Questions to ask before you engage a buyer's agent.

Prior to engaging a buyers agent you need to be confident that they have the expertise and credentials to help you make a better real estate purchase than if you simply did it yourself.

This questionnaire will help you measure and compare the experience, processes, values and past performances of the buyer's agents you are considering engaging.

How long have you been a buyer's agent?

WHY ask this? *Because markets move in cycles and you want a buyer's agent who can confidently and competently navigate both hot and cold market conditions.*

My recommendation is that you engage a buyer's agent with at least 10 years experience in the role, or, if they have less experience, one who is being mentored by an established and reputable buyer's agent.

Have you ever been a selling agent? For how long?

WHY ask this? *Because those who have previously been in a selling role have a greater insight into the purchase process and also understand the types of property that will be easier to sell down the track.*

Who have you worked for before moving to your current role?

WHY ask this? *Because many buyer's agents are self-taught and have never been mentored by an experienced agent. This is particularly an issue if they have transitioned from an unrelated industry as this lack of relevant experience can put them at a distinct disadvantage when it comes to identifying quality property and negotiating with selling agents.*

What qualifications have you undertaken to be a buyers agent?

WHY ask this? *Believe it or not, it's quicker to get a Real Estate License in some states than others (Queensland being the easiest) and many buyer's agents have followed this pathway rather than the more stringent requirements of other states such as NSW, Victoria and WA. This means that they may not be familiar with the legislation and buying process as it applies in your state.*

My recommendation is that you be wary of anyone who has avoided gaining industry experience before starting their own business. You don't want them learning how to do the job with your money.

What area and property type do you specialise in?

WHY ask this? *Local specialisation is crucial if you want a buyer's agent who can really add value to your property search. A true specialist can clearly articulate exactly the type of property that is an A-grade asset (and explain why) in their area of expertise.*

Will you personally inspect the properties you recommend?

WHY ask this? *Believe it or not, many buyer's agents who specialise in the investor space buy sight unseen. This is an extremely risky approach as they are relying on sales agents, and sometimes property managers or mortgage brokers, to inspect on their behalf. These people are not trained to have the critical eye of an expert buyer's agent and nor are they are accountable to you, the ultimate owner.*

What property have you bought for clients in the past 3 months?

WHY ask this? *You want to see evidence that they're active in the area in which you want to buy. Looking at these properties (check the links) will give you an insight into the types of property they recommend.*

What process do you go through prior to recommending a property to a client?

WHY ask this? *You want to pick up on how discerning they are. Do they simply recommend a property because it "ticks your boxes" or are they applying filters to ensure that you're not buying a sub-standard property? Do they recommend a property to you and give you a deadline before passing it onto the next client in their list? This is a pressured sales tactic we do not endorse.*

What other due diligence do you conduct?

WHY ask this? *Believe it or not, the buyer's agent licensing process does not cover anything about due diligence. They are often completely unaware of discoverable red flags that, once identified, will protect their clients from buying a lemon.*

My recommendation is that you ask them to explain their due diligence process. If they can't show you how that process is documented and share examples, I'd be extremely wary of engaging them.

What sort of things would cause you to recommend I don't proceed with a property?

WHY ask this? *You want a buyer's agent who will advise you NOT to go ahead when that is the wise thing to do rather than one who is always pushing you to buy.*

How do you make a recommendation on price?

WHY ask this? *The big thing to be on the lookout for is a buyer's agent who relies on automated pricing reports from sites like RPData. These pricing predictions have been proven to be wildly inaccurate and it's imperative that the buyer's agent has a robust method of assessing recent sales results. They must be able to use evidence to demonstrate what they believe is a reasonable price range for any property they recommend.*

My recommendation is that you ask them to show you an example of their pricing research and explain how they guided their client in setting their maximum price for that property.

Also be on the lookout for a buyer's agent who has the skills to guide you in setting your limit in the context of the market conditions at that time as well as how uniquely suitable a property might be for you. You never want to pay too much, but you also don't want to keep missing out on good property if it transpires that you need to be prepared to pay more. What you need from a buyer's agent are guard rails that are built from solid evidence.

Do you have a waiting list of clients?

WHY ask this? *On one hand, it's desirable to engage a buyer's agent whose services are in demand and who has a policy of not taking on competing briefs. On the other hand, the existence of a "waiting list" to become a client can be a cynical way of creating scarcity and, once you get to the top of that list, you may be pressured to buy the first property they present to you. This is a tactic some larger buyers agents use and it's not one I endorse.*

What is your policy for handling competing or overlapping client briefs?

WHY ask this? *If they haven't thought this one through, what else haven't they thought through?*

What happens if my expectations are unreasonable?

WHY ask this? *Many people come to us with unreasonable expectations and yours are probably no exception. However, we are skilled in educating our clients so that they don't chase unicorns. By asking this question, you're seeking to understand if the buyer's agent values their expertise and has a clear understanding of their ideal client. Can they explain how they advise you on whether your expectations can be met? Or do they seek to convince you that they're miracle workers and (secretly) they know they'll crunch you once they've taken your initial fee?*

Can I speak to some of your past clients (preferably with a similar brief to mine)? What about some of your current clients?

WHY ask this? *How readily do they say yes? And will they let you choose your* *own past clients from the list of purchases they have made in the last 3 months (refer to previous question)?*

How will you add value to my property purchase?

WHY ask this? *Many buyer's agents have the same pitch, what you're looking for is a clear value proposition above and beyond the standard.*

My recommendation is that you be wary of those who limit their answer to platitudes, especially if they focus heavily on "off market" properties and negotiating $$ of listed prices (it is difficult to measure whether those asking prices were realistic in the first place).

Are you a member of REBAA (Real Estate Buyers Agents Association)?

WHY ask this? *REBAA has strict entry requirements and a code of conduct for their members. While membership alone is not enough to guarantee they'll be a great buyers agent, it's an additional hurdle that some buyer's agents aren't able to clear.*

Do you have professional indemnity insurance? For how much?

WHY ask this? *DO NOT engage a buyer's agent who doesn't have PI insurance. The amount of coverage you'll want them to have will depend on the value of the property you're seeking to purchase. Most will have coverage of at least $2 million dollars.*

Are there any industry professionals who will vouch for your credibility? (eg: lawyers, high volume real estate agents, property managers). Do you pay each other referral fees?

WHY ask this? *Successful property purchases are the result of holistic advice, which means that a good buyer's agent will have built a network of good allied professionals. You want these relationships to be built on trust and solid client outcomes, not because of mutual financial benefit.*

If you're looking to buy a property in Sydney and would like to speak with one of my team, click here to book in a confidential chat.

If you're looking to buy elsewhere and would like my personal recommendation of a buyer's agent I would trust, click here.

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