

MOGINIE JAMES

Understanding agents commission





Why is Commission Paid?

Traditional high street agents, such as Mognie James, work on a 'no-sale, no-fee' basis. Consequently the agents undertake all financial risk involved. If they do not sell a property then the seller does not pay a fee while the agent receives no payment for services rendered. Considering the investments agents accept before sale, including staff time and expenses such as marketing this creates a huge incentive to ensure the sale of a property.

This is in stark contrast to online agents who charge an upfront fee that is payable whether they sell the property or not, while vendors are required to take on much of the selling process themselves. This lack of support, alongside a lack of industry experience and local knowledge, are key factors behind 50% of online agents' property listings across a 14-month period going unsold*. Habitually sellers have to subsequently instruct a high street agent to sell their property, having already paid a fee to an online agent, resulting in unnecessary out of pocket expenses.

Negotiating Commission

Commission rates vary from agent-to-agent, with some agents willing to negotiate their commission in order to win your business. You should, however, be mindful that the agent with the lowest commission is rarely the best or most cost effective. Look for the agent that offers the greatest services for their fee rather than the cheapest or it will undoubtedly cost you in the long run.

Negotiating commission rates with an agent will give you an ideal insight into how they will negotiate the sale of your property. If they are quick to drop their own commission levels they may be quick to accept a lower offer on your property, meaning you will not achieve the best price possible for your property.

What do Agent's do for Their Commission?

The first undertaking of an agent is to value a property. Moginie James' agents have the requisite industry experience and local market knowledge to correctly value a property in the current market to ensure the best possible price is achieved. An undervaluation can see vendors missing out on the full value of their property. Contrastingly, an overvaluation can cause a property to sit on the market for an extended period and create buyer caution, subsequently not achieving market value as a consequence.

Further utilising their knowledge and experience agents will recommend the most suitable method (traditional, open house or auction) to sell the property, while taking into consideration any vendor requirements. In addition they should be able to provide advice on how to stage a property and recommend trustworthy tradespeople for any repairs or updates that may be required.

Marketing of a property is crucial in finding the right buyer. For each property Moginie James produces bespoke property brochures, including professional photographs and floor plans, as well as offering HD property tour productions to ensure the property is portrayed in the best light conceivable. In addition to direct communication with our database of potential purchasers, we promote properties on Internet based portals 'Rightmove', 'On the Market' and our own stylish website as well as utilising extensive marketing on social media.

A pioneering company, we consistently strive to be at the forefront of new marketing techniques and technological developments. The first agency in Cardiff to offer instant online valuations, we will soon be the only high street agency in Wales to allow potential purchasers the convenience of booking viewings and submitting offers online. Produced in-house our dedicated property magazine called 'Homelife' has a wide distribution and offers exposure that no other independent Cardiff agent can.

On viewings an agent will highlight the properties unique features and qualities, such as local schools and transport links, and answer any concerns a potential purchaser may have.

Moginie James' Sales Consultants, who are knowledgeable of the local area and proficient in satisfying any queries, accompany all viewings as well as providing feedback to owners within 24 hours, typically following up with potential purchasers within 48 hours.

Handling negotiations between the seller and buyer the agent will endeavour to get the best price possible for the vendor, offering experienced advice throughout, whilst taking into consideration the market, interest and feedback. Moginie James' agents are proficient in these dialogues, achieving on average 97.5% of asking prices.

Once an offer on a property is accepted there can still be a prolonged sales process, especially when a large chain of properties is involved. Moginie James verify any potential buyer's financial position and confirm details of any chain they are in from the outset, while we have a unique in house Sales Progression team whose sole remit is to progress your property from sold to completed.

Liaising with vendors, buyers, solicitors, surveyors and financial advisors your dedicated Sales Progression Manager will keep the cogs moving and all parties in the transaction updated. By keeping the lines of communication open, we can pre-empt potential issues and minimise the likelihood of chain collapse, which can be emotionally and financially costly, regularly maintaining a fall through rate of 17%, well under the national average of 35%*.