

Basic Questions for Your Prospective Agent

Are you ready to interview prospective agents? Of course, the agents will try to impress you with their suitability. Many will welcome the opportunity to address your perceptive questions. You will be moving constantly toward your important choice.

If you meet agents in your home, many will expect a tour. Some will seize the opportunity to bubble over with exuberance about your home. Try hard not to be captivated by flattery. This is not the purpose of the meeting. In fact, you can save time and skip the home tour when interviewing agents. A tour removes the focus of the interview from where it should be: On the agent. Your home is not at issue. Any home can be sold. Save the tour for later, after you have selected an agent. Then you will get the best advice, undiluted by extraneous baloney.

The following set of questions deals with the candidate's personal record and experience. Make it clear that you are not asking about the history of the agent's office or of the real estate firm in general. These are not the most critical questions you will have, and most agents will expect them. Show that you are an informed seller.

How many homes do you have listed currently? Less than two or three can indicate inexperience or lack of a full-time commitment. If the answer is greater than 10 or 12, obtain assurance that there is enough time for *you*. Some agents employ a full-time staff. *If* administered properly, this can work satisfactorily, but find out who you will be dealing with on a day-to-day basis *and* for critical negotiations.

How many of your listings sold in the past year? In general, more is better, but an answer greater than five is probably sufficient to indicate a minimum level of experience. It reinforces a full-time commitment claim and should reasonably support the answer to the previous question. Most agents also work with buyers, which provides important complementary experience.

What was the average time on the market? First ask the agent about the industry average time on the market locally. Then ask the agent about the average time on the market for his or her own listings. Be wary of an answer that is too different from the average. But remember that while time on the market can give a very general indication of the agent's effectiveness, time on the market is controlled much more directly by the seller: That's you!

By now you should be on a roll. The next set of questions is very important in determining whether the candidate has the market knowledge required for the job at hand. It is customary to ask each agent to provide a market analysis that predicts the contract price for your home. **Break with tradition.** At this stage, focus on *how* the analysis will be done. Select an agent who uses the best method and you will avoid having to listen to several ill-conceived and misleading presentations. Also, you will avoid the temptation to simply hire the agent who predicts the highest price. This is one of

the most common mistakes made by home sellers. It will always cause problems and cost you money.

If you absolutely must hear several agents' ideas of market value, be clever enough to give no hint of what you believe your home is worth. This will obviate the possibility of any candidate telling you exactly what he or she knows you want to hear. But now, pose more questions about the proper method for determining your home's value.

How will you determine the expected contract price for my home? Professional appraisers customarily select three (or more) similar or comparable, nearby, recently sold properties and make dollar adjustments to the contract price of each one in order to arrive at three (or more) estimates of your property's value. These figures are then combined, though not necessarily averaged, into a single estimated market value. Your agent should use some form of this generally accepted *method* in calculating the estimated value of your home.

What is your accuracy record in determining expected contract prices? Some agents will not know. Some might guess. The one who checks his or her own record is the one who cares. See if the agent has a record of his or her performance and pay little attention to the actual number quoted.

Where should the initial asking price be set for my home? This question measures basic understanding of the current market. The correct answer depends upon the local average selling-price to asking-price ratio and upon the general rate of increase or decrease in area home prices. Be sure that your agent has up-to-date and specific information on these statistics. When these factors are known, you will be able to determine what to add to your expected contract price in order to arrive at your asking price. The amount added is sometimes called "fat for negotiation," and is often around 3 or 4%.

How is my tax assessment related to my expected contract price? Many people today are convinced that market values can be predicted somehow from government tax assessments, not to be confused with professional appraisals. Indeed, the stated goal of most local tax assessors is to assess properties at some percentage of market value. Of course, an *average* relationship between tax assessments and contract prices of recently sold homes can be calculated easily. But the idea that a government employee sitting in an office with some records and a computer can predict the market value of a *specific* home is ludicrous. If this were true, the entire professional appraisal industry would be out of business. If you must, call your local tax assessment office and ask what contract price you should expect. An agent who puts stock in tax assessments will be dangerous to your marketing program: You will very likely be setting too high an initial price or will be accepting too low an offer. Either will be disastrous. The wrong answer to this question is enough to disqualify a candidate. *Zestimates are no better!*