



# Sound advice

If you have more than a few property-related queries on your mind and don't know where to go for some quick tips, a property advisor may be just the ticket

**B**uying, selling, renovating or building a new home is no small feat, and often involves large and complex decisions. For most people these are amongst the largest financial commitments they will undertake in their lifetime. Most borrowers and investors would agree that when it comes to property, the 'trial and error' route is unacceptable.

This is where property advisors, in all shapes and forms, come in. Whether it be valuation advice, mortgage and loan tips or double-checking your finance accounts before dipping into the property pool, advisors are there to help.

### A different breed

When searching for a property advisor, it is possible that the Google search results popping up in your PC window will confuse you – at present, there is no set definition.

But rest assured – they do exist. Ian Pepper of Property Penguin says the

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Ian Pepper, CEO, Property Penguin

lack of current information is simply because the term 'property advisor' is a fairly new concept. "It's an industry that hasn't really evolved yet," says Pepper. "There are a group of different specialist advisors in the property game, but there's no-one really calling themselves a 'property advisor'."

This includes the real estate agents who help sell your home. "Even the valuers who conduct home valuations for consumers and the banks may give lots of advice," he says. "There are also buyers agents who organise purchases

for people who have no time to look for property themselves. They give advice as well."

Essentially, therefore, the 'property advisor' sector consists of a very broad range – a collection of specialist advisors all falling under the same description.

### Personalised service

Buyers agents, one type of property advisor, arguably provide one of the most complete property advice services for a purchaser or investor. In a century where the general population is strapped for time and always on the run, buyers agents create an alternative for those wanting to get into property and offer a service to guide buyers through the whole process from obtaining finance if required to settlement of contracts.

Julie-Ann Cronin, buyers agent at The Home Straight, claims that while there is an abundance of property advisory services as well as magazines and market research reports available throughout Australia, the services provided by buyers agents are more 'practical'.

"Buyers agents are representatives who act exclusively for the property buyer by negotiating the best possible price, terms and conditions," she says. "Choosing to use a buyers agent for your property transaction can save you time, money and eliminate stress from the buying process."

However, you have to pay for convenience and the cost varies from agent to agent. Usually, there is an initial fee paid, followed by the balance. Some buyers agents charge a fixed fee, while others charge a percentage of the purchase price.

### Who needs them?

Most property advisors work on the basis that one advisor consults the client all the way through their property transaction, arranging any specialist services they need along the way.

"It's for everybody and definitely for first homebuyers, because they don't necessarily know where to turn for all the advice and what to do next. We can hold their hand all the way through that," says Pepper. "People who are upgrading or investing will also benefit from the convenience of the service."

Real life...

## Independent advice



"We used independent property advisors when we sold our home in Adelaide because the property value estimates given to us by real estate agents varied significantly and we needed an opinion from someone who wasn't trying to get our business.

"The advice given to us was to auction the property and a reserve price was given. This advice helped us to make an extra \$35,000 on the sale of our home. Without this advice we would have advertised our house for sale \$35,000 lower than the last auction bid. When we moved interstate we used an independent property advisor to make sure that we didn't pay too much for our new home.

"We feel an independent property advisor is the best money that we have spent in the buying and selling process."

Sharon and Troy Thiele

### Getting the best advice

Regardless of the type of property advisor you choose, Phillip Grahame, director at property advisor Herron Todd White, believes that as long as the service is independent, employing an advisor will give you a significant advantage.

"You could sit down and research all of this on Google and come up with your own views, but we've already done all that and we're all experienced and knowledgeable advisors, so it saves you all of that time," says Grahame.

"Property transactions involve a lot of money changing hands so you want to make sure that you're getting all the right advice about taking up the right loan and buying the right property for the right price. Any small mistake could be quite costly."

### Choosing the right advisor

Independence should be the key when it comes to making sure you are getting the right advice. According to Grahame, not all advisors can be considered independent. "For example, real estate agents shouldn't really be considered as property advisors for the purchaser, because they have a sales-based role, attempting to get the highest possible price for the vendor," he says. "Some buyers may think they are getting advice from the agent, but they're not."

Pepper agrees and says that people looking for advice in the property market should be aware of biased advice sources. "Make sure they [property advice services] are independent and

not affiliated with any real estate agent group or developer," he says. "There's a lot of people out there that are affiliated – in particular with developers – and they might be pushing a certain development where they might be getting remunerated quite heavily for it."

Pepper also recommends that you ensure your advisors are professional and have appropriate qualifications. Because these services are not yet

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Julie-Ann Cronin, director, The Home Straight

regulated, there is no easy way to separate the grain from the chaff. He believes the industry should be regulated but until then it's up to you, the customer, to scrutinise the source of any advice.

Finding an independent advisor is probably the hardest step in the entire property advisor process. Grahame suggests professional bodies such as the Australian Property Institute may be able to help, and says referrals through a solicitor or accountant may also be useful. Other than that, Google may still be your best bet! ■

## Buying and selling success

Gemma and Scott Williams were looking to sell their townhouse and upgrade to a larger freestanding property within the same area over the Christmas period. Knowing full well how daunting and complicated property transactions can be, they decided to enlist the services of property advisor Property Penguin to help them through the process.

"We were very impressed with the clarity and relevance of information given to us in the 'tip sheet'," says Gemma. "The professionals they arranged to help us were

top notch. The valuers were on the mark, the building inspectors, the pest control company were all specialists in their field."

Gemma and Scott found the property they were after and continued following the advice in the tip sheets provided by Property Penguin. "The team at Property Penguin offers a service above and beyond the typical mortgage brokers and property advisors," Gemma adds. "Every customer is special. This is one business where one size definitely does not fit all."

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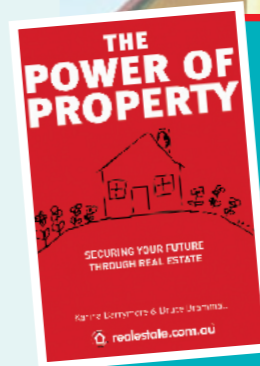
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