Selling property online: does Internet Estate Agents like iMoveEstates impact on Traditional High Street Estate Agents?

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Over the last five years or so we have seen a rise in internet estate agents. So what impact does this have on the smaller high street agent? Would even the larger high street agents feel the effect?

Our internet estate agency, iMoveEstates, started out in 2012 and at that time we took note of around 25 similar online estate agencies. This information formed our research highlighting who were our main stream competitors. Fast forward to 2016 we ran a similar data check for online estates agents to see how many there are and what areas they cover. We found that there were over 150 internet estate agents! I am sure there could even be more but for the research we needed 150 was more than enough!

This got me thinking. With over 150 internet based estate agents, most of which cover the UK, this must be having an effect on the high street estate agent.

Could the impact of Internet Estate Agents be forcing high street agents to close or remodel the way in which they work?

I for one believe the market has to change and adopt different types of services to allow for a more competitive market and offer a more complete service to our customers. At what cost? We have already seen the changes online demand has brought to our high street from travel agents, independent retail shops and local convenience stores to name a few. Where the majority have fallen by the wayside and only the larger more recognised stores are benefitting.

You only have to look at the stats to see that the use of internet estate agents is rising year on year. In 2012-2013 around 3-5% of property up for sale were using an internet estate agent. In 2015-2016 it is reported that around 8-10% have chosen the online method.

It is clear to see that the high street agent is still the more preferred choice for users in today's market but the gap is closing and doesn't look like it is stopping anytime soon. How many traditional agents will be forced to close and feel the effect due to **the changing trend in using an internet estate agent when selling your property**?

Smaller independent agents do not have the budgets the larger mainstream agents have, so if they were to feel the effect, they most likely would not be able to do as much advertising or promotional offers, it would simply be a remodel of their services.

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It is important to note that the smaller agents often work within a region and have had to adapt to ever growing competition by going further afield to compete for business. The issue they also now have is that they will be competing with a completely different offering and service. Previously they would have only been competing with other similar type of estate agents muscling in on their territory and simply being competitively priced could see them win business.

The online services that are out there allow a wide coverage more often a UK wide audience and on the occasion a smaller internet agency does not cover the whole of the UK its reach will surely be larger than that of its counterpart; a small high street agent. This means less opportunity for the small high street agent being seen and used and more likely increased competition entering the area they cover. Adding salt to the wound, it is unlikely that a traditional agent offering a full service would be competitive on price and be able to justify selling a house for three hundred pounds! They simply could not sustain that type of service at that cost forcing them to either close or remodel their agency. It is not set in stone that every small high street agent would suffer this way and should now consider modifying their business as it is still very early on and many things can happen.

Unfortunately like with any other innovative market solution it brings on change and there are often a few casualties. It is important to note, as mentioned earlier when considering the revolution for our high street that the property market place is changing and becoming a far more competitive place.

What about the larger mainstream high street estate agent?

Will they be affected in the same way that the smaller traditional estate agents are likely to be?

Remember there will always be a need for the high street agent whether large or small, online agents offer an alternative solution to selling or renting your property but not the only solution. For some landlords or vendors they will still use the more traditional form of agency because it suits their needs and are happy to pay a commission upon completion. In fact it could be that the larger agents are set to make more gains than losses over time depending on how dominant you are of course. If you are an agency that covers the whole of the UK they could be vulnerable to different areas being affected and see a rise in the use of internet estate agencies in the North of England but in the South the trend may still be to use a high street agent.

However if you are a large estate agency within a specific region or county in the UK, you are likely to find yourself with less competition due to a reduction in the number of smaller agents and therefore anyone who is looking to use a traditional agent will have limited choice.

Another reason why it is unlikely that larger real estate agents will be affected is

because budgets may allow them to either purchase a failing smaller agent and rebrand it as their own or even partner or acquire the very thing causing the competition in the first place and land themselves their very own online estate agents! **It is clear to see that the more mainstream traditional estate agent has been dealt more cards to play when having to face stiff opposition**.

I think we are a long way off from this but it is an example of how things could change and how the larger agents could benefit in the long run.

That said there is cause for concern as I am sure most real estate agents would prefer for this threat to not be there at all! The question is do these types of online services offer a more competitive market place for our vendors and landlords and are they seeing value in using this type of agency? It is clear from the rise of internet estate agency models and the increased numbers in people selling their property through them that it is having a positive effect to the market and the people who use these services.

So how does this impact the landlord or vendor?

Selling or tenanting your property in the current market could not be easier or more cost effective when many different options are available to you, all of which are proven to work. Traditional agents are competing hard and dropping their commission fees in certain areas to win your property. While internet estate agents are competing with each other offering a range of prices and services to tempt the interested parties in using their service.

What counts for most estate agents, whether you are based online or a high street, is the reputation you have in selling property, winning referrals and the testimonials you have earned. More of which are beneficial to the online estate agents who are building trust in an internet based market, but essential to any estate agent that is looking to encourage and win new clients. All in all this is a great time for choosing an estate agent to advertise your property and looks like it will continue in this way for years to come.

Why are Internet Estate Agents such an attractive choice?

Well it is now the time to mention the competition, the services that are really causing high street agents to think and making internet estate agents such an attractive choice.

The internet or online estate agents all have very impressive websites which let's be honest is unusual when considering the websites of traditional estate agents which are known to be dated and really only have one function; to search for property that more often than not did not work well! **Now with the use of modern technology Internet Estate Agents have really taken their websites to the next level**, some of which are works of art where you know a web designer has spent months of work designing and redesigning to make the site more user

friendly.

The main reason internet estate agents are doing so well is that they offer you the opportunity to save a lot of money by selling or renting your property through them.

Imagine if you sold your property through an internet agent and saved thousands of pounds, it is unlikely that you would then use a high street agent again. This is exactly what is happening, we see a yearly increase in the number of referrals and repeat business. **The more properties we have on our books, the more we sell**. Referrals and repeat business increase and so on.

Why should property owners sell or rent their major asset through this type of service?

Is it just cost that would motivate a property owner to sell or rent their major asset through this type of service? I don't think so; **it is a combination of things**. Many individuals believe that high street agents are not worth what they charge; they see no value and believe all they do is simply put the property on the major property portals and wait for enquiries to come in. Why pay them all that money in commission when you can use a service that costs you much less. It is the principle of it and so they choose an affordable solution.

Some use an online agent because they would prefer more control through the process and know that with their direct input they can help inform potential viewers better than any estate agent. Others use a service like ours because they have tried their local agent and their property is yet to sell, so wish to try something new. For whatever reason someone finds themselves using an online estate agent, and I have only named a few, it offers the situation where **it is unlikely that an owner will revert to using the more traditional form of estate agency** because if successful your local high street agent has nothing as compelling to offer.

It is not all doom and gloom for high street agents because as it stands traditional estate agents hold the upper hand when it comes to vendors and even landlords looking to sell or tenant their property. We touched on the fact earlier that these types of services are currently being preferred over internet based agents. So why is this? Is it down to common practice and people using what they are used to? Could it be a lack of trust? That the cost for selling or renting your property online is so much cheaper compared to the high street agents a perception is made that there must be something wrong. It is hard to say which one it is specifically as it seems that all of them are the major attributes to the more traditional agent and it takes time for people to build trust and change habits especially when considering something as great as selling your home and rightly so.

Change is happening and with huge investment into some of the online estate agents we are witnessing advertising on prime television, radio, outdoors and on the web. Accelerating the growth and increasing market share of the internet agent through the awareness of its service and success stories. It is strange to think of a time when we did not have the services of online estate agents and you only have to read

online estate agent testimonials or online estate agent reviews to see the impact they have made to many people across the UK.

Are Internet estate agents here to stay?

Internet estate agents are here to stay, for that there is no doubt. **They will continue to attract people wanting to promote their properties** which will mean one less client for the high street agent.

The debate on whether this will have an impact on the larger mainstream estate agents will continue on and really only time will tell. Situation today is that it is having an impact on some of the smaller estate agents in various locations across the UK something that is only going to continue.

Times and services change, so does the way in which we use technology to our advantage and through the property sites such as **Rightmove, Zoopla and Primelocation** the way in which we search for property has improved. Now it seems the time to revamp the property market has arrived, a more modern way of working mixed in with the high street agency knowledge and property expertise for a fraction of the cost. Which in most cases are **the internet estate agents you see today**, many of them are ex estate agents or have estate agency experience and went on to form an online service. Over time we will see the larger agents, who are not currently taking the threat of internet based agents seriously, review their stance and who knows we may see them reduce their fees and offer a competitive service in terms of costings for selling your property.

Selling your property should not be as expensive as it is today and internet estate agents are showing that you do not have to pay those high commission fees anymore.

Now there is a genuine choice and competition when it comes to selling your property whether you are looking to sell your property fast or looking for the asking price while finding your next property, internet estate agents are proving there is no real difference it simply boils down to your preference.

I know who I would choose. Do you?

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