

## Should you get a buying agent?

Demand for them has surged as the property market has got more competitive. What do they do and how much do they cost?



Tormarton Court is a Georgian house set in ten acres that is on sale for £6.5 million via Strutt & Parker

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A vicarage in north Norfolk, bought by the owner at auction 30 years ago, recently sold for £1.2 million without a “for sale” sign going up or a picture appearing on Rightmove. Meanwhile, a £3 million country house in Yorkshire changed hands for the first time in 40 years without even the neighbours knowing.

How does this happen amid a property market boom when estate agents report being overwhelmed with potential buyers requesting viewings and sellers take their pick from competitive bids?

Enter the buying agents.

These are the professionals who act for the buyer, often sniffing out properties that otherwise might never come to market, advising on price and pushing through the selling process.

Jamie Jamieson, a buying agent in Norfolk and Suffolk, says: “We saw the vicarage tucked away. It was ideal for a family home and the garden, although a little overgrown, had room for a tennis court. It wasn’t on the market; I just knocked on the door and said, ‘I know a lovely family who would love to live here. Would you be willing to sell?’ ”

The combination of a global pandemic and increasingly competitive local property markets has led to a surge in demand for buying agents. These agents are helping buyers to cut down the number of viewings they do and get ahead of other bidders, particularly in popular village and countryside locations where demand outstrips supply.

They can also prevent buyers from making a costly mistake in the heat of the moment — and there is a lot of heat at the moment.



An estuarine apartment in Salcombe, Devon, is on the market for £1.9 million with Luscombe Maye

Country house prices grew at the highest annual rate (2.3 per cent) since the start of 2016 in the third quarter of this year, according to the estate agency Knight Frank.

“October set an all-time record for offers accepted outside of London as pent-up demand from the first lockdown and July’s announcement of a stamp duty holiday saw a surge of activity,” says Chris Druce, a senior research analyst at Knight Frank.

The frenzy is leading some buyers to pay what is being referred to as a pandemic premium, which risks cancelling out up to £15,000 in potential savings from the stamp duty holiday.

“Some of the prices paid have been scandalous, with lots of people forgetting that they might negotiate. In the past we would have people looking for ‘8-9 out of 10’ homes and now many are buying ‘5-6 out of ten’ homes and still paying a premium,” says Nick Mead, a buying agent with Sterling Private Office.

“The level of competition in the market has generated panic, and panic leads to people compromising and paying too much,” he adds.

Mark Parkinson of Middleton Advisors, another buying agency, agrees. “What we thought of as a bubble in the country post-lockdown has become a bull market, and people are turning to us because they want to get around the pandemic premium,” he says.

“We advise clients honestly about price, but they are capable of making their own decisions on whether they want to pay the premium to secure a property. We have seen comparable properties and have close relationships with selling agents who tell us about offers and sold prices, so we can be accurate in our valuations and offer some insight on who our clients are bidding against.”

One of the key advantages – what you are really paying for – is access to properties that are not openly advertised.



Luke Morgan, the director of the country department at Strutt & Parker estate agency, says: "This year in the Cotswolds almost 100 per cent of deals above £4 million have been conducted off-market. For properties between £2 million and £4 million it is around 50 per cent. In the past few months we've seen buyers who have been sitting still and doing very little for the past three years finally deciding to take the plunge.

"We've seen high levels of transactions involving buying agents this year — there are more buyers having a go than we've seen historically. Traditionally, for transactions above £3 million there's a buying agent involved more often than not."

In the past, buying agents were the preserve of wealthy people looking to purchase large family homes in London and country estates. "The trend has changed," says Jonathan Hopper, the chief executive of Garrington Home Finders. "It was a very London thing and dictated by price point. Typically it was only for homes of £1 million or more, but now we are acting for everyone from first-time buyers spending £350,000 to wealthy people looking for country estates worth £20 million or more."

Making sure that clients are saved the time — and health risks — of multiple viewings is important, especially when more people are moving further afield, whether that is from foreign climes or across county or country borders.

Hopper says: "We have buyers moving from England to Scotland who are not familiar with the Scottish system. In Scotland the market is very hot; we can have 30 to 40 buyers chasing a property and people paying a 20 to 30 per cent premium over the guide price. It is good to have someone on your side."

Buying agents' knowledge is usually garnered during their time as local selling agents, and many will receive tip-offs about who is selling from former colleagues before other buyers. However, they are not afraid to knock on the door of someone they know hasn't moved for a while and might be open to selling.

Toby Milbank, a director at the Search Partnership, a Yorkshire-based buying agency, says: "I think the pandemic premium is over and now it is a case of digging out the best houses that are not on the open market. This is easier than usual as there are plenty of sellers out there who want to sell and know they will probably get a decent price, but they want to avoid Covid, so don't want endless viewings. It is far better to get a motivated and cashed-up buyer, as all our clients are."

Good buying agents ensure that their buyers have all their paperwork in order and finance ready before they put in an offer; they should also help to push through the sale once an offer is accepted. This is an important role, given that the buying process is taking an average of five and a half months as conveyancers, lenders and search services struggle to cope with demand from buyers trying to beat the stamp duty deadline on March 31 next year.



Richard Winter, a buying agent in Surrey, says: "You have to be the best buyer in this market. We make sure our clients have all their ducks in a row. The worst thing would be to go at it half-cocked and lose the sale because a surveyor wasn't lined up or your finance wasn't in place."

They can also help with the tricky question of how to manage your potential property. Charlie Wells, the managing director of Prime Purchase, a buying agency, says: "The world of googling the answer is all very well and good, but sometimes, when it comes down to it, it is about experience and knowledge. Lately I have helped clients to call in professionals to deal with everything from damp in a new-build to finding a polo manager for a country estate.

"We've got our eyes wide open on the prices of these services and who will fit best with the buyer too. We can advise on what renovations or additional work might add value, although clients don't always listen — there are some things like an enormous concrete slide down a hill they just want to enjoy. I would say even billionaires like a bargain; recently one was asked by a seller to delay completion and his response was, 'No, unless you want to pay me the stamp duty I would have saved.' "

Selling agents seem keen too. James Mackenzie, the head of the country house department at Strutt & Parker, says: "As a selling agent of big-ticket houses, we would rather a buyer be represented. It gives an indication they've already been vetted and have the funds to be able to buy. Buying a house is often very sentimental and people can do kneejerk things and make decisions with their heart over their head."

### **Your guide to employing a buying agent**

- Check LinkedIn: the best buying agents have experience selling properties and a deep knowledge of the local area.
- Ask local estate agents for their opinions. It is not a good sign if they haven't heard of a buying agent who claims to be a local expert.
- Check that the agent is registered with the property ombudsman, the Information Commissioner's Office for data protection and the HMRC for anti-money laundering checks.
- Buying agents should have a policy in place to avoid conflicts of interest — only one client at a time in any one area at any one price point.
- Ask for examples of past deals struck and whether you can speak to a past client.
- Fees can range from 1.5 to 3 per cent, with some requiring a retaining fee upfront.