

# Buyer's

Buying a property is one of the most important decisions you will ever make. Using a buyer's agent (or buyer's advocate) can help lower both your personal and financial stress levels, says *Kate Johnston*.

After almost 12 months of searching for a home, the frustration and disappointment were taking their toll on Ken Hurlie. He'd missed out on a number of properties. He'd wasted time and money moving from one rental property to another. Everything changed when, at yet another unsuccessful auction, he realised he was up against professional bidders. "I felt I was at a disadvantage," says Ken. "Soon after, a real estate agent recommended I talk to a buyer's agent."

"Initially I hired someone to bid for me at the next auction," he continues.

"As it turned out, I missed out on that property, too. I was really disappointed. You get your hopes up; you just want to get settled. In the end I realised a good buyer's agent has the experience – they'll ask questions a layman wouldn't. They also have contacts in the industry and research facilities at their fingertips."

## What is a buyer's agent?

Buyer's agents represent the interests of the buyer in the marketplace. Their job is not only to get the best possible property for your budget at the lowest

## A buyer's agent should ...

- be a licensed estate agent
- be a member of the relevant state real estate institute, which ensures they have full professional indemnity insurance
- ideally be a member of Real Estate Buyer's Association of Australia (REBAA)
- be able to produce references
- be someone with whom you feel comfortable.

price negotiable but also to interpret the market for you and to hold your hand through each or any part of the process: from researching and assessing properties to supervising building inspections, bidding at an auction – even negotiating the sale of furniture!

A buyer's agent can give you the cutting edge in dog-eat-dog negotiations. They have access to the same professional databases selling agents use, which puts you on an even playing field with the 'opposition' and equips you with objective research. Their professional detachment helps take emotional agendas out of the equation. And although most people are going for the house of their dreams, some are pleasantly surprised to discover they're aiming too low and a buyer's agent can make their dollars stretch further than they believed.

Janet Spencer from Buyer Solutions jumped the fence from selling agent to buyer's agent 11 years ago when

# agents

– value for money?

she found herself in a dilemma. "I had ethical issues as a selling agent," she says. "There was a trend years ago towards agreeing with the vendor on whatever price they wanted to achieve. Then you were expected to 'correct their expectations', if you like, during the marketing period. I just couldn't do that."

But her 10 years of selling experience have given her a genuine advantage. "I've experienced both sides," she says. "It's a competition and the market can be bullish. The stakes are high. It can be intimidating. As a buyer's agent, people don't need me in order to spend anything, they can do that themselves! What they need me for is to help them stop at some point."

In negotiations, inside knowledge and contacts also become invaluable. It's possible selling agents may even give a buyer's agent more information because they want their ongoing business. "We know the tricks," says Janet. "You might buy a property two or three times in your life – we do it two or three times a week. So we're expected to be a bit better at it."

"I get a lot of clients who've been in their family home for 20 or 30 years, decide they want to downsize and realise they are now unfamiliar with the system. There have been massive legislation changes; these days more money is at stake – just the stamp duty alone is prohibitive. So people are seeking out independent advisors. There is a school of thought that says you can't afford to get it wrong."

## Money, money, money

The main thing that puts people off buyer's agents is, of course, the expense. Ken was sceptical at first, but eventually realised an experienced negotiator was exactly what he needed.

"It ended up costing me \$6000," he says, "which if you say it quickly doesn't sound like much! But it's a trade off. The fact that I had the buyer's agent swung it for me in the end. The week before the auction, the owner pulled the property off the market. My buyer's agent rang, said I was a serious buyer and was it worth us making an offer? The agent said, 'Of course'. I would have just

accepted that the auction was off. I would have missed out."

Buyer's agents have different fee structures: a percentage of the sale price, a flat fee, or an hourly rate consultancy fee if, for instance, you simply need a professional opinion on a property. "We tailor a fee to the service and it's negotiable," says Janet. "When it comes to the value of our service, I say, 'If I locked you in a room with the *Yellow Pages* for a day, do you think you could bring the price on a new TV down one per cent? Yes. Well, after 20 years in this profession, would you expect me to be able to do that with real estate?' That's what you're paying for."

For Ken Hurlie, spending the money on a buyer's agent meant he got exactly what he wanted. "When you're selling, you spend thousands tarding up your place for someone else's benefit, don't you?" he says. "I still remember the peace of mind the buyer's agent gave me. I had a positive experience." **YL**

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Buyer Solutions is an independent property consultancy and advisory service.  
Ph (03) 9853 6700  
Web [www.buyersolutions.com.au](http://www.buyersolutions.com.au)

The Real Estate Buyer's Association of Australia (REBAA) was established to promote buyer's agents and to create guidelines for their professional conduct.  
Ph 1300 652 638  
Web [www.rebaa.com.au](http://www.rebaa.com.au)

The Real Estate Institute of Australia (REIA) is the national professional association for the real estate industry. Find the contact details for your state institute here.  
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