

NEWS

Go house hunting with a gamekeeper

More people are using buyers' agents to secure a property, writes **Matthew Cranston**.

They are called "poachers turned gamekeepers" – real estate agents who've gone to the other side and are working as buyers' advocates – and they're growing in popularity. The number of buyers' advocates has risen steadily in the past 30 years to between 20 and 30 in Sydney and Melbourne, as more house hunters try to buy some real estate expertise or even inside knowledge.

The numbers, though, remain small compared with those in the United States, where 90 per cent of home sales are completed with the help of advocates.

Buyers' advocates have varied roles but generally their job includes finding a property – sometimes even sourcing them before a formal campaign begins – negotiating or bidding for properties, and protecting buyers from the tactics employed by real estate agents.

The advocates say they save time for busy people and have more knowledge and negotiating skills. Many house hunters, it has

been said, spend more time and effort buying a car than they do securing a property.

"Some buyers' agents see it as fighting fire with fire. We wrestle control away from other bidders and sometimes the auctioneer," said Wakelin Property Advisory director Paul Nugent, who has been in the business for more than 10 years. "I can remember an auction where I was bidding against someone whose face I recognised... His photograph was on the television in the living room [of the house being auctioned]. He called their bluff and won."

The service comes at a cost though. Advocates will charge between 1 and 2.75 per cent of the purchase price.

Mr Nugent charges an administration fee of \$935 and, for a house worth \$800,000, there will be a commission of 2.75 per cent, costing the buyer \$22,935 in all.

The fee structure means the higher the sale price, the bigger the cut for the advocate, but Mr Nugent said there was no incentive to do a deal at a higher price.

"We would have to be paying considerably over the odds for there to be any meaningful gain for the business and if we did that then we wouldn't have any return business, I can assure you."

He said buyers' agents also



Henry Wilkinson, left, helped Darren Hitchon get a good price. Photo Jim Rice

needed to show full justification for the price to their clients.

Ultimately, he argued, it was money well spent, because they saved buyers' cash.

Building contractor Darren Hitchon started using buyers' advocate Henry Wilkinson from Sydney-based Homesearch Solutions in 2007.

The main reason was a lack of time, he said, but there was another bonus – negotiation skills.

After he bought a house in Abbotsford in Sydney with the help of Homesearch, Mr Hitchon had the house valued by a bank, which put it 12 per cent higher than the \$1.1 million he paid.

"The negotiations skills of Homesearch are far superior to the Darren Hitchon way," he said.

Homesearch Solutions was one of only three buyers' advocates in Sydney when it began in 1999. Principal Henry Wilkinson got

the idea in England, where they were called professional assistants.

"We can find properties before they usually come onto the market. It means we can get the information and secure it and give it to our clients before it hits the market. The good properties can go within the first week."

While many agents might be disappointed at advocates cutting their grass, some think they can enable a smoother transition.

Baine & Horne's chief executive, Angus Baine, said advocates were almost more preferable to deal with than buyers because they could cut to the chase and had better knowledge.

"There are some, though, who just go out to beat up on the poor auctioneer," he said, "but the professionals are worth it."

Nonetheless, many of those providing the service prefer to be known as "buyers' agents" as they consider the word "advocate" to be too confrontational.

Buyers' agent David Morrell from Morrell & Koren said people were waking up. Buyers' agents "know the tricks of the trade – most of them are former agents".

"In this market we know who all the players are. Knowledge is king," he said.

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Premier will tread carefully in his fragile state

Report Cathy Bolt

West Australian Premier Alan Carpenter will warn his party against complacency when he addresses the state Labor conference in Perth this weekend, the last before an election that will test the ALP's stranglehold on the nation's parliaments.

Against the backdrop of Western Australia's energy crisis, about to enter its fifth week, he is also expected to focus on energy security and climate change.

It is unclear if that will extend to developing a comprehensive

energy policy as demanded by business and the opposition.

But some Labor backbenchers predict Mr Carpenter will be reluctant to swing into what otherwise might have been the launch of a pre-election campaign while the state faces at least another two months of severe energy shortages after the explosion at Apache Energy's Varanus Island processing facility, which has shut down a third of WA's gas supply.

"I am not sure it's going to be quite as much a pre-election campaign as a 'we are in the

trenches facing our greatest challenge,'" one Labor MP said.

"We are at risk of thousands of workers being laid off. We only need one of those ageing, creaking power stations to fail and we have brownouts. It's fairly precarious."

The ALP conference comes at the end of another difficult week for Labor, with two former backbenchers, John D'Orazio and Shelley Archibald, confirming they will stand as independents at the next election, which is due by February but is expected to be held in October.

The pair add to what political

analysts say is shaping up to be the biggest contingent in memory of independent candidates who have been dumped or have quit the two major parties.

From the strif-torn Liberal Party, headed by the embattled Troy Buswell, they include former frontbencher Sue Walker, former deputy leader Dan Sullivan and former leader Paul Omodei.

The conference also follows the publication of a Newspoll on Friday that pointed to a growing level of dissatisfaction with both major parties. Labor's primary vote slipped from 42 per cent to

41 per cent, the Liberals fell from 35 per cent to 31 per cent but the Greens jumped from 12 per cent to 16 per cent. Dissatisfaction with Mr Carpenter rose from 27 per cent to 34 per cent but dissatisfaction with Mr Buswell rocketed from 34 per cent to 52 per cent.

Insiders said controversy was likely to be avoided at the conference except for a proposal to change the rules so Labor's administrative committee could suspend members without reason and had to approve readmission of those who resigned.

 **Australian Government**
Department of Families, Housing,
Community Services and Indigenous Affairs

Broadband for Seniors

The Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) invites suitably qualified organisations to apply to deliver the Broadband for Seniors program.

The Department is seeking service providers, preferably one, to deliver the program nationally.

Broadband for Seniors is an Australian Government initiative and forms part of the Making Ends Meet – Plan for Older Australians, People with Disabilities and Carers policy.

The program will provide \$15 million over three years from 2008-09 to establish approximately 2,000 internet kiosks in key community locations, providing seniors with access to computers with broadband service and related training.

The application package is available on the FaHCSIA website at: www.fahcsia.gov.au/broadbandforseniors or by calling the Broadband for Seniors hotline on 1800 625 136.

Applications close Friday 8 August 2008.

The hotline is available from Monday to Friday from 9am-5pm AEST (Australian Eastern Standard Time) commencing on Monday 30 June 2008. Enquiries can also be lodged by email to broadbandforseniors@fahcsia.gov.au

www.fahcsia.gov.au

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IN BRIEF

Low-paid NSW workers get 4pc rise

Low-paid NSW workers have been granted a 4 per cent rise, lifting the weekly minimum wage to \$552.65 – \$30 more than the federal minimum. **Tracy Ong**

Growth through bargaining weakens

Wages growth through enterprise bargaining agreements weakened during the first three months of this year, Department of Education, Employment and Workplace Relations data shows. Average annualised wage increases eased 0.1 of a percentage point to 3.7 per cent in the March quarter, the third consecutive quarterly fall in the series. **AAP**

Nurses seal two-year pay deal

NSW nurses have accepted a new two-year pay offer of 3.9 per cent a year in exchange for offsets that include a five-day qualifying period for higher duties allowances. Unresolved claims for an extra 3.8 per cent pay rise for experienced nurses and higher night duties allowances will be arbitrated. **Tracy Ong**

Win for Kaye's students

Students of property spruiker Henry Kaye who borrowed to attend his investment seminars have settled a class action against Australian Finance Direct for \$3.5 million. The settlement with AFD, which lent the funds to Kaye's students, was approved by a court on Friday. **Matthew Drummond**