

BUYERS' AGENTS

Search and rescue at the door

No time to look for yourself? Call an expert, writes **Isobel King**.

Anyone who has looked for property will appreciate the exhaustive effort involved – evenings spent trawling the internet for leads and Saturday mornings that disappear in a haze of frenzied inspections and traffic snarls.

Couple that with trying to hunt down property in an unfamiliar area and it's clear why many time-strapped investors happily pay a professional to do the hard slog for them.

"I ended up using a buyers' agent because I'd been looking for an investment property for about a year and it was all just so time-consuming. I was getting nowhere," says Jeremy Bedwani, 27, who eventually handed the task to buyers' agent Ben Handler of CohenHandler in Sydney.

A buyers' agent is effectively a broker who acts on a purchaser's behalf, researching properties that fit the required brief, inspecting prospective properties and negotiating with agents to make a successful purchase.

For investors, the service often



Satisfied ... buyer Jeremy Bedwani sought help. Photo: Domino Postiglione

extends to finding a tenant for the property. Those services don't come cheap: some buyers' agents charge a flat fee of up to \$20,000, others a commission on the purchase price, which could be up to 2 per cent. However, the value lies in the time saved and the expertise of a well-informed, hard-nosed negotiator.

Melbourne-based buyers' agent Janet Spencer, director of Buyer Solutions Australia, has worked in real estate for 24 years. "I have great connections that help me do my due diligence, including valuers, selling agents, business

brokers and other property professionals," she says.

Spencer, who is also chairperson of the buyers' agent chapter of the Real Estate Institute of Victoria, says: "We can often save vastly in excess of our fees by preventing mistakes, such as paying too much, making a bad asset selection, one that doesn't grow in value, and making sure the investment property has strong tenant appeal."

She estimates that it generally takes two to three months to find a property for a client.

Most buyers' agents confine their searches to a few designated

areas. Buyers who have narrowed their options may need to contact several agents to find one that specialises in a particular location. In Melbourne, Spencer casts her net within a 20-kilometre radius of the city, focusing on properties that fit a strict "asset selection criteria" – good proximity to infrastructure and schools, and areas showing capital growth potential and rental appeal.

Gina Machado, of Finders Keepers Buyers' Agents in Sydney, searches the city's eastern suburbs, inner west, north shore and northern beaches. "I don't believe we can be an expert in an area bigger than that," she says.

The agency accepts only eight to 10 clients at a time. "We determine their budget, expectations, the type of location they're after and then we'll use property data to help research prospects."

Ben Handler took just five weeks to find Jeremy Bedwani a two-bedroom, two-bathroom, off-the-plan property in Roseville on Sydney's north shore. It was bought for \$740,000 a year ago, settled in August this year and now rents for \$730 a week, making Bedwani a satisfied client.

"If you're sick of spending your weekends looking for property, I'd definitely recommend using a buyers' agent," he says.

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When buying off the plan, there are many savings you lock in today's prices for a property that will settle in the future, which will hopefully give you a capital gain before you have even handed over your money. There are also distinct tax advantages of new over old. The depreciation value is at its highest when a building is new.

All your fixtures and fittings from the floor coverings and to kitchen appliances, are deductible. A shiny new in-cooktop is obviously worth more than a 10-year-old one has a greater depreciation.

If you are renting the property out furnished, that's even better and you are entitled to claim on it.

A tax partner at HLI Peter Bembrick, says you are entitled to claim on the costs, which you can obtain from the developer's quantity surveyor. A rate of 2.5 per cent can be claimed.