

## HIDDEN DANGERS OF ONLINE AGENT REFERRAL SITES

Real estate agent referral websites are sprouting on the internet every day, but consumers often want to know if these websites are a good way to find an agent.

The REIQ recommends consumers do their research using a broad range of sources before they appoint an agent. These sources include talking to family and friends for word-of-mouth referrals, looking at the most prolific signboards in your area – an easy way to spot which agent is doing brisk business as you drive around every day – along with looking at the major listings portals to see which agents have plenty of listings in your area. Remember to check the *Recently Sold* section too!

Additional research can be done through referral websites but the REIQ cautions users to be very clear about the results these websites provide.

What many people may not realise when they use these sites is that the agents who are presented in the search results may pay a fee to be included and presented to the consumer. And if they don't pay, their name simply won't be included in the results.

For many consumers this will not be an issue. After all, you pay to be included in the Yellow Pages, or you can pay to be included in Google's search results.

However, these agent referral businesses can be confusing in the way the results are sometimes presented.

It may seem as though the website will return the most suitable agents in your area out of a total pool of all working real estate agents in your area, but this is rarely the case. It is usually simply a list of paying agents in your area, and not at all a qualified list of the most well-suited to your search query.

What is also less well-known to consumers is exactly how the fee structure works, and this is partly because it varies from business model to business model.

Some referral websites take a cut of the commission while others charge the agent a per-click or per-lead rate.

Some of our member agents are frustrated with these sites because they feel there is a lack of quality control on the part of the referring website. For agents who take great pride in their professional development and their industry skills and knowledge, appearing alongside an agent who takes no such care in their own skills and knowledge is frustrating.

Referral sites are not exclusively used in the real estate space. We have seen them crop up in a number of other markets, such as insurance and mortgage brokers.

# Consumer Advice



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REIQ member agents are required, as part of their membership, to maintain their professional knowledge and every year must update their skills. To find an REIQ agent in your area visit: [www.reiq.com/findanagent](http://www.reiq.com/findanagent).

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