

REAL ESTATE
MYTHS BUSTED
**CHOOSING
AN AGENT**



Are you considering selling your home?

Usually, the first step is to select a real estate agent to manage the sale process.

However, before you get too far through the selection process, you should note that there are a number of real estate myths and misconceptions that may lead you to make the wrong choice.

To help you through the sales journey, we've put together this short report, which examines what you really must know before choosing a real estate agent.

We follow up that analysis with a review of the attributes you should look for when you're going through the process of selecting the right agent to sell your property.



This special report has been prepared by UP REAL ESTATE

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THE MYTH : MASSIVE BUYER LISTS

There's a mistaken belief – a myth, if you will – that there are massive lists of eager real estate buyers, just waiting for your property. Those magical buyers, so the legend goes, will respond eagerly to any new property offered to them.

SORRY, IT'S JUST AN URBAN LEGEND

Alas, the truth is far more prosaic. Yes, large lists may well exist which have been accumulated over a number of years. Unfortunately, those lists are just lists of people, not guaranteed property buyers. Some statistics, and a little common sense, should demonstrate the point.

THEY'VE ALREADY BOUGHT

Perhaps the biggest problem with the notion of a massive Buyers' List is that many if not most of the people on that list are likely to have already purchased a property. The lists are typically gathered from past & present clients, open home attendees and all the other enquirers who reach out for information – in other words, those looking for a house at the time..

The only valid buyers' lists are of those who are actively looking for a home right now, in your area. These are inevitably small lists, constantly updated by agents who are on the spot locally

LISTS DECAY

Unfortunately for anyone who compiles lists of addresses, phone numbers or emails, people move on without notice. Unless the lists are constantly maintained and kept up-to-date, they simply die from neglect.

On average* 2% of an email list gets outdated every month because people change email addresses, jobs, organisations, etc. On an annual basis, 25% of email addresses cease to function. Physical address changes show very similar patterns. According to NZ Post, 400,000 Kiwi households move every year – around 25% of the population.

JUST 13% ARE ACTIVELY LOOKING

According to CoreLogic's New Zealand Property Survey (September 2015), only 13% of Kiwis are actively looking for a property to purchase. A further 20% had recently bought, leaving the vast majority, 67%, neither looking nor buying.

ACTUALLY, YOU DON'T WANT OFFERS FROM A PRIVATE LIST ANYWAY

If you're a buyer, sure it's great to have preferential access to properties about to come on the market, so you can grab a bargain before anyone else finds out, If you're a seller, on the other hand, you want as many people as possible to be aware of your property. If you're selling by auction or tender, the more people who know, the better. Forget the idea of a private buyers' list, it's bad news.

MASSIVE BUYERS' LIST?

MYTH DEBUNKED.

THE MYTH : POWERFUL NETWORKS

The next pervasive myth is that of large, powerful networks. The implication is that such networks help to spread the word about your property far and wide.

SORRY, ANOTHER LEGEND BUSTED

Alas, this myth fails on two counts, both based on hard, cold facts.

HOW BUYERS DISCOVER YOU

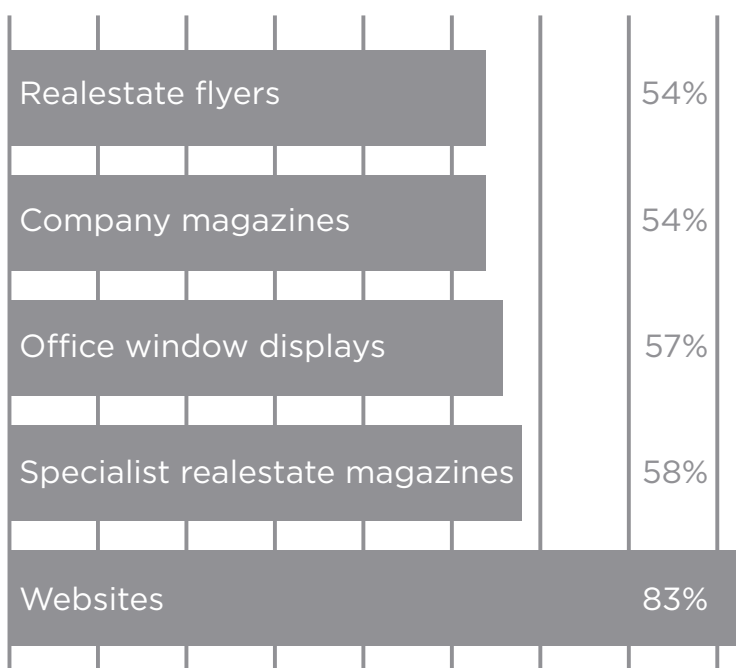
How do prospective buyers actually find out about properties? Not from any networks, according to the Nielsen 2015 Real Estate Report, which identified the most popular resources consulted for real estate research: Which websites? Trade Me Property dominates with 86%, followed by the industry's realestate.co.nz, 52% (Nielsen). The Internet is not very respectful of massive networks – there's no need to talk to a local office about some remote property when the

information is freely available online to anyone anywhere.

LOCATION, LOCATION

And the second factor? That old real estate mantra, Location. According to CoreLogic's New Zealand Property Survey (September 2015), 58% of Kiwis felt that local amenities were "very important" or "essential" when making the decision to buy. Commuting time was the second most cited factor.

Sadly for the networks, out-of-suburb or out-of-town offices cannot offer much in the way of informed comment on local amenities or commutes, except of course within their own catchment areas.



LARGE NETWORKS?

NOT SO MUCH.

HOW DO
YOU DECIDE
**WHICH AGENT IS
RIGHT FOR YOU?**



CHOOSING AN AGENT

SO, IF YOU CAN'T
RELY ON MASSIVE
LISTS OF BUYERS AND
EXTENSIVE NETWORKS,
HOW DO YOU CHOOSE
AN AGENT?
**WHAT SHOULD YOU BE
LOOKING FOR?**

5 ATTRIBUTES OF GREAT AGENTS

We've identified five ways in which great agents stand out:

1. Great agents understand your needs.
2. Great agents communicate, regularly and effectively.
3. Great agents are true experts in their neighbourhood.
4. Great agents get things done.
5. Great agents understand the best ways to market your property.

Now read on as we explore each of those attributes in more detail.

1. GREAT AGENTS UNDERSTAND YOUR UNIQUE NEEDS

GREAT AGENTS LISTEN

First and foremost, great agents will start by listening to your needs. A great agent should be asking all the questions, not the other way around. How can any agent propose the solution that's right for you, if they haven't asked about, and don't understand, your goals or specific requirements?

UNDERSTANDING WHY

An effective agent will want to know exactly why you wish to sell your property. The motivations behind such a decision can usually have a big impact on what you expect during the selling process.

For example, a client who is selling one of several investment properties will have very different needs to a client selling a much-loved family home.

TELL YOU WHAT YOUR PROPERTY IS REALLY WORTH

It's only natural for a property seller to begin the sales process with certain expectations, particularly around pricing. A good agent will, early in the relationship, attempt to identify and if necessary moderate your expectations.

A great agent will tell you how much you can realistically expect for your property, not merely tell you what you want to hear. You should receive an honest appraisal based on current prices for houses like yours, in your area, supported by the latest market data.

Whatever the market, a great agent will point out that an overpriced house simply

won't sell quickly. And houses that linger for months quickly lose their appeal and their value.

FOCUSSED ON YOU

The most effective agents only work with a limited number of clients. They know that they only have a limited amount of time, attention and energy to go round, so opting for a select list of clients is their best option to give each client the attention they deserve.

TIMING

Time pressures can be one of the more significant issues in the property selling process. The agent needs to know if you are in a hurry to sell, for example if you have already placed an offer on another property. If you need to settle soon, the agent needs to take this into account when planning a sales campaign and must work to a tighter timetable.

GUIDING YOUR SELLING OPTIONS

Highly effective real estate agents will take you through the available sales methods – typically Auctions, Tenders, Expressions of Interest or Private Treaties – and recommend the most suitable alternative for you, based on your current circumstances and prevailing market trends.

Those recommendations will be supported with the latest report on market conditions so that you have the necessary facts to guide you in your decisions.

2. GREAT AGENTS COMMUNICATE

KEEPING IN TOUCH

You might reasonably expect to be contacted regularly by an agent who is representing your interests in a transaction totalling many hundreds of thousands, if not millions, of dollars. Sadly, that's not always the case. Even agents who are otherwise excellent can fall into this trap: what seems like insignificant information to an agent who's been in the business for years can be really important to clients who are new to the real estate game.

TAILORED TO YOUR NEEDS

Selling a property can be a highly stressful endeavour, and the most effective agents stay in constant communication with those clients who need ongoing reassurance, keeping them informed and enthused and soothing any fears. On the other hand, if you're a seasoned seller (for example, a multi-property investor) a good agent will establish that fact upfront and only report when results warrant.

COMMUNICATION STYLES

People have different communications preferences and a good agent will communicate in the style each client prefers. Some clients want phone calls, others are happy with email and there are those who prefer texts, Facebook messages or WhatsApp. It's the agent's responsibility to determine what works best to you and communicate accordingly

LIGHTNING SPEED

The best agents return calls and emails fast. It can be desperately frustrating for

nervous sellers to leave messages but receive no response. Effective agents demonstrate how important their clients are, by responding as quickly as possible.

EXPLAINING

Successful agents explain their processes throughout the sales journey, particularly to new sellers. At the beginning, they might explain exactly what the client should expect, identify potential roadblocks and spell out possible scenarios. When engagement begins with hot prospects, great agents keep their clients fully informed about the current status of negotiations, possible strategies and likely outcomes.

DON'T EXPECT CONSTANT FEEDBACK

One thing that effective agents shouldn't do is over-communicate. Don't expect them to report back to you after every showing or to provide regular updates on "not much happening" - that's just wasting time that could otherwise be spent selling on your behalf. What you should expect, however, is prompt feedback if there are negative comments, particularly around your property's price or condition. If you know about the issues raised, then you will be in a position to do something about those issues.

3. THEY REALLY KNOW THE AREA

NEIGHBOURHOOD EXPERTS

Top agents really know their neighbourhoods. Ask a question about the street and they will be able to tell you what's on the market, what sold recently and how the street values compare with other streets in the area. Dealing with an agent who is an up-to-date neighbourhood expert can also be especially important to ensure you get maximum value for your property. For example, they can advise you not to over-invest in improvements that will not provide adequate returns because of the average values of properties in your area. Being advised by an agent who is a true neighbourhood expert is especially important in areas where small differences in emphasis on local features can raise or lower the value of a property by tens of thousands of dollars.

LOCAL AMENITIES

As we noted earlier, research shows that the amenities available in a particular location are the largest single factor impacting property purchasing decisions. Great agents will have an encyclopaedic knowledge of exactly which amenities are in close proximity to your property and which are relevant to the types of potential purchasers who might be interested in your home. The best agents will also spend time interviewing you, if you have been occupying the property for a reasonable period of time, to gather any additional insights into local attractions that might be important to likely buyers.

OTHER KEY LOCAL KNOWLEDGE

Great agents should know even more about your neighbourhood, including:

The time it takes to commute at rush hours from your property to the places where people commonly work.

Public transport options.

Proximity to motorways.

Noise levels.

Schools and school zoning.

Recent capital gains in your area.

The presence of nearby facilities, such as:

Shopping centres.

Medical and dental facilities.

Sports facilities.

Churches.

Parks and public spaces.

Community resources.

Each of these may have an effect (either positive or negative) on the perceived value of your property.

4. GREAT AGENTS JUST GET THINGS DONE

HIGHLY ORGANISED

Agents who are well organised and pay great attention to detail can be your greatest asset when you are selling your home. Sometimes the tiniest details can have a dramatic impact on the marketability of a property. The best agents have carefully developed procedures and processes that ensure they can devote their attention to the extra touches that can really matter.

POWERFUL NEGOTIATORS

Great agents negotiate effectively and, at your instruction, aggressively to achieve the best possible price and terms on your behalf. A skilful negotiator committed to your interests can often increase the final sales price significantly.

GREAT NETWORKERS

The top real estate agents are highly accomplished at building relationships with people across all walks of life. They are the class of people that author Malcolm Gladwell described as connectors (in his book “The Tipping Point”). Not only that but, for many, connecting with people is a passion rather than an obligation. They have a natural ability to relate easily to people, coupled with a genuine interest. It’s a powerful combination for any salesperson. Great agents are not just connected to potential buyers and sellers. They’ve built relationships with professional partners as well – contractors, home inspectors, lenders, insurance providers and the like. The relationships are genuine – but so are the services that such partners can offer to the agent’s clients.

DECISION-ENABLERS

Effective agents will not push you to make decisions a certain way, nor will they make decisions for you. Instead, they will provide you with all the background, options and strategies that you need to make an informed decision.

PROBLEM-SOLVERS

Great agents recognise that issues will inevitably arise during the selling process and they are well-prepared to come up with practical, creative solutions to those problems. Effective agents know what can (and often will) go wrong – and know how to get things back on track. They know that having an accepted offer to purchase is only the first step on the journey, with plenty more to achieve before final settlement. The best agents work with all parties to make certain that the various elements are proceeding according to plan and they will do whatever is necessary to ensure that closing occurs when it is scheduled, with every task completed properly.

THEY HAVE “THE RIGHT STUFF”

Great agents should exhibit a number of outstanding personal characteristics as well. Expect them to be:

Highly motivated self-starters.

Hard-working.

Honest and trustworthy.

Very proactive.

Tenacious in their efforts.

Aggressive yet polite.

Creative.

Extremely well-informed about current market conditions and trends.

5. THEY REALLY KNOW HOW BEST TO MARKET YOUR PROPERTY

TELLING YOUR STORY

If you want your marketing to be distinctive and allow your home to stand out from the thousands of other properties on sale, then you need to start with a story. Effective agents dig deep to discover the unique story of each individual property that they represent. Don't get trapped into thinking that every house is largely the same. Each property has its own story and it's that connection with the past that will help shape your home's sales potential.

THE POWER OF PICTURES

Look for agents who understand the importance of compelling images and give unreasonable attention to design and photography. According to recent research, our brains process images 60,000 times faster than text so how your property looks in your marketing is far, far more important than any words that might accompany those images.

CALLS TO ACTION

Effective agents recognise that advertising is just the first step in an engagement process, so any marketing should be designed to generate enquiries, not just provide a property description. That's why every advertisement should include a Call To Action. If your advertising is not encouraging potential purchasers to make contact with your agent, then it's just not working.

GONE DIGITAL

It's a digital world. As we've already seen, the Internet is the first port of call these days for property buyers - so that's where sellers need to be, before they show up anywhere else. An effective agent will recommend a mix of marketing that starts with featured listings on NZ's two most important real estate websites, Trade Me Property and RealEstate.co.nz.

RELENTLESSLY LOCAL

After digital, the next most important territory to stake out is your local area. The best agents will recommend signage outside your property, inviting passersby to take a closer look. Such signage should include just enough information to encourage prospective purchasers to make contact, to sell the sizzle without telling the whole story. Leave that to your agent.

Another effective strategy that leading agents may recommend: creating a card or flyer for delivery in the general area surrounding your home. According to Statistics New Zealand data*, 30% of people who moved within New Zealand stayed within 10 km of their previous residence. They just might include your best prospects.

THINK DIFFERENT

Beyond those basics, you should expect the best agents to suggest a range of highly creative options that will get your property noticed. That's the whole idea.

WHAT YOU SHOULD DO NEXT

CREATE A SHORTLIST

We've told you what should expect from effective real estate agents. Now it's time to get serious and create a shortlist. If you've been considering selling your property for a little while, you may have already begun to collect names of possible candidates. Note them down, add in any others as you come across them and then look back over the five agent attributes we've already discussed.

From what you already know about those candidates, how do they measure up so far? Scratch off any agents who fail the first step, then move on.

GET REFERENCES

Ask your shortlisted agents for a contact list of their last twenty clients. Great agents will be more than happy to have you talk to any clients, while less stellar agents will resist and want you to talk only to hand-picked happy customers. You know what to do.

Once you have the agents' client lists, make a few phone calls and ask their past clients about their experience. Refine your shortlist as a result.

GET A PROPOSAL

By now you should be down to a shortlist of manageable dimensions. Now it's time to request a proposal from the surviving agents. A word of warning: to get the most effective proposals, you'll need to allow plenty of time for the agents to interview you and gather the necessary information. Don't skimp on this step or you'll end up disappointed with the outcomes.

THE PROPOSALS

The proposals you receive should include:

The latest report on the current state of the market

Recommendations as to the estimated worth of your home, based on recent sales and other relevant criteria.

Recommendations as to the best method of selling your home in current conditions.

Marketing options and recommendations, including costs.

Estimated commission fee and fee structure.

Any pertinent options about prospective buyers.

Profile of the proposed agent, including recent sales record and testimonials.

Profile of the real estate agency, where relevant.

ASK QUESTIONS

Once you have all this information, reassess each proposal against the attributes we have covered in this report. If what you need to know isn't included in the proposal, ask the agent the appropriate questions.

The two most important questions of all are those you should ask yourself before you commit to any relationship with an agent.

Do I think this agent will do a good job selling my home?

Am I comfortable working with this person to achieve this goal?

OUR AGENTS
WOULD WELCOME
YOUR INVITATION
**TO SUBMIT THEIR
CREDENTIALS**

OUR STORY

REAL ESTATE REDEFINED

In 1995 Barry Thom & Grant Lynch created Unlimited Potential with a firm belief that there was a better way. Their new approach introduced a fundamental change to the prevailing idea of what defines success in real estate, with the focus being the quality of each customer's experience ahead of quantity of sales. As Barry and Grant note:

BIGGER IS NOT BETTER

“The reasons that inspired the creation of UP are the same reasons that are driving us today. We'd both worked in large real estate operations and seen that bigger was not necessarily better for the homeowner. Every vendor's situation is different and every property is different. We believe the only way to consistently provide exceptional service is to focus on a limited number of customers at a time.

HONESTY, TRUST AND TEAMWORK

“Our company is founded on honesty, trust and teamwork. You can expect our people to listen carefully before they create an approach to selling built around your preferences. It's about developing a high-quality bespoke solution that leaves nothing to chance.

IF WE CAN BE OF ASSISTANCE

Please contact one of our offices below:

REMUERA

(09) 529 1478

info@uprealestate.co.nz

www.uprealestate.co.nz

MT EDEN

(09) 631 5538

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HERNE BAY

(09) 361 6658

hernebay@uprealestate.co.nz



MARKET SHARE NOT A PRIORITY

“As owners, we are committed to leading a great company not a big one. So market share is not our first priority. We imagine our top priority mirrors yours - to get the best possible price for your home in a way that feels right for you.”