



How to
Sell & Buy

Without
Agents

How to Sell & Buy Without Agents

by
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IN THOUSANDS OF CASES, sellers and buyers would be better off if they bought and sold without agents. They would save the huge commissions, they would avoid the unnecessary expenses of advertising and they would avoid the trauma caused by agents and their socially harmful methods.

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In the United States, almost 20 percent of homes are sold without agents. But in Australia and New Zealand that figure is around two percent. However, real estate consumers are starting to realise how easy it is to sell and buy without agents.

The real estate industry has the public bluffed. It has created a myth that real estate is complicated. But it's only the tricks that are complicated. Buying or selling honestly is easy. Despite the official industry line that agents are highly skilled professionals, there is no special skill to what most real estate salespeople do.

One industry representative said that sellers who tried to sell without an agent were "guaranteed to lose money". The opposite would be more truthful. Another senior real estate figure compared selling your own home with "pulling your own teeth" and said, "I prefer to go to the dentist, thank you." To compare selling real estate with performing dental surgery is misleading. It is aimed at fostering the myth that selling real estate is best done by agents. This is nonsense.

If you have ever met an agent and thought you could do better yourself, you are probably right. It's not hard. If there is no agent in your area worth hiring, here's how you sell your own home.

SELLING WITHOUT AN AGENT

Your first step is to speak with a solicitor of your own choice who will show you how to comply with the real estate laws. You may need documents prepared before you offer your home for sale. Let your solicitor take care of the legal side while you focus on the selling side.

You will have to calculate a fair asking price. Check the recent sale prices in your area, but remember that many homes – especially those sold by incompetent agents – have been undersold.

Hire an independent and reputable valuer who is not connected with an agent in your area. Explain why you want a valuation. Unlike real estate salespeople, valuers have spent years studying their profession. Their record of accuracy is much better than many agents.

Next, you should get a building and pest inspection report. It is prudent to be prepared for anything the buyers may discover. Many buyers will want such reports. Having a recent report will enable you to honestly explain the structural condition of your home. Be frank about any faults with your home. Honesty is the foundation of successful negotiation.

Make a list of your home's features and the benefits of your area. You can give copies to interested buyers. Include as much

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information as possible. A feature you think unimportant could create a sale for you. One home seller wrote a five page essay called *'Why we love our home'*. It included all the features of her home, the benefits of the area plus a history of the home. It was beautiful.

Once you have chosen your Asking Price, you need a strategy for working with buyers. Be serious about selling and be fair. All you want is the best market price. You should set a goal to sell within a time range. Make it flexible because you don't want to be locked in to a set date, as happens with auctions. Three to five weeks is usually all you need. Often it is much less. Just be careful your home does not become stale through being for sale for too long or from being over-advertised.

The buyers who want to buy in your area will come to your area before they buy. Some will already be living in the area.

Here are three excellent ways to attract genuine buyers.

First, have a professionally made sign with simple information and colours. For instance use a light blue colour with white letters which say, *Home For Sale – Call Owner*. And then state your phone number. That's all you need. A sign is very effective. The buyers who call will have seen your home from the outside which means they are interested in the home and its location.

The second way to attract buyers is advertising. There is a big difference between your advertising and that done by most agents. Your advertising has one purpose – to attract a buyer. You are not advertising to increase your profile or to ‘condition’ yourself down in price. You want to attract the right buyers. You only have one home, so you cannot switch buyers to other homes. Although agents can sell homes without placing specific advertisements, it is hard for you to do the same.

Other than from the sign, buyers seldom come to your door. You have to do something agents rarely do – sell a specific home from a specific advertisement.

There are always buyers in your area. Most will be known to the agents. You can attract many of these buyers with your advertisement (usually in your local paper). However, you must be very careful not to damage the value of your home with advertising. Your advertising has to be short, sharp and clear.

The big secret to protecting the value of your home is *not to identify* it in an advertisement. You do not want anyone thinking there is something wrong with your home. Remember, stale homes get lower prices. A home which is fresh gets the most attention and almost always the best price.

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Use a 'text', not a pictorial advertisement. Your aim is to attract buyers. Do not try to "sell" your home in the advertisement. Just state the main facts in a clear manner. And never exaggerate or use any form of 'puffery'. You want buyers to be delighted when they see your home, not disappointed.

The main facts to include are the price, the style of home, the size of the home, the number of bedrooms and its location. You should also include the words "*want to sell soon for best offer*". This creates a sense of urgency and seriousness. It also allows you to explain to buyers that if there is more than one buyer interested you will sell to the buyer who pays the best price (or the buyer you choose).

Your advertisement must be easy to see. Book it for three weeks. If you decide to sell sooner, you can cancel the advertisements.

The third way to find buyers is to produce your advertisement as a flyer to be distributed in your area.

Do any of these three things and you will attract buyers. And then, all you have to do is speak with the buyers and show them your home. You can negotiate the best price and your home is sold.

It's a lot easier than you may think.

How to Negotiate with the Buyers

When buyers call, their first question is usually, "Is the house still for sale?" If you say yes, it may create the impression that other buyers have rejected your home. So just say, "At the moment it is, yes." This infers, rightly, that you expect to sell.

Some callers will just want to come for a look. But first, you must do some basic qualifying. It saves your time and theirs. Just ask, "What sort of home are you looking for?" Let them tell you.

Or, if they ask you to describe your home, always end with the question, "Does this sound what you are looking for?" And then say, "When do you hope to buy?" This lets you know if they are able to buy now. It tells you if you are dealing with a looker or a buyer.

Some people have to sell a home before they can buy. Others have to arrange finance. There is nothing worse than showing your home to someone who wants to buy it and then you have to wait while they get organised. You need buyers who can buy now.

Never discuss offers with buyers before they see your home. Some will be quite blunt on the phone, saying such things as, "Will you take an offer?" Your reply should always be, "Why don't you look at it before we talk about price?"

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Be courteous. Try to speak with a smile when you get a blunt question. Deflect hard questions by saying, "I have to talk to my partner [or advisor] about that."

Be careful with investors and bargain hunters. The best paying buyers are usually those who want a family home. They are more interested in finding the right home than in talking you down in price.

To identify all buyers before they inspect your home, just say, "What is your name?"

And then add, "And your phone number?"

Never let anyone into your home unless you know who they are. If you don't get a good feeling about someone, just say, "What's your number, I'll call you back shortly."

You should never have an 'open-inspection' where anyone can wander through, but you should try to have inspections around the same times, so that you aren't stuck at home all day.

If you have enough calls, make the appointments half an hour apart. Some may overlap, but this doesn't matter. The sight of another genuine buyer may increase the desire of those who like your home. But never fill your home with people. Two sets of buyers – one leaving and one arriving – is enough.

When showing people through your home, don't crowd them. Give them 'space'. And don't point out the obvious, such as, "This is the kitchen." The best thing to say is, "Have a look around. If you have any questions, let me know." And *never* act desperate (even if you are).

When they have finished looking, if they like it, they will tell you. If they don't want to buy, they will be anxious to leave. Just thank them for coming. There is no magic trick to selling real estate.

Agents don't sell homes to buyers that don't like the homes. They just show more homes. You only have one home, so just smile and say, Goodbye.

If too many buyers are not interested, find out why. Call some of them later and ask for their help. Say, "I know our home is not what you are looking for, but from what you've seen in the area, I was wondering if you had any advice for us." People are much more likely to be frank over the phone than in person. Listen to what they say. If you get many similar comments, you will know the problem you face. It may be the price.

Those who like your home will respond in different ways. Some will come straight out and make you an offer. They may say, "OK, what's your last price?" Just smile and say,

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"What's your best price?" But then quickly say, "Look, we are expecting some more people, so why don't you think about it and give us a call later on?" The phrase "expecting more people" is always the truth.

By telling the buyers to "think about it", you are doing the opposite to what they may expect. Be sincere. The less you push them, the more interested they become. If it is a good home at a fair price, it will sell itself. Sure, you may get some price haggling, but the way to handle this is to say, "We are expecting more buyers and we are going to sell to the buyers who give us the best offer."

Mention your time frame, saying you hope to sell around a certain date. Don't lock yourself in to a set date. Be flexible – just in case.

Some buyers may ask you to 'hold' the home for them. While this is tempting, it can trap you. If you 'hold' the home for someone and then, later, they change their minds, you will have wasted valuable time; and turned away other more genuine buyers. It is only fair that the buyers who look at your home are in a position to buy now.

If the buyers offer to buy at the full asking price, your decision must be based on how many people have seen your home. If they are the first buyers, they could be the best buyers you will ever get, or perhaps other buyers could

pay more. How do you know? Without having a good agent to advise you, here's what you might do. Say, "We are expecting more people and we want to see as many as possible and see how much they offer." This will certainly test the sincerity of the buyers. However, it could be dangerous. You may lose these buyers and have to accept a lower price later.

Use your judgment. Rely on your assessment of people. If they seem nice and appear genuine and you are happy to sell now at the price you are asking, then proceed. But with caution. Say, "I don't want to promise you anything, because nothing can really be certain until it all becomes legal." To further test their sincerity, you may add, "What if you find a home you like more than this one, or if we find a buyer who wants to pay more?"

Don't accept any money and **Don't Sign Anything**. Try not to be rushed and always speak to your partner (or advisor). Get independent legal advice *before* you make a final decision. Tell the buyers that you have to speak with your solicitor (or whomever). Ask for their full details including the name of their solicitor or conveyancer.

And then say, "Let's let the legal people work out all the details."

Spend time with people once they are interested. Make them comfortable. Sit with

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them (in the best spot in the house). Be polite, they may be as nervous and concerned as you. Remember too, that if buyers really like your home, the price will rarely stop them buying. They knew the price before they came to your home, so they can't say they can't afford it.

If they say your home is more expensive than others, don't be offended. And don't say, "Well, why didn't you buy one of the others?" Just smile and say, "That's because we think it's better than the others. We hope you agree with us."

If they want to make you a "firm offer", ask for it in writing. Do not make an instant decision. Say you will consider all offers in writing and sell to the person with the best offer. It is okay to ask them to declare their best offer.

If you have spent many years in your home, if it is a "loved" home, tell them how much you love it; tell them how and why you first fell in love with your home. If it's true, you can say, "We know how you feel. We looked at lots of houses before this one. And we have never regretted buying it."

Tell them all the good things about your home and the area. Don't be afraid to share your enthusiasm for your home. Natural passion is a great persuader. Selling is often called the "transference of enthusiasm." Be confidently and calmly enthusiastic about your home.

Private Sale Companies

Private Sale companies will show you "how to save thousands selling your own home". For a fee, of course. They will compare their fee with an agent's fee, point to the difference and ask you to pay them. In advance. But if your home does not sell, you lose. Worse, you may then have to go to an agent which means you will pay twice.

Like any company that wants your money, ask yourself, "What do I get for the money I pay?" Typically, you get a For Sale sign, some letterbox flyers and an Internet advertisement. About \$150 of value. All for an up-front fee of about \$1,500. You still have to spend money advertising.

Many private sale companies claim "sales success rate" of more than 90 per cent. It sounds impressive. But the question most sellers don't ask is, "Why do they want fees in advance?" At the very least, they should offer a guarantee. Based on their claimed success rate, if they gave a guarantee they would rarely have to refund their fees. As with agent, don't consider a private sale company unless you receive a guarantee on your terms.

One of the golden rules of selling a home is **never pay any money in advance** for any reason. All fees and commissions must come from the sale of your home, not before.

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BUYING WITHOUT AN AGENT

Most homes are sold with agents. It seems as if the agents have control. The secret is to find a home before the sellers sign with an agent. It is so simple, it's hard for many buyers to accept.

All you do is go to the area of your choice, select the streets you prefer and contact the owners. You can place flyers in letterboxes. Or, for a small fee, the Post Office will do it for you. If you're really determined, you can knock on every door in the areas of your choice. That's how some agents find homes for sale. You can do it too. It beats spending months chasing incompetent agents who rarely call you back. It beats trudging around open inspections, listening to agents giving you false quotes about the selling prices.

David lives in Canberra. He says it is easy to buy and sell without agents. "When we arrived here, we just walked around and put notes in letterboxes of houses that we liked and said if you are interested, please ring us." It worked.

"When we sell, we just advertise in the paper and sell without agents. I'm not putting agents down, no, some people need them; but if you keep your head and think about what you are doing, anyone can sell and buy their

own home without the help of an agent," he said. It's certainly worth a try if you can't find a good agent.

Three People

Three different people can sell your home. A competent agent. You. And, finally, an incompetent agent. You have to choose the person who will do the best for you. If that's you, choose yourself. You should start by looking for a competent agent. If you can't find one, consider selling with no agent.

If you do choose an agent, **Don't Sign Anything** unless the agent guarantees *in writing* that you will be safe from the common tricks and traps of real estate. If you are prepared to stand up to agents and insist on your basic rights, you can take control. It is better to insist that an agent does the right thing than to suffer when an agent does the wrong thing.

Whether you are buying or selling, a good agent is always your best option. Your second option is to do it yourself. If that doesn't work, you can deal with other agents. When you know how to recognise the tricks and traps of real estate – you can protect yourself.

Don't Sign Anything unless you are sure you are safe. Your home represents most of your wealth. Be careful and you will enjoy selling or

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buying. You will get the right price and the right home. You may enjoy it so much that, one day, you might decide to invest in real estate.

And then you'll have to avoid some of the most dangerous traps in real estate.

This is a brief **EXTRACT**
from Chapter Nine of the book,

Don't Sign Anything!
– *How to protect yourself from
the tricks and traps of real estate.*

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