

# Myth-busting: A buying agent's guide to the off market

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• By Philip Harvey • 16th February 2021

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In a rare display of accord, all the main valuation experts agree that house prices in the prime markets outside of the capital have soared in the past six months. For the first time, they are achieving prices not seen since their pre-2008 financial crisis peak.

As a firm, we've never been busier. Driven by record levels of demand from those re-evaluating their lifestyles and housing needs following lockdown, there has been a surge of interest for prime country houses. Meanwhile, in London, the demand is focussed on family homes in areas which have good-sized gardens. The result is that many sales are transacting off market.

But what does "off-market" mean? It's a concept which is much overused and often misunderstood. In its broadest terms, it refers to properties that aren't being openly marketed on web portals or advertised in any way. In the majority of cases, a selling agent is still involved, and they will invite us, as independent buying agents, to have a first look at the property (sometimes under the cloak of a non-disclosure agreement).

If a buyer is found and a deal agreed, the transaction takes place in this so-called off-market space. The concept is not unique to the UK: when the market is hot, houses on Cap Ferrat often change hands in this way and in paparazzi-infested LA, they are known as "whisper listings".

Owners will often approach us directly; indeed, as a result of our longevity in the business, we have bought the same houses not just twice but three times in some cases. Although this private information is very much our stock in trade, experience has demonstrated time and again that is often better for both sides of the transaction to have the benefit of professional advice.

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Trust and strong relationships underpin this micro market. Fortunately, as the longest-standing buying agency in the UK, we've built up almost four decades of knowledge, contacts and goodwill with which to open these private doors. Now, more than ever before, it's the key to securing the right houses for our clients.



### **Why sell off market?**

One word: discretion. With so much information available online, guarding personal privacy has soared up the priority list for many. Conducting a multi-million-pound transaction away from prying eyes of neighbours, employees and digital voyeurs is fundamental.

Another motivating factor is the fear of the digital footprint. Once a property is listed with a portal, its fortunes—good and bad—are registered forever thereafter. Under the critical eyes of digital property sleuths, who might not always take into account the prevailing market conditions, a house that has lingered on the market runs the risk of appearing tarnished and its value diminished.

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Finally, there's the security concern: not everyone wants photographs and floorplans of their homes published for all to see.

#### **Why buy off market?**

In a bull market, even one such as this which might be a bubble, there is sometimes no other way. Houses in Kensington Palace Gardens (which runs behind Kensington Palace and was recently dubbed "the £3bn street") will rarely ever come to the open market, save for extenuating circumstances - so watch this space.

Regardless of the state of the economy, the advantage to our clients of buying off market is that they get a clear run at their desired property and there is something reassuring about doing this without the complexities and uncertainties of open market competition.

But therein lies another misconception, too. It's not a cheap way of buying property, and certainly no place for bargain hunters if you want the best in class. Transacting off market means you're at the mercy of the vendor and what they want; they always have the fall back of going to the open market if no suitable agreement is reached. Very often, our advice is to let this happen, especially if a vendor's expectations are too unrealistic. Many of our best and cleverest deals have taken place in the open market.

The ability to accurately value a property is key. Seeing anything privately ahead of a launch brings challenging questions: what are the comparable sales and how many disappointed buyers are standing on the side lines who might compete in the market? Competition brings its own oxygen to a negotiation and our clients have to trust the information that we provide before deciding whether to twist or stick.

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Buying off market is a necessity for clients who have very specific requirements. Those looking for the most coveted of London homes in the current climate—a low-built, semi-detached house with front parking and a generous garden with a separate home office - won't find this without a bloodhound at their side.

That's our business: through our networks and longevity in the business, we know where these diamond properties are and who might be in the market to sell one if the right buyer

comes along.

**How big is the off market in London?**

Research suggests that last year 18% of properties sold for over £1m in London were off market. It's a growing phenomenon: that figure was only 3% in 2009. In the market over £10m, we are able to access 60% more stock than what's visible online.

**And in the country?**

Across the board, we buy 60% of properties in the country before they come to the open market; the rest is made up of those which are probate sales or houses that were overpriced when we saw them early.

Again, most of these off-market transactions come about because of the relationships we've built up with the selling agents. But occasionally they are from direct approaches from vendors.

**Final thoughts**

There's a genuine belief that the best houses exist in this off-market arena, partly because of a commonly pedalled perception that the rare and unusual should be unattainable to the majority.

The fact is, this isn't always the case; sometimes they don't exist at all. We have been through the doors of (almost) every single special house that's been sold in the south of England and prime areas of London over the last 37 years. We know them, and the chances are that we know the owners too. So, when a client approaches us wanting us to find a particular house, in a certain area, for a specific price, we can say immediately whether that house exists or not - regardless of how it is being marketed.