Real Estate Agency Principal interview questions

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What to expect

Interviews for a real estate agency principal go beyond selling ability. You will be tested on your understanding of trust account rules, licence obligations, team leadership and commercial judgement.

- **Licence and compliance:** Questions about holding the agency licence, trust account rules, state or territory legislation and audit obligations.
- **Leadership and people management:** How you recruit, train and performance manage sales agents and property managers.
- **Commercial and financial:** Setting commission and fee structures, reviewing budgets, growing the rent roll and managing agency profitability.
- **Scenario and judgement:** Ethical dilemmas, vendor disputes, compliance breaches and how you make decisions under pressure.
- **Client-facing and negotiation:** How you handle vendors, landlords and difficult negotiations while protecting the agency's reputation.

Typically a phone screen with a recruiter or business owner, then a panel interview with the agency owner or board. Many agencies include a scenario or case study on trust account management or a compliance issue. Some ask for a short presentation on your plan for the rent roll or sales division.

1. How do you ensure trust accounts are reconciled correctly and on time?

Why they ask

This is a core licence obligation. The interviewer wants to hear a clear, repeatable process and an understanding of state or territory rules.

How to structure your answer

Walk through the process step by step: daily receipts, weekly bank reconciliation, monthly audit preparation, escalation for discrepancies and how you document everything.

Example answer

“At my current agency, I reconcile trust accounts weekly. I start by checking all receipts and payments against the bank statement, then I review any discrepancies with the property management team. If there is a shortfall, I escalate to the auditor and the licensee in charge immediately. I also run a monthly reconciliation before it goes to the auditor, and I keep a log of any exceptions. That process has kept our audit clean for three years.”

2. Tell me about a time you managed underperformance in a sales agent.

Why they ask

Principals are accountable for team results. This tests your ability to have difficult conversations and improve performance without losing the agent or damaging the team.

How to structure your answer

Use STAR: situation, task, action, result. Focus on the specific steps you took and the outcome for the individual and the agency.

Example answer

“I had a sales agent who was missing listing appointments and not following up with vendors. I sat down with them and went through their pipeline. We set a weekly check-in and I paired them with a mentor. After two months, their listing conversion improved and they hit their targets. I documented

each step in case I needed to escalate."

3. A landlord calls you and says their property manager has not passed on rent for two weeks. What do you do?

Why they ask

This scenario tests your client care, your knowledge of trust account rules and your ability to act quickly when money is involved.

How to structure your answer

Show judgement under pressure: acknowledge the complaint, investigate the facts, fix the immediate issue, then review the process to prevent it happening again.

Example answer

"I would first apologise to the landlord and confirm the facts. I would check the trust account ledger for their property and see if the rent was received and where it went. If there was a delay, I would process the payment immediately and follow up with the property manager. Then I would review our internal process to make sure it does not happen again, and I would offer the landlord a written explanation."

4. How do you set commission and fee structures that win listings but keep the agency profitable?

Why they ask

Principals set the commercial direction. The interviewer wants to see that you understand margins, competition and how to communicate fees to the team.

How to structure your answer

Explain your approach: analyse the local market, calculate your cost base, design tiered structures for different property types, and involve the team in understanding the rationale.

Example answer

"I look at the local market and our cost base. I set commission at a level that is competitive but still covers our overheads and allows for a margin. I also build in a tiered structure for larger portfolios. I discuss it with the team so they understand the rationale. At my current agency, we introduced a fee structure that won three new building contracts without discounting our core service."

5. What would you do if you discovered a senior sales agent had been misrepresenting property details to buyers?

Why they ask

This is an ethical and compliance test. It shows whether you would protect the agency or take the harder, correct action under Australian Consumer Law.

How to structure your answer

Demonstrate a clear decision-making sequence: stop the conduct, investigate, report to the regulator or licensee in charge, protect affected clients, then retrain the team.

Example answer

"I would immediately remove that agent from any active negotiations and review the files. I would inform the vendor and the buyer's agent if necessary, and I would report the matter to the licensee in charge or the Office of Fair Trading. I would also check whether other listings were affected. Then I would retrain the whole team on disclosure obligations under the Australian Consumer Law."

6. How do you keep your team up to date with changes to state or territory real estate legislation?

Why they ask

Legislation and CPD requirements change. The interviewer wants to know you have a system, not just good intentions.

How to structure your answer
Describe your sources, your team communication rhythm and how you turn updates into practical procedure changes.

Example answer

“I subscribe to updates from the state regulator and the Real Estate Institute. I also attend CPD sessions and bring back a summary to our weekly team meeting. When the trust account rules changed last year, I ran a workshop for the property management team and updated our procedures manual. I keep a compliance calendar so nothing is missed.”