



SOMETIMES EMPATHY CAN BE EXPENSIVE

G'day there,

"There's many a slip twixt cup and lip". - English Proverb

How many of us, during our careers selling real estate, have signed up a property for sale where the vendor was all but "on the rocks", and in feeling empathy with the vendors financial plight, we have worked hard to gain a sale before the Banks moved in?

Many, I know I have, and yet that move and mindset today is costing agents dollars, and big dollars, in non-paid commissions, and through that, considerable personal and financial angst to themselves.

How did this scenario come about?

Quite simply, through the vendor owing the Bank or lender more than the property sold for and when settlement came due, there was a shortfall and payment of the agents commission being refused by that particular lender, even though the amount may be sitting in the agents Trust account.

The solution?

As I see it, you either let the Bank take the property over and you then are auctioning (mostly) or selling by private treaty for the outfit that has the legal title (and therefore you will be paid your commission) or you simply don't take on listings in that category.

I realize to many that may sound hard or stupid even but the reality to me is, the only thing I have to sell is time with a modicum of skill so if there is a risk that I won't be paid for my time, then the orange warning light is glowing.

It would seem sensible to me that if you were to be approaching that situation with a vendor (and there will be plenty to come in the financially strapped territories, I can assure you), a look-see at RP Data or a similar database would tell you how much they paid and after any renovation costs are added on, take into consideration what you believe it is worth and if there is red ink showing AND they are under pressure, make a far more serious judgment as to whether you do the Pirate trick and "walk the plank" and find another potential client or you continue on with that sale.

As I said, to some it may seem a silly or hard move but as my late father once remarked to me after I had been "burned" by a client over a \$6000 load of lucerne hay, "you are better being a "mung" and having the money than being a good bloke and going broke".

The more I see of people and how they act under pressure, the more merit I see in his words.

As a by the bye, probably his most consistent observation, being the great stockman he was, of the human race was that "the only difference between horses and people is that the horses are invariably smarter".Great man Clarrie Fountain!

As a final comment,if you find an area of what I have written distasteful, take the opportunity to phone your Solicitor and ask him what happens if you sell a property before the Bank closes in but they do before settlement and there is a shortfall due to them. Ask them simply "am I entitled to my commission and if so, who pays me?"

You might just get a shock!

Carpe diem

Tony

Tony Fountain (Principal and Founder) 0418 238341

(Author: *The Complete Guide to selling Real Estate by Auction* and the e-book *The Vendors Guide to selling Real Estate by Auction*)

tony@fountainandco.com

[Fountain Auction Academy](#)

To stop receiving e-mail from us, please [click here](#).

[Manage Subscription](#)

[Home](#) | [Privacy Policy](#)

Fountain & Co Pty Ltd

PO BOX 897 BOWRAL NSW 2576 Australia

Ph: +61 2 4862 5483 **Mobile:** 0418 238 341 **Fax:** +61 2 4862 5483

E-mail:tony@fountainandco.com

web: www.fountainandco.com