

AT LAST PROPERTY BUYERS CAN HAVE AN EXPERT ON THEIR SIDE...



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Every year more and more people are using Buyer's Agents to purchase investment properties and homes. It's been common place for many years in the USA, the UK and many parts of Europe. In Australia, the number of properties bought using Buyer's Agents is on the rise as people realise the benefits and advantages of engaging or retaining these services.

What does a Buyer's Agent do?

A Buyer's Agent works for the buyer in the same way the Real Estate Selling Agent works for the seller or vendor. The role of a Buyer's Agent is to help buyers find suitable properties, assess their market value and then negotiate the best terms and lowest possible price for the buyer.

Qualifications:

A Buyer's Agent is required to have certain qualifications under the Property, Stock and Business Agents Act for each State or Territory. In New South Wales, you must have either a real estate licence or a restricted Buyer's Agent only licence.

Highly regarded Buyer's Agents will also have extensive experience in real estate and a strong understanding of the marketplace. The majority of successful Buyer's Agents have previously worked as Selling Agents thereby giving them a thorough understanding of what happens behind the scenes when a property is put up for sale. The inside knowledge they have accumulated ensures that their clients aren't caught out by negotiation tactics used by most Selling Agents.

Essential steps for Buyer's Agents:

The Buyer's Agent represents the buyer to secure a property at the lowest possible price with the best possible terms and conditions. To ensure the best outcome for the client there are a number of essential steps that should be followed:

1. Price analysis - A comparative market analysis is a process to determine a property's value prior to its purchase. As part of this process, Buyer's Agents compare the land and property specifications with other properties in the area that have recently sold.
2. Area knowledge and market research - Research must be done to ensure the purchase meets the needs of the client's reason for purchase. For example:
 - a. In the case of investment properties - a thorough understanding of tenant requirements now and in the future is vital to ensure correct property selection and a good rental return.
 - b. In the case of a family home purchase - Is there easy access to good schools?
3. Knowledge of Selling Agent tactics - Buyer's Agents with Selling Agent experience know the methods that Selling Agents use in order to get the best price for their clients, the vendors. Inexperienced property buyers often make the mistake of thinking that Selling Agents are there to help them purchase a property at a fair price or even worse - at a bargain price. The reality is that Selling Agents are paid on commission and work for the seller. The higher the price of sale, the more commission they receive.
4. Unemotional purchasing - In order to buy a good property for a fair or below market price it is best to remove emotion from the purchase. Having a third party negotiate on a buyer's behalf removes the chance of a buyer making a spur of the moment decision that they will come to regret. This is especially important during high stress situations, such as auctions, where all too often buyers stretch beyond their means to secure a purchase.

Client focussed:

It can take a lot of time and energy to buy a property that meets your needs. If you don't have the time or experience, it may be best to secure the services of a Buyer's Agent to avoid making a costly mistake.