

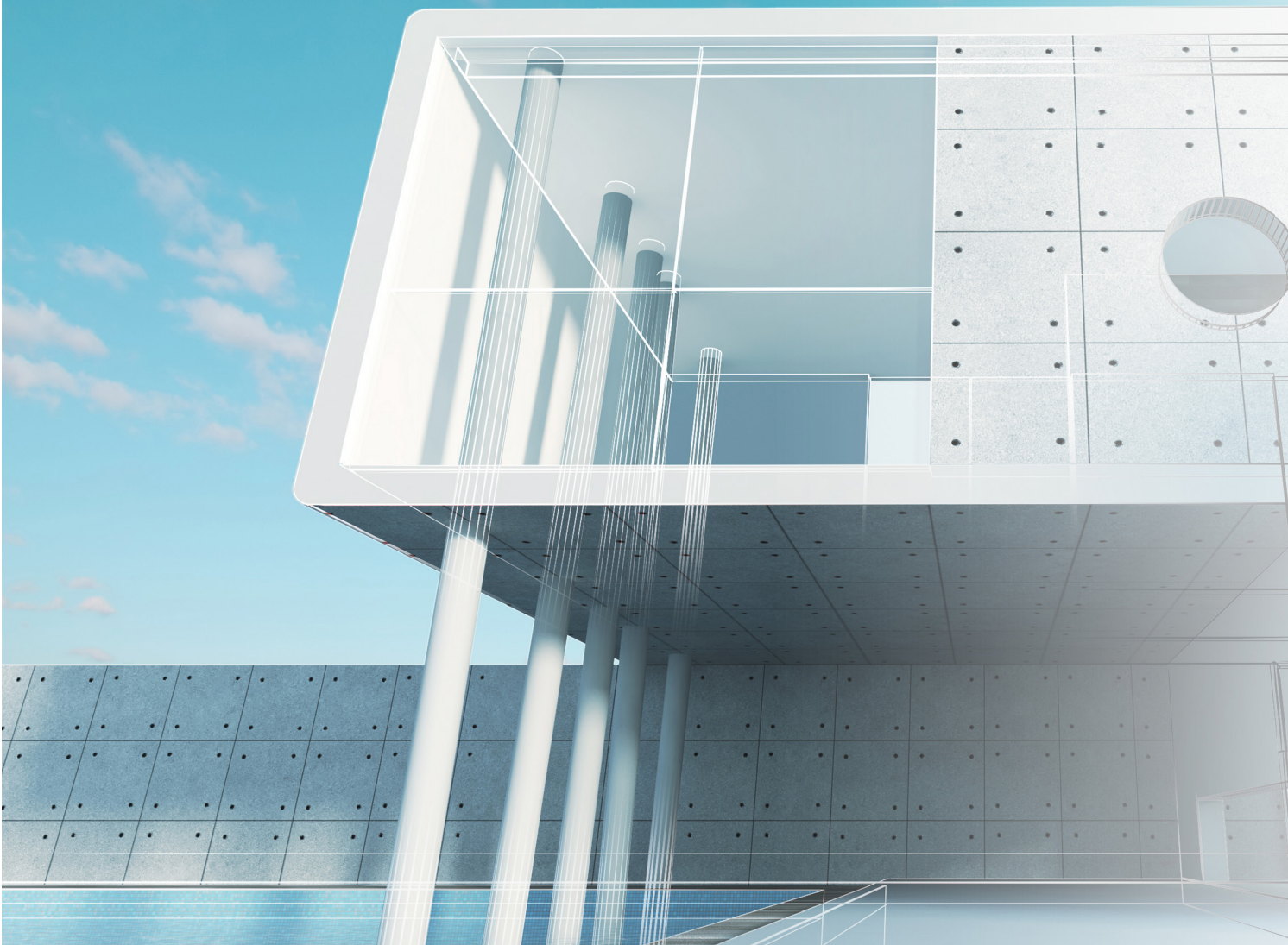


propertybuyer®

BUYERS' AGENTS
YOUR KEY TO SMARTER BUYING

Propertybu

Working Exclusively for the Real Estate



Buyer

Purchaser

Buying a home is usually the single largest financial decision that a person makes in his lifetime and the usual approach is to take a real estate agents help. But the real estate agent usually works on behalf of the seller as well, and this could result in a conflict of interest. Even in a situation where the agent plays an absolutely impartial role, the buyer may not get the best possible deal.

Back in 2001 Rich Harvey, founder and managing director of Propertybuyer saw an opportunity to work exclusively for the buyer in home buying and property investor transactions. He decided that he would remain completely independent of selling agencies to maintain his focus on representing only the buyer interests as a “Buyers Agent”.

What’s more, the revenue model he adopted consisted of an upfront retainer fee collected from the buyer and a success fee payable upon completion of the transaction. Hence his income was entirely from the buyer and it was a fixed fee and not a percentage of the purchase value. This transparent structure made it very clear that Propertybuyer was working only for the purchaser.

Describing the inception of the business, Rich Harvey says, “Our

original vision for the business was born when I noticed that traditional buyers of real estate were not represented. There were a couple of buyers' agents around but I saw that there was a niche in the market to help buyers get a leg up and level the playing field and really help them to make more informed buying decisions.

“Traditionally there is a selling agent to market the property, but when the buyer comes along there is no one on their side to find a property, no one to help them to appraise it and tell them what it is worth and no one to help them to negotiate.

“Most home buyers are probably selling their properties every 10 to 15 years. In that period of time the technology changes in the way property is marketed and the value of the property also changes. So I felt that there was an opportunity to help grow the buyers' agent industry and I had a vision to become the best in the business.

“It was interesting rolling out our mission and vision many years ago. We have actually achieved that mission and vision over time. When we started there was just myself and my wife but we now have 12 members in our team, each of whom handles a specialised area.”

Home-buyers and investors recognised

the value that Propertybuyer was bringing to the table. The volume of business grew rapidly and in the last 15 years the company has completed over 2000 purchase transactions.

Propertybuyer rapidly diversified into the luxury segment and started helping buyers who were looking for homes in the \$10 to \$30 million range. It also started working for commercial buyers who were looking for new premises and commercial investors who required high yielding assets.

In Rich Harvey's experience, real estate purchasers can get much better results if they use a buyers' agent. He says, “Home buyers make an emotional purchase. Home buyers buy with their heart and not with their head. So, a home buyer will walk into a property, fall in love with it, but not realise that it may not be a suitable property for them in two or three years' time.

“The kids might have got too big for it or it might be too far from the school or too far from their place of work. They need to future-proof their purchase. But they rush in, fall in love and make silly offers and pay whatever it takes to get it. They are not really considering the competition on the property. These are a couple of mistakes home-buyers make.



“Investors will often not do enough research. They might read a magazine and read that a certain suburb is set to boom and not look at the fundamentals and the history of growth in that suburb.

“Investors can get themselves into hot water by not looking at their long term strategy. It’s very easy to buy a property but it can be a lot harder to get out of a property, especially when the market is down. Investors want to be buying for long term capital growth and good strong sustained yield every time.

“You have to ask the question,

‘who would buy this property after me? Is it a property which will still be in demand when the market is slower? Or will it need to be sold at a massive discount when I want to exit the property?’ These are the questions that we ask when we buy properties for clients.”

Propertybuyer has a strong web presence and a focussed internet marketing campaign. It has developed an extensive referral network of solicitors, accountants and financial planners over the years. It gets large volumes of referral business and reciprocates by recommending its clients to this network. The company organises



seminars on the property market and Rich Harvey posts relevant articles on his website on a regular basis.

“We have a number of great suppliers and we also work closely with finance brokers, tax accountants and depreciation specialists, so while we focus on buying property we also have a range of other businesses

that we refer our clients to and in turn they support us. Those partnerships work really well, particularly with finance brokers, because a client can’t buy a property unless they have got the money”, says Rich Harvey.

The company uses a number of online tools to provide an enhanced level of service to its clients. Rich Harvey



explains, “Technology has given us the ability to get information through web portals. Realestate and Domain which are the major portals have really adapted themselves to cater to both buyers and sellers. Those are great tools but at some point you have to physically go and inspect a property.

“For our business we use a

customer relationship management database called Infusionsoft and that’s been fantastic for us. It helps us with our marketing and with our client management and we have a lot of automated processes that attract, engage and retain clients.

“We also have a regular monthly newsletter that I write myself and

as an economist I can often put an economic spin and interpretation on what's happening in the market. I also write five to seven blogs per month and I'm regularly interviewed in the media. Getting all those things out through the various technology channels helps.

"With technology it's just a matter of using it wisely and using it efficiently. Google street view is fantastic. That has been a revolutionary thing for us, to be able to get a perspective on an area even before we do a physical inspection, which we always do. But just to get an idea of what else is around, Google Earth has been a tremendous tool to help us identify what is in the vicinity."

Currently Propertybuyer is operating in the midst of a boom in the Sydney market. Homes put up for sale at auctions are regularly bought at amounts well over their reserve prices and there are five to ten bidders for each property. Days on market, which traditionally stands at 50 for the Sydney area, is currently at a level of 26 days.

The company is experiencing strong growth and over the years it has been repeatedly recognised for the



excellent work that it does. It is the winner of 25 awards and has been the recipient of the prestigious National Telstra Business Award for best small business in Australia and the NSW Real Estate Institute Award for Excellence in Buyers' Agents.

Speaking about the company's future plans and its culture Rich Harvey says, "We would like to keep



growing. I would certainly like to see a greater turnover and a greater profit for my business. In the next five years I would like to see a really strong commercial arm developed. I think there is much more scope for commercial representation in the market. I would also like to open offices in other states.

“We have five key points of culture

in our business. Those five things are commitment, excellence, integrity, teamwork and enthusiasm. We have a passion for property, we love what we do, we love seeing the smiles on client's faces.

“As buyers' agents, we have 100% loyalty to our buyers. We don't have any conflict of interest or vested interests. It is all about getting the right property for the client.”

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