

BUYING

HOW TO GET THE
BEST FROM YOUR
ESTATE AGENT



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What should a good estate agent do for you?

If you're a buyer

The agent should introduce you to as many properties as possible that match your requirements. This means:

- Properties that meet your requirements, e.g. a studio flat, apartment or detached house, number of bedrooms, underground parking, etc.
- Properties within your price range
- Properties within your chosen area(s)

If an agent keeps showing you properties that don't meet your requirements, either they haven't focused on your needs or you didn't brief them properly.

If you're a vendor

The agent should do all they can within the law to get the best possible price for your property.

- They should notify you of all viewings, preferably giving you 24 hours' notice
- They should call you on a weekly basis to provide you with feedback on enquiries, viewings or to update you on the progress of the sale of your property
- They should be in regular touch with all parties – buyers, sellers, solicitors and mortgage lenders – to make the deal as smooth and stress-free as possible
- They should be wise to any likely pitfalls
- Finally, on the day of completion, they should be available to hand over the keys

How do you know if you've found a good estate agent?

Make sure your estate agent is a member of one of the two compulsory redress schemes – The Property Ombudsman (TPO) and the Ombudsman Services: Property (OS-P). The schemes offer free, independent and impartial advice to members of the public if they are dissatisfied with the service provided by their estate agent.

To check your local estate agents are registered with one of the compulsory schemes, visit the TPO website and click the 'Find a member' link or visit the OS-P websites and click the 'Participating companies' link.

www.tpos.co.uk

www.os-property.org

There are also some non-compulsory schemes that agents can be members of. A good agent will be a member of at least one of these:

- **The National Association of Estate Agents**
www.naea.co.uk
- **The Royal Institution of Chartered Surveyors (RICS)**
www.rics.org
- **The Guild of Professional Estate Agents**
www.guildproperty.co.uk

Estate agents who are members of professional bodies have to adhere to strict codes of conduct. An entry qualification is required for the NAEA, suggesting that you may be dealing with a more informed and ethical agent.



Also look into what previous customers have said about an agent's service. Check their website for testimonials or ask them for some. There are also many online review websites where estate agents have no control over what is published. Type 'estate agency review' into Google and you should find some popular sites to help you compare local agents.

TPO website also shows independent survey results on specific agencies. This can be found on their site when searching for estate agency members in a local area.

Choosing the right agent

If you are a buyer, the agent you end up with depends on the property you decide to buy – fingers crossed a good agent is selling it! However, if you are a seller, the choice is yours.

Find out as much as you can about the price of similar properties in the area. Use the internet, details in agents' windows, newspaper advertisements and information gleaned from a surveyor to help you.

Do some mystery shopping of local agents

- Do the negotiators seem friendly, approachable, and presentable?
- Do they specialise in particular types of property? For example, some agents tend to specialise in flats, and some concentrate on historic or high end properties
- Is the office well located and do they seem organised and in control as a team?
- Do they appear to be talking sense when discussing values?

Invite between three and five agents to come and value your property. Ideally one of them should be from outside the immediate vicinity to provide a more balanced view. Some things to consider are:

1. Did they arrive on time?
2. Do they look professional?
3. Are they members of the necessary trade associations?
4. Are they knowledgeable about the area and market trends?
5. Do they have examples of marketing campaigns for similar properties, as well as recent sales information to show you?
6. How long is it taking them to sell well-priced homes at present?
7. Can they suggest ways to increase the value of your home?



8. Do they know how to negotiate?
9. Do they appear interested in your home, and do you like them?
10. What value have they placed on your home, and what evidence do they have to demonstrate that this value is realistic?
11. What do they charge?

Use your gut instinct: Imagine handing each of them £10,000 of your own money. Which of them would you trust with it?

After each agent has given you their valuation, decide which two you could depend on the most. They will not necessarily be the agents who gave you the highest valuations.

Once you find an agent (or agents) you like, you will have to sign a listing agreement. This is like a contract, laying out the specifics of your arrangement, including how long you will permit the agent to represent your home and what their sales commission will be.

Many agents will encourage you to use them on a sole agency basis. However, it usually makes sense to appoint more than one agent as there's nothing like a dose of professional rivalry to sell your property quickly and for a good price! After all, agents respond best to competition. For example Agent A will work harder if he is aware that Agent B might sell your property first.

Sometimes the buyer may be on both Agent A's and Agent B's books, ensuring both agents work not only harder, but also faster. By choosing multiple agents you will also expose your property to a larger number of potential buyers.

Your ultimate goal is to get the best price for your property, not to pay the lowest commission.

Agents' commissions

Selling your property is not about the commission an agent charges. At the end of the day, it's about how much you get for your home after the agent's fee is deducted.

Agents' fees can seem expensive but do you really want to use the cheapest agent in the area? You get what you pay for and a low-fee agent may well have an impact on the price you end up achieving.

Think of it this way:

- How much effort do you think an agent will put into the sale of your property if they're only earning 1%?
- How much can they afford to spend on advertising?
- How incentivised will their negotiators be?

A good agent's commission level will generally be in the range of 2%-3%, depending on factors such as the state of the market, the area, and the price of the property.

It is definitely worth negotiating with your agent over the fee they charge. If your agent can achieve a price substantially over the asking price, perhaps you can offer them an enhanced fee. If they only receive an offer well below the asking price and you are forced to accept it due to personal time constraints, then perhaps you can pay them a smaller fee.

Not all estate agents will be prepared to negotiate, but it doesn't hurt to try. Most agents – around six out of ten on average – will reduce their fee depending on market conditions at the time.

Another way you can work with commission is to use it as part of your selling strategy. For instance, you might inform Agent A that although he is charging 2½% compared to the 2% commission charged by Agent B down the road, you are going to instruct him anyway because you like him and you want him to do his best for you. Flattery just might get you everywhere!

Make sure that the commission you agree to pay, or the sliding scale of commission you've agreed, is put in writing.

What do agents base their valuations on?

Agents base their valuations on three main factors.

1. They should have a good idea of what similar properties are being advertised for and what prices they are actually achieving.
2. Their estimate will be based on their gut instinct.
3. They might be telling you what they think you want to hear.

Bear in mind that the agent's estimate is just that. It is an estimate. It is not an official valuation against which you can borrow money. Only a survey can fulfil that function.



Wherever possible, an agent should base their valuation on facts and they should take the following points into consideration:

- Size
- Specification
- Overall condition
- Presentation
- Renovation potential
- Wow factor
- Location
- Transport links
- The street
- Parking
- Aspect and views
- Outside space
- Tenure
- Security
- Seller's situation
- Market trends



Although you should certainly be guided by the agent's recommendation, the final decision on the price is yours.

Be wary of an agent who tries to 'fish' for the price you're looking for. If they're incapable of coming up with their own figure, you shouldn't be doing business with them.

Also watch out for an agent setting an unrealistically high price in order to get your business, locking you into a sole agency contract.

However, if you like the agent with the highest valuation, you can always give it a go at the higher price. If you don't achieve it at least you tried, and your agent can reduce the price. It's always easier to come down in price than it is to go up.

It's sensible to set your asking price just above the level you expect it to achieve, especially as buyers often offer just below the asking price.



For more information about buying or selling your home, contact one of our dedicated Account Managers.

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