



Negotiating with agents

Real estate agents can be the gateway to snapping up a bargain.

In most property transactions you are likely to have to deal with a real estate agent, so it's worth taking time to understand what makes them tick.

First up, it's important to be clear on one important point – a real estate agent represents the seller, not the buyer. Agents are paid a commission on the sale of the property, so it's not just their responsibility to make sure the vendor gets the highest possible price, it's in their interest.

Safe in this knowledge, you'll be far better positioned to negotiate effectively with the agent, and armed with a few tips and strategies you'll maximise your chances of haggling the price down closer to a level that suits you:

- **Cash on the hip:** A pre-approved loan and a deposit at the ready will elevate you above bidders that still have finance to organise. Experienced agents have an eye for a serious buyer and you'll be in a stronger bargaining position with all your finances in order.
- **Shoot low:** Make your first offer low but not ridiculous. The first offer is more symbolic than anything else, but it shows the vendor that you are serious about buying the property while allowing yourself some extra room to move in the negotiation process.
- **Be critical:** Keep a keen eye out for defects and compile a list. From cracked roofing tiles to stains on the carpets, every little blemish can be used to drive down the price – so don't be afraid to speak out.
- **Leverage:** Use your financial position to gain leverage over the competition by offering to move quickly. Agents and vendors can get nery when a property has been on the market a while; a buyer that is ready to act now and settle fast may see an extra five or ten per cent tumble off the price.

Call in the experts

Whether you're new to the market or a property guru, an experienced buyer's agent can boost your purchasing power.

Haggling with a professional estate agent can be a challenge for all but the most seasoned investors. Tens of thousands of dollars or more can be at stake when it comes to negotiating a price, so it's worth considering enlisting a professional

Just as the real estate agent represents the vendor, a buyer's agent represents the buyer.

Backed with extensive local market knowledge, a buyer's agent is well equipped to help you locate and purchase the right property and at the right price. At your discretion, a buyer's agent can take control of the entire purchasing process or simply just bid on your behalf at auction.

However, much like all services, the professional help of a buyer's agent comes at a cost.

Charges for their service can often vary from a flat fee to a percentage of the property purchase price, depending on the level of assistance provided.

Ask around prior to making a decision as a referral from a friend or family is far better than picking an unknown quantity from the yellow pages.