

# How to get access to the dream homes being sold in secret

Expert property finders are in the know but can charge up to 3pc in fees

By Alexandra Goss  
27 June 2021, 5:00am

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This barn in Great Amwell, Herts, was extended and converted by Tye Architects in Bedfordshire and is now being sold off-market. It is £1.75m with Strutt & Parker | CREDIT: Andy Giddings

For almost a year, Clare Coode has been working flat out, often waking at 4am and then toiling late into the night. She is a buying agent with Stacks Property Search, working in Cornwall's frenetic property market.

"I found myself with double, then triple, the number of usual clients before having to start waiting lists and then say no," said Ms Coode. "This was acutely painful, but you can't spread yourself too thinly."

As the housing market continues its gravity-defying trajectory, with countless tales of bidding wars and gazumping, increasing numbers of people are relying on buying agents to secure a home. In 2020, 7,820 homes in Britain were purchased using buying agents, accounting for 0.8pc of all property sales, according to Hamptons estate agency. Between January and April alone this year, they accounted for 4,930 purchases, or 1pc of all sales agreed, the highest share for a decade.

Buying agents were once the preserve of the rich, tasked with finding a luxurious property that ticked all their discerning clients' boxes – whether that was a 40ft drawing room, perfect acoustics or the correct feng shui. But now people are using them to source more ordinary homes. David Fell, of Hamptons, said the average price of a property changing hands through a buying agent has dropped from £640,000 in 2012 to £428,000, in part driven by increasing numbers of property investors using them.

Another key factor is the huge increase in the number of homes being sold off-market, before they are advertised or listed on property websites. Buying agents will often be the first port of call for estate agents selling these off-market homes, while a good property finder will scour the land and raid their contacts book to find places that were never officially for sale in the first place, such as by approaching buyers they know could be persuaded to sell if they can do so quickly and discreetly.



Whitechapel Manor is a Grade II listed Elizabethan house in South Molton, Devon. It is being sold off-market for £2m with Knight Frank

Carol Peett, of West Wales Property Finders, said about 90pc of the properties her firm had found for clients over the past 16 years never hit the open market. "This is even more important when there are 50-plus viewings for most good properties," she said. "Buying off-market also prevents gazumping, as others do not know the property is being sold."

With the pandemic causing a rush for space and making a daily commute to the office less important, buying agents are increasingly being used by people moving farther afield or to areas they don't know. The average purchaser using a buying agent this year is moving 25.7 miles, up from just 13 in 2016, Hamptons said.

Some people's wish lists are so exhaustive they need all the help they can get. Jennie Hancock, of the firm Property Acquisitions in West Sussex, said the most sought-after houses have swimming pools, tennis courts, water views and boot rooms, as well as outbuildings suitable for a home office, yoga studio or for Airbnb rentals. "Many clients also want village amenities, such as a good pub, shop, village green and cricket club. Some even ask for places with an annual fête or dog show."



Ivy Manor in Walton on Thames has two home offices and is being sold discreetly. It is £4m with Fine & Country

Buying agents help to seal the deal, advising on how much to bid, what else to include in an offer and, if necessary, when it is best to walk away. Sellers will often pick people represented by a buying agent over other, higher offers, according to Jo Eccles, of London-based Eccord. "We have won 85pc of competitive bidding situations we've entered and in 60pc of those we were not the highest bidder."

Managing a purchase through to completion, dealing with any issues – from subsidence to septic tanks, flooding to footpaths – and chivvying along surveyors and solicitors, is another important role. Jess Simpson, of Jess Simpson Property Search, said: "Sellers, and sometimes buyers, behave badly – putting the price up at the point of exchange, renegotiating the terms or deciding not to sell at the last minute. Our job is holding the deal together and keeping everyone calm in what is a very emotive experience."

Whether or not you really need a buying agent will depend on where and what you're looking to purchase and, crucially, your budget. Last year, for instance, Middleton Advisors acquired properties in the capital costing from £1m to £20m, whereas many London agents will only acquire homes from £2m upwards; at RFR, a luxury firm, the minimum is £5m.



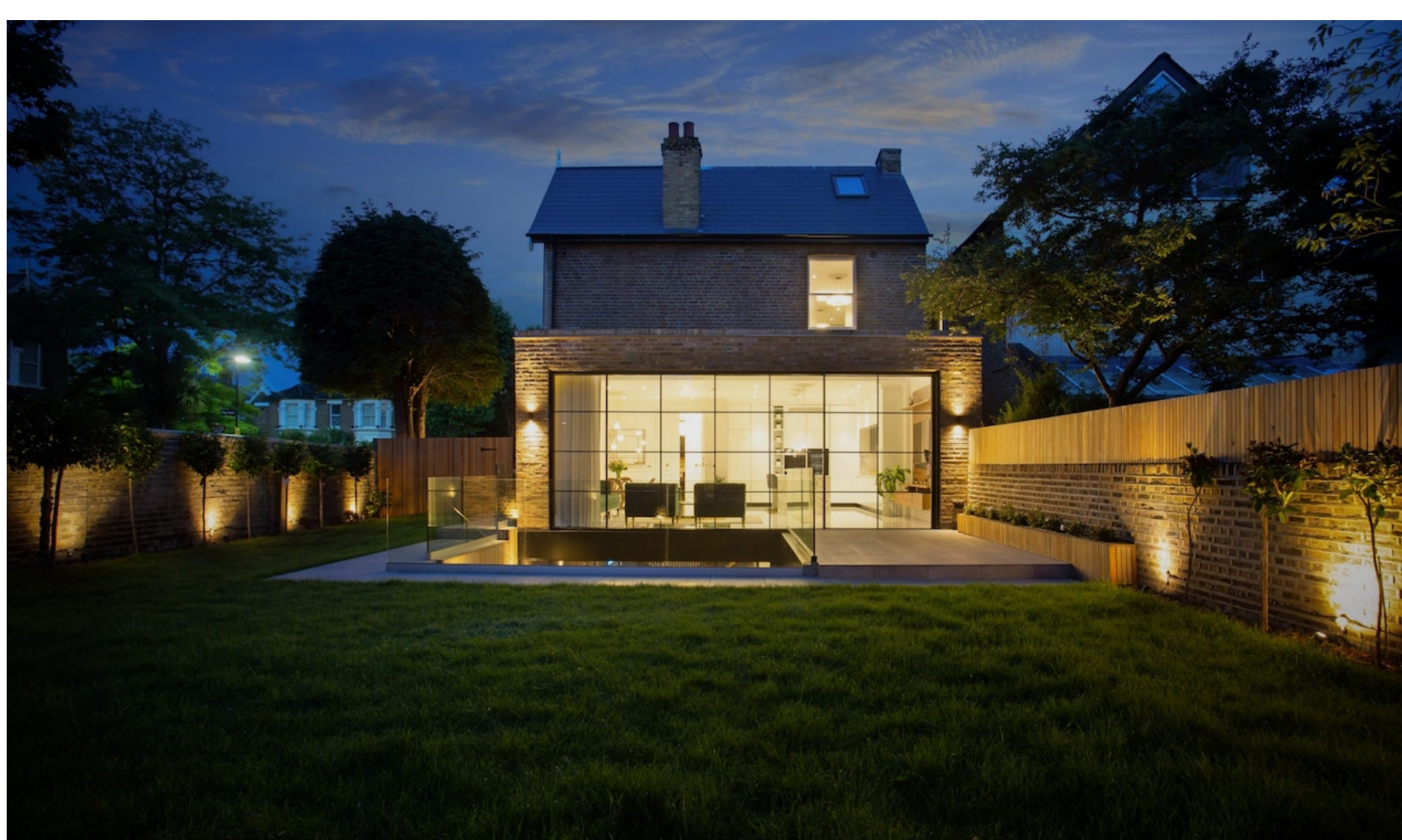
Bridge Farm in West Sussex is a Grade II listed country house with four bedrooms and a swimming pool and tennis court. It is £1.6m with Knight Frank

Outside the capital, national chains Garrington Property Finders and Stacks Property Search receive regular enquiries for buyers with budgets of £500,000, while Prime Purchase typically buys homes costing £2m or more.

Engaging a buying agent is a costly business, running into tens and sometimes hundreds of thousands of pounds. Most charge a registration or retainer fee of between £750 and £3,000, plus Vat – this is often valid for six months so will need to be paid again if services are provided for longer – and a success fee of 1.5pc to 3pc of the purchase price. Sometimes, the registration fee will be deducted from the success charge, while other firms have a minimum fee.

Buying agent firms have grown like Japanese knotweed. Selling agents, accountants, solicitors and even former doctors have set up shop and there are some cowboys. The sector is unregulated but there is a legal requirement for buying agents to be registered with HMRC, the Information Commissioner's Office and a property redress scheme, such as The Property Ombudsman.

In May 2019, 640 buying agent organisations and additional branches were registered with The Property Ombudsman redress scheme; by May 2020, that total had risen to 954 and last month it stood at 1,072.

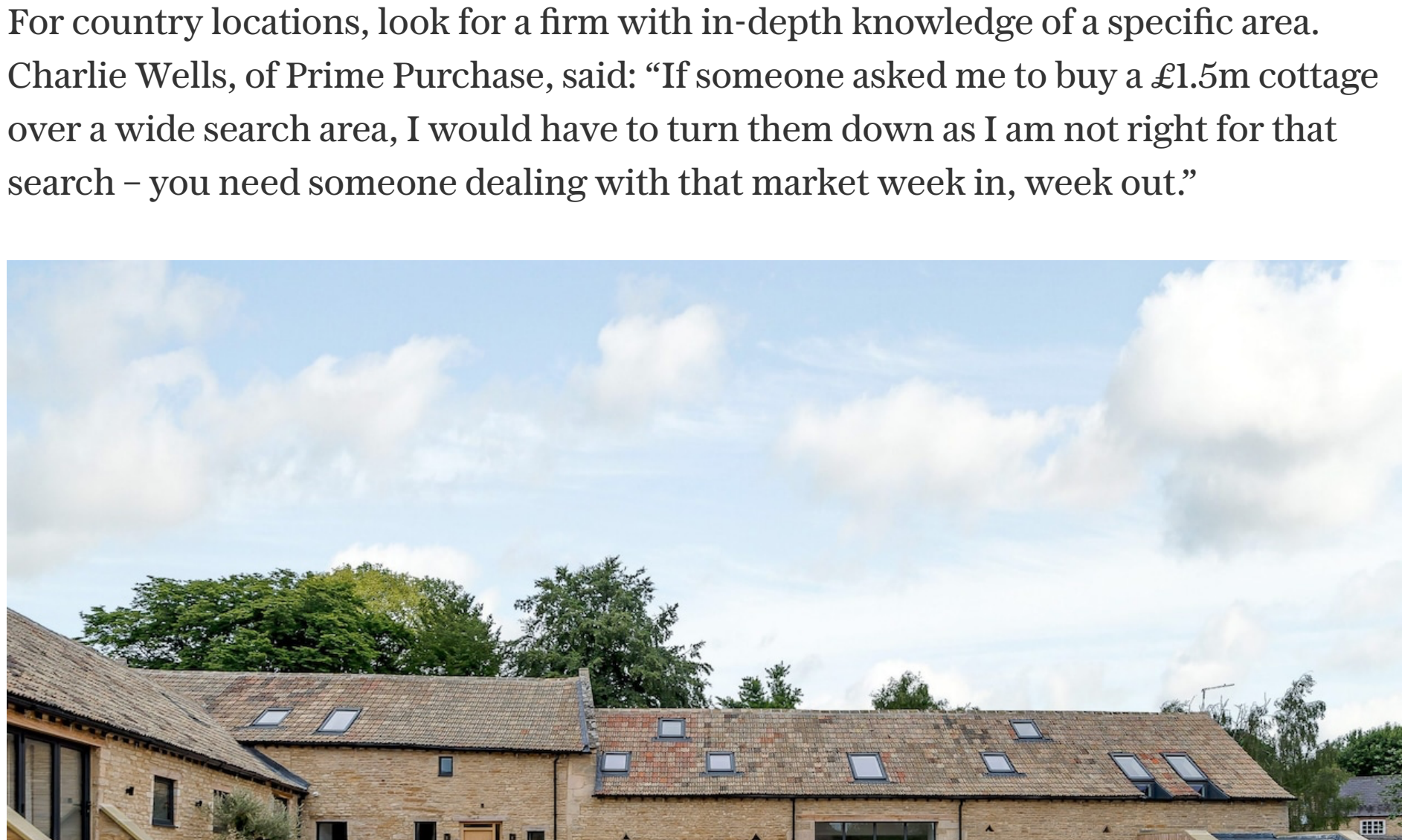


This six-bedroom house in Chiswick, London, is being sold off-market. It is £6m with Hamptons

When deciding on a buying agent, ask if they are fully insured and have references from clients who have bought in a similar area at a similar budget. Their level of experience is paramount, said Henry Sherwood, of The Buying Agents. "Most of the good London firms have 10 or more years' experience as a selling agent and then 10-plus years as a buying agent," he said. "You can't just decide to be a buying agent one day."

In cities, buying agents should have forensic knowledge of individual houses and flats, said Robert Bailey, of the eponymously named London-based firm. "We know that houses on one side of a particular street have large gardens, whereas on the other side they don't. Or which house has a vast drawing room and which development has exceptional concierge service," he said. "Our clients trust us to the level that we sometimes buy properties costing millions for people who have never seen them in the flesh."

For country locations, look for a firm with in-depth knowledge of a specific area. Charlie Wells, of Prime Purchase, said: "If someone asked me to buy a £1.5m cottage over a wide search area, I would have to turn them down as I am not right for that search – you need someone dealing with that market week in, week out."



This converted barn in Rutland is on the market for £2.5m with Fine & Country

You should like the buying agent and ensure they "get you", said Jonathan Hopper, of Garrington Property Finders. Check, too, how many clients a buying agent is looking after – it shouldn't be more than a handful to provide the level of service needed – and ensure they are not acting for another person looking for a similar home.

Louisa Brodie, of London firm Banda, said: "Some buying agents will ignore this, take on a 'conflict' client and allow their clients to bid against each other, which is unethical."

Indeed, things can go wrong. So far this year, 22 complaint cases about buying agents were found in favour of the consumer by the ombudsman, up from two cases supported last year and seven in 2019.

Joanna Lampert, of the law firm Mishcon de Reya, said one of the major problems was that people would engage buying agents and then walk down the street and see the same property details in an estate agent's window. "Buyers then resent the buying agent because they signed up in order to get access to exclusive, off-market properties," said Ms Lampert.

She said anyone signing an agreement should scrutinise the contract, ascertaining whether the fee would still be payable if the buyer found a property themselves.

"Buyers should seek to sign up to an arrangement where the buying agent is only entitled to their fee when they have been the effective cause of the transaction," she said.

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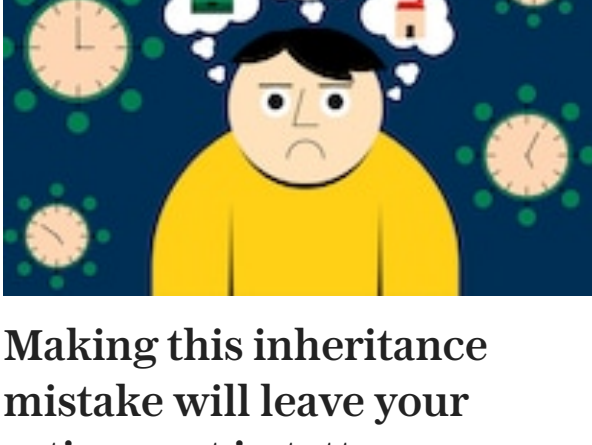
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