

Why you shouldn't foot the marketing bill

by Adam Smith

Who should pay when it comes to marketing your property? That's become a question of ethics thanks to a recent High Court ruling. If you're considering selling your property, there's some important information you need to know. It could certainly save you a whole lot of money.



Price fixing and court rulings

In December 2016, four of New Zealand's largest real estate agencies were [fined nearly \\$10 million for price fixing](#) after being taken to court by the Commerce Commission. It came down to the way these agencies advertised properties on the TradeMe website after TradeMe changed their fee structure from a monthly 'bulk listing' fee to a more expensive 'per listing' fee.

A planned response from the companies involved saw agents either pass on the increased listing fees to their clients (without passing on the discounted rates agents receive), or neglect to advertise properties on TradeMe at all. It meant vendors were paying over the odds for advertising, or their properties were not being viewed as widely as they should.

Unfortunately, this isn't an isolated issue and other real estate companies have also been [fined for similar price fixing](#).

So, who should foot the marketing bill?

Some describe the practice of vendor-paid advertising as an essential to ensure you are promoting your home to the largest possible audience. Yet, the reality is that funding an advertising campaign can't guarantee a sale. It will, however, usually leave the vendor thousands of dollars out of pocket.

We take a different approach to real estate at Iron Bridge Real Estate. We believe all marketing costs should be paid for by the agency selling your property.

Real estate commissions are certainly large enough these days, so if the agents genuinely believe in their claims to be confident about having buyers for a property, we believe that the seller shouldn't have to pay to find them. Instead, the real estate agency should – every time!

Does that mean you shouldn't advertise when selling?

Our policy is very simple – we pay for ALL the marketing we believe is necessary to find you the right buyer.

That doesn't mean that we don't believe in the value of advertising – just the opposite. Instead, we will carry the cost (and the risk) – not the vendor – and pay to promote your property where we know you'll get the best results (which has always included TradeMe).

We pride ourselves on our ethics and integrity. That means we even offer [a 'risk free' approach](#). So, if we can't find you a buyer at a price you're happy with, you don't have to pay us a cent!

To learn how we can get you the best result for selling your property, [give us a call](#).