Do sellers need a local real estate agent? Dispelling a common myth

The other day, I got a call from a potential seller. She left me a voicemail asking if I would call her to help her list her home, but then she said, “But I see that you are not with a local company, so you might not be a good fit.”

I called her up and we talked. After I gave her my best “pitch,” she seemed little convinced. It is always amusing to me when I run into a potential seller who feels the need to work with a real estate company that has a “brick-and-mortar” building in their local town, as if that makes any difference to their home selling.

Why?

Because we live in such a digital age today. Look at families and couples (and people in general today) in restaurants, ballgames and even at their kids’ T-ball practice who are glued to their digital devices.

I heard a comedian the other day talking about how we Google everything. He said he can’t walk out the door to buy a toothbrush before Googling to see which one is the best.

Now let’s apply this lifestyle to real estate for a moment; the feeling that an agent must have an office just down the road before considering using them to list a house would be like saying, “I would drive to Barnes & Noble to buy a book before I ever attempted to buy one on Amazon,” or “I buy all my records at Best Buy, and I would never use iTunes because they might not have what I need.”

How many letters have you written to friends and family lately telling them how well you and the family are doing? Doesn’t happen anymore except at Christmas from close family with those photographed letters that sum up the past year. Today we Facebook message to say “happy birthday” and post updates to show off our kids and our success.

My point is: We live life differently today than we ever have and that also equates to how we sell houses. No longer is the open house a tool used to entice the wary buyer; rather, digital online marketing is the forefront of sales success to entice “every potential buyer,” not just those who happened to be in town on a Sunday afternoon from 2 to 5 p.m.

Yet, I hear this on occasion from sellers who feel like if their home is within a short drive from the listing agent’s office then service will be better somehow. What is true today with most productive real estate agents, and probably always has been the case, is that we don’t spend much time in the office.

Anytime I go by my company, I see plenty of office staff, but rarely more than one or other agents out of the 40-plus working at our company. If I am sitting in the office, for example, I am probably not being as productive as I would be if I were in my car, on the phone, or with people who are looking to buy and sell a home.

A sampling from the Georgia MLS, for example, found that 65 percent of homes were listed by companies that aren't local.

Why? How could that be? Very simply put, it's the same MLS. It is the same online process that uploads to Zillow, Trulia, realtor.com and a few thousand locations around the MSA (metropolitan service area), including every brokerage website via IDX (Internet data exchange) feed.

Today, you won't find too many agents who can afford to be an expert in only their own neighborhood. I knew of one, but she lived in a gated, upper-end neighborhood where the average sales price was well over $750,000, and she had to sell only a handful of homes a year at that price point anyway. What I hear from people more times than not is that the local agents living in the 'hood many times don't have the best reputation because at some point or another they ticked off their neighbor, and let's be honest, people talk when they are unhappy.

What the message should be to homesellers is that no matter whether I lived in their neighborhood or not, the key to an agent successfully selling their home is follow-up. It is work ethic. It's being full-time and fully committed to the business.

When I called that seller back, she told me her last agent had an assistant and that after the house was listed, she never heard from the agent again. That in itself has nothing to do with the location of the listing agent's office, but rather with the agent and the agent's personal (or impersonal, in this case) way of handling business.

Going back to that local study in MLS, looking at the top-selling real estate companies in this same segment of our market, we see that of the top 10 companies that sell property in this one major city within our MSA that 6 out of 10 were outside the same city, and 40 percent were in a different county. It is the nature of the real estate business today, especially in large MSAs. You might find the same experience in your market.

How did the local agent fare in terms of "knowing the market" in relation to sales price?

The average list price on one sampling I did on February closings showed "local" agents had listed an average of $354,878 on listings they took and sold last month. The average sales price was $344,532, or 97 percent of list price.

However, the average list price on agents without a brick-and-mortar office locally on their listings was $238,365, with an average sales price of $233,382, or 98 percent of list price.

I am not concerned about the average list of one over the other in this case because many of the higher-end homes went to the local brokerage company. That in itself skewed the average list price higher. What I do think is relevant is that the average seller got a slight advantage and more money in their pockets in relation to the percentage of list price to sales price — and that happened with an agent who didn't physically have an office in his or her area, but knew the market just the same.

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