

DO YOU NEED A "BUYERS" AGENT TO BUY A HOME?

You Bet!

For most of us, buying a home is the biggest single purchase we will ever make and it can be a nerve wracking, downright scary proposition, especially for first-time home buyers. Some people can, and do, go it alone when buying or selling homes.

If you're savvy enough to navigate the murky waters of a real estate transaction then more power to you. But the value of an experienced agent is immeasurable, particularly for first-time buyers. Traditionally real estate agents represented the seller.

That was true if the agent helped a homeowner market a home or a home buyer find the right home. But agents were legally bound to represent the seller and typically the seller paid both the listing agent and the agent who brought the buyer. Now there are new ways for real estate agents to work with buyers and sellers. Consumers have choices - If you want to sell a home you can engage a real estate agent who is a "seller's agent". If you want to buy a home you can work with a "buyer's agent."

What can a real estate agent bring to the table?

Real estate agents are professionals who subscribe to a Code of Ethics that is constantly updated to meet changing conditions in the industry. They administer mediation and arbitration hearings to enforce their code, which often goes beyond government license regulations. Agents typically agree to share information about each other's listed properties through a local or regional Multiple Listing System (MLS) which gives sellers' properties wide exposure and offers buyers an efficient way to house-hunt.

Don't just call the name on the sign!

In many cases, a potential buyer will see a For Sale sign and call the real estate agent who has listed the house. If you do this you must be aware that the "listing agent" is the seller's agent and owes first duty to the seller, but that doesn't mean they can't help you... a little! Seller's (Listing) Agent – Beware, the seller's agent is on THEIR side! The seller's (or listing) agent can work with a potential buyer in many ways but they can: help you decide what you can afford and suggest possible avenues for financing. search other listings and show you homes. give you general information about market conditions. prepare your offer and present it to the seller. guide you through the whole home-buying process. However - the seller's agent is required to disclose to the seller any information you share with them so it is best to be discreet, especially about things that might cause a seller to reject your offer, like the fact that you just love the home and are prepared to pay a higher price to get it. The seller's agent can't give you an opinion about the condition of the house or about the seller's bottom line.

When it comes to negotiating, you are on your own!

Buyers Agent – This agent is on YOUR side! As a buyer, you have the option to be represented by your own real estate agent, whose loyalty is to you and your best interests. Your agent is there to provide a reality check and to handle the tough negotiations involved before closing. As your representative, your agent can: determine a reasonable purchase price. search out information about the property, including the

existence of other offers, the seller's financial situation and anything else that might affect your decision on the property or the price you are prepared to pay.

Buyers Agents Can:

- Check out homes that meet your requirements and eliminate the “duds” so you won't have to visit as many yourself.
- Discuss the advantages and disadvantages of a particular home.
- Provide general information about homes, recent area sales and neighborhoods and local lending institutions.
- Advise you on how much to offer.
- Evaluate improvements and calculate what effect they should have on the price.
- Be an active part of negotiating a favorable price and terms for you, the buyer.
- Assist you in closing the deal, including advising you on when to bring in other professionals, like inspectors, lawyers etc.
- A buyer's agent can usually show you any available home although there is sometimes an agreement between the seller and the seller's agent that restricts access to a buyer's agent.

However, because most sellers want their homes shown to as many potential buyers as possible this is not usually a problem. Buyer's agents usually receive a share of the commission paid to the seller's agent. In some cases they may collect a retainer from the buyer, charge by the hour or charge a flat fee. Often the fees are applied against any commission received by the buyer's agent.

Your agreement should specify how your agent would be paid.

Finding the right Buyers Agent – How do you go about it?

Finding a buyer's agent in which you can have confidence and trust is similar to finding a seller's agent. You need someone with whom you feel comfortable and who understands your needs and wants. It's also important to find someone with the skills and expertise to help you find a new home as quickly and hassle free as possible.

1. **Ask around.** Word of mouth is a good starting point in your search to find an agent to represent you. Ask friends, relatives or neighbors for recommendations. Look through newspaper ads to see who has listings in your area or looks for real estate signs in the area. Agents often are experts in certain neighborhoods or in certain clientele, such as seniors or first-time buyers. Take note of who has lots of listings.
2. **Interview prospects.** You should prepare for the interview by deciding what your objectives are, so you can let the agent know what you expect. Interview a number of agents from different companies to see what they have to offer. In the interview, make sure the agent is listening to you, asking intelligent questions and showing a genuine interest in you. You might ask: For references, and then check them!

How many years have they been in business?

Experience certainly counts for a lot, but someone who is just starting out might be keener and able to devote more time to you.

What professional training do they have?

(Find out what those letters after their name mean.)

Are they a full-time agent?

How many listings do they currently have?

More is better, but an agent can spread himself too thin and may not be able to give you the attention you deserve.

How many listings did they have last year?

How many sales did they complete?

How many contracts have they completed over their career?

What kind of properties were they?

If the agent normally deals with mansions, finding you a little rancher may not be a priority.

Do they work alone or are they part of a team?

You will want to meet the other team members and/or the assistant to make sure you would be comfortable working with them, too.

How many sellers do they talk to in a day or a week?

Conclude by asking an open-ended question such as:

“What else would you like to tell me about yourself and your career?”

This should give you a chance to make a final assessment of the agent’s personality and attitude. Remember that you will be working closely with them. If your “this person bugs me,” bells go off, choose someone else. By the end of this process you should be able to choose an agent who feels comfortable to work with and has the experience, or interest and determination, to do the job. Now you can get on with the process of buying a home!

Dual agency — A twist to the situation!

We have been talking about buyer’s agents and seller’s agents as separate entities. The buyer’s agent is employed by, and exclusively represents, the buyer. The seller’s agent is responsible for getting the highest purchase price and best terms possible for the seller. However, in some cases, especially in a small town with a limited number of agents and real estate firms, the same agent or company may represent both buyer and seller — this is referred to as dual agency. In this situation the agent must represent both sides equally with the objective of reaching a mutually satisfactory agreement.

In most jurisdictions, the buyer and seller are required to sign a form indicating that they understand the agent is acting for both sides and that they have agreed to that situation. It is understood that an agent who is acting in a dual capacity may do nothing to the detriment of either the buyer or seller. Confidentiality is owed to all parties. All parties

may be present at a contract presentation to negotiate on their own behalf and before making any decisions, all parties have the right to seek family, religious, financial, and/or legal counsel. In Conclusion: Teachers teach, bus drivers drive buses and real estate agents buy and sell real estate!

Real Estate agents are trained in all aspects of real estate transactions, that's what they do for a living and most of them are very good at it. Make sure you have experience on your side and find a real estate agent to help you buy your home.

Additional Information:

Real Estate BUYER'S AGENT Council of the NATIONAL ASSOCIATION OF REALTORS®

<http://www.rebac.net>

THE HOMEBUYER'S RESOURCE

<http://www.buyers-agents.org>

"Be it ever so humble there's no place like home."
J. Howard Payne