

Using a real estate agent to buy property

A real estate agent can also assist you in purchasing a property. Real estate agents who act for the buyer of land, also known as a 'buyer's agent', can offer a number of services ranging from acquiring property searches, 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 real estate agents licence or have a Certificate of Registration and work under the direction of a licensed real estate agent. You can do a [licence check online](#) or call 13 32 20.

Benefits of using a buyer's agent

A buyer's agent can help you:

- Find, assess 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 and liaise with related parties during the process
- provide objective information, advice and support
- access databases and information not readily available to the public, including increased access to properties off market
- assist with property manager selection
- eliminate stress by having one representative looking after your needs, rather than dealing with several different selling agents.

Selecting a buyer's agent

When considering which buyer's agent to use, consider these questions:

- Are they a licensed real estate agent, and if so how long have they been licensed for?
- Do they exclusively represent only the buyer in the property purchasing transaction?
- What experience do they have in property research and negotiating prices?
- 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 selling agents?
- How often will they give you feedback?
- Do they have professional indemnity insurance? (Under licensing laws, they must hold this insurance)
- Do they receive any rebates, discounts, commissions or other benefits from third parties or service providers they may refer you to?
- Are they a member of an industry association such as the Real Estate Institute of NSW, or the Real Estate Buyers Association of Australia or other?

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 buyer's agent must declare any conflict of interest in representing you. The agreement must specify:
 - details known to the agent of the type of property to be purchased
 - details of any special instructions about the property to be purchased eg. 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 for you.

- The agent is not to exceed the agreed purchase price in negotiations or at auction without your express written authority.
- 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

Buyer's agents may charge a fixed fee or a percentage of purchase price. You can negotiate this price as it is not set by law.

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 or call 13 32 20. If we are unable to successfully negotiate your matter, you can consider taking your dispute to the NSW Civil and Administrative Tribunal (NCAT). NCAT 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 or call 1300 006 228.

Prev Property inspections

<https://www.fairtrading.nsw.gov.au/housing-and-property/buying-and-selling-property/buying-a-property/using-an-agent-to-buy-property> 05-01-21

Except where otherwise noted, content on this site is licensed under a Creative Commons Attribution 4.0 International License. To view a copy of this licence, visit: <https://creativecommons.org/licenses/by/4.0>

05-01-21