

Lesson 1.7

About Agents

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Lesson time: 3min 25sec.

Key Takeaways:

1. What is a real estate agent, and what is their relationship to the buyer?
2. The things every buyer needs to watch out for when dealing with an agent.
3. What motivates agents, and why it's not in the buyer's interest.

It's important that you understand before you even attend your first open house or auction, that **the real estate agent is not your friend**. They're a necessary part of the process when buying property and can be a useful resource, but they're not there for you, don't lose sight of that. If you do, you'll either end up paying an emotional premium, or your offers will be played off against other buyers and you may miss out.

It's a common misconception, and indeed, agents are successful because of their ability to seem like they're everyone's ally. Many buyers that come through our doors tell us that their agent is "so nice to them," and is "really looking out for them." We then need to spend some time coaching them back to realise what the agent is doing - conditioning them!

We don't say any of this to be negative or critical of agents. They're doing their job and if they're good at it (and you should do your best to make sure you only deal with good agents), then they are going to help you find and secure the dream property. Just remember that they've been employed by the property seller (not you), and both the seller, and the agent themselves, benefit from extracting the highest price as possible from the buyer.

Or to put this more bluntly, because it will highlight where the agent's priorities are: they're earning a commission on the property you're negotiating to buy, the higher the sale, the more they pocket.

A good agent is a great salesperson, and having spent 25 years as a successful agent myself, before starting Hello Haus, I can tell you the key saying in the industry is to "always be closing, ALWAYS."

What you need to be aware of, then, is that not only will the agent be trying to maximise the sale price, but they'll also be looking to get you to sign a contract in the shortest time possible.

Again, this is not to attack real estate agents. They're there to convince you to buy and represent their seller. They also only get paid if they make sales. That's their job, and if you understand their role in the buying process you can start to seek out ways for them to be beneficial to your buying journey by extracting as much knowledge as you can. However, you must always keep in mind that no matter how friendly and genuine the agent seems, they're not on your side. Once you realise that, you can enter negotiations from a more objective and less emotional perspective.

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Real estate agents make it their life's work to ensure the buying process for purchasers is as smooth as possible resulting in a happy seller and happy buyer. That is admirable, and if everyone's happy then it's a good transaction. However, buyers do need to know that however easy the agent may make the process, they are focused on the outcome that suits their narrative the entire time, and if they're too trusting of the agent, they might well find themselves the only one unhappy with the end result.

Key Reminders

The ease of online research gives buyers a false sense of confidence they are ready to transact - no matter how savvy you've become by being thoroughly researched about the market, you will never take control of the selling process from the selling agent or in most cases out-negotiate them. Good agents are trained to **make you pay an emotional premium** and also protract the process so they are in the market longer, attracting more competition to the listing.

Use them to find what you want and then hand off to Hello Haus to insulate you from the agent games... and remember, say very little - **less is best**, because anything you say will be used at a later date against you. You need to be personable to get what you want, but at the same time be detached and completely non-emotional.