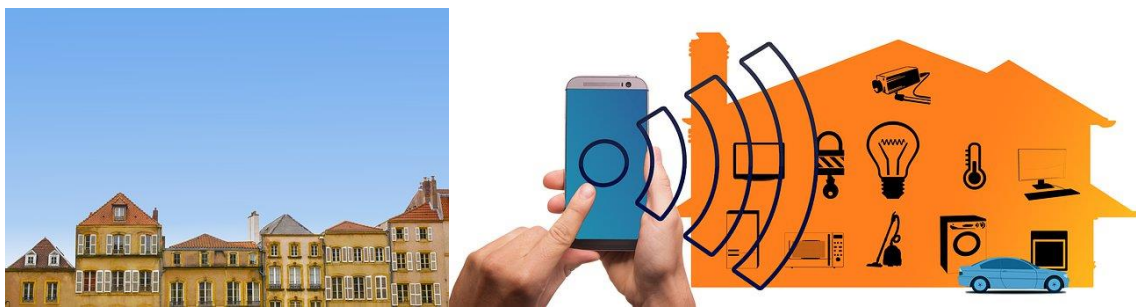


## Can traditional estate agents continue to thrive in the brave new online world?



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**A thought leadership report by Rix & Kay**

**February 2018**

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## About the report

During the last six months of 2017, members of Rix & Kay's dedicated Residential Property Team conducted detailed face-to-face interviews with 16 traditional estate agents, who between them operate 127 offices across the South-East. All the interviewees were either Owners, Partners or Senior Managers.

We would like to thank all the estate agents who participated in the interviews and [acknowledgements](#) appear towards the end of this report.

The purpose of each interview was to uncover a range of common themes and challenges that traditional estate agents were facing in the market, particularly given the prominent rise of online estate agents who were challenging the traditional model. By gathering expert opinion from the people who best understand these challenges, our aim was to publish a thought-leadership report that would act as a strategic guide for traditional estate agents across the UK.

To further support our detailed face-to-face research, we conducted an online survey of 60 traditional estate agents, to gauge their opinion of the key themes that had already emerged from the face-to-face interviews. The online survey was conducted in December 2017.

Throughout this report you will find [bookmarked links](#) that signpost the reader to more detailed and relevant information.

**As a strategic guide, this report publishes:**

- [Executive summary](#) – providing a brief introduction to the key themes of this report
- [Key themes](#) – a summary of the most pressing challenges that emerged from our research
- [Useful checklists](#) – that estate agents may wish to consider to help implement best practice
- [Detailed commentary](#) – providing a comprehensive appraisal of the key themes

## Foreword

In 1994 the first ever recorded online retail transaction took place and one year later both Amazon.com and eBay launched their own online shopping sites. As true pioneers of e-commerce and online purchasing, they sparked a revolution in consumer buying behaviour which is now common place across almost every aspect of retail shopping.

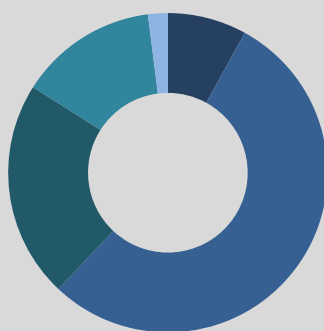
During the last 22 years consumer confidence has continued to grow and now more and more people are turning to online providers to make high-value transactions. The advance of mobile technology has accelerated that trend as people buy holidays, valuable home appliances and even cars using their mobile devices.

### **Are people now ready to buy their homes online?**

In 2010 the Office of Fair Trading published its recommendations to “shake up how homes are sold” including legislation to allow new entrants into the market. In April 2014 Purplebricks was launched and on 17 December 2015 it floated on the London Stock Exchange with an initial value of £240million. This moment has been a game changer for the traditional model as more and more online providers begin to offer a compelling and far cheaper alternative for consumers. In simplest terms this **new model** guarantees upfront fees with no dependence, obligation or motivation for the provider to complete a successful sale.

**62% of traditional estate agents surveyed felt that there was room in the market for both traditional agents and alternative online providers.**

There is room in the market for both traditional agents and alternative online providers.



**8% Strongly agree**

**54% Agree**

**22% Neither agree or disagree**

**14% Disagree**

**2% Strongly disagree**

**Results from 60 respondents**

Whilst most traditional estate agents acknowledge that the new model offers an alternative, rather than a replacement, this report highlights numerous challenges that traditional agents are now facing. It is perhaps not market share that is their biggest concern but the impact on the home buying and selling process that is challenging how traditional agents deliver quality services in a sustainable and profitable way.

*“People shouldn’t think that there is no place for online agents in our industry. People need choice and if they are that way inclined then that is fine.”*



## Executive summary

The key themes that emerged from our research are:

1. [Sales progression](#) – The lack of support from online agents is driving up the cost of sales progression for traditional agents as they feel obliged to fill in the gaps during chain management or risk sales collapsing. This is having a detrimental impact on the home buying and selling process.
2. [Differentiation](#) – The public have little awareness of how critical sales progression support is and that, without it, any transaction is more likely to collapse. Traditional estate agents need to do far more to differentiate their services from alternative online providers or risk being selected based on cost alone.
3. [Alternative business models](#) – Rising costs mean traditional estate agents need to consider alternative business models if they want to remain profitable and sustainable.
4. [Better regulation](#) – Traditional estate agents are calling for better regulation to improve service quality and to improve the reputation and credibility of the industry. This is seen as fundamental to improving the home buying and selling process.
5. [Changing needs of clients](#) – Traditional estate agents need to adapt to the changing needs of clients driven by the advance of mobile technology and innovation.
6. [Embracing technology](#) – Traditional estate agents need to embrace new technology to improve their services. They can learn from alternative online providers in this regard.
7. [Lettings fee ban](#) – Traditional estate agents urgently need to consider the impact of any proposed lettings fee ban on the sustainability and profitability of their business.

## Key themes

### 1. Lack of support from online agents is driving up the cost of [sales progression](#) for traditional agents

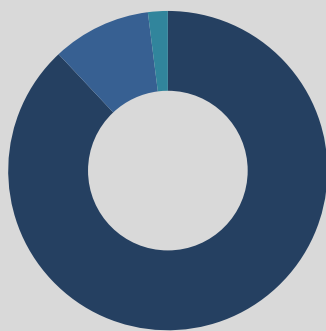
Traditional estate agents are having to step in to support clients who have chosen to be represented by online providers to ensure that chains do not collapse. All of the interviewees suggested that sales progression is the most important and skilled phase of the home buying and selling process and that online agents were providing little in the way of support for their clients in this regard because there was no incentive or motivation for them to do so.

*“When I’m involved in transactions with an online agent, I end up doing the sales progression. They are reliant on our expertise and it’s almost like they are stealing our knowledge and craft.”*

Numerous examples of poor sales progression were given. All centred on not being able to speak with online agents in the chain to establish facts or resolve issues. Inexperienced staff was also a key issue. The result is increasing costs for traditional estate agents, whilst the home buying and selling process is becoming more expensive and stressful for individuals as sales are more likely to collapse.

**98% of traditional estate agents surveyed agreed that the home buying process is more likely to collapse in the absence of experienced professionals.**

**Sales progression** – The home buying process is more likely to collapse in the absence of experienced professionals who are there to support people once an offer has been accepted on a property.



Results from 60 respondents

Further themes on sales progression appear in the [detailed commentary](#)

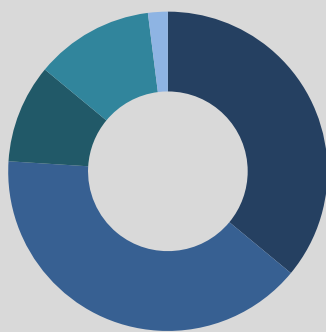
## 2. Traditional estate agents are not doing enough to [differentiate their services](#) from those provided by online agents

There appears to be little public awareness of the differences between traditional estate agents and online providers. There is a danger that people are choosing between the two services based on cost alone, with no clear understanding of how the different models work and the very different services that are provided. Traditional estate agents need to do more to communicate the differences and make clear the value of their services.

Some interviewees went further and suggested that the services they provided were so important to facilitating the home buying and selling process that, in some circumstances, it felt like they were giving away high levels of professional expertise and advice for free.

**76% of traditional estate agents surveyed felt they were not doing enough to ensure the public are aware of the differences in service.**

**Differentiation** – Traditional agents are not doing enough to ensure the public are aware of the differences in service and how this might affect their sale.



Results from 60 respondents

*“Our biggest mistake is that the industry has not done enough to convince the client that it’s worth paying more for a full service. The perception of the client is, ‘What are you [the agent] actually getting paid to do?’”*

Further themes on differentiation appear in the [detailed commentary](#)

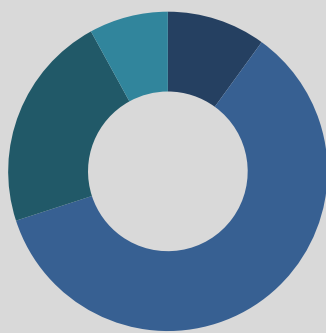


### 3. Traditional estate agents need to consider [alternative business models](#)

The rising costs for traditional estate agents, associated with taking a property to market and supporting effective sales progression, is unsustainable when transactions collapse. One interviewee suggested that the cost of taking a property to market was now between £400 to £500.

**70% of traditional estate agents surveyed agreed that they need to consider alternative business models if they want to remain profitable.**

**Alternative business models** – Traditional agents will have to consider alternative business models and ways of reducing overheads to remain profitable.



**10% Strongly agree**

**60% Agree**

**22% Neither agree or disagree**

**8% Disagree**

**0% Strongly disagree**

**Results from 60 respondents**

There is still strong sentiment attached to the long tradition of estate agents charging clients upon sale completion, with a sense of moral conscience that is preventing them from moving away from their traditional model. However most recognise that something probably has to change.

***“We have always worked on a commission post completion basis. To charge an upfront fee is a real cultural shift from our values and perhaps this is why we are reluctant to go down this route.”***

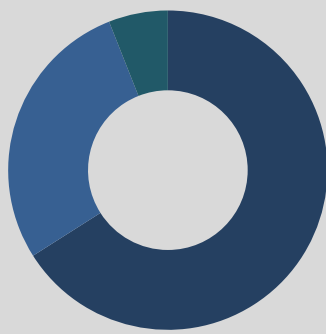
Further themes on alternative models appear in the [detailed commentary](#)

#### 4. Traditional estate agents are calling for [better regulation](#) to ensure minimum standards of expertise and service delivery are met

The result of limited regulation within the industry is having a negative impact on the home buying and selling process.

**94% of traditional estate agents surveyed agreed that better regulation was needed to ensure estate agents meet minimum standards of expertise and service delivery.**

**Better regulation** – There needs to be better regulation to ensure estate agents meet minimum standards of expertise and service delivery.



**66% Strongly agree**

**28% Agree**

**6% Neither agree or disagree**

**0% Disagree**

**0% Strongly disagree**

**Results from 60 respondents**

The common themes that emerged from the interviews included:

- The ease of entry that has resulted in poor quality providers over-saturating the market.
- Poor quality standards are resulting in the home buying and selling process being stressful and too expensive for individuals.
- The industry suffering from a stigma of poor practice, lack of professionalism and, on occasions, unethical practice.
- An industry with a poor reputation that was discouraging younger professionals to pursue careers in estate agency.

***“We need more industry regulation and perhaps this would help the industry to improve its reputation and image.”***

Further themes on better regulation appear in the [detailed commentary](#)

## 5. Traditional estate agents need to adapt to the [changing needs of clients](#) driven by the advance of mobile technology and innovation

The most concerning trend for traditional estate agents is that most people now believe that simply listing a property on Rightmove is enough to sell it. This is certainly people's primary concern at the start of the home selling process and there is very little thought given to the many other challenges that may arise, and the support they will need, as their sale progresses.

*"It's so important that agents are able to manage the emotional side of a sale."*

The result is that the role of the traditional estate agent is being de-valued and this is further fuelled by the rise of cheaper online alternatives. It is therefore more important than ever for traditional estate agents to make as clear as possible the many hurdles that might come when selling a house and the value of having an experienced professional by their side who can effectively manage the sales progression process from start to finish.

At the heart of this is the skill in understanding and managing the emotional side of any sale and treating each and every transaction as unique. All the agents were unanimous in their opinion, that this level of personal service was hugely valued and set them apart from online providers.

Further themes on changing needs of clients appear in the [detailed commentary](#)



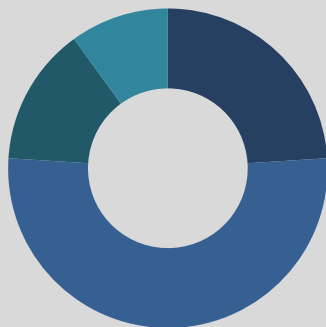
## 6. Traditional estate agents need to [embrace new technology](#) to improve their services

Key areas included improving response times and providing more self service for clients that can help reduce time and costs and allow estate agents to concentrate on selling homes. However, technology alone cannot replace services offered by traditional estate agents and the perceived value of technology diminishes when market conditions are more challenging.

*“Online agents are creating innovation that we can learn from.”*

**76% of traditional estate agents surveyed agreed that they needed to make better use of technology as a result of growing consumer confidence and appetite for online engagement.**

**Embracing new technology** – Traditional agents need to make better use of new technology to satisfy client expectations around service delivery.



24% Strongly agree

52% Agree

14% Neither agree or disagree

10% Disagree

0% Strongly disagree

Results from 60 respondents

Further themes on new technology appear in the [detailed commentary](#)



## **7. Traditional estate agents urgently need to consider the impact of any proposed lettings fee ban on their business**

All of the estate agents we interviewed were providing both sales and lettings services and this practice was now seen as the norm for the vast majority.

It was interesting to note that there were recurring themes around how lettings were becoming a more consistent and reliable revenue stream. One agent suggested that it provided a buffer should they have a poor sales month.

However, only one agent raised the issue of the potential ban on lettings fees following the draft Tenant Fee Bill that was introduced to Parliament on 1 November 2017, suggesting that any potential ban would make the lettings market very volatile. The opinion here was that there appeared to be very little awareness of this change and that it could potentially see many agents coming under increased financial pressure with the real prospect of many going out of business altogether.

***“If we have a poor sales month then our lettings revenue will help make up the short fall.”***



## Useful checklists – Differentiation

The estate agents we interviewed provided a range of key points of differentiation. The following provides an overview that can act as a useful checklist for estate agents.

1. **Know your market** – Focus on protecting your existing market, both in terms of geography and demographics. Employing a strategy to protect and grow market share year-on-year is a great benchmark for success.
2. **Write a sales progression charter to give to your clients** – Most people think that listing a property on Rightmove is enough to sell it so make sure you explain how important it is to have access to highly skilled sales progression support. Take time to explain the value of your services and the importance of things like managing offers, negotiations, chain management, ensuring surveys are in progress and confirming that finances are in place.
3. **Added value** – Be absolutely clear on all the added value services available at no additional cost; for example onsite visits to resolve issues and the access to a wide network of support services like lawyers and removal companies.
4. **Be proud of your independence, tradition and core values** – Many traditional estate agents have been central to the communities they serve for decades and have strong values that can really help differentiate them from online and national estate agents. Make sure these values are at the core of your marketing communications and clearly visible on your website.
5. **Access to potential buyers** – Most traditional agents have an extensive database of buyers that has been developed over many years that online agents won't have. Make sure your clients understand the value of this and how it can help accelerate the chances of finding a buyer. Explain that you vet buyers to ensure they are genuine and are not time wasters.
6. **Cost** – It may sound obvious but make sure your client knows that they only pay upon completion, unlike online providers who have little motivation to support a sale to a successful completion. Take time to explain that there are no hidden costs and that online agents can charge add-ons for things like EPC certificates and featured listings on Rightmove.



- 7. Understand the emotional side of any sale** – Quickly establishing trust and empathy with new clients is critical and something that online providers find difficult to do. Take time to understand your clients' personal circumstances and treat every transaction as unique in its own right.
- 8. Keep your clients fully informed and be highly responsive** – Find out your clients' preferred form of communication and make a point of updating them weekly, even if there is no material progress on their sale.
- 9. Convenience** – Online agents promote convenience and 24/7 access to information as a differentiator when, more often than not, traditional agents provide greater levels of convenience and flexibility. Ensure your clients can contact you when they need to and outside office hours. Explain that you can arrange and manage viewings at short notice.
- 10. Demonstrate value and record time** – This might seem an unnecessary measure but being able to evidence how much of your professional time you have dedicated to supporting a client is becoming more and more important. If you have spent a day on the phone calling potential buyers or have placed an advert in the regional press for a client, don't let it go unnoticed.

***"Agents can spend hours on the phone trying to find the right buyer and, more often than not, their client will be oblivious to the work they have done."***
- 11. Viewings** – Treat each and every viewing as a unique and important part of the sales process. Take time to understand the intimate characteristics of the property. Try to avoid using junior team members who simply whizz from one viewing to the next. Always provide feedback to your client within 24 hours.

***"Whenever a viewing or negotiations are left to the owner then, invariably, it doesn't end well."***
- 12. Gather feedback from clients post sales completion** – Make use of online client satisfaction survey tools such as Smart Survey to gather client feedback. This can be hugely valuable and help to foster an environment of continuous improvement. It can also help to source personal testimonials and positive online reviews that enhance reputation and credibility.

## Useful checklists – Technology and innovation

The estate agents we interviewed suggested a number of ideas where technology could help improve the client experience and help estate agents reduce time and cost.

1. **Self-service portals** – Much can be learnt from alternative online providers in this regard but they don't need to cost the earth and even a simple password protected area for your clients to log-on to can add significant value. Consider providing clients instant access to information such as a viewings calendar, number of viewings and feedback, number of hits from Rightmove and offers received.
2. **Online access to support services** – Consider developing an online directory of valuable support services that have been quality approved. Connecting your clients instantly with all the services they might need during a sale can add significant value. Mortgage brokers, lawyers and removal companies can all be included.
3. **Using the Cloud** – Consider moving your IT function into the Cloud as a cost effective way of reducing IT support costs whilst improving security and remote access to your IT systems.
4. **Client Relationship Management (CRM) system** – Whilst this can often involve a large development cost, a well implemented and managed CRM system can add value to a business by effectively managing its data, helping to significantly improve conversion rates.
5. **SEO** – Consider an SEO strategy that can significantly boost your online exposure and drive new traffic to your website. Ensure you regularly post relevant news and content to your website.
6. **Website innovation** – As well as ensuring your website is up to date and reflects your core values, consider implementing new technology that can enhance the visitors' experience. Live chat and instant online valuations are becoming more common place, as well as allowing people to book viewings.



7. **Marketing a property** – High quality professional photography to present a property is now the minimum. Virtual tours of properties using immersive and VR technology, and even drone videography, are becoming more popular.
8. **Market data and support from Rightmove** – Make the most of your subscriptions and take advantage of Rightmove data and training that can inform and evidence areas of strengths and weaknesses.



## Detailed commentary

### 1. Key theme – Sales progression

Every estate agent we interviewed spoke at length about how critical effective sales progression is and how, without it, any sale has a far greater risk of stalling, becoming protracted or not completing at all.

In fact, all the estate agents we spoke to agreed that sales progression was the most important element of the home buying and selling process.

Of course, the traditional estate agents we spoke to were quick to criticise online estate agents for poor sales progression, who operate an upfront fixed cost model and are not reliant on the completion of a sale to get paid. It is reasonable however to conclude that these comments are justifiable given that there is no incentive for online agents to invest in time and resource to support effective sales progression, especially when that will contribute to additional costs.

***“The easiest thing is finding a buyer and then the fun starts. That’s where traditional agents really earn their money.”***

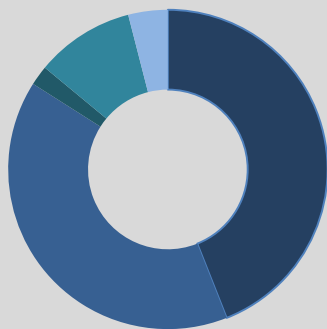
A report published in May 2017 by GETAGENT.co.uk, a comparison website that assesses which estate agents are most effective based on past performance, supports the premise that effective sales progression significantly increases the likelihood of a sale completing and that alternative online providers are failing in this regard.

They reported that half of all online agent listings remained unsold based on the analysis of 500 new listings by Purplebricks and all listings by Tepilo, Housesimple and Emoov from January 2016 through to February 2017, allowing 14 months for listings to complete. By comparison, the HomeOwners' Alliance consumer group says traditional agents with a local office sell more than 84% of homes.

This analysis, together with the research gathered in this report, evidence the differences in the quality of service delivered during sales progression. The most pressing challenge for traditional agents is to be able to define what is involved during effective sales progression, demonstrate its value and how it sets them apart. This challenge is made even harder as the likes of Purplebricks and others continue to raise their profile through multi-million pound advertising campaigns.

**84% of traditional estate agents surveyed thought the public didn't truly understand the role of a traditional estate agent.**

**Sales progression** – *The general public don't truly understand the role of a traditional estate agent. They generally think it's a case of providing a valuation and listing the property on Rightmove or other similar websites.*



**44% Strongly agree**

**40% Agree**

**2% Neither agree or disagree**

**10% Disagree**

**4% Strongly disagree**

**Results from 60 respondents**



All the interviewees gave numerous examples of poor sales progression. Invariably, all the examples centred around not being able to speak directly with other agents in the chain to establish relevant facts or to resolve issues. Many of the people we spoke to accepted that there was little point pursuing an online agent to resolve an issue. This lack of communication also served to foster an environment of distrust between all the parties concerned including the buyers and the sellers.

Other examples ranged from online agents simply giving the wrong advice, to failing to identify and deal with obvious issues from an early stage that meant the sale was always going to be in danger of collapsing from the start. One agent commented that it felt like online advisors were reading from a script and that it was a typical call centre operation.

***“Some agents struggle with the terminology. If it’s not on the screen in front of them, they don’t know what advice to give. It’s a classic call centre operation.”***

One agent said that they were always concerned if there was an online agent in a chain, not only because it was more likely to collapse but because it meant they had to do more work on behalf of other sellers, who weren’t even their clients. One agent remarked that it seemed as if this was a deliberate tactic employed by online agents.

It seems that Purplebricks and other online agents operating a similar model are recruiting more junior staff to support sales progression from their call centres, whilst Local Property Experts focus purely on driving revenues through winning new instructions.

In July 2017, Mike DelPrete, a leading PropTech analyst and former head of strategy at TradeMe, provided expert analysis of Purplebricks trading statement, suggesting that their Local Property Experts, who are self employed, earn around £450 per instruction with an average salary of £41,925. There is no indication that they are offered incentives to complete a sale.

According to Purplebricks' website, an Inbound Call Centre Advisor earns £16,000 per annum and is responsible for taking inbound calls from customers within their call centre, presumably to support effective sales progression.



## 2. Key theme – Differentiation

- [Providing a highly personable service](#)
- [Experience and staff turnover](#)
- [Cost](#)
- [Added value](#)
- [Maintaining independence](#)
- [Brand and marketing](#)
- [Engaging with communities](#)

### Background

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The agents we interviewed were unanimous in their assessment, suggesting that traditional estate agents had failed to make clear the differences between the services they provided and the services delivered by online alternatives.

***“People aren’t aware of the differences between online agents and traditional agents and that is our fault.”***

Traditional estate agents must find a way in educating and communicating to the public the differences in service quality delivered from various providers. Continuing to allow consumers to make a decision simply based on cost will only result in one outcome.

This of course plays straight into the hands of online providers who are very happy to be assessed on cost alone. To add to the problem, traditional estate agents still appear to be struggling to convince the public that they need a skilled and experienced negotiator to manage their sales progression, even when the evidence suggests that they do.



**Providing a highly personable service – Probably the cornerstone of any successful professional services business, but what does it mean in practice?**

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All the agents we interviewed described how they were implementing great customer service to differentiate themselves. Once again, trust, empathy and understanding the emotional side of a sale was seen as critical. One agent commented that it was important to empathise with a client's personal circumstances as this would inform how they might approach a sale and deliver a service in the right way. For example a client experiencing bereavement, divorce or perhaps a neighbour dispute would be very different to someone looking to sell an investment property.

Being highly responsive, always available (not just between the hours of 9 to 5), easily contactable (by personal email, mobile and text) and providing sound professional advice were seen as the minimum requirement.

***"The industry is still led by providing a personal service and this is what we are doing to differentiate ourselves."***

One agent described how they were able to quickly understand their clients' needs and tailor a sales strategy that would deliver the desired outcome. This might vary from someone who needed to sell their property quickly because of personal reasons, to someone who wanted to maximise cash equity by downsizing but was in no particular hurry to move.

The ability for an estate agent to manage each and every sale as a unique transaction and deliver the desired outcome was something that was very hard for alternative online providers to deliver given their reliance on online engagement and lack of regional representatives.



Another common theme was the importance of acting in the client's best interest which even included an example of an estate agent advising an individual that they were actually better off not moving at all.

Again, it was considered that this was not something that alternative online providers were concerned with given the business model they were adopting.

*“Client service is something that the online agents simply don’t have, they’ve not invested in it and they’ve not had time to build up that level of deep understanding. Their approach is simply – what do you want to put it on for……thank you…… goodbye.”*





**Experience and staff turnover** – *Traditional estate agents tend to have settled and experienced teams.*

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All of the interviewees we spoke to were unanimous in their opinion that traditional estate agents tend to have more senior people with a greater level of technical expertise and regional knowledge than their counterparts at online agencies, who were employing more junior level staff who typically had less experience of both the home buying process and the regional areas they were serving.

*“It’s amazing to think that online agents and large corporates will employ someone to sell a home that could be worth £800k+ and that person has never bought or sold a house for themselves.”*

There was also evidence to suggest that online agents had a high level of staff turnover, with many of the interviewees commenting that they had experienced significant changes in personnel when dealing with online agents in their day-to-day roles. One agent who had been approached by Purplebricks commented that there appeared to be little in the way of formal training to support personal development and career progression.

The agents we interviewed felt that their regional understanding and technical expertise were key differentiators when it came to managing effective sales progression which was so crucial to delivering a successful completion. Many had built up businesses over decades and had intimate knowledge of the local geographic area, the local economic landscape and regional infrastructure and amenities.

In terms of technical expertise, all the interviewees demonstrated a thorough understanding of the home buying and selling process and said they were able to pro-actively support the various key stages of conveyancing. One agent commented that it was vitally important to understand and be aware of potential issues and challenges from the outset such as flying freeholds, boundary issues and adverse possession.

**Cost** – *The cost differential between what traditional estate agents and new online providers charge is a significant challenge.*

The general sentiment coming from the estate agents we interviewed was one of disbelief and surprise that someone would choose a cheaper alternative to sell their most valuable asset. This sentiment perhaps highlights some of the complacency of traditional estate agents who are failing to differentiate their services and demonstrate to people the value and importance of having an experienced professional by their side.

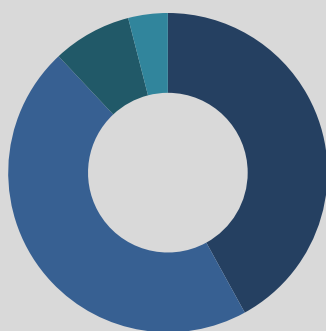
*“It’s amazing to think that people want to take a cheaper alternative when it comes to selling their most valuable asset.”*

One estate agent even described an example where they had failed to convince a family member, who had eventually chosen to use an alternative online provider.

It is imperative therefore, for traditional agents to make clear the difference in their services compared to online providers to ensure that any prospective client is not making decisions simply based on cost.

**88% of traditional estate agents surveyed agreed that cost is a key differentiator.**

**Cost** – *People consider cost as the main differentiator when choosing between a traditional agent and a new online provider.*



**42% Strongly agree**

**46% Agree**

**8% Neither agree or disagree**

**4% Disagree**

**0% Strongly disagree**

*Results from 60 respondents*

One interviewee suggested it was important to emphasise the provision of additional services that were already included in any cost that might be charged as add-ons by online agents. Services such as professional photography, undertaking EPC certificates and promoting homes as ‘featured properties’ on Rightmove were suggested.



It was also interesting to note that there was a feeling that traditional agents were trying to out-do each other on cost when perhaps they would be better off thinking about how they could work together to address the threat of online agents.

***“If people choose an online agent then that is a different service. It’s not comparing apples with apples.”***

There were many examples of how an individual had ended up paying considerably more in the long run because they had not received the service they had expected from their online provider. In particular, there were a number of stories recounted where individuals had ended up reverting to traditional estate agents because of poor client service experienced with online agents and properties not selling. The result not only meant that individuals paid twice but, on several occasions, properties had decreased in value during the extra time they had been on the market.

**Added value** – *Traditional estate agents are providing a wide range of additional services to clients. Some feel they are giving too much away for free or not charging enough for the extra services they deliver.*

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Typically, traditional estate agents are including a wide range of services to clients that come at no extra cost. These additional services are seen as the norm and certainly well within the client's expectations when it comes to what an estate agent will deliver to help support a successful sale.

*"We have almost 50 years' experience and we give away so much information and knowledge for free."*

The challenge for traditional estate agents is to be clearer about the value of the additional services they provide and to consider if they should continue providing them for free.

Services include onsite visits to properties to help sellers with a range of issues, from suggestions on how to increase the value of a property, through to home improvements and managing and resolving issues that had arisen from a survey. There were also examples of estate agents using their extensive network of other professionals and skilled tradespeople who they could recommend as trusted experts in various fields. Some estate agents suggested that they had even called in favours from their network to resolve issues quickly.

One of the interviewees described how they were diversifying into other support areas that helped deliver a holistic and seamless service to clients by providing access to in-house surveyors, land agents, lettings, auctioneers, planning experts and even dispute resolution professionals.

One service that was certainly considered to be beyond online estate agents was direct access to an extensive list of potential buyers. Many referred to this as their 'black book' of contacts and whether this was organised in a formal CRM database or a more basic data list, it was exceptionally valuable.

***“People buy our support – we have a sales book going back 20 years and that is hugely valuable and something that online agents won’t have.”***

Many of the interviewees described how their ‘black book’ had been developed over many years and provided access to individuals who were credible and serious buyers who could be matched to specific property types. Once again, it was felt that this regional and specific intelligence was something that significantly enhanced the traditional offering and something that online agents wouldn’t have access to.

This information was also allowing traditional estate agents to provide a more informed assessment of potential buyers once offers had been made. It was interesting to note that many of the agents we spoke to made a point of assessing each and every offer that was made on a property as this was seen as laying the foundations for a smooth and successful sales process that was far more likely to end in a successful completion.

***“We are experienced in engaging with people to understand the truth – have they got finance? Are they serious buyers? Do their expectations meet those of the seller?”***

In contrast, the sentiment was that online agents conducted virtually no assessment of potential buyers and this was contributing to more chains collapsing. There were a number of examples given where it was felt that individuals were never in a position as realistic and credible buyers.



**Maintaining independence** – *Estate agents that retain independence are able to offer a greater level of flexibility and choice to clients and appear to have more passion for the job.*

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Estate agents that were trading independently, many of whom were family run businesses, spoke with passion about the services they offered and the flexibility to provide tailored services to meet the needs of their clients. The most common theme was around estate agents recommending other professional services and, in particular, law firms to provide conveyancing services.

In this instance, traditional estate agents were keen for their clients to use likeminded law firms that demonstrated similar values to themselves and certainly those that had a track record of providing technically good service matched with outstanding client care, rather than high volume conveyancing providers that operated a similar call centre operation to online estate agents.

One agent commented that he felt that online estate agents and larger national chains were forging relationships with volume conveyancing companies, not only to drive the cost down but because he felt that it was easier for such estate agents to point the finger at the conveyancers when problems occurred during the transaction. Many interviewees also commented that using volume conveyancers, or those that operate referral fees, certainly wasn't acting in the best interest of the client as it put pressure on margins that only encouraged conveyancers to cut corners.

***"The lawyer agent process needs to be pulled apart again – it crosses over but Purplebricks is pulling them together and squeezing costs on conveyancing. The result is a poorer service for the client all round."***

This observation appears to have some substance given Purplebricks statement under their Post Sale Charter that states, *"Despite what anyone says and no matter how much you pay, post sale success requires a partnership with the customer and their lawyer."*

Above all, there was an overwhelming sense of pride and passion that came across from the independent agents that we interviewed who wanted to deliver outstanding service to clients by helping them to move seamlessly and without stress. Many felt that this on its own was a significant differentiator to those that were driven by targets, sales bonuses and reducing costs.

***“We don’t have sales targets and we don’t put ourselves under pressure. We enjoy what we do and that approach is passed onto the customer. We are not motivated by profit, we are motivated by helping local people move.”***





**Differentiating through brand and marketing** – *It's important for estate agents to build a brand that allows them to communicate their core values to their chosen markets.*

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All of the estate agents we spoke to were confident that they could secure work once someone had walked through their doors. This has become significantly more challenging given the increase in competition and particularly in light of the millions spent on marketing and advertising by new online providers.

Whilst traditional agents are never going to be able to compete with such lavish marketing budgets, many of them have incredibly strong brands that have been developed through a long history of providing outstanding service to their local communities. Many of these brands have become the trusted go-to service provider for local people. All the interviewees said that repeat business and word-of-mouth referrals were probably their biggest source of work.

***"We have clients that continue to return to us. It's one of our most valuable sources of business and evidence of the quality of service that we provide. It's so important to look after your clients – if you do that, they will return and recommend friends and family."***

However, the growing trend of people using online services is reducing the need for them to rely on local providers whilst at the same time giving greater exposure to non-local competitors.

The clear message here was that traditional estate agents should absolutely focus on protecting their existing markets, both in terms of geography and demographics. Employing a strategy to protect and grow these specific markets year-on-year was a great benchmark for success.

Many of the agents we interviewed were focusing on communicating their brand and values that allowed them to create a point of differentiation. Many felt that it was imperative for their website to tell the story about their company history, the individual personalities that work there and their deep understanding of the local market.

***"People really like the fact that we are part of the community and have been a family business for so long."***



**Engaging with communities** – *Maintaining a physical presence and supporting community initiatives is a key differentiator for traditional estate agents.*

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All of the agents we interviewed were unanimous in their opinion that it was imperative for them to maintain local offices, despite this often being their single biggest business expense. Some agents had toyed with the idea of moving to cheaper premises but had ultimately decided that it was necessary to maintain a prominent high street presence that provided the right level of exposure to the communities they served.

This high street presence was seen as a key differentiator to online providers. It was interesting to note that the actual practical benefits of maintaining local offices were reducing and many interviewees noted that things like walk-in trade and appointments were becoming less and less frequent.

***“We sell tickets for shows on behalf of others in the town.”***

***“Not only does it raise profile but it makes you feel good. It’s important to give something back to the local community.”***

Local offices had become the biggest marketing tool available to traditional agents and there were countless examples given about the value of having a shop window that attracted passers-by and generated significant local awareness. Some agents were implementing initiatives to try and encourage local passing trade such as coffee mornings and being a central source to pick up local information.

One agent remarked that their offices were often sited as a local landmark and one was even synonymous with a mini-roundabout where their offices were located. In addition to local offices, sales boards were also seen as another extremely valuable marketing tool and one that was key in generating local interest.

All of the interviewees also referred to a wide range of local community initiatives that they supported. These ranged from local charities to sports and social clubs, and schools. This not only served to engage further with local people and generate new business but was also seen as a hugely valuable exercise to engage and motivate staff through supporting worthy causes and provide opportunities to give something back to the local community.

### 3. Key theme – Alternative business models

The following ideas emerged from our research:

- A hybrid model where clients have the option to choose between a cheaper upfront cost option with less services and the traditional model
- Single upfront fixed cost not based on commission
- A menu option whereby clients 'add-on' certain services
- Inclusion of a withdrawal fee should clients change their minds within a certain period so as to protect the costs associated with taking a property to market

The new online providers had, undoubtedly, created a new business model for estate agents that was both successful and becoming more popular. Most of the interviewees viewed this as healthy competition and suggested that it would force traditional estate agents to up their game and consider new ways in which they might engage commercially with clients.

***"We have always worked on a commission post completion basis. To charge an upfront fee is a real cultural shift from our values and perhaps this is why we are reluctant to go down this route."***

It was interesting to observe the sentiment that was still attached to the long tradition of estate agents only charging clients upon sale completion. A number of estate agents commented that there was an almost overwhelming sense of moral conscience that prevented them from moving away from this model but most recognised that something probably had to change. This change was being accelerated by online providers.

Some of the interviewees discussed the merits of operating a hybrid model where clients have the option to choose between a cheaper upfront cost option with less services and the traditional model. However, it was argued that it would be hard for traditional estate agents to keep the two separate with a risk of simply providing the same services irrespective of what option the client had selected.

***"I think traditional agents have to find a new business model that is going to work for them."***

Other alternatives centred around more innovative and flexible charging. Some suggested a simple fixed cost solution whilst others were considering a menu option whereby clients could 'add-on' certain services they wanted for an additional cost.

One agent remarked that the days of traditional estate agents not charging if a sale collapsed was coming to an end as the cost was unsustainable. Alternative views centred on clients having to pay a withdrawal fee if they changed their minds within a certain period so as to protect the costs associated with taking a property to market.

***"The speed of change in our industry is massive and we are not even a third of the way through this change yet."***



#### 4. Key theme – Better regulation

Many of the traditional estate agents we interviewed were keen to see greater regulation in the industry and felt that this was absolutely essential to improve the overall home buying and selling process. It was acknowledged that the absence of any professional training or qualification requirements made it easy for anyone to operate as an estate agent.

Many of the interviewees expressed concern around the number of estate agents who had little or no experience of the many elements of the home buying process and particularly the basic principles of conveyancing, mortgages and the common issues within these processes that are likely to cause delay.

This area of expertise was seen as important as, more often than not, it was the estate agent who acted as the mutual point of contact for buyers and sellers to provide updates and help facilitate the speedy resolution of common issues. A good understanding of these processes was therefore important and often key to ensuring any chain didn't collapse.

***"We need more industry regulation and perhaps this would help the industry to improve its reputation and image."***

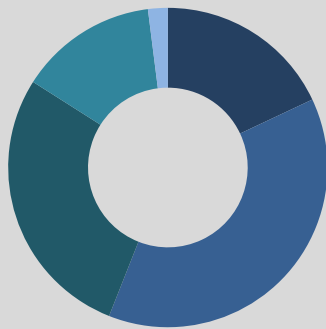
A number of estate agents called directly for the introduction of formal qualifications before someone could operate as an estate agent. However, there were also some who questioned the appropriateness and practicality of asking experienced estate agents, who had been operating successfully in the industry for many years or even decades, to undertake qualifications when they were clearly very accomplished at what they did.

***"I've never had training and I've not needed to qualify but I am hugely experienced. One way or another there needs to be some form of best practice standards set out."***

There was also a feeling that the lack of any regulation was allowing swathes on new agents to enter the market who hoped to chance their arm and that the market was becoming over-saturated and unsustainable. Whilst online agents are clearly adding pressure here, there was certainly a feeling that the competition between traditional agents was causing as much trouble.

**56% of traditional estate agents surveyed agreed that there were too many estate agents in the market for it to remain sustainable.**

**Better regulation** – *There are too many estate agents in the market for it to remain sustainable.*



**18% Strongly agree**

**38% Agree**

**28% Neither agree or disagree**

**14% Disagree**

**2% Strongly disagree**

*Results from 60 respondents*

One agent commented that it was down to the more established and credible agents to do more to uphold good practice and that there needed to be more collaboration to help improve standards and reputation.

Most of the interviewees gave some account of the stigma attached to their profession that was commonly associated with poor practice, lack of professionalism and, on occasions, unethical practice.

***"I think it will take two generations to overcome the poor reputation that estate agents have. We have to do more to prove we are a key part of the sales process and not just another expense. The online agents are playing on this."***

Many of the interviewees expressed concern that such stigma would take years, if not decades, to reverse and only a fully regulated industry, with qualifications that upheld best practice, could begin to address this significant challenge.

There was also concern that this stigma was discouraging younger professionals to pursue careers in estate agency and that there was an issue for estate agents who needed to recruit and retain talented individuals.

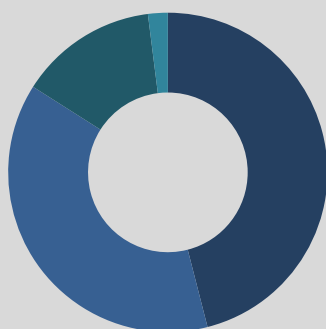
One agent commented that it was very unlikely that any graduate would seriously consider building a meaningful career as an estate agent.

*“Perhaps if there was some formal qualification then people might look to estate agency as a dedicated career path.”*

There was a feeling that formal qualifications would result, not only in better practice, but a greater level of respect for the profession itself. One agent went on to suggest that there would be merit in introducing some level of higher education course for the profession, similar to studying law. Whilst another was already actively involved in supporting a course at Brighton City College.

**84% of traditional estate agents surveyed agreed they needed to invest more in training and developing junior staff.**

**Better regulation** – Estate agents need to invest more in training and developing junior staff and provide better long-term career opportunities for employees.



**46% Strongly agree**

**38% Agree**

**14% Neither agree or disagree**

**2% Disagree**

**0% Strongly disagree**

**Results from 60 respondents**



## Key theme – The changing needs of clients

- [Trust and empathy](#) – The need to have an estate agent whom people can trust to guide them through the selling process has not changed.
- [Engagement and interaction](#) – The need to have an estate agent who is available to speak to hasn't changed. However, service level standards and response times have.
- [Property valuation](#) – Traditional estate agents need to better communicate to their clients the skill in providing an accurate valuation and the consequences of getting it wrong.
- [Marketing a property](#) – Since the advent of Rightmove, this process (and people's needs and expectations) have significantly changed.
- [Cost](#) – The majority of interviewees acknowledged that people are now very aware that they have a considerably cheaper alternative.
- [Property searches and viewings](#) – The way people find property and arrange viewings had changed.



**Trust and empathy** – *The need to have an estate agent people can trust to guide them through the selling process has not changed.*

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All of the interviewees were unanimous in their opinion that, more than anything, people want an estate agent they can trust to get them from A to B as smoothly and as stress free as possible. Normally, the measure of this was how long it took for a transaction to complete, irrespective of the level of work that had gone in to supporting a successful sale.

***“It’s a bit like a game of football – there’s only one stat that actually matters. You can move heaven and earth for a client but if you don’t get the right result then typically all that effort goes largely unnoticed.”***

There was significant value placed on an estate agent’s ability to quickly understand and empathise with an individual’s personal circumstances and to demonstrate that they could manage their transaction accordingly. Interviewees regularly referred to the importance of understanding the emotional side of a sale and the importance of considering each and every sale as unique in its own right.

By contrast, there were numerous references to how online agents were unable to manage the emotional side of a sale. Much of this was a result of them having little or no direct engagement with the client.

***“It’s so important that agents are able to manage the emotional side of a sale.”***

It was also interesting to note that many of the estate agents we spoke to felt that the very first meeting with a potential client was the most critical. All of the interviewees spoke of the need to quickly develop a rapport with the individual. If this could be achieved, then most agents felt confident that they could win the work.



**Engagement and interaction** – *The need to have an estate agent who is available to speak to hasn't changed. However, service level standards and response times have.*

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People still place significant value on their ability to talk directly with an estate agent about their sale. The value of this personal service increases significantly as a sale progresses and, in particular, if the sale encounters difficulties.

However, the advance of mobile technology means that people expect to be able to talk with their estate agent whenever they need to and, more often than not, outside of normal working hours. They also expect to have their personal service complemented by an element of online self-service where they can access information and check the progress of their transaction 24/7.

***"The perception is that people think we are only nine-to-five. I'm often on the phone at 10pm at night talking to clients."***

Many interviewees recounted examples of dealing with client enquiries during the evening, at weekends and even when they were away from the office on holiday. It was felt that the demand for almost 24/7 access had been created by the way people now manage their own busy lives.

There was a feeling amongst the interviewees that the full challenge of providing more services online was still to come as the next generation of home buyers would have been brought up in a world where online interaction is the norm. This trend was already becoming apparent with many interviewees commenting that younger clients are more price sensitive and want more instant, self-service interaction, whilst older clients are prepared to pay more for a personal face-to-face service.

This change in behaviour, which is only going to become more prevalent, will of course play to the strengths of the new online providers, although many traditional agents do appear to be starting to implement more use of innovation and technology to service their clients online.

***"Older clients like having their hands held and want to engage directly with someone who can demonstrate good knowledge of the market and knows, first hand, what it is like to sell a house. Younger people want cheap and instant."***

**Property valuation** – *Traditional estate agents need to better communicate to their clients the skill in providing an accurate valuation and the consequences of getting it wrong.*

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The common and deliberate tactic of overvaluing a property to secure new business was a common theme that occurred regularly throughout all the interviews we conducted.

Over-valuing is both a challenging and sensitive dilemma and many of the agents we spoke to felt that such tactics were making the home buying process longer, more expensive and more stressful for clients as overvalued properties failed to sell at their original asking price and in reasonable time.

*“Part of our skill is around managing expectations which can be difficult when the client is only interested in how much they can get for their property.”*

The challenge is compounded further when taking into account people’s natural inclination to go with an agent who provides the highest valuation. There was also opinion that this tactic was at the mercy of alternative online providers who can entice people in by offering over-inflated valuations, safe in the knowledge that they can charge an upfront fee irrespective of whether the property sells or not.

It was also acknowledged that overvaluing was not just a practice employed by online agents and that traditional agents were also to blame.

*“This is a symptom of agents simply overvaluing property just to win the work. Completion rates are made worse when you take into account online agents who charge a fee upfront. There’s no motivation for them to complete a successful sale.”*

Whilst there was no obvious solution to this challenge, estate agents need to use their understanding of regional market variations to convince clients that they are best placed to provide a realistic valuation that is in the client's best interest.

***“The skill of the agent is trying to meet that [valuation] in a realistic way.”***

To make matters worse, the estate agents we spoke to were unanimous in their opinion that most people perceived little or no benefit in having an estate agent provide a valuation for their property given the information available on Rightmove and other property websites.

The information available in the public domain means estate agents now have to do even more to convince clients that they are in a better position to provide a genuine and realistic valuation rather than one that is simply based on historical house prices.

However, many of the interviewees commented that Rightmove publish house prices that were normally several months old in lieu of up to the minute valuations and that it was unlikely that they took into account any recent or future development and infrastructure changes, such as proposed road developments or new amenities.

One agent commented that all their team understood important regional cost drivers such as cost per square foot of property and new builds along with how they differ slightly depending on location.

***“People think that they know what their property is worth. Half are there or thereabouts but people don’t understand that Zoopla and Rightmove don’t consider key variations like allowing for property improvements, local infrastructure and development issues.”***

**Marketing a property** – *Since the advent of Rightmove, this process (and people's needs and expectations) have significantly changed.*

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Interviewees described a number of interesting factors that now dominate how an estate agent takes a property to market. Most prominent are people's expectations to have their property listed on Rightmove immediately. Whilst this is an obvious requirement, many estate agents observed that this was the only thing that people were concerned about. As such, the process has become de-valued as traditional methods such as utilising an estate agent's 'black book' of potential buyers goes almost unnoticed.

*"People want to be on Rightmove immediately and they want their property to be presented professionally. Our job is to make this happen."*

At the same time, the cost to an estate agent to take a property to market appears to be going up all the time as people demand that their listing is presented in the most professional way possible, using professional photography and other new technology. One estate agent suggested that the use of drones to provide aerial views of properties was becoming more and more common.

*"Most good agents can introduce a property to the market well."*

One agent suggested that the average cost of taking a property to market was now between £400 and £500. Whilst this upfront cost was simply accepted as part of the traditional process, it presents a significant financial risk to traditional estate agents who, unlike alternative online providers, have no guarantee of getting paid at the end of the process.

This is clearly a significant challenge for traditional estate agents and one that is made worse as the perceived value of their service goes down whilst their costs increase.

Many of the estate agents interviewed acknowledged that listing a property was a routine exercise and not much more than an administrative task, and that the real work started once a property was online. One agent commented that because clients were now so obsessed about having their property listed on Rightmove, some agents were starting to neglect the other aspects of marketing a property which was impacting on the quality of the overall service they delivered.

**Cost** – *The majority of interviewees acknowledged that people are now very aware that they have a considerably cheaper alternative.*

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All of the estate agents we spoke to provided similar accounts of how the market had changed over the last five years which was forcing fees down and putting considerable pressure on the bottom line. Above all else was the emergence of alternative online providers who continued to drive down prices.

It was also interesting to note that many traditional estate agents felt that they had themselves to blame for creating a price war on the high street, particularly those agents operating in less populated areas. Some expressed dismay when neighbouring estate agents announced reduced commission rates, suggesting that it simply served for all the other agents in the town to follow suit.

*“Attitudes have changed since lower cost alternatives entered the market. People say – If online agents can do it for that, then why can’t you?”*

Other estate agents we interviewed simply said that they would match any offer given by neighbouring agents and that it was becoming nothing more than a race to the bottom. The overwhelming sentiment here was that the model of charging 2% commission was well and truly over and that margins would only continue to be squeezed.

*“The days have gone when we used to talk to each other. Now it’s very much dog-eat-dog.”*



## **Property searches and viewings** – *The way people find property and arrange viewings had changed*

A number of estate agents reported a trend towards buyers preferring to book viewings online and that there was certainly less people coming into the office to enquire about properties on the market. This was creating a need to have an efficient and slick online process to manage viewings, driven by the advance of online engagement and people's busy lifestyles.

***"We know that certain regions offer better value for money. We get to know what people are looking for and this allows us to recommend alternatives."***

The way potential buyers find properties had almost completely changed and it will come as no surprise that almost everyone now starts their search for a new home on Rightmove and similar websites. In 2012 Rightmove exceeded 11 billion page impressions on its website in one year alone as it became the UK's sixth most visited website. However, most interviewees suggested that the majority of people will transition their search for property to an estate agent at some point, particularly as their intentions of buying become more serious.

Many of the interviewees considered the transition from online to traditional search to be an opportunity to further demonstrate regional expertise and to match buyer's requirements to specific properties or areas.

There was also some interesting observations around the concept of people conducting their own viewings with traditional estate agents suggesting that most sellers were not ideally placed to do this effectively and found it a little awkward, particularly if a potential buyer wanted to negotiate.

***"Years ago people did their own viewings and then that all changed. People find it more comfortable using an agent and buyers certainly don't want to speak directly with the owner, particularly when negotiating on price. Now it seems that online agents are turning that round again, expecting vendors to do it themselves."***

## 5. Key theme – Embracing new technology

- [Online services and mobile technology](#) – Traditional agents need to adopt more online services to satisfy the growing need for 24/7 access to information and to reduce costs.
- [Improving response time and remote working](#) – Traditional agents need to find innovative ways to improve response times.
- [Utilising market data and training](#) – Traditional agents should make full use of the various support services provided by Rightmove and other similar websites.
- [Using client feedback to strengthen brand and reputation](#) – Traditional agents need to gather more client feedback to help them improve services and strengthen their reputation.
- [Social media](#) – Estate agents are using social media to reach beyond their regional boundaries.

### Background

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Many of the interviewees agreed that much could be learnt from innovation used by alternative online providers and that they were forcing traditional estate agents to up their game. Many felt that it was important to continually look for new ways to enhance the client experience by making things more efficient and less expensive.

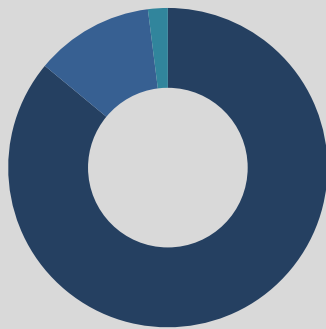
However, all the agents we spoke to felt that the role of technology was to support greater efficiency rather than replace traditional services. There was also strong sentiment that the role of technology and the value it can add diminishes in a more challenging market where there is a greater need for more dedicated face-to-face support and expertise.

Given the current market conditions, the general opinion was that agents who were more reliant on technology and automation to manage certain processes, were more likely to find it harder to resolve issues that occurred during the home buying and selling process.



98% of traditional estate agents surveyed agreed that technology alone cannot provide the level of service required to deliver effective sales progression.

**Embracing new technology** – *Technology alone cannot provide the level of service required to deliver effective sales progression and completion of transactions.*



86% Strongly agree

12% Agree

0% Neither agree or disagree

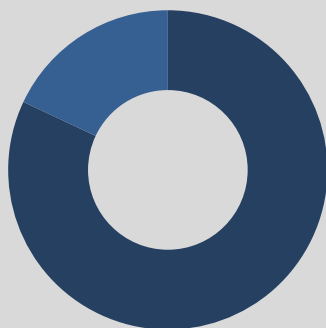
2% Disagree

0% Strongly disagree

Results from 60 respondents

100% of traditional estate agents surveyed agreed that a greater level of support is required when market conditions become more challenging.

**Embracing new technology** – *When market conditions become more challenging there is a greater level of support required from estate agents to ensure a sale progresses smoothly and successfully.*



82% Strongly agree

18% Agree

0% Neither agree or disagree

0% Disagree

0% Strongly disagree

Results from 60 respondents

**Online services and mobile technology – Traditional agents need to adopt more online services to satisfy the growing need for 24/7 access to information and to reduce costs.**

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Most of the agents we interviewed felt that there was significant room for improving online services to clients 24 hours a day. As well as satisfying client demand for 24/7 access to information, most of the interviewees recognised the benefits of streamlining certain processes and improving efficiencies that could help reduce the time spent on managing routine client enquiries, without impacting on client service standards.

Services ranged from simple online self-service tools such as instant valuations to more innovative technology such as client portals and hubs where people could log-on to secure personalised webpages to view information about their sale.

Some agents had already developed and implemented such services and some were making use of automated SMS messaging to keep clients updated by text message on the progress of their sale.

Perhaps one of the most basic but important improvements was the publication of individual team members' profiles, with their direct email addresses and telephone numbers, on agents' websites. This was helping to position the personal service provided by traditional agents and differentiate them from online providers, and some national estate agents, who make use of generic telephone numbers and email addresses for inbound enquiries.

Whilst this seems an obvious thing to implement, a number of agents we spoke to gave examples of other agents who continue to use generic contact details like [enquiries@traditionalestateagent.co.uk](mailto:enquiries@traditionalestateagent.co.uk)

With regards to company websites, many of the interviewees said that they were investing in updating tired looking websites as it was important to appear professional and modern. Common issues raised were the importance of ensuring that the company's website was fully responsive and user-friendly when viewed on a smart phone or tablet and that the website reflected the estate agent's values, tradition and core market.

As with many other business sectors, there was a growing trend to use a Cloud based provider to support the IT function. Many of the estate agents we interviewed commented that the Cloud had helped to make their IT more streamlined, more secure and mobile, and less expensive as there was less reliance on in-sourced IT support to resolve day-to-day technical issues.

*"I can now login to our systems when I'm overseas. It makes me always available and I can pick up urgent matters should I need to – this has really helped our customers."*



**Improving response times and remote working** – *Traditional estate agents need to find innovative ways to improve response times.*

This report has already highlighted the changing needs of clients and their expectations on response times. Most of the interviewees felt that it was normal to deal with client enquiries outside of normal working hours.

One agent suggested that it was almost a bit old-fashioned to close for an extended period over Christmas and several interviewees indicated that between Christmas and New Year was the busiest time for new enquiries as people were at home browsing online for new properties.

One agent also suggested that there was a growing argument for employing a dedicated enquiries team who were solely responsible for managing inbound enquiries, not only to improve response times but to ensure new leads were processed appropriately with a view to converting more into new clients.

**62% of traditional estate agents surveyed agreed that people expect to be able to access information about their sale whenever they need to.**

**Improving response times** – *People expect to be able to access information about their sale whenever they need to.*



**14% Strongly agree**

**48% Agree**

**26% Neither agree or disagree**

**12% Disagree**

**0% Strongly disagree**

**Results from 60 respondents**

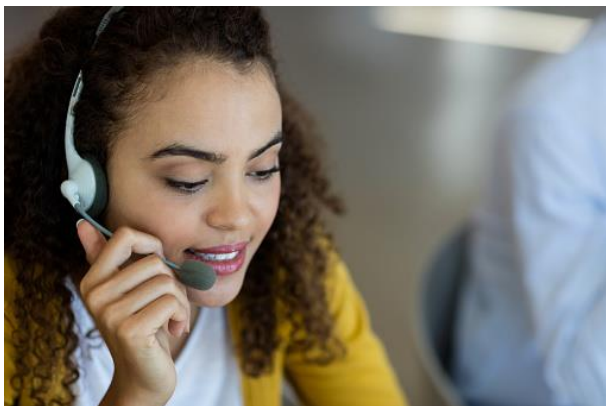
With regards to processing new business enquiries, a number of the agents referenced implementing new Client Relationship Management (CRM) systems so that sales leads were managed more effectively with a view to improving conversion rates. This was seen as a real step change for some of the smaller traditional agents who continue to rely on fairly basic databases to manage their contacts and opportunities.

***“It’s amazing how the online culture has changed people’s behaviours and expectations of buying a house. Some people spend more time buying a pair of shoes than buying a house – it’s all down to speed and instant demand.”***

With regards to remote working, there appeared to be a growing trend for agents to make use of iPads and other mobile devices to sign-up clients during onsite valuations and provide an instant listing on Rightmove and other property websites.

It should be noted here that, whilst it makes sense for estate agents to secure business as soon as possible, they should be mindful of the Consumer Contract Regulations and distant selling that may allow a client to cancel a contract at anytime without having to pay a penny for any services already delivered. There are a number of simple steps that estate agents can adopt to protect themselves against unnecessary risk here, and appropriate legal advice should be considered.

Whilst not technology related, there were a number of agents who were considering or already operating extended evening hours on particular days of the week to deal with client enquiries.



**Utilising market data and training** – *Traditional agents should make full use of the various support services provided by Rightmove and other similar websites.*

As you would expect, all of the agents we interviewed subscribed to Rightmove. A number of interviewees were keen to discuss the additional services provided as part of their package and commented that they benefited from access to regional market data that was not in the public domain and a range of training that helped them get the most out of their subscription.

*“I can use Rightmove statistics and say to a potential client – ‘Look, I’ve sold more properties in this postcode than any other agent.’ It really helps evidence the value we can add.”*

Of particular note were the training courses provided by Rightmove that allowed agents to generate maximum exposure to listings by understanding typical user behaviour and common search criteria selected by individuals. One agent commented that the training had helped them adopt a better valuation strategy that had resulted in their properties gaining far more exposure on Rightmove.

There were also examples given of how agents were using specific market data to demonstrate to potential clients how active they were in certain markets, helping to promote their credentials and track record of previous sales.

One interviewee discussed the use of data profiling in the industry and suggested that traditional agents needed to start targeting specific market segments. For example, it was now possible to use data to identify certain council tax bands, how long someone had lived at a property and their earnings. Such profiling could be used to segment certain demographics and predict those people who are more likely to be considering a move.

It should be noted that new GDPR regulations that come into force in April 2018 will need to be considered during any targeted marketing strategy.

*“Estate agents haven’t traditionally employed professional marketing people. Perhaps now is the time to consider the value they might be able to add.”*



**Using client feedback to strengthen brand and reputation** – Traditional agents need to gather more client feedback to help them improve services and strengthen their reputation.

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Only one of the estate agents we interviewed provided details of a comprehensive client feedback strategy. Whilst others may be using client feedback to some extent, this does appear to be an area in which traditional estate agents can improve. It was also noted that this is an area that online agents excel at and certainly rely on heavily to build trust and confidence in the market.

The estate agent we spoke to made a point of requesting feedback from every single client, via an online client satisfaction survey. The survey encouraged clients to leave comments and reviews on Google. This process not only allowed the estate agent to identify and resolve service issues, helping them to continuously improve, but had also helped develop an incredibly strong online profile that was strengthening their brand and improving their reputation.

*“Online agents are creating innovation that we can learn from – they are forcing everyone to up their game and ultimately that can only be good for the client.”*

**Using social media** – *Traditional estate agents are using social media to reach beyond their regional boundaries.*

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Most of the estate agents we interviewed were using social media to help promote their services and raise profile. It was interesting to note that some were implementing social media strategies to appeal to certain demographics who might look to relocate to the regions that they served. For example, young professionals looking to move from London to Brighton or older couples looking to retire to more rural locations. They did this by promoting local news and their detailed understanding of local issues through social media.

## About the author



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Scott Garner is Head of Business Development at Rix & Kay and a member of the firm's Management Team. With over ten years' experience in professional services, he works closely with Rix & Kay's senior partners and Strategic Board, leading the firm's marketing and business development function.

He has helped lead numerous strategic thought leadership projects across a wide range of sectors including healthcare, manufacturing and professional services. In 2017 he was instrumental in publishing Rix & Kay's thought leadership report that examined [The challenges for care homes and their residents](#). The report has since helped establish Rix & Kay as one of the most prominent law firms in the South East specialising in the care sector.

During the last six months, Scott has worked closely with Rix & Kay's specialist Residential Property Team to drive forward the firm's latest thought leadership project. His experience of using sector-led research, coupled with the huge insight gained from interviewing many estate agents has resulted in a valuable and strategic guide that can be used by traditional estate agents across the country.

## Acknowledgements

Rix & Kay would like to extend their thanks to the estate agents that helped contribute to this report by sharing their sector insight and wealth of experience during face-to-face interviews.



**David Jordan** is the foremost estate agent for selling and letting property in Seaford and surrounding areas. They pride themselves on combining cutting-edge marketing with the expert support of a traditional estate agency.

Established in 2004 by Seaford local David Jordan, last year the agency sold nearly 30 million pounds' worth of property and had in excess of 13 million views of their properties online.



**Freeman Forman** are part of Countrywide, the UK's largest Estate Agency Group. They cover all sectors of the market from first time buyers' properties to country estates. They represent clients selling property in Sussex and the Kent Weald.

They have a number of specialist departments including a very successful country house, farms and equestrian division.



**Hamptons International** offers an extensive portfolio of UK and international property, marketed via its 85 offices.

Their services include sales, lettings, residential developments, property management and mortgages. They are continuing to expand both locally and internationally, positioning themselves as one of the most valuable residential property groups in the world.



**Home and Castle Estate Agents** are a team of dedicated, friendly professionals with over 25 years' combined experience in the property industry in East Sussex. Their expertise includes managing houses for sale and rent, commercial property, land for sale and ground rents. They are passionate about all properties and market homes throughout East Sussex and notably Polegate, Eastbourne, Hastings, Bexhill, Hailsham and St. Leonards.



**Ibbett Mosely** has a history dating back 110 years when F.D. Ibbett established their first surveying office in Sevenoaks. Since then it has grown and diversified. Today the company operates from a range of offices offering clients advice on a diverse range of property matters from surveying, design and planning, residential and commercial sales and lettings, town planning and architectural services.



Established in 2006, **John Hoole Estate Agents** has grown to become one of Brighton's leading independent residential estate agencies.

As a forward-thinking company, they are constantly seeking fresh and innovative strategies to successfully promote and market client properties to achieve the very best prices. Their team is professional, knowledgeable and honest, a vital ingredient when building rapport and developing client relationships based on trust.



**Lambert & Foster** has a reputation for providing trusted, professional advice and are experts in property and planning throughout Kent and Sussex.

Established over 100 years ago, they provide the highest level of independent professional advice across the whole property spectrum. They take pride in providing a first class service to clients, based upon professionalism with traditional values and a modern outlook.



**LeGrys Independent Estate Agents** are a multi award-winning estate agency, successfully marketing property across Kent, Sussex and London since 2011.

They aim to be different from the norm, customer-focused and always endeavour to exceed clients' expectations. They embrace change and question tradition.



**Michael Brooker Estate Agents, Chartered Surveyors, Lettings and Management** is an independent business concentrating on the sale of residential properties and the letting of residential properties in Crowborough, East Sussex and the surrounding villages.

They offer over 90 years of combined experience of selling and letting of properties in the East Sussex area and provide a personal service supported by modern technology.



**Newberry Tully** is a traditional estate agency based in Seaford, East Sussex and owned and managed by Stephen Newberry and Andrew Tully.

Stephen is a qualified Chartered Surveyor and has been an estate agent since 1971 and opened the firm's existing office in 1987. Andrew Tully runs the sales side of the business. He has worked with Stephen for eight years.



**Premier Lets and Sales** is a well-established, successful agency covering the coastal areas and villages between Brighton and Eastbourne. Their modern offices are located in prominent positions in Seaford and Peacehaven. They are one of the few agents to be licensed by both the National Association of Estate Agents (NAEA) and Association of Residential Letting Agents (ARLA).



Experienced, dedicated, honest and professional. Words that are frequently used when referring to the staff at **Rowland Gorringe**. Their hard working ethic, coupled with their detailed understanding of the local property market across East Sussex is unsurpassed and lays the foundation of the levels of excellence that has been associated with the firm across three generations of the Gorringe family ownership.





Progressive, dynamic, exceptional, with a strong desire to challenge the perception of the industry, **Sawyer & Co.** are an award winning, multi-departmental, independent estate agent with offices in Brighton, Hove and Portslade. They offer consistency and professionalism in their sales and management teams, creative and dynamic innovation and proven, endorsed, quality customer service; ensuring that their philosophy of 'Going the Extra Mile' underpins everything they do.



**Stanfords** provide a good, honest and proactive service to each and every one of their clients.

As a member of The Property Ombudsman, all their staff and practices are held to a high standard. Their modern office in Brighton has a team of eight sales

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**Whitlock and Heaps** market properties locally across Brighton and Hove. Established in 1948 their experienced Partners and negotiators ensure a wealth of knowledge is available to promote property and champion its most marketable assets and advertise its appeal. As a family run business their aim is to continue delivering the unrivalled customer service their clients have come to expect. They achieve this by applying their knowledge of the local market, dedicating themselves to understanding what their clients are seeking to accomplish, and committing to their values.



**Wood & Pilcher** have been successfully selling all types of residential property from their offices in Kent and East Sussex since 1981, from apartments in town to large country houses. Their professional, independent service has enabled them to become leading estate agents in the area and their strengths lie with the people who work for them. Their experienced Directors and Managers work with their teams dedicated to providing clients with excellent sales and marketing advice based upon their detailed understanding of the property market and a strong knowledge of the local area.

## About Rix & Kay

Rix & Kay Solicitors is a long-established and award winning law firm that has a reputation for providing outstanding client service. 97% of clients surveyed would recommend Rix & Kay to people they know.

It is our reputation that allows us to retain a strong regional presence across Sussex and Kent. We work in partnership with business owners, entrepreneurs, professionals and their families from our offices in Brighton & Hove, Uckfield, Seaford, Sevenoaks and Ashford. We also work with some of the most successful organisations in the UK both on national and international projects.

We help successful, ambitious businesses and individuals to create, grow, protect and pass on their business and personal wealth for the benefit of themselves, their families and successive generations. We do this by applying technically brilliant and commercially focused legal advice across the entire range of business and private client legal services, whilst ensuring the highest level of client service standards.

### **Rix & Kay's Residential Property Team**

Rix & Kay has one of the strongest residential property teams in the South East with a team of ten lawyers and professionals, dedicated to providing high quality and bespoke residential property services. Rix & Kay have been helping individuals and their families buy and sell properties across Sussex and Kent for more than 75 years. The Team regularly advise individuals from all walks of life from first time buyers and property investors, to those looking to down size as they approach retirement.

## Rix & Kay's approach to client service sets us apart

### We help guide our clients through every step of the conveyancing process

- Direct access to a dedicated lawyer who is assigned to manage every sale or purchase
- Face-to-face meetings whenever needed to help explain issues and options
- Home visits and drop in sessions at agents' premises at short notice
- Interim review meeting booked as standard with a view to signing documents and discussing potential completion timescales

### We believe our bespoke services offer exceptional value for money

- Exceptional lawyers who provide sound advice. We don't approach a sale or purchase as just a process
- We project manage each transaction to help reduce risk, avoid unnecessary or protracted negotiations and resolve any issues quickly that may cause delay
- Our costs are transparent and upfront. Our clients aren't surprised with hidden charges once the work is complete
- 97% of clients would recommend Rix & Kay to friends and family

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