

Don't let a relative keep you on a string

Home owners who decide to sell often get expressions of interest from friends or family members, but they shouldn't let these distract them from their marketing plans.

"In our experience it is only very seldom that a relative or friend will follow up and become a genuine buyer. And if they do, the personal relationship can make it very awkward for the seller to negotiate price with them or agree on other terms of the sale," says Gerhard Kotze of RealNet.

"On the other hand, most estate agents will be reluctant to start marketing a property where relatives or friends of the seller are excluded from their mandate (and thus from a commission-generating sale).

"So what we suggest is that if your cousin says he would be keen to buy your home or your friend says her sister might be interested, it is best to respond positively right away by being definite about your asking price and giving them a specific period - say two weeks - in which to let you know if they are at all serious about making an offer, and whether they have even made a start on applying for a home loan."

If they don't meet this deadline, he says, you can be pretty sure they were just daydreaming, and that you should go ahead and give your estate agent an unencumbered mandate to market your property and find you a real buyer.

"Meanwhile from the buyer's point of view, it is good to know when there are any friends or family members of the seller who have expressed interest in the property, because that could put you at a disadvantage for financial as well as sentimental reasons," says Kotze

"The seller who accepts an offer of R1m from you and has to pay an agent's commission of 7% including VAT, for example, is only going to net R930 000 on the sale. So if there's a relative or friend who is bypassing the agent and buying direct, it will be that much easier for them to match or better your offer."

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