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## 10 MYTHS AGENTS WISH THEIR CLIENTS DIDN'T BELIEVE

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SWEET  
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*When clients latch onto 'facts' they've heard, it can be especially frustrating for agents to detangle, debug and find the way forward. Here's how to combat today's biggest myths.*

*One of the most frustrating things for an agent is trying to get clients to understand the what and the why of all things real estate. Real estate agents can't always explain the dynamics and outcome of some situations. Real estate is a moving target, and various scenarios are complicated and ever-changing.*

*Here are 10 common misconceptions consumers often hold, and how agents can combat them.*

## **MYTH 1: AN AGENT DOESN'T HAVE TO EXPEND MUCH EFFORT TO HELP A BUYER OR SELLER TODAY**

*Many buyers and sellers think this is especially true because things are selling so fast and well over the asking price.*

*Well, hold on. Many things that look deceptively easy or don't appear to involve a lot of legwork are quite complicated. There is an art to making the complex look seamless.*

*Consumers don't see the behind-the-scenes practice, preparation, research, and legwork involved to facilitate a listing, sale, and, yes, even a rental.*

*Agents have been reaching out to numerous other agents to come up with potential homes for sale when all options on the MLS are exhausted, or there was simply no more available inventory that fits a buyer's criteria.*

*Those were not five-minute phone calls either.*

*Given that reaching an agent by phone is no small feat these days, if they had a billable hour for their time spent on this endeavor, a buyer may be sticker shocked to see the total.*

*Negotiating a contract is not a one-and-done deal. When a seller receives multiple offers, for example, there is a lot of preparation involved in compiling all offer terms into a single format to make it easy to review and for the sellers to understand. That's just the beginning of vetting each offer and determining how to handle each one with the seller.*

*Negotiating through the offers and finalizing one through to an executed contract is another time-consuming and very detailed process.*

*Even if a seller accepts a very strong offer initially made on a property, the real work begins once the property goes under contract. There are a ton of details to micromanage involving everything, including:*

- *The buyers' financing and lender*
- *The inspection process*
- *Negotiating any repair issues that may arise*
- *The appraisal*

*And guess what? Not every inspection or appraisal is a walk in the park. Inspections can reveal issues in which there is no simple or easy fix and maybe no fix at all.*

*Properties don't always come in at contract sales price as all appraisal reports are subjective, and no two appraisers would necessarily give the same value to the same property they appraised.*

As for a rental? Given the tight rental market, your agent's phone will be lighting up at all hours of the day and night. Email inquiries will flood their inbox from various sites the rental listing feeds out to.

Arranging showings, vetting prospects, and submitting a plethora of rental applications to the seller for review is not something that can be completed in an hour or two.

### **How to combat**

Give the consumer some behind the scenes as to what is involved with trying to find buyers a home. Explain how agents have to be hooked up to listings and all real estate search apps nearly 24/7 and continually hover over all information tools at their disposal to find the right property. If an agent has to try to find something not currently on the market, go over what that process looks like and all the time involved.

Concerning managing a transaction, present the consumer with your transaction checklist as a road map to monitor as you move toward the destination (which is closing). Explain that there are multiple hands in the pot from the cross-selling agent, lender, inspector, appraiser, title, and escrow companies, and your job is to make sure everyone else does their job on time.

Give examples of situations that commonly go awry once a property is under contract and how you proactively manage them to stay ahead of the game. Explain how you would navigate a low appraisal or any repair issues that may crop up.

### **MYTH 2: ONCE A PROPERTY IS UNDER CONTRACT, ALL GOES ON AUTOPILOT.**

Not exactly. Any agent's most significant responsibility in any transaction is making sure everyone involved does their job on time to meet all contract deadlines.

That means continually following up with all the key players from the buyers and sellers, other agents, lenders, appraisers, inspectors, escrows and/or title companies, etc., and knowing when to escalate issues to keep the process moving forward.

### **How to combat**

Educate the consumer to understand that this is where the hard work begins. Flesh out a typical contract timeline and what happens at each milestone for the buyer or seller to see.

Demonstrate how you (or in tandem with a transaction coordinator) continually communicate with all parties involved to ensure all is on track and moving forward. Show how you share progress updates so they can stay connected to what is happening.

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### **MYTH 3: SELLING OFF-MARKET IS A BETTER DEAL FOR THE SELLER**

*Not necessarily. Although the idea of not having to come publicly on the market sounds great for some sellers, especially those who wish to avoid people traipsing through their homes and all the hype and hoopla that surrounds a new listing, the reality is the seller is missing 99 percent of the market.*

*There is not much leverage or urgency when a few buyers look at home, knowing that the seller has no intention of listing on the MLS.*

*Sure, you might get offers, but they'll probably come in lower with weaker terms than you'd get when you expose the home to the widest audience of agents and buyers possible. This will likely generate stronger multiple offers with very favorable terms to the seller's advantage.*

#### **How to combat**

*Show a prospective seller recently closed comps of similar homes sold through the MLS in their area, and highlight the list prices relative to the selling prices as well as closing dates. Show them how many sales were cash versus getting a loan.*

*Explain how many agents are in your MLS as well as those in your company and how you can leverage this powerful database to attract numerous agents with buyers instead of just a handful. Showcase your marketing tactics that help amp up interest, whether that be through broker and public open house events, video, digital marketing, social media, etc.*

### **MYTH 4: NO PREP FOR SALE NEEDED IN THE CURRENT MARKET.**

*Contrary to popular belief, many sellers think they don't need to lift a finger to prepare their home, given the low supply and high demand at play in the real estate market today. Think again.*

*Failure to take the time to do some prep for sale can result in leaving money on the table. Buyers may mistake a home with no preparation as one that needs repairs that appear more major and think maintenance has been deferred. This could result in the home being passed over or a less-than-enthusiastic response by the real estate market.*

#### **How to combat**

*Give the sellers specific recommendations on things they should do to their property before going on the market. Discuss the items you feel need attention and explain why. Show them examples of your listings or recently sold listings that were well-presented for sale, and discuss the successful outcomes that transpired as a result.*

*Conversely, discuss situations, and show examples of properties that were not so well-prepared for sale and how a home that's clean on the inside but looks tired and lacks curb appeal on the outside can translate into buyers getting turned off and not motivated to make an offer on the home (or making a lowball offer), even in this market.*

*Due to the rapid upward trajectory of prices, explain that buyers are already pushing their financial limits and have expectations of things at least appearing clean and somewhat well-maintained. They don't want to overpay for someone else's mess that they'll have to clean up and fix.*

#### **MYTH 5: EVERYTHING I NEED TO KNOW ABOUT BUYING OR SELLING IS ONLINE.**

*A little bit of information with no interpretation or context can be a dangerous thing. DIY is not the same when it comes to a real estate transaction as it is for home improvement projects, and even with those, many look easier on video than they actually are.*

*A lot of real estate information you find on the internet is oversimplified and “dumbed down,” leaving out important details. Scenarios are often more involved than what articles convey, and advice is often disconnected and not applicable to current market conditions.*

*Relying solely on the internet when handling the biggest transaction one likely makes in their lifetime can result in mistakes and unnecessary complications that can cost buyers and sellers time and money.*

*For example, does a consumer know what contract forms and addenda should be used and when? What disclosures need to be completed? What closing costs are applicable and can be negotiated with the buyer or seller? What are acceptable contingency timeframes for inspections, financing, and an appraisal? What is a reasonable timeframe for closing?*

#### **How to combat**

*Explain this is very much like trying to diagnose a medical issue without consulting a doctor. It can be very easy to misinterpret what you read and end up doing something you shouldn't that could cost you money.*

*Point out that although there is a ton of information available online, it is not speaking to the specific market and area that you are working in. Websites with automatic valuations and freelance writers who write advice pieces don't know your specific home, neighborhood and certainly maybe omitting hyperlocal information that only a local agent would know.*

*The buying and selling advice online is not specific to your market and can't speak to specific practices and closing costs involved.*

#### **MYTH 6: OVERPRICING CAN BE DONE IN TODAY'S MARKET, ESPECIALLY SINCE THERE IS SO LITTLE TO BUY.**

*While many real estate markets may have been red hot, and are still given low inventory, pricing a property arbitrarily high may not result in buyers running over and making offers. Because home prices are significantly up, many buyers have become priced out as a result and could not attempt to compete in a multiple-offer situation.*

*Pricing right on the mark based on current comps or slightly under will result in multiple offers with buyers likely going over asking to get it. In today's market, if a home is still on the market after a few weeks, unless it is highly unique, specific, or ultra-luxury, the price is typically a reason why it hasn't gone under contract.*

### **How to combat**

*Giving examples of recently overpriced listings in the current marketplace may help to drive this point home. Show the active seller comps, under contract, and recently closed. Point out those that are or were overpriced if they are still on the market or recently closed and show the difference in their asking price vs. selling price vs. those that were well priced from the start. Chances are those that were well priced, sold very fast, and well over the asking price.*

*Explain that overpricing in this market that has already put a lot of buyers on the sidelines further eliminates those that ordinarily would be the buyer audience for the home, and by overpricing you are going into a different pricing bracket where buyers looking at a higher price range can afford more and have greater expectations for their budget.*

### **MYTH 7: AS LONG AS SALES ARE HAPPENING, AGENTS ARE GETTING PAID.**

*The current real estate market has been very tough for buyers. It may take multiple attempts to try to find a home after losing bidding war after bidding war. The agent working tirelessly on the buyer's behalf doesn't get compensated one dime for dropping everything to see these homes and writing offer after offer the minute they come on the market. This could easily translate into several months of work, which is often very easy for a buyer to forget.*

*When it comes to sellers, even in today's market, agents may find themselves paying for staging on top of extensive marketing efforts with the expectation that the home will sell quickly.*

*Sometimes, it takes multiples buyers for one to stick. And even if you do find a buyer, things fall through all the time, so agents have to continue plugging along, seeing all buyers through — which could take months.*

*While all of this is part and parcel of the job, it can be easy for the seller to become indifferent to these efforts, and to expect and demand more, especially if the home isn't selling in a typically brisk market. If a home falls through due to inspections a few times, and the seller refuses to address any areas of concern, things can fall into a cycle of insanity.*

### **How to combat**

*There is no way to sugar coat this except to explain on the front end what is going to be involved on your part if you take a buyer or seller on as a client. The buyer needs to understand that you and the buyer will have to be available to jump on a moment's notice the minute a home they are interested in comes on the market and you both may be like hamsters on a wheel having to write several offers before one stick.*



*This requires you or an agent on your behalf (if you aren't available) to have this covered at all times. How long this takes is anyone's guess, dependent on market conditions and a combination of the buyer going after homes that they can realistically afford to make an aggressive offer on.*

*All of this with no guarantee of getting paid, if or when as there is always the chance the buyer will decide to sit on the sidelines if they get too frustrated, may stop engaging and there could be the risk of them fading into oblivion despite the agent's best attempts to keep in touch.*

*When it comes to selling, a seller needs to understand your hard costs involved on the front end, along with an estimated number of hours you typically put into each listing from orchestrating the marketing, photo and video shoots, open houses, showings, following up on all feedback to managing multiple offers to negotiating them and finalizing one.*

*In addition, it is important to explain how you will manage the process from contract to closing so the seller understands you are putting in the hard work on the front end, before any guarantee of compensation on the backend. Explain to the seller the risk of offers falling out of contract and the reasons why this could happen including a buyer simply using the inspection/due diligence period to change their mind.*

### **MYTH 8: SELLING 'AS IS' IS THE WAY TO GO, ESPECIALLY IN THIS MARKET.**

*Maybe or maybe not. Oftentimes, selling "as is" is easier said than done. If the home has been well-maintained overall, and buyers can see that, then perhaps. But if a laundry list of items adds up after an inspection, no matter how seemingly minor they appear, a buyer could interpret those as a gateway to more serious issues that could arise once they start undertaking repairs.*

*Conditions on a home that could be major or somewhat minor, but are diagnosed as inconclusive or not really as having a practical solution can often be the culprit of creating doubt and contributing to the buyer walking away.*

*In addition, with buyers already paying their max — and in some cases, going well beyond their comfort zone to buy a home — an inspection report that turns into a major to-do list of deferred maintenance and "budget for replacement shortly" may end up causing the buyer to have cold feet and cancel the transaction.*

#### **How to combat**

*This ties in with many of my talking points concerning needing to prep a home for sale. Explain to the seller that the words "as is" often convey a sense of fear and hesitation among buyers who could be reluctant to take on something labeled "as is" for fear of the problems both visible and invisible that they would be inheriting.*

*If the property is older and the seller doesn't have a good sense of the age of systems with not much in the way of major things like the roof or the HVAC replaced, discuss getting a pre-listing inspection done. The inspection will help the seller understand the issues found and the costs involved to address so they are not blindsided and surprised.*

*While another buyer will likely want to have their inspection done, this report will provide a baseline that can be measured against another inspector's report. Providing prospective buyers with the initial inspection report will help eliminate a buyer from walking away from the property once under contract and wasting time.*

**MYTH 9: I CAN GET A BETTER DEAL ON AN 'OFF MARKET' PROPERTY VS. SOMETHING THAT IS LISTED.**

*In theory, yes, everything is for sale, but at a certain price. Zillow called this "Make Me Move." However, convincing someone to sell in a low inventory, high-priced market to make a move when they don't have anywhere to go is another matter.*

*The economics of the situation may not simply work for them for a variety of reasons. That being said, if an off-market seller is interested in selling, then they will likely want to command a premium for it on their time and their terms*

**How to combat**

*Explain to buyers that any homeowner who's approached about selling that is not on the market is likely not going to want to sell just to them in the current climate we are in unless they make an offer that is too good to resist.*

*It does happen in some very rare cases, but the homeowner likely knows what properties are going for, may have an agent friend, and could come up with a pie in the sky price to compensate them for the hassle and convenience.*

*They will likely need additional time to stay in their house past closing to figure out where they are going next and will likely want to do so at no cost to them. So, the bottom line in tackling this issue with buyers is to make sure they understand that those who only have the means to seriously play in this kind of water should apply.*

**MYTH 10: AGENTS MAKE TOO MUCH MONEY, ESPECIALLY IN THIS MARKET.**

*Commissions have been spiraling on a downward slope over the last few years, and especially in a compressed market. The perception is with fewer properties for sale, agents can take less since the home will likely sell right away.*

*However, that does not mean that the cost of doing business has also decreased for the agent. Just the opposite. Just as the prices for goods and services have increased on just about everything post-pandemic, the real estate business is no exception.*

Consumers need to be reminded that commissions are paid to the broker and sliced and diced from there, with marketing fees, escrow facilitation fees, and referral fees (if applicable) being taken out. By the time all is parsed out, and the agent sets aside money for taxes and necessary expenses, there isn't much left compared to the glaring number the consumer sees on the closing statement.

Furthermore, as explained before, that agent is working for free until the transaction goes to closing, and we all know what can happen from contract to close. A myriad of things that can largely be out of everyone's control.

The real estate industry will always be working to overcome misperceptions that consumers have about the nature of the job and the buying and selling process. The business can seem unfair at times for all involved. For the buyer that offered \$100K over asking offer after offer, waiving every contingency in the book and it still wasn't good enough, to the seller who tied up their home with who they thought was going to be "the buyer", only for them to fall through after keeping the home off the market nearly a month.

*How to combat*

*If your compensation is questioned, simply draw out how the commission is split between all involved and the fees that are taken out of your commission along with any monies that have to cover other expenses like office fees, marketing, photography and video, office supplies, gas, technology, etc. Show how much you have to set aside for taxes as well and the seller will get the idea of an ever-shrinking number.*

*The agents that continue to spin their wheels in these scenarios and countless others, with no certainty of compensation in sight, yet get after it day after day. The business is crazy and insane and often hard for the consumer to understand what transpires and why. Agents don't always understand it either but are duly equipped to navigate through it, often with a lot of uncertainty and things constantly changing.*

*The more agents can educate, enlighten and empower the consumer on the what and the why behind the crazy situations they may encounter along with armchair erroneous assumptions they may have, the more productive the real estate transaction process may be.*

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