home, check what properties they have for sale and those they've sold. Do they deal in your market or area? Have they sold similar homes to yours? How do they present their properties from a buyer's perspective? Market research like this will help you identify the most suitable agents to invite to your home and will also give you some idea of the value of your property. When you've decided on the agents to invite out, dig a little deeper by examining reviews about them (check their website, but also look elsewhere for independent customer feedback – <http://www.allagents.co.uk> is a good place to start). You could also call or visit agents to see how you're dealt with.

Valuations

ALWAYS OBTAIN THREE VALUATIONS – you need to get a spread of opinion - but it is also an opportunity to judge which agent suits you best. Before each visit, think about what type of services you would like from an agent and any extras they might offer. During the valuation, don't show your hand and tell the agent what you think your home is worth or what other agents' opinions have been. If you have any particular requests (for example, accompanied viewings on a weekend or after-hours communication), ask if they can accommodate you.

Choosing an agent – the common misconceptions

Typically, people rely on two main criteria when choosing an estate agent – they'll pick the agent which;

- a) charges the lowest commission rate or
- b) gives the highest valuation.

You should never choose an agent based on either of these.

The old adage is still true – you pay for what you get. A low fee may mean poor service or little marketing effort. If the valuation is wrong you either have to wait for the market to rise, or reduce your asking price after weeks of wasted marketing.

Fees/Commissions

Do you want one agent (sole agency), two (joint agency) or many agents (multiple agency) to sell your home? Fees will differ between the three options, but one agent generally costs much less than two or more. A good agent won't need anyone else to help sell the property and having your home advertised with more than one agent often leads buyers to suspect something is wrong with it. Sole agency fees vary from agent to agent but should be in the region of 1.5% + VAT. Always negotiate with the agent, but bear in mind that corporate agents / national chains will have imposed minimum fee levels on their employees, so you're likelier to get more flexibility on fees from independent agents.

Viewings

Who should do viewings? Owners know their own homes best, but buyers prefer agents to show them around. The best compromise is to let the agent conduct all first viewings and then offer to be around for any second viewings, in case the prospective buyer has any questions, or you'd like to meet them and build a rapport.

When should viewings happen? In an ideal world, at the buyer's convenience. Buyers like agents or owners to make their lives easier and be available after work or on weekends. Try to be accommodating and create a good impression. But do let your agent know if there are problematic times for viewings for you and if there are any local issues that may cause problems for viewing (eg limited parking during school runs).

Always expect feedback from viewings as a matter of course. How else can you find out if there are any problems you could fix? Agents should give you detailed, specific feedback within 24 hours. However, be aware that it takes, on average, several viewings to create 1 offer (or more in a slow market) so there will always be a fair amount of personal feedback.

Experience, enthusiasm and knowledge

Estate agency is partly a sales job - and experience counts. Avoid letting inexperienced agents handle your biggest financial asset. Some estate agents employ different staff to value homes and others to sell them – don't get caught out and make sure the person you meet first is available to you for the whole process.

Opening hours and availability

Buyers work, just as you do, so having your home and agent available after working hours (and at weekends) is absolutely crucial to get the maximum activity from viewers. Your agent needs to be able to react quickly to viewing requests and accommodate viewers in early evenings and at weekends, so leave a key with them. The same is true of phone calls – if you can't get through, the chances are your potential buyers can't either.



Advertising

Rightmove, the property website is the market leader by far – if your home is marketed on Rightmove, entries on any other property websites are a bonus rather than essential. Make sure the photos look good, the description is eye-catching and comprehensive, and you must have floor plans for maximum effect.

Newspaper advertising – case studies have proven that between 30 – 50% of viewings still come from the local property paper. Make sure your property is featured regularly, with large adverts and plenty of detail.

Social media – technology moves on and many buyers are now using Facebook, Twitter and the like to look for properties. This trend is only likely to increase, so make sure your agent is marketing your home via these websites.

Window displays – we all look, even if we're not buying, so traditional methods always have their place. Your property needs to look as good in the window as it does on websites.

Boards – like them or loathe them, they also have their place and act as a 24 hour salesperson.

If your agent uses QR codes on boards, they can also be useful to channel smartphone users direct to your online property information. (QR, or Quick Response code, is a type of barcode.)

Property details

Photos - are the most important aspect of your estate agent's marketing. Your home will stand or fall in the market based on the quality of the photos taken. If you think about how buyers search for property, the photo is always the first thing they see - on the web, in the papers, in window displays and on details. If it's not perfect, have it taken again. If your property stays on the market for a while, ask the agent to retake the photos from different angles to refresh the marketing.

Floor plans – make life easier for buyers and always have a floor plan for your property. Including them means you'll get 30% more activity from websites. Viewers will be able to visualize and remember more about your home and they can scribble on the printed plan. Even better, put the photos and the plan together in an interactive plan. Always include total square footage of accommodation.

Descriptions – many agents will write descriptions by rote and these are easily recognisable. Choose an aspirational description that makes people want to view. Avoid stock phrases, clichés and always give full details on accommodation. State sizes on rooms and gardens and show compass directions.

Brochures (if required beyond the usual paper printout) – lots of estate agents charge for brochure production. Check with your local printer for price comparisons.

Videos/virtual tours – if you can find an agent with the capability, buyers love video tours. Grab one for your home if you can.

ALWAYS INSIST on approving the property details before they are released to the market. Feel free to make suggestions and changes – it's your property after all.

Instructing an agent

Contracts - before you instruct an agent to sell your home, look through their contract in detail. Most agents will have a minimum contract period (you're tied in to that agent for a certain number of weeks) so make sure you know what you're signing up for. 4 – 8 weeks is enough in most cases. If the term is above 8 weeks, the agent might not have enough confidence in their valuation. Don't forget VAT is payable on agent's fees and look for charges like "cancellation fees" or "advertising fees".

Marketing plan – sit down with your agent and agree a timescale for marketing. When will the details be ready? When is the date of the first newspaper advert? When should viewings start? Before your home is marketed, you should know everything the agent is going to do for you for at least 6 weeks into the future.

Preparing your home for sale

You have a role to play in the sale even if you've employed an estate agent. Try to leave the property clean and tidy every day - even if you haven't got any viewings booked: you never know when the phone will ring. All the little DIY jobs you've been putting off need to be sorted before the first buyer turns up. Look at the "kerb appeal" of your property – does the front garden need tidying, or the door painting? Do you need to talk to the agent about your pets and how to deal with them? Are there times of the day when viewings shouldn't be booked? If you're really stuck on how to present your property, ask your agent or a property stylist for their opinion.

Offers

You've had an offer. So, what do you do now?

Check the property has been marketed properly first - make sure your home has had a decent amount of exposure. Remember, the object of the exercise is to get the best price from the best buyer.

Who is making the offer? Your agent will tell you all the details about the potential buyer (where they are getting the money from / do they need a mortgage / do they have something to sell / are they in a chain / what timescale they are working to) It's not just about the money. Good agents will "qualify" buyers before they put offers forward to their clients.

Get the agent to negotiate with your potential buyer. They don't believe you're holding out for your asking price and you shouldn't believe their first offer is their last. Find a middle ground between you and them.

If you get an offer that matches your requirements, don't hang about. You're giving an impression to your buyer with your every action, so make sure they see you as businesslike and straightforward – it will stand you in good stead for the rest of the transaction.

Decide when accepting the offer whether to take the property off the market or keep it on – your agent will have to notify the buyer of your decision. Think about how you would feel in the buyer's shoes.

Set clear timescales and objectives – the sales process from offer to completion normally takes about 8 weeks so agree a projected exchange date, ask for surveys to be commissioned within 10 days and co-operate by instructing your solicitor quickly. If you fulfil your end of the bargain, the buyer will feel obligated to do so as well.

Sales progression

Expect problems. Surveys rarely come back without any issues and solicitor's wheels turn slowly, so keep on top of your agent and always know what stage you're at. During conveyancing, your agent is there to keep the lines of communication open and chase outstanding paperwork. Ask their advice and draw on their experience.

If the buyer asks at any time to re-negotiate, find out why and ask for specifics. If they have legitimate grounds, consider whether it would be better to agree or compromise rather than lose the sale and start all over again. However, don't be afraid to stand your ground if there is little evidence to support their claim. Get your own quotes from professionals if issues are identified and don't rely solely on the information provided by your buyer.

Completion dates are set on exchange of contracts. Removals take a while to organise, investments need notice to withdraw and holidays may have been pre-booked, so start talking early about suitable completion dates and you won't be in a rush at the last moment.

Exchange & Completion

When you have reached exchange of contracts, you're nearly there! A completion date will have been agreed so it's time to confirm removals and start packing. Don't forget to notify utility companies, redirect your post and get a spare set of keys to your agent for completion day.

On moving day, your solicitor will ring your agent when they have received the balance of funds from the buyer's solicitor. At that point, your agent will be able to release keys to the new owner – this is usually around lunchtime. Make sure you let the agent know if the packing isn't going well or you're late leaving the house – it's always difficult to move out when someone else is trying to move in. If you're buying another property, call the next agent in the chain to see when you can collect your new keys – some solicitors need a chase, especially around their lunch hour!

Agent's fees are payable on completion – your solicitor will usually have arrangements to pay them and will have confirmed the amounts with you at exchange.



Qualities to look for in an estate agent

When they visit, ask them the following questions:

Are they a member of either the Property Ombudsman (formerly known as the Ombudsman for Estate Agents) or Ombudsman Services: Property? All estate agents must belong to one of these Office of Fair Trading-approved redress schemes. You can check on the schemes' websites whether an agent is a member.

Are they a member of a professional/licensed industry body? Examples include the National Association of Estate Agents or the Royal Institute of Chartered Surveyors.

What price would they market your property for? What house price would they expect you to get? What price would they value your home for a "quick sale"?

How and where will they promote your property? How regularly will they advertise your home? Which property websites will the property be advertised on?

Who will do the property viewings?

Is there anything they would suggest you do to the property to maximise the value?

What are their charges – and when do you have to pay?

Can you have a copy of the agency's contract?

How many comparable properties have they sold? At what price? Have they brought evidence to show you?

How many viewings did it take to sell the properties?

How many buyers on their books are looking for properties like yours?



Presentation checklist

Clean your house from top to bottom, inside and out and don't forget the windows!

Finish any DIY and catch up on routine maintenance.

Realise that first impressions count – wash the front door, put out some flowers, check all the light bulbs work, oil hinges, etc.

De-personalise your house – make the buyer focus on the accommodation, not your belongings.

De-clutter – pack away what you don't use on a regular basis and store the majority of ornaments.

Go neutral – tone down bright colours or soften coloured bathroom suites by redecorating around them.

Define the use of each room – don't leave it to the buyer's imagination but lead them by eye around the house.

Eliminate bad odours – dogs and smoke are the top two most off-putting factors on viewings.

Don't forget the garden – take as much time on your outside "rooms" as you do on the inside.



General advice

Choose a selection of big and small agents to value your home so you can see who suits you best.

When your property appears on various websites for the first time, it will automatically be sent to buyers who have registered. This will not happen again unless the property drops in price by at least 5%, so make sure the details are 100% perfect first time.

Fixed fees are increasingly common, but invariably cost the customer more than a percentage. If you're offered a fixed fee, do the maths versus a percentage and remember that percentages offer more incentive for the agent to get the best price.

Estate agents do not conduct an independent valuation of your home – only Chartered Surveyors can do this formally. Estate agents' "valuations" are actually market appraisals – an intuitive estimate of market value based on experience, evidence and demand.

Agent contracts often include a tie-in period – always check the small print as some can be a lot longer than 8 weeks.

Sourcing your solicitor or Energy Performance Certificate direct rather than through the estate agent can save you money.

If you sign a "sole selling rights" contract with an estate agent, you'll pay them even if you sell your home to a friend. If your contract includes a "ready, willing and able purchaser" clause, you may have to pay the agent if they find a buyer, even if you withdraw from a sale.

If an estate agent is running a promotion to attract new business, do check the small print. Many are carefully designed to offer very little to the customer.

Selling your home to the first person through the door does not always mean you have done well. Take advice from your agent.

Plastering "first advert" or "new instruction" over properties in the newspaper does not necessarily mean those homes are new – they could well have been on the market for a long time but the agent has changed.

Open house appointments are brilliant selling tools when a property first comes to the market as they generate a lot of useful feedback in a very short time.

We hope you have found this guide useful.

For more information on Madison Oakley, property articles, local Bath photos and historical notes, please visit our main website at

<http://www.madisonoakley.co.uk>

or our online blog at

<http://madisonoakley.wordpress.com>

Madison Oakley are the only estate agent recommended by

<http://www.thebestofbath.co.uk>

and the only Bath agent with a transparency kitemark on

www.allagents.co.uk

To see why our service is recognised as the best in Bath, call us for a free valuation on

01225 466525