

Real estate agents: Make sure yours is highly trained

by Paul Foster

Given that they're trusted with handling the biggest transactions most people make in their lives, you'd expect a high level of training for real estate agents. But alas, in many agencies, that's far from the case.

If you asked 100 real estate agents if they were good negotiators, the likelihood is that you would get a resounding "YES" from most, if not all of them.



Equally, if you were to ask the same 100 agents if they were experts in marketing, the response would be similar.

So how do they prove it? After all, to become a licensed real estate agent in New Zealand it is simply a matter of attending a course for several weeks, rather than years, with course material more directed towards compliance (ie. not getting themselves sued), than towards how to be competent in finding buyers and then negotiating the best price.

In what other industry can you get away with such a lack of training?! Imagine if your doctor told you he had attended a course for 12 weeks before performing surgery on you. Not a chance! Why is it then that salespeople are let loose on the innocent public, without having learned, and mastered, the necessary skills to find and negotiate with a buyer?

One major reason is that real estate companies hire their salespeople as contractors on a commission only structure, not as employees. With a commission only recruitment process, as long as a salesperson is licensed they will likely secure a job and the company carries little or no financial risk. If the sales person is then fortunate enough to be successful in listing and selling property, both the company and salesperson make money.

But, if they don't, it won't be long before they become dependent and quit the industry, looking for their next career move (with a big hole in their bank account). But meanwhile the real estate agency carries on happily employing the next salesperson....

So what's the solution?

- **Use a company that doesn't use a bare minimum of a Sales Certificate as the only requirement to become one of their agents.**

Instead choose a company that requires their salespeople to pass written and practical examinations in negotiation, marketing and client care, as these skills are far more likely to get you the best result when buying or selling property.

- **Choose agents that are paid salaries, not just commission.**

If salespeople are rewarded with a healthy base salary and incentives to continue to perform in both sales and client care, you eliminate the risk of having a salesperson in desperate need of a sale. This should eliminate the risk of having an agent desperate for commission and therefore advising the client based on that need of a sale, rather than the client's best interest.

As we've said, training is very important, which is why we invest heavily in it at Iron Bridge. All our salespeople are salaried and go through a vigorous recruitment and training programme when they start.

Each salesperson must pass an ethics test, plus written and practical examinations before becoming a part of the sales team and advising clients.

As the industry is constantly evolving, the training is ongoing with weekly training, several courses throughout the year in both Australia and New Zealand, plus the statutory requirement courses.

So why take the risk of employing an agent who has not been tested on their ability? The simple answer is don't take that risk – speak to an agent you can trust.

Even if you are at the early stages of thinking of buying or selling real estate, [give us a call](#) and see for yourself what the difference is in dealing with a highly trained sales team.