

10 Questions to Ask

Before You Hire an Agent

10 Things You Need to Know Before You Hire an Agent

Not all real estate agents are the same. If you decide to seek the help of an agent when selling or buying your home, you need some good information before you make any moves.

An agent can cost or save you thousands of dollars

Picking an agent is one of those critical issues that can cost or save you thousands of dollars. There are very specific questions you should be asking to ensure that you get the best representation for your needs. Some agents may prefer that you don't ask these questions, because the knowledge you'll gain from their honest answers will give you a very good idea about what outcome you can expect from using this agent. And let's face it - in real estate, as in life - not all things are created equal.

Hiring a real estate agent is just like any hiring process - with you on the boss's side of the desk. It's critical that you make the right decision about who will handle what is probably the single largest financial investment you will ever make.

1. What makes you different? Why should I list my home with you?

It's a much tougher real estate market than it was a decade ago. What unique marketing plans and programs does this agent have in place to make sure that your home stands out favorably versus other competing homes? What things does this agent offer you that others don't to help you sell your home in the least amount of time with the least amount of hassle and for the most amount of money?

2. What is your company's track record and reputation in the market place?

It may seem like everywhere you look, real estate agents are boasting about being #1 for this or that, or quoting you the number of homes they've sold. If you're like many homeowners, you've probably become immune to much of this information. After all, you ask, "Why should I care about how many homes one agent sold over another. The only thing I care about is whether they can sell my home quickly for the most amount of money."

Well, because you want your home sold fast and for top dollar, you should be asking the agents you interview how many homes they have sold. I'm sure you will agree that success in real estate is selling homes. If one agent is selling a lot of homes where another is selling only a handful, ask yourself why this might be? What things are these two agents doing differently?

You may be surprised to know that many agents sell fewer than 10 homes a year. This volume makes it difficult for them to do full impact marketing on your home, because they can't raise the money it takes to afford the advertising and special programs to give your home a high profile. Also, at this low level, they probably can't afford to hire an assistant, which means that they're running around trying to do all the components of the job themselves, which means service may suffer.

3. What are your marketing plans for my home?

How much money does this agent spend in advertising the homes s/he lists versus the other agents you are interviewing? In what media (newspaper, magazine, TV etc.) does this agent advertise? What does s/he know about the effectiveness of one medium over the other?

4. What has your company sold in my area?

Agents should bring you a complete listing of both their own, and other comparable sales in your area.

5. Does your Broker control your advertising or do you?

If your agent is not in control of their own advertising, then your home will be competing for advertising space not only with this agent's other listings, but also with the listings of every other agent in the brokerage.

6. On average, when your listings sell, how close is the selling price to the asking price?

This information is available from the Real Estate Board. Is this agent's performance higher or lower than the board average? Their performance on this measurement will help you predict how high a price you will get for the sale of your home.

7. On average, how long does it take for your listings to sell?

This information is also available from the Real Estate Board. Does this agent tend to sell faster or slower than the board average? Their performance on this measurement will help you predict how long your home will be on the market before it sells.

8. How many Buyers are you currently working with?

Obviously, the more buyers your agent is working with, the better your chances are of selling your home quickly. It will also impact price because an agent with many buyers can set up an auction-like atmosphere where many buyers bid on your home at the same time. Ask them to describe the system they have for attracting buyers.

9. Do you have a reference list of clients I could contact?

Ask to see this list, and then proceed to spot check some of the names.

10. What happens if I'm not happy with the job you are doing to get my home sold? Can I cancel my listing contract?

Be wary of agents that lock you into a lengthy listing contract which they can get out of (by ceasing to effectively market your home) but you can't. There are usually penalties and broker protection periods which safeguard the agent's interests, but not yours. How confident is your agent in the service s/he will provide you? Will s/he allow you to cancel your contract without penalty if you're not satisfied with the service provided?

Evaluate each agent's responses to these 10 questions carefully and objectively. Who will do the best job for you? These questions will help you decide.