

Secret (buying) agents at your service



Oliver Hooper of Huntly Hooper Ltd Ben Gurr for The Times

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Buying agents with a difference are about to make life a lot simpler

If buying a house is top of your list of resolutions, there's a new way to go about it. The way we purchase property in this country has long been fraught with difficulty. Under the principle of *caveat emptor* (buyer beware), the dice are loaded in the seller's favour. He or she is under no obligation to mention the rush-hour traffic, the noisy neighbours or the fact that the village shop is about to close. Having agreed an offer, a seller is free to accept a higher offer behind a buyer's back. The cost of surveys and planning inquiries is borne entirely by the buyer.

Add to that the buyer bugbears of high prices, scarce mortgage finance, strong competition for good properties and a dearth of new development, it's evident that buyers need all the help they can get. Part of the problem is that buyers are generally amateurs, whereas sellers usually employ professionals to negotiate on their behalf. Wealthy house hunters willing to spend more than £1 million on a country pile or London townhouse have long used agents, in return for a cut of the final purchase price.

Until now this service has not been available to those on average budgets. Enter the Homebuyer Centre, a new budget buying agency and the brainchild of Tim Hammond, who calls it "a sort of local Phil and Kirstie service". The first Homebuyer Centre opened in November last year in Lee-on-the-Solent, Hampshire, one opened in Tewkesbury in December, and six more opened last month. A branch is opening in Watford next week, with a further five due to open this month. Hammond's aim is to have between 40 and 50 high street branches open by the end of 2011, creating a nationwide chain of high street agents who act on behalf of buyers and charge a fee only if they broker a discount on a property's asking price.

The idea is taken from the world of real estate in America and Australia, where it is the norm for both buyers and sellers to hire brokers. "Home-buying is changing," says Hammond. "Currently, a house hunter has to traipse round each of the 15 different estate agents in a town to register. We will offer buyers one place to go to, like a Rightmove on the high street. Your agent will compile every property that meets your requirements from every agent and present them to you in one portal. He will get to know you and understand what you want, and arrange all the viewings for you, so you only have one point of contact."

Homebuyer Centre agents charge a fee only if a purchase goes ahead and if they have managed to negotiate a reduction on the asking price. They then take a 15 per cent cut of the saving only. Hammond says: "If a suburban family home is on at £500,000, and we get you a discount of 5 per cent, or £25,000, we take 15 per cent of that 5 per cent, which is £3,750. You still save £21,000."

Homebuyer Centres are based in estate agents' offices, which may raise an eyebrow, as the interests of buyer and seller are, in terms of price at least, diametrically opposed. This is a point of contention for traditional buying agents too — Knight Frank and Savills own buying agency arms: The Buying Solution and Prime Purchase respectively. However, Hammond claims that there is no conflict of interest: "The person who works for the Homebuyer Centre does not work for the estate agent; they're just using their office." Estate agents like it, he says, because "representing buyers gives them an opportunity to compete on the high street".

The service is a reduced version of that offered by traditional buying agents, who charge an initial retainer fee of between £1,000 and £3,000 for months of

proactive searching on a client's behalf. They have access, through their networks of contacts and estate agents, to "off-market" properties — homes that, for reasons of privacy, their owners do not wish to be paraded in an estate agent's window.

Liam Bailey, head of research at Knight Frank, the estate agent, confirms that "there are lots of sales where the level of marketing only goes as far as a couple of well-aimed phone calls. The skill of the buying agent is in their ability to get access to the estate agent as early as possible in the 'off-market' sales process." Bailey says that this is becoming more common. "Until 2008 the proportion of Knight Frank transactions where vendors requested a confidential sale was rarely higher than 2-3 per cent. In 2010 it was up to 6 per cent."

In this market many house hunters are wealthy foreigners who need a hand to negotiate the British property market. Robert Bailey, a Central London buying agent, says that half of his business consists of international buyers looking for second homes or investments. "We have one Russian client who we buy things for year in, year out. He generates a huge amount of fees," Bailey says.

The buying agency business is booming, owing to the lack of prime Central London property for sale on the open market, and the general market uncertainty. New start-ups in the sector are keen to take a bit of business from the established agencies, who scoff at the notion. Francis Long, of Hanslips, a 12-year-old buying agency, says: "New buying agents are mostly disillusioned estate agents who lost their jobs in 2008. A buyer should always ask an agent about their track record." Bailey says: "They spend their days surfing primelocation.com, but are never going to be the one who gets the phone call when something is launched off-market. They are glorified personal shoppers."

Are traditional buying agents worth the money? Yes, if you can afford it. They will do everything for you, including investigating what Long calls a "huge checklist of details such as overhead pylons, private water supplies and the neighbours". Philip Selway, of The Buying Solution, says: "We cover everything from a noise study to a cost and considerations analysis for the running of a large estate."

Employing a buying agent also lends you credibility. Jo Eccles, of Sourcing Property, says that the fact that a buyer is wealthy enough to employ an agent is a strong recommendation to a seller. If, however, you're looking for something more modest, a glorified personal shopper could be what you need.

thehomebuyercentre.com

Case study

Oliver Hooper, co-founder of Huntly Hooper

Hooper, says that his high-end clientele is neatly split between UK and international buyers, with keen interest being shown from buyers based in

Thailand, Malaysia and China this year.

A new trend that he is noticing is househunters seeking property for their young children. With sterling weak and prices subdued, 2011 is seen as a good time to invest in London — even by those whose offspring will not be old enough to study or work in the capital for a decade or more.

The buyers will simply rent their purchases until they are required, or use them as city crash pads.

Hooper is adamant that property buyers are not simply there to serve billionaires. “We are not a luxury service,” he says. “We like to save you more than we cost. We had one house recently in Chelsea where we negotiated 10 per cent off the asking price, which was around £4 million. We are a one-stop shop to help you with everything from negotiating a deal to finding a decorator.”

Hoopers’ clients are looking for elegant traditional properties, with gracious entertaining space.

“What they want is a classic period home,” Hooper says.

BUYING AGENTS: what you should know

Robert Bailey Property

Price range £1 million+ (most clients spend £5 million to £7 million)

Fee £1,500 retainer plus 2 per cent to 2.5 per cent of the purchase price

Contact robertbaileyproperty.com, 020-7352 0899

Hanslips

Price range £800,000+

Fee £1,000 retainer plus 2 per cent of the purchase price

Contact hanslips.com, 0118-971 3210

The Buying Solution (Knight Frank’s independent buying arm)

Price range £1 million+

Fee £2,500 retainer and 2.5 per cent of the purchase price

Contact www.thebuyingsolution.co.uk, 01488 657912

Prime Purchase (Savills’ independent buying arm)

Price range £1 million+ in London, £1.5 million+ in the country

Fee £2,500 retainer plus 2.5 per cent of the purchase price

Contact prime-purchase.com, 020-7881 2388

Sourcing Property

Price range £500,000 to £3 million

Fee £500 retainer plus 1.5 per cent of the purchase price

Contact sourcingproperty.co.uk, 020-7244 4485

Charles Birtles Property Search

Price range £1 million+

Fee £1,750 retainer plus 1.75 per cent of the purchase price

Contact cbpropertysearch.co.uk, 01256 892296

Simon Barnes Property Consultants

Price range £5 million+ (average client budget is £10 million)

Fee £1,500 retainer, plus 1 per cent of the purchase price

Contact simonbarnes.com, 020-7499 3434

Middleton Advisors

Price range £2.5 million+ (the average client budget is £4 million)

Fee £2,750 retainer plus 2.75 per cent of the purchase price

Contact middletonadvisors.com, 01235 436270

Charles McDowell Properties

Price range £3 million+

Fee 1.5 per cent

Contact www.mcdowellproperties.co.uk, 020-7581 8357

Black Brick Property Solutions

Price range £500,000+ in London, £1 million+ in the country

Fee £3,000 retainer plus either 2.5 per cent of purchase price or 20 per cent of the saving as a result of our negotiation, whichever is the greater

Contact www.black-brick.com, 020-3393 6091

Jeremy Davidson Property Consultants

Price range £10 million plus

Fee 2.5 per cent

Contact www.jeremydavidson.co.uk, 020-7823 5053

Huntly Hooper

Price range £750,000 to £10m

Fee 1.5 per cent

Contact huntlyhooper.com, 020-3178 7071

Property Vision (subsidiary of HSBC)

Price range £1m plus

Fee £2,500 sign up fee plus 2.75 per cent

Contact propertyvision.com, 020-7803 8388

D.S. Churchill

Price range £700,000 to £20m

Fee £450 sign up fee, then 2 per cent

Contact dschurchill.com, 020-7629 7563