

# Using an agent to buy property

Buyer's agents may assist you to purchase a property. If you engage a buyer's agent you pay for their services and they act exclusively on your behalf. The difference between selling and buying agents is that a selling agent represents the vendor while a buyers' agent acts for the purchaser.

Buyer's agents offer a number of services ranging from property searching, appraising, dealing with vendor agents, negotiating a sale price, bidding at auction, arranging property inspection reports and general property advisory. You can decide what level of service you require from your buyer's agent.

A buyer's agent is required to hold a licence. You can do a licence check online at the Fair Trading website or by calling 13 32 20.

## Benefits of using a buyer's agent

A buyer's agent can help you:

- find and shortlist properties meeting your search criteria
- research properties to determine a fair price
- inspect a property
- evaluate and negotiate a price on your behalf
- bid at auction
- follow up until the sale is finalised
- provide objective information, advice and support
- access databases and information not readily available to the public, including increased access to properties off market
- eliminate stress by having one representative looking after your needs, rather than dealing with several different selling agents.

## Selecting a buyer's agent

A buyer's agent should be able to help you identify the ideal location and property for your personal requirements.

Your buyer's agent will need the right mix of industry experience, market knowledge, networks, negotiation skills, research and credentials to deliver a suitable service.

When considering which buyer's agent to use there are several questions you should take into account:

- Are they a licensed real estate agent, and if so how long have they been licensed for?
- Do they have professional indemnity insurance?
- What experience do they have in property research and negotiating prices? How many properties did they buy last year?
- What fees are they charging and will there be fees or charges if they don't find you a property you like?
- What are the terms and conditions of the agreement, and if you are not happy with their performance how can you terminate the agreement?
- How is she/he different from other buyer's agents?
- Do they have a large network of contacts with listing agents?
- Can they give you a list of their last 5 clients?
- How often will they give you feedback?
- How many agents are in their team?
- What are their office hours?

## Specific rules of conduct applying to buyer's agents

Buyer's agents should abide by the following rules, a breach may result in the agent being penalised.

- When signing an agency agreement, the agent is required to prepare and give you a statement of property details, which is signed by the agent. The agreement must specify:
  - (a) details known to the agent of the type of property to be purchased
  - (b) details of any special instructions about the property to be purchased e.g. requirement for vacant possession.
- The agent must keep you informed of each stage of the negotiations of a purchase price.
- The agent is required to obtain the best possible purchase price.
- The agent is not to exceed the agreed purchase price in negotiations or at auction without your express written authority.

- When you pay an expression of interest deposit the agent is required to inform you that there is no obligation for the vendor to sell the property or for you to purchase the property. The agent must also inform you when they become aware of any subsequent offers.
- The agent must not accept any payment for referring you to a selling agent.

## Agency agreements

When you appoint a buyer's agent you will need to sign a buyers' agency agreement which sets out the services they will provide and the terms and conditions of the agreement.

Do not sign the agency agreement before you understand what it means for you in terms of costs and what the agent is committing to do for you. If there is anything you don't understand, contact Fair Trading or your solicitor.

## Commission, fees and expenses

The amounts charged by agents are not set by law. You can negotiate with the agent about the value of any commissions, fees or other expenses that you may be required to pay.

## Disputes

If you have a dispute with your agent and you are unable to resolve it, you can lodge a complaint with NSW Fair Trading on 13 32 20 or on the Fair Trading website.

If we are unable to successfully negotiate your matter, you can consider taking your dispute to the Consumer, Trader and Tenancy Tribunal (CTTT). The Tribunal provides independent, low cost and accessible dispute resolution in consumer or tenancy disputes. Application forms and the fee schedule can be obtained from the Tribunal's website at [www.cttt.nsw.gov.au](http://www.cttt.nsw.gov.au) or by calling the Tribunal Registry on 1300 135 399.