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Agents reduce risk in real estate

When you engage a real estate agent to assist with sale of your property you are hiring a specialist trained to maximise the sale potential of your property and minimise the complications that inevitably happen in the sale process, which can sometimes derail a transaction.

Achieving the highest possible sale price is the primary objective of property sellers and this is also the priority for real estate agents. But almost equally important is the successful sale of the property and the solving of problems that can interrupt a sale like delays in meeting sale contract conditions. This is what agents are especially good at.

Private sellers tend to over-estimate selling prices in a rising market. This is why private sales often do not succeed unless there are significant price adjustments, which can result in a final sale price that is actually less than the market price that was achievable if the property was correctly marketed at first.

Sellers want to receive the highest price for a property whereas buyers want to pay the least amount as possible for a property. This creates a natural conflict between buyers and sellers that an agent will negotiate to an agreed outcome.

The selling price is not the only area of natural conflict between sellers and buyers. There is a legal minefield surrounding the sale of real estate today. Anyone that chooses to buy or sell real estate without dealing through a licensed real estate agent is taking on a significantly higher level of risk.

At REIWA's Professional Development Centre we spend a considerable amount of time training novice real estate professionals in the skills of dispute resolution in real estate transactions.

Take for example the sale of strata title properties. The process of buying and selling strata title properties is so complicated that REIWA has developed training courses and detailed checklists for real estate agents. So, when you deal with a licensed agent the sale and purchase of strata properties will seem no different to the sale of other properties.

Another area of potential conflict between sellers and buyers is information about services and rights of access on properties, including sewers, drains, information technology channels and reservations by public utilities. If you are a buyer you should know about these matters. If you are the owner there is a responsibility to convey to buyers, a range of information about a property being sold. In a private sale these matters are often overlooked and may be the subject of legal disputes after the sale.

All of these and other influences on real estate transactions are covered in the standard legal documents that are accessible by agents. Licensed real estate agents are also required by law to act fairly and honestly and to not knowingly mislead or deceive the buyer or seller.

If a problem occurs a seller or buyer can seek assistance from the agents' professional association, REIWA, and from the Government office that licences agents, the Real Estate and Business Agents Supervisory Board.

This all adds up to a good deal for property sellers and buyers using the professional services of real estate agents.

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