

The two lies of the real estate industry

by Adam Smith

When an owner considers selling their home, they ask a selection of real estate agents to price their property, which happens thousands of times a week across the country.

Listings are the lifeblood of any real estate career. So, when asked to price a property, a real estate agent has the opportunity to impress the owner and obtain a listing.



The two most common lies in the real estate industry involve the estimate price quoted to potential sellers. One is the lie real estate agents are most known and disliked for – the intentional overinflation of a homeowner's potential selling price. The second and subtler of the two lies is one of omission. Both have the capacity to hurt a property seller financially and emotionally.

Why is an agent prone to using the two lies?

For an untrained agent, one who lacks high level marketing and negotiation skills, the only way to impress and subsequently obtain the listing is to promise the most inflated price they can get away with. Quite simply, they inflate or omit the truth to get business.

As property owners, we want to believe. That's why the two lies are so powerful. It allows people to plan their future and move on with their lives, comfortable in the belief that the property is worth at least what they expected and possibly more.

Unfortunately, it rarely works out that way. The real estate world is littered with stories of property sellers being harassed by agents who indicated or promised a high price and then spent the next three months 'educating' the seller down to a lower price.

Property owners should be aware that when agents price a house for potential sale, it is not a quote system. There is no fixed price. An agent's opinion is just that: an opinion. An agent's job is to report on the market, then provide a clear selling strategy on achieving the best price within that market.

What is the 'market'? It is simply the price that buyers are willing to pay today for that particular property.

How you can avoid being taken for a ride

When assessing market value, make sure you compare similar properties that have been sold, rather than properties currently listed for sale. Frequently there are wild variations between the listing price and the final sale price.

Additionally, the agent you choose should guarantee the price they recommend. A simple guarantee suffices, stating that if a property sells below the agent's recommended range, they need not be paid.

If you are wanting some more honest advice about what is best for you when it comes to selling your property, [contact our team](#) today.