

Estate agencies no longer have database of 'ready buyers'

With the advent of the Internet and the reluctance of sellers to have show days for safety reason, the residential property market has changed and estate agencies can no longer claim to have a database of 'ready buyers' that differs significantly to that of their competitors.



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Matthew Alberts, sales manager of Alexo Property Brokers, says, “This belief is often perpetuated by specific agencies that make this claim as an integral part of their marketing efforts and, whilst this statement may have applied in the past, the advent of the internet and a change in property purchasing habits means it really is no longer the case today.

“In the early days of commercialised real estate sales, prior to the arrival of internet and email, the foremost way for estate agencies to secure buyers was by way of foot traffic into their offices, press advertising, and later, via show days. Agents were able to construct a unique database or network of buyers that differed, by some degree, to the databases of their competitors.

“Nowadays, ‘time’ is one of our most valued commodities and gone are the days of wandering down a main road hoping to discover your dream property in a shop window.

“Today’s home buyers conduct property searches on their phone, tablet or laptop once they’ve put the kids to bed, or in

between meetings at the office. This shift in behaviour has also resulted in the centralisation of some of the country's older, more established real estate brands, as these companies no longer realise sufficient value from pedestrian traffic at smaller offices. So too, in recent years, the security risks posed by show days coupled with their inconvenience to sellers have forced many people to question their value.

"In our business, we identified a change in purchasing patterns about six years ago. We found that genuine buyers were contacting us more often through our website and online property adverts and fewer sales were taking place at show days, from walk-ins, and via press advertising.

"We realised that we could protect the privacy of our client's homes by no longer holding Sunday show days and could also dispense with the newspaper advertising that largely supported these days. Despite these changes, we continued to achieve excellent results and, due to saving on marketing costs, were able to offer sellers lower than industry standard commission rates; a practice that we continues to this day."

Alberts says that the internet has become a very successful and safe method of marketing a property and that, with the vast leaps in technology over the last decade, buyers now have a wealth of property information at their fingertips.

Internet offers 200,000 property searches

"Most buyers, if not all, have access to the internet either by computer or by their cellphone or smart device, and property search portals are generally well advertised and user-friendly. We know that today's buyers are online, this means that if a seller's property is represented on the major South African property portals, then serious buyers who know how to use Google will be able to find their property.

"Today, online real estate listings portals such as Property24.com, showcase between 200,000 – 300,000 listings at any one time, with their reach and web traffic now overshadowing every other online property platform in the country.

"The net result of this is that buyers do not therefore 'belong' to any one real estate company but are simply directed to the person or company marketing the property that interests them.

"This change in behaviour has enormous significance for sellers. It means that sellers no longer need to appoint more than one estate agency. In fact, in doing so, they could simply be repeating an advert on the same platform and possibly sending the wrong message to the market.

"The power of the internet means that sellers are able to appoint an estate agency that they trust with all processes of the marketing and sale of their home and one that has agreed to charge a reasonable fee, as opposed to appointing the oldest or most established company in the area simply because they 'have the buyers'.

"As the South African property industry evolves and technological advancements continue, so homeowners should continue to question historic claims and processes to ensure that they are making the right choice of estate agent, and that the sale of their property yields the most successful results possible," concludes Alberts.