

Buyers should use agents to represent them

Having an agent on each side of the property transaction would slash the number of consumer complaints against agents and enhance the profession's standing in the community, the head of a major real estate group has said.

Tony Brasier, managing director and chairman at PRDnationwide, said many complaints against industry professionals stem from buyers failing to understand who the agent is representing in the property transaction.

"In my experience, any problems that arise through a transaction, and where an agent gets a bad reputation as a result, is because a purchaser believes that the agent is acting for [them] when in fact they're acting for the person who is paying them, which is the vendor," he told *Real Estate Business*.

"I'm all for buyers' advocates, and I think that's a great trend, and I think if there was an agent on both sides of every transaction you'd have ... less issues. I think the standard of the profession would go up dramatically because you know who is representing you, and they're representing you in the best interests, and I think the whole professionalism of the industry would rise. There would be less disputes."

Rich Harvey, managing director at propertybuyer.com.au and the NSW spokesperson for the Real Estate Buyers Agent Association of Australia (REBAA), agreed that buyers' agents were important in the property transaction process.

He added that the majority of real estate agents he dealt with could also see the benefits of dealing with a buyers' agent.

"Generally, 99 per cent of agents love us as we present a qualified buyer to the transaction," he told *Real Estate Business*. He said while an agent may have a higher offer from another potential buyer, the client of a buyers' agent, having been properly vetted, would be much more likely to proceed with the transaction.

Mr Harvey, who is also a member of the Real Estate Institute of NSW (REINSW) and has 11 years experience in the property buyer industry, said consumers needed more education around what a buyers' agent does. "We're trying to get some fact sheets [about buyers' agents] put up on the NSW Fair Trading website."

Mr Brasier said consumers expected to pay professionals for their services, so using a buyers' agent should be viewed no differently.

"If you're buying shares on the stock market you are actually paying a broker to buy them," he said. "If you're getting an accountant or solicitor to act for you in any business transaction you're paying them to do it. Why wouldn't you pay an agent representing you in the purchase of a property a reasonable fee to buy you that property. To me, they should be saving you the money you're paying them."

Moreover, he added, it was common in other Western markets for buyers to use agents to represent their interests.

“That’s the way it works in the UK predominantly, [and] there’s a big trend towards that in the US. It works in other parts of the world, I think it’s got to come in here.”

Mr Brasier, the former chairman and CEO of Colliers International in Australia, added that the commercial real estate industry already had this system in place.

“In the commercial sector, tenant representation and buyers’ agents have been about for a long time now, and they’re actually growing [in number]. There wouldn’t be too many commercial leasing transactions now, of any size, that don’t involve a tenant representative on one side and an agent on the landlord’s side, and really, that’s the way it should go for residential I think.”

Mr Harvey added that buyers’ agents, while requiring a licence to operate in NSW, should be asked to complete the same number of licensing modules that an agent otherwise requires. At the moment a buyers’ agent only needs to complete half of the modules that an agent must complete in order to obtain a licence, he said.

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