

18/06/2024



27 June 2024 / Advisory

Ten things every real estate agent wishes sellers understood

It's been a difficult, frustrating few years for residential property sales. In March 2024, Lightstone reflected on South Africa's total residential market and noted that transfer volumes dropped in 2023 (276,793) to near 2020 Covid levels (266,639), however values have fared better, finishing the year at R241 billion, (lower than the R345 billion in 2022), but higher than the R226 billion in 2020.

These figures are a strong indicator that it has been more difficult to achieve residential sales and to reach the desired selling price. Because of this, sellers have begun to question the value of suppliers involved in the sales process as they attempt to keep costs down, and this includes estate agents, transferring attorneys and bond providers.

* Screenshot of website as company closed and website was taken down.

Ten things every real estate agent wishes sellers understood

It's been a difficult, frustrating few years for residential property sales. In March 2024, Lightstone reflected on South Africa's total residential market and noted that transfer volumes dropped in 2023 (276,793) to near 2020 Covid levels (266,639), however values have fared better, finishing the year at R241 billion, (lower than the R345 billion in 2022), but higher than the R226 billion in 2020¹.

These figures are a strong indicator that it has been more difficult to achieve residential sales and to reach the desired selling price. Because of this, sellers have begun to question the value of suppliers involved in the sales process as they attempt to keep costs down, and this includes estate agents, transferring attorneys and bond providers.

¹ <https://www.lightstone.co.za/newsletters/property/2024/Mar/NewsletterMarch24>

For starters, there has been an increase in the number of sellers opting to go the route of private sales in attempts to save costs and achieve higher asking prices, and some have been successful. There is still a strong argument for engaging the services of an estate agent however, but there are a few things they need sellers to understand about the process.

In South Africa the average commission paid to estate agents ranges from 5%-7%. For sellers, depending on the level of service they receive, this can be a bitter pill to swallow. Comments online reflect sellers' frustrations: "They barely do anything to earn their commission," or "They've hardly brought anyone through to view," or "They are bringing offers that are too low."

In response to these and similar comments that have lumped the good agents in with the less than efficient ones, agents have been speaking out on social media, sharing a few things they wish sellers could understand, which could make the relationship easier:

1. **Real Estate Agents work 24/7/365.** They are always on, with no set working hours, or day's off, and this can be mentally and physically taxing.
2. **They are always expected to negotiate their commission down.** More often than not, sellers expect agents to drop their commission by as much as 50%, without understanding what is covered in the mandate, and comes out of the commission.
3. **Estate agents work for the seller and are obligated to present all offers** to them, whether they are too low or not. While they will always do their best to negotiate with buyers on a seller's behalf, the buyer has a set figure in mind of what they feel the home is worth, and will often not budge, or will offer small token increases. This is particularly challenging for everyone involved, particularly when the seller is hoping for a quick sale, and the thought of waiting for the right, or more realistic offer can be upsetting for all parties.
4. **The real estate market is constantly changing.** At present it is in theory a buyers' market, however, given the economic climate, there are fewer people who are able to secure bonds or pay cash for homes, so the market is moving more slowly than in previous boom years and we're seeing fewer transfers being registered through the Deed's Office.
5. **Your home will not be to everyone's taste.** Some buyers are looking for sleek modern homes, others prefer older homes as the living spaces are typically more generous. Some buyers only understand what kind of home they are looking for after they've been through a few viewings. That's when they realise what are nice to haves and must haves, and unfortunately your home may not tick all the boxes. Your agent will do their best to ascertain what a buyer is looking for to see whether your home will be a good fit for them, but it is not an exact science, and it can leave the seller feeling like the agent is not bringing the right kind of buyer through.
6. **A neglected home will take longer to sell and will likely sell at a price lower than hoped for.** Curb appeal matters – it's that first impression a potential buyer has when

approaching your home, simple relatively inexpensive fixes like sanding and painting gutters and front doors, and a few pretty flowering plants and cutting the lawn will go a long way to inviting the buyer inside. Tidy up, declutter, open curtains and wash windows and floors, and particularly bathrooms so your home puts its best foot forward on sale day.

7. **Estate agents only receive their commission after your property transfer goes through, which can take three months or more:** During this time, estate agents have to cover all their costs of doing business, from petrol to cell phone bills, printing, and other admin and marketing costs. Just like the rest of us, they also have to pay all their personal bills, which can be challenging as they do not have the same financial security as a typically salaried person who gets paid monthly has. They also have to split their commissions with their agencies, and sometimes with other agents if there is more than one working on the sale of your home.
8. **Property practitioners have to go through strenuous certification processes in order to be qualified to sell your property.** In addition to initial training costs, each year, real estate agents have to obtain sufficient Continuous Professional Development (CPD) points to continue to be registered and practice. That means paying thousands of Rands out to attend multiple industry-related training sessions to earn the points they need to keep working, whether they are making sales or not.
9. **Not all sellers are created equal:** Talk to any property professional and they'll share multiple stories of arriving at a client's home on Show Day to find dirty dishes in the sink, unmade beds, and stains in bathtubs with sellers expecting them to make the house presentable for potential buyers. Many agents have paid for deep cleaning of homes, clearing of overgrown gardens, or fixing of plumbing fixtures after owners have packed up and moved overseas, and they are trying to sell on their behalf, and they often don't recoup those costs.
10. **Potential buyers can be unreliable, and this is out of an estate agent's control.** Time is precious, and nobody enjoys being stood up. A property professional will do their best to schedule appointments to view at a time that is convenient for the seller and the buyer. Unfortunately, there are times when potential buyers simply don't show up, despite reminders going out from the agent, and confirmation that they will be there. For an agent, who typically meets the buyer at your home, this translates into tangibles like using petrol unnecessarily and making cell phone calls to try track down, it could mean missing out on time with their families as many viewings are after hours to accommodate all parties' schedules.

When all else fails, let's choose to be kind to one another. Estate agents are human beings too, with families and responsibilities, and like you and me, they're trying to make a living. Being an estate agent is a tough job, managing the expectations and emotions which tend to run high during the purchase and sale of a home. By working as a team, communicating

clearly with one another, and working towards a common goal, the sale of your home is sure to be a positive, rather than frustrating experience.

Calls to action:

[Click here to connect with a property professional in your area.](#)

[Thinking of selling your home privately? View our private listing packages.](#)