

## WHAT YOU CAN AND CAN'T ASK A REAL ESTATE AGENT

When it comes to buying or selling your home, people are often unsure what questions they can and can't ask their real estate agent. After all, the real estate agent is often the most knowledgeable person in the room when the subject of real estate comes up.

So it's easy to assume that you can ask them pretty much anything and treat that answer as gospel. But in some instances that's not the case. So let's look at what you can and can't ask a real estate agent.

If you're selling your home for the first time and looking for a real estate agent, there are a few questions you can and should ask:

- What experience do you have selling homes in this area at this price point?
- How have you maintained your professional knowledge?
- Are you with the REIQ? (This gives you confidence they've kept their skills updated through ongoing professional development)
- What sales data can you present to showcase your sales skills? For example, average days on market data reveals how quickly an agent can sell a house compared with the market average
- Do you have testimonials and/or referrals from previous clients that you could share?

There's a growing trend for Australians to set up Self-Managed Superannuation Funds (SMSF) and to use the SMSF to invest in property. If you're thinking about purchasing an investment property you might be tempted to ask the real estate agent who is showing you the property some finance questions.

An Australian financial services (AFS) licence is required when making recommendations or statements of opinion to a person to use an SMSF to invest in property.

What you can ask is what the rental property has been rented for or data on past capital growth of the property, but you can't ask questions about structuring the finance for the deal.

Real estate agents are limited to offering advice about real estate and that advice can't extend to things like return on investment, positive or negative gearing, potential yield, or how quickly your mortgage could be paid off. All of this advice is better coming from a financial advisor or an accountant.

Other advice that is tempting to seek from a real estate agent includes legal advice. In Queensland real estate agents are allowed to facilitate contracts for the sale of real estate however, but beyond

the scope of this, it needs to be taken on by a solicitor for the transfer of the property and/or any legal issues relating to the transaction.

To ensure you are getting the best value for money, understand your real estate agent before buying or selling. Knowing what questions you can and can't ask your real estate agent will put you one step ahead. It will allow you to recognise your real estate agents abilities and know if they are going to be able to successfully help you sell in the area that you want to sell.

**-ENDS-**