

"The Five Ways Of Selling A House"

(An Expert Guide For UK Property Owners)

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Introduction

Depending on your personal circumstances you can:

Sell Your House Through an Estate Agent

Sell Your Home Privately

Sell Your Property at Auction

Sell Fast to a Specialist Cash Buyer

In this guide I'll explain the pros + cons of each method and tell you which works best and when.

Selling Property Through an Estate Agent

90% of homeowners automatically turn to [estate agents](#) when it's time to sell.

The question is - "Should you do the same?"

If you need someone to hold your hand while you sell then yes, using an estate agent is the way to go....

Just make sure you find a good one!

[Find Your Recommended Local Estate Agent!](#)

For the bolder there's no need to go through the risk and expense of employing an agent:

It is not a legal requirement

It is not the only way to find a buyer

It doesn't guarantee that you'll sell for a higher price

The Problem With Using an Estate Agent

You don't have to look too far to find evidence that the UK is dissatisfied with the service we get from our estate agency industry.

But did you know?

Over the last few years The Government has had to conduct two major studies into the problems of buying and [selling property](#) in the UK.

[Key Research On Easier Home Buying & Selling](#) (ODPM)
[Estate Agency Market in England & Wales](#) (OFT)

The OFT study in particular highlights serious concerns over the way estate agents serve the public.

The consumer group [Which?](#) has also conducted research.

They found evidence of serious violations of the law and a massive 50% of consumers voicing dissatisfaction over the service received from their estate agent.

To quote the [Which?](#) Report accurately:

"Consumers entering the home-buying or selling process are substantially disadvantaged by the way estate agents currently operate"

And who could forget the BBC's [Whistleblower Documentary](#)?

Bribery...fraud...deception...pretty damning stuff and very worrying if you're about to try and [sell a house quickly](#)!

Frankly, widespread lack of consumer confidence in estate agents is nothing new.

Chances are you experienced poor estate agency practices when you bought your property!?

The Benefits of Using an Estate Agent

In an ideal world, [good estate agents](#) will:

Truthfully advise on price and not overvalue your house just to win your business,
Market your house as if it were their own,
Arrange and conduct viewings, making sure all buyers are properly vetted and ready to buy,
Negotiate the best sale price for your property even though their fee structure does not encourage them to do so,
Keep supporting you and the deal all the way through to completion (not just disappear after a buyer has been found only to turn up a couple of months later with their bill),
Be easy to contact and keep you informed every step of the way,
Not pressurise you into using associated services (such as mortgage brokers & conveyancing solicitors) from which they earn a referral fee.

Given the number of complaints each year against our estate agency industry, the real questions are:

"Will you be lucky enough to uncover a good agent?"

"Are you prepared to pay 1.5 - 2.5% +VAT (i.e. the price of a new kitchen) to find out?"

[Find Your Recommended Local Estate Agent!](#)

Selling Property Privately

Let me make a few things perfectly clear about selling privately:

It can be done!

It is not difficult!

Using an estate agent will not guarantee you a better sale price!

A lot of people feel strongly that traditional estate agents don't deserve the fees they charge....

Rightly so!

Property prices have risen dramatically over the last decade.

As fees are based on the percentage of your property's value, estate agents have been making a killing (over £4 billion last year).

Are they working any harder for their money?

Are they providing you with a better service?

The evidence I presented earlier suggests not!

Why Sell Privately?

The main benefit is the £1000's of pounds you save in commission.

To sell privately successfully will cost between £120 - £600 (depending on how thorough you want to be with your advertising).

A major problem facing private sellers is knowing where this "advertising money" will be most effectively spent....

The Internet is the best place however, there are over 200 websites aimed at private sellers but in reality only a handful of them are worth your time.

In our guide "[How to Successfully Sell Property Privately](#)" you will find details of which are the best websites to use & why.

For now though, let's look at the typical saving you make on estate agency Fees (@ 2% + VAT) by selling privately:

On top of this, if you consider the estate agents' fee as a percentage of the actual profit you make from your sale (i.e. What you sell-for minus what you bought-for) you'll soon realise just how much you're giving away.

By [selling a house privately](#) you can also look forward to these added benefits:

You take control of your sale (you're in the driving seat).

You receive direct and immediate feedback on all aspects of your sale because you won't have to rely on the word of your agent for updates (there are no Chinese whispers, brush-off's, excuses or lies).

When you sell privately you know your property receives the attention it deserves.

(An Estate Agent may have 15 - 30 properties that he's personally trying to find a buyer for at any one time. If yours isn't selling it may become neglected)

It could be argued that you're more likely to achieve the highest sale price by selling privately.

That last point deserves explanation so let's take a closer look at why estate agents won't necessarily get you the best price for your property....

"Estate Agency businesses are only financially viable if they can sell lots of property quickly. They do not stay in business by doggedly chasing the highest price possible for every property on their books".

This is a fact of the estate agency business few talk about but its crucial you're aware if it.

The root of the problem is the percentage-based method that estate agents use to charge for their services.

Traditionally, estate agents will charge you a commission fee based upon 2% of the sale price.

That means if your property sells for £300,000, your state agent will make £6,000.

But what if your property is really worth more than this & with:

A little more work,

A little more time,

A little more of the agent's money spent on advertising...

A buyer could be found that's willing to pay £310,000 for your property?

With the traditional 2% fee structure, all this extra effort will make you an additional £9,800 but it only makes your estate agent an extra £200.

For £200 it does not make financial sense for estate agents to put in the effort needed to secure you the highest possible price.

The extra work, time & money required to do this is used more profitably finding buyers & earning reasonable commissions from their other clients...

This is just the nature of the estate agency business and because

of it the temptation is always there for your agent to push you towards accepting the first reasonable offer that comes along (even though you may be underselling and achieving less than you rightfully deserve).

So, although at first you'd think it's in your agents best interests to always work to secure the highest price possible for your property....

In reality there's very little incentive for them to do so.

The really infuriating part of this trend is that it's undetectable....

You would never know that you missed-out on the extra £1,000's & you certainly would not be able to prove any misconduct.

I should point out that there have never been any studies in the UK to prove this.

It's just our experiences in the House building Industry and intimate knowledge of how estate agents work that lead us to believe it's true.

However, in the USA a study by Steven J. Levitt (winner of the "John Bates Clark Medal", awarded to the best American economist under 40) did find scientific proof.

You can read about it if you wish in his best selling book on modern economics called "[Freakonomics](#)". This is not a textbook for academics....

Instead it's an insightful & fascinating study on how incentives influence the way the world works.

Why Do People Still Use Estate Agents to Sell Property?

This is a question worth answering:

- **Some feel using an estate agent is the easiest thing to do.**

- Some simply don't have the confidence to take responsibility for their own sale.

- Some are frustrated by the lack of sound advice available to the private seller.

(Virtually all that is written on the subject is either out of date or just plain wrong.

- Some believe the salesmanship of an estate agent will secure them a better price!

As I showed you just a second ago, this assumption is a dangerous one to make.

Do People Really Sell Privately Successfully?

Absolutely!

More and more people realise that to sell privately all you need to do is:

Price your house realistically

Put a little bit of effort into the presentation of your property

Have the desire to save lots of money & take charge of your sale

It really is as simple as that! Selling property is not rocket science and the UK public is slowly waking up to that fact.

After all, figures from the Office of Fair Trading show that nearly 1 in 10 homeowners now attempt to sell property privately.

The OFT interviewed a sample of these private sellers and their findings were dramatic.

91% reported the whole process ran extremely smoothly. Most said they would do it again.

Compare that to the findings of the [Which?](#) report which stated that 50% of sellers who used estate agents were dissatisfied with

the service they received.

Recently a study by the "Interactive in Media Retail Group", IMRG (The global e-retailing industry body) forecast that by 2010 nearly half (that's 700,000) of all property sold in the UK each year will be without the help of a traditional estate agent.

That may be a little optimistic however, the tide is definitely turning.

Increasing numbers of people are waking up to the benefits of cutting-out estate agents.

Even in the House building industry we prefer to take control of sales ourselves because it's cheaper and more efficient way to sell our developments.

Unfortunately, estate agents are the introducers of most of the land we buy.

Therefore we're in a Catch 22 scenario.

If we don't give the agents the sales we won't be introduced to any more land.

Because of this we've become masters at managing estate agents.

We let them sell our developments (when we have to) but keep them on a very tight leash.

Thankfully....

Nothing is stopping you from [selling property privately](#).

You don't owe estate agents anything!

Selling Houses at Auction

This is definitely not for everyone!

It's certainly not the best way to sell property of an "everyday variety" because you stand little chance of selling for your best

price.

Should You Sell at Auction?

Really you should only consider an auction if your property is different in some way.

For example:

It needs lots of renovation work

It's an unusual conversion and hard to value

It's rare and highly desirable

It is a rental property with sitting tenants

Why Would Someone Want to Sell Property at Auction?

They do it hoping they can guarantee a sale.

If the property sells they'll get their money and have to move out 28 days after the hammer has fallen.

Auctions are good for property that has the combination of being both unusual and sought after.

These types of property tend to sell for more than if sellers just deal with buyers on a "one to one" basis.

What are the Disadvantages of Selling at Auction?

"The major disadvantage is that it's one of the most expensive ways to sell.

Typically, the commission for selling at auction is around 2.5% + VAT of your properties value.

If your property doesn't sell, you'll still have to pay £1,200 - £1,400 +VAT to cover the auctioneer's costs.

These include:

Your listing in the auction catalogue

The Surveyors inspection of your property

The Sale Board

Drafting of legal documents

General advertising and marketing costs

The handling of the "pre-auction" enquiries

So You Think Your Property Would Sell Well at Auction!?

If you feel your property would sell well at auction, the best thing is to find an auctioneer and get their professional opinion.

Bare in mind that auctioneers, like estate agents are not charities, they want your business. Take everything they say with a pinch of salt.

Before you commit to anything, make double sure your property is truly actionable by getting hold of some auction catalogues & taking a look at the type of properties going under the hammer.

Are any of them like yours?

You may even find it useful to visit an auction or two and see 1st hand what kind of property sells well.

Good Sources of Further Information?

1. The Investment Property Database Service

This is quite a useful resource as you can request information from auctioneers about selling property by filling out a quick online form. The service is free, just follow the link and then click on "sell your house at a property auction" (you'll find it down the left hand side). Go to - www.auctionpropertyforsale.co.uk

2. Essential Information Group

These guys publish the details and results of all lots sold at property auctions across the UK. Go to - www.eigroup.co.uk

3. The RICS

The Royal Institute of Chartered Surveys website has some decent information on selling property at auction. They have a free, downloadable guide called "[Going Once, Going Twice, Sold to...](#)"

Selling Fast to Cash Buyers & "Sell and Rent Back" Specialists

Using a fast cash property buying company should only be considered if your need to move is greater than your need to sell for the best price.

Typically you find yourself in need of house buying specialist if:

You're being threatened with repossession

You would like to sell your property & rent it back (freeing-up cash while keeping your home).

Your chain has collapsed and you're totally desperate to sell.

You need money quickly.

Bereavement or divorce means you want to sell your property and move-on as quickly as possible.

You've inherited property that you want to cash-in quickly.

You're emigrating and your property is proving difficult to sell.

How Quickly Can Quick Cash Buyers Act?

Exchange of contracts can take anywhere between 24hours - 7 days.

Completion can then be fixed to suit you.

There are loads of companies advertising on the Internet that claim they can meet these timeframes - MOST CAN NOT DO IT!

Many of the websites out there are just fronts for "one-man bands" outfits.

These guys don't have ready cash, they need to getting bridging finance to complete on any deals they do.

This takes time and if you need to sell fast, these amateurs can cause you many sleepless nights.

How Much Can You Expect to Sell for?

Anywhere between 65-85% of your properties open market value (80% is the norm)!

Cash buyers provide a service....

One that gives you a certain and speedy sale!

As you are no doubt aware - certainty and speed are rare commodities when selling property.

You have to pay for them by selling for a discount - how much of a discount will ultimately be decided by which company you choose, the saleability of your property and the state of your local market.

Costs You Should Be Aware of

Some cash buyers try to make you pay for a surveyor's valuation

(£200 - £300), some don't.

Some companies will even charge you for the valuation regardless of whether they actually buy your property.

Choose the wrong cash buying company and you will end-up out of pocket.

However, a decent cash buyer won't make these sorts of demands. They will also pickup the tab for your legal fees.

A Word of Warning!

Finding a specialist cash buyer (or "sell and rent back specialist") who can guarantee exchange and completion within a short timeframe is no easy task.

There are 100's of firms to choose from, but only a handful pay fair prices and have the ability to solve whatever property related problem your facing...fast!

When someone needs the services of [cash homebuyers](#), it's

normally because they're in a bit of a fix.

There are lots of people just waiting to take advantage of your situation.

Many companies will not think twice about stringing you along, knowing that as each day goes by you become more and more anxious to sell.

At the last minute they will reduce their offer.

We've seen many people selling out of sheer desperation for only 40-50% of their property's true worth.

Be very careful with whom you choose to do business!

There is one scam in particular that should immediately have your bells ringing....

Anyone who says they can show you how to "Sell your property in 7 days or less for full market value" is LYING!!

They are trying to get their foot in the door can be very persuasive!

Before you know it, their promise of "full market value" has disappeared.

You'll end up selling for less than if you'd gone with an upfront and reputable company.

How to Find a Reputable Cash Buyer or Sell and Rent Back Specialist

As you may know, [TheAdvisory](#) is written and contributed to by property professionals from some of the UK's most successful house building companies.

Because of our involvement within the Property Industry we know (and have dealt with) many reputable cash buying companies across the UK.

We are happy to make a personal recommendation of which house-buying company best suits your situation.

If you need a recommendation simply e-mail us with some basic details about your property:

- Your name
- The address (with full post code)
- Type (semi / flat / detached / terrace)
- Number of bedrooms & bathrooms
- How quickly you need to sell
- A rough estimation of how much it's worth
- A contact telephone number

We promise to help you identify the most suitable specialist cash buyer for your sale, within 24 hours.

Important Note:

This free service does take up a considerable amount of our time so we'd really appreciate it if you'd only contact us if you're serious about selling and prepared to accept a discounted offer - we will of course steer you toward the company that pays the best prices.

To request help in finding a reputable cash buyer (or "sell and rent back" specialist), send the above information in an email to:

>> info@theadvisory.co.uk

Wishing you complete success with your sale,

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