

# beating agents at their own game

You've secured your finances, done your research and found your dream home. Only the agent stands in your way. Here are some secrets of dealing with agents



Dealing with real estate agents can be intimidating, particularly for newbies in the property market. However, knowing what's important to the seller, how much to offer and how to manage the agent will go a long way in helping you nab a good deal.

### Get an independent valuation done on the property

Before you start negotiating the price, it is essential that you have an independent valuation carried out to determine the 'true' market value of the property.

"An independent valuation is a strong bargaining tool and the full benefit that it offers can only be realised if it's used in determining the price of the property to be purchased," says Ian Pepper, CEO of Property Penguin.

"Don't let an agent dissuade you from having a valuation carried out. Remember that it's not in the agent's interest for you to have a valuation done on the property, as it gives you an advantage in the negotiating process."

### Determine the seller's motivation for selling

In order to negotiate successfully, you need information on how motivated the vendor is to sell. According to Julie-Ann Cronin, director of The Home Straight, vendors are usually selling for a good reason or have a timeframe to work towards. "It could be due to divorce, death in the family, work transfer or defaulting on the mortgage," she says. "Some vendors may have already

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Julie-Ann Cronin, director,  
The Home Straight

purchased elsewhere and don't want to arrange bridging finance. Selling agents will not offer this information readily."

To get around this hurdle, Cronin advises that you ask questions such as:

- Where are the owners moving to?
- Are there any offers on the property already?
- Are the vendors negotiable on the price?
- What are the vendors going to do if the property doesn't sell?



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- Are the vendors prepared to accept offers before auction?

"You can also ask the agent how long the property has been on the market," says Cronin. "If it has been longer than two months, the vendor may be willing to accept a lower price. After that time, a property can become stale."

### Offer a reasonable price

There is no rule of thumb, but you need to find out what has already been offered – or rejected – in terms of price. For example, if the agent has already rejected an offer of \$350,000, there is no real point in offering \$340,000.

"If your offers are too low, the agent will look at you as a time-waster and will not return your calls," says Scott Durrant, director of Successful Ways. "It is better first to work out what the recent properties have sold for, what offers have already been made, and also what the agent thinks the property is worth. Combine this with the length of time it has been on the market and the vendor's motivation for selling, and you should be able to come up with a starting offer," he says.

### Strengthen your negotiating position

1. Remember that the agent is working for the vendor, not you. It is important that you keep your cards close to your chest and never disclose your budget, income or the maximum you are willing to spend.
2. Never display emotions or make positive comments as you inspect the property. "Always ensure that the agent is aware that you have at least one other property that suits your requirements that you are also considering," says Cronin.
3. Be firm and clear with your agent about what type of house you want, and hold your ground when it comes to price.
4. Don't believe everything you are told by the selling agent. "An agent might

say that someone is coming back for a second inspection," says Cronin. "Sometimes an agent will say the vendor isn't willing to accept an offer below a certain amount. As a buyer, it is difficult to know if what is being said is the truth."

5. Remember that an agent is trying to close a sale. "There are some agents out there who will exaggerate the truth to close the deal, so use your judgment," says Pepper.
6. Don't let the agent influence your decision with unsubstantiated claims that the market is strong or other buyers are interested.
7. Let the agent know that you are serious about buying by having your finances pre-approved. 🏠



### Issues to consider when negotiating a property deal

- Know the market value of the property
- Find out the vendor's motivation
- Assess the personality of the real estate agent
- Check out what other properties have sold for in the area or building
- Keep emotions out of the equation
- Determine what terms and conditions you and the vendor require on the contract
- Have a walk-away figure in your head
- Have a strategy in place before negotiations proceed
- Buy smart – you make your profit when you buy

Source: Julie-Ann Cronin, The Home Straight