

# Working for the property buyers

DIGBY HILDRETH talks to buyer's agent Michael Murray about the role he plays in the property purchase process

MICHAEL MURRAY likens the property sales process to a three-legged table, the legs being the vendor, the buyer and the sales agent.

"It's wobbly," he says.

A buyer's agent provides the fourth leg, he says, bringing balance to the process.

"The buyer is not the agents' priority. Listing and selling agents are working for the vendor and the buyer does not have an experienced voice in the negotiations," he says.

"Without a representative in the mix, the buyer is being neglected – which is the reason buyer's agents are being used more and more.

"The internet has changed the home purchase process 100% and most buyers are savvy now. But there is a big difference between doing the search and then actually being able to close the deal.

"I've lived in the area for 25 years, so I bring to it local knowledge that you can't just pick up from the internet.

"I know what areas are working, what places to avoid, which agents are good to work with, which agents to avoid, who's good to buy from, who's good to sell with."

Michael accompanies his clients throughout the purchasing process and wears a number of "hats": as search agent, finance and home loans expert, relocation adviser, building and landscape consultant and property investment specialist.

He lives on a 160-hectare multiple occupancy property in Myocum, in a new house with panoramic bush views.

His work takes him from Ballina to the Tweed, Kyogle to Casino. He has just finished a contract in the hinterland buying properties on behalf of a Lismore-based non-government organisation to house homeless youth.

"It was an interesting brief, with very special requirements. Half of the job was to make them feel looked after and cared for," he says.

Once a client engages him, he uses the web "but I also gain secondary knowledge, by going to open homes for example, about what's happening with the general market, what post codes are moving, and information



Michael Murray, a buyer's agent for real estate, at his home in Myocum. Image: Digby Hildreth.

around schools and transport. It's more than just what the house is like".

Plus he is able to advise on a property's potential.

"I've built five houses and renovated four in my time here – that's a lot of moving. So I bring that to the table. I have that kind of background knowledge of being a project manager. In a way I'm a kind of frustrated architect," he says.

Then there is the emotional support he provides.

"That's one of the major things that's worked and what I enjoy the most," he says.

"Buying a house is a major life experience

for most people and I just say to them again and again, 'this is intense now but once you've moved in you'll forget all about it. It's a bit like giving birth'.

"It's painful and difficult for them, so the counselling thing is paramount."

Most of his clients have remained friends, Michael says, and about 90% of his business is based on referrals from satisfied customers.

Slightly more strained is his relationship with some of the region's real estate agents, a few of whom see him as a bit of a nuisance.

"Most of them are used to me by now.

Once they saw I wasn't cutting into their bottom line they accepted me," he says.

Michael's role has also evolved since he began 10 years ago.

"I was living here recovering from an illness and there seemed to be a lot of people wanting to move up to the Northern Rivers at the time," he says.

"Every other week I was fielding a call from someone saying 'can you help my friend buy a property' and I thought 'gee, this should be a business'.

"So I hung out a shingle and it's been successful ever since. I'm busy, even in a soft market.

"Ten years ago about 60% of my clients were sea and tree-changers looking for five acres on a hill with rural or ocean views so they could renovate the house and have a dream home.

"Or it was single, divorced women who found the real estate process adversarial – which it is.

"Often they were already quite property literate but they needed assistance because they were busy or weren't local or they felt annoyed at having to deal with so many listing agents to get an idea of what was going on. The listing agents didn't always treat them with respect."

Now there are many more local people who want someone on their team.

The investment market in the Byron region has dropped off, he says, so he's more of an owner-occupier agent.

"It's not really an investment market here now," he says.

"It may cost people anything from \$1000 to \$1500 for me to be there as their back-up person.

"They may see a house, I make an appointment with an agent, do the inspection with them, then I do some background on the property and a comparative market analysis to find out whether it's listed at a good price."

At the end of that process, says Michael, he can't guarantee that he will earn his fee by getting them a discounted house ... "but I can guarantee that nobody's going to pay over value".

## from the home front

### Reform demand

NORTHERN Rivers agent Trevor Manwarring has added his voice to those calling upon the State Government to reform the tax system, particularly inefficient ones like stamp duty.

"It is too much for working families to pay," says Trevor, who is a sales agent with First National Wal Murray in Alstonville.

"Stamp duty has become nothing more than governments gouging money from those who can least afford to pay.

"Australia is one of the most expensive property markets in the world and excessive taxes are making it incredibly difficult for new entrants to gain access to the market or for existing home owners to upgrade.

"We have a chronic shortage of supply, worsening home affordability and an in-

creasingly tight rental market, which could all be partially addressed with a more realistic approach to property taxes such as stamp duty."

The Housing Industry Association in Queensland has called for the State Government to look at cutting property taxes, stamp duty and infrastructure charges, after the collapse of the large Cairns-based building and construction company Glenwood Homes.

The HIA wants the State Government to rein in regulatory costs it says are blowing out the costs of new home construction.

### Delinquencies increase

MORTGAGE delinquencies increased in the fourth quarter due to a combination of higher interest rates and increased holiday spend-



ing, a new Fitch report has revealed.

Fitch director James Zanasi says although the number of 90-day arrears has increased, the situation may stabilise in the next few

months as the current interest rate environment provides a haven for financially stretched borrowers.

The Fitch report shows 30-plus-day delinquencies increased to 1.37% in the fourth quarter of 2010. That was up from 1.3% in the third quarter – a move that the company says was 'unexpected'. The report also shows that 90-plus-day arrears have increased from 0.48% in the third quarter to 0.54%, a result which Fitch says feeds into the 30-plus-day result.

Fitch points to stagnation in the housing market as one factor. Prices have started to stabilise after 18 months of solid growth.

Mr Zanasi says mortgage insurance activity was strong during the same period "which implies strong sales of repossessed properties".