

Handling unprofessionalism in today's overheated market



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As an agent, you spend months if not years tracking properties and building trust and a rapport with the owner so when he/she is ready to sell, you are the one making the deal at the end of the day. You kept impeccable records, calling regularly to check the status for the hope that you hear "yes, I am ready to sell." Bingo! You find out the partnership is unwinding, a loan is coming due or that an owner is retiring amongst other possible reasons and that there is a need to sell. All that canvassing and hard work is finally going to pay off. The owner may not give you the exclusive but will give you that one chance to make the deal in an off-market sale. You run the numbers, give your opinion of value and help the owner to establish what you think is a fair price based on current market conditions and comparable sales. Armed and ready, you check your database to see who would be the perfect fit for this deal, who will be the most aggressive. Offer submitted some back and forth and lo and behold after some skillful negotiations you have agreed on a price. Term sheet out, contract drawn, some redrafts and then ready to sign. But wait!

Out of nowhere, another broker tracking the property calls the owner and finds out there is a deal pending. To stall the process the broker submits a bogus highball offer and throws a monkey wrench into your deal. The owner now tells you that your buyer must match or exceed the new offer, or without warning decides to go with the other deal altogether. Your buyer is upset, and decides to back off the deal since it no longer makes sense and does not want to deal with a dishonorable seller. All those months of tracking and negotiating go right out the window. We've all been here.

Like most good brokers, you follow up with the owner diligently and check to see the status only to find out the other mystery buyer's offer was never real. Surprise surprise! The owner wants to know what happened to your guy but of course he is no longer there, and it's back to square one for everyone involved.

In a frothy market like the one we are currently experiencing, this type of reckless behavior unfortunately becomes all too commonplace. At the outset, it is always important to establish you and your buyer's credentials, track record and their ability to close. Stress that the numbers must make sense at the end of the day in order for it to sell. Sabotage and torpedoing tactics always rear itself in an overheated market. While we may not be able to control the unprofessionalism that exists in the industry, the challenge for us as a broker is how we still end up on top. While you may have lost your original buyer, this may be the perfect time to pitch an exclusive and explain to the seller the value of having someone to flush out the offers and the buyer's qualifications in order to prevent something like this from happening again. Turn a negative situation into a positive one and seize the opportunity to finish what you started.

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