

Cut-throat agency commissions from part-time agents should always be viewed with suspicion



By [Tony Clarke](#)

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Goedkoop is duurkoop. This old Afrikaans saying is especially true in property transactions in which the seller, in an effort to cut his costs, employs a part-time agent.



On the face of it, appointing a part-time agent who is prepared to give a cut-throat commission may look very attractive and appear to offer a big saving. After all, the difference between, say, a 6% or a 3% commission could be substantial. However, all my experience goes to show that the employment of such agents can be fraught with problems that are likely to lead to the seller getting an inadequate deal and an unsatisfactory price in the end, resulting in fees that are higher than the original commission being paid to attorneys trying to resolve disputes.

Part-time agents tend to operate "on a lower rung of competency". They frequently lack the motivation and sense of urgency that categorise top-performing agents in this sector and, more seriously, they usually have to operate without the training and the market information that a competent estate agency will give its employees.

Valuations can often be seriously inaccurate

Part-time agents, especially those who are either semi-retired or involved with some other business, will often not be available at times that are convenient to the buyer. They also tend to lack up-to-date market information, relying often on dinner talk and haphazard visits to various websites for the data they trot out to their clients. The result is that their valuations can often be seriously inaccurate.

Such agents also tend to be weak on the legalities of property transactions and the errors that they can make in the documents might hold up deals for weeks on end.

Finally, part-time agents will, in almost all cases, be operating without any links and referrals to other potential buyers from other areas that a competent agency provides to all its agents. In many cases, these result in some of the most successful sales.

I'm also sceptical about sellers who try to operate without an estate agent at all.

Here again, we find that home sellers going the DIY route take longer to sell their houses, often achieve prices that are below the home's true value and run into contract difficulties, which can lead to their losing the deal or having to employ an expensive attorney to sort out the difficulties.

ABOUT TONY CLARKE

Tony Clarke is the MD of the Rawson Property Group.

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