

MOSS

THE RESIDENTIAL

Issue 3

Genuine Buyers or Lookers?

In my many years of selling real estate a question I commonly ask to prospective sellers is...

When selling your home would you prefer that I show your property to genuine buyers, “lookers” or both?

Each time the response is, “genuine buyers”.

One of the primary roles of an estate agent is to attract genuine buyers to the property, a principle that our agency holds strongly when selling homes.

In the real estate industry this is not always the case. Estate agents are allowing “lookers” to inspect properties of which they have no intention of purchasing. Agents have found ways to use this to their advantage.

To the untrained eye a “looker” can be mistaken as a

buyer and the more of them who inspect a property the more pro-active the agent is perceived to be in the eyes of the seller.

“Lookers” do not buy property.

They are simply gauging market prices, getting ideas for renovations or are curious neighbours.

“Lookers” can give sellers false hope thinking there is a great deal of interest in their property, the more “lookers” you have the less likely the chance of getting the highest price.

It is usually the “lookers” who are outspoken and critical of a property during an open inspection which can have a negative impact on genuine buyers, thus lowering the value of the property.

It is far better to show your property only to genuine buyers. In order achieve this you should appoint an agent who qualifies buyers and conducts inspections by appointment only.



Appraisal or Valuation?

When asked to price a property an agent has an opportunity to impress the home seller in order to obtain the business.

It is common to obtain a number of opinions from numerous agents as to the likely sale price of a property, at times these opinions may vary greatly.

So what to believe?

The real estate world is filled with stories of agents promising sellers a price for their property well above its market worth then spending the majority of their selling period educating/conditioning the seller's expectations to the true market worth.

As a home owner we all want to believe our home is worth more, that's why the "improbable lie" is so powerful and tempting.

Unfortunately such price is rarely achieved.

Purchasing a property prior to selling based on the improbable lie can put home sellers at a high financial risk.

The initial change over price between purchasing and selling may vary significantly should the home sell for far less than the agent's initial opinion. There is very little a home seller can do.

The agent's opinion is not legally binding and simply only an opinion. There is very little recourse for the home seller should they find themselves in that position.

Where there is doubt as to the accuracy of the agent's opinion of value, one should appoint an independent valuer to conduct a sworn valuation of the property.

A valuation can only be conducted by a certified valuer, one who has completed the prescribed education course and are qualified to perform the task of valuing property.

More importantly a valuer has no financial gain in the sale of a property and their opinion can be legally binding.



Rejecting the First Offer

High offers often come early during the selling process, however owners will often hold out in the hopes of a better deal coming along. Sellers can be lulled into a false sense of security making the assumption that a good offer in the early stages of selling can mean an even better offer will come once more people have viewed their property. Unfortunately, holding out for a better price generally leads to price discounts and lower eventual sale price.

To understand why good offers often come early during the selling process, it's important to place yourself in the position of the buyer and consider the journey that they have been on. Reasonable or above market offers often come from a 'heart buyer'. A 'heart buyer' will fall into one of two categories: either they have been searching for their dream property for months on end or they have stumbled across your property and have impulsively decided they need it. In both

situations, the buyer has fallen in love with your property and their emotions have paved the way for providing a reasonable offer.

It is crucial to understand that 'heart buyers' are highly motivated. They recognise the value your property can provide them and they move quickly to secure their dream home. Therefore, when such offers arise, it is important not to automatically dismiss the offer on the hope that an even better one will come along. Remember, there are rarely buyers that are motivated enough to offer a good price from the very beginning yet there are plenty of buyers who are happy to sit around and wait for the price to drop.

Give careful consideration before accepting or rejecting early offers. This is when having a trusted agent can come in handy – they will be able to provide advice on whether they think this is the highest the buyer is willing to pay and whether the offer is comparative to the price that similar properties have sold for in your area.

Message from Tom

Welcome to the latest issue of The Residential.

We hope you find this edition's contributions informative and helpful.

Our articles reflect our years of real estate experience, understanding best practice negotiations and our commitment to "always putting our clients' interests first".

Our team are here to guide you successfully through all types of real estate transactions.

Follow us on Facebook for similar articles and featured properties.

Enjoy your reading.

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