

Buying Your Home - Working With a Real Estate Agent

Can I use an agent for a new home?

Yes, however buyers should be aware of the differences inherent in working with sales agents who are employed by the developer, rather than traditional real estate agents.

Builders commonly require that an outside agent be present, and sign in, the first time a prospective purchaser visits a site before payment of commission even is discussed. At times when buyers use an advertisement to find the development themselves first, builders can refuse to pay any commission regardless of how helpful an agent may become later in the process. It is advisable to call the development first and inquire about their policy on compensating real estate agents if you are using one.

How do I find a real estate agent?

Getting a recommendation from a friend or work colleague is an excellent way to find a good agent. Be sure to ask if they would use the agent again. You also can call the managers of reputable real estate firms and ask them for recommendations of agents who have worked in your neighborhood. In any case, whether you are a buyer or a seller, you should interview at least three agents to give yourself a choice. A good agent typically works full-time and has several years of experience. If you are a seller, you should expect to review a comparative market analysis, which includes recent home sale prices in your area, when you talk to a prospective agent.

What about a buyer's agent?

In many states, it's now common for an agent to represent the buyers exclusively in the transaction and be paid a commission by the sellers. More and more buyers are going a step further, hiring and paying for their own agent, referred to as buyers brokers.

How do you find a good agent?

Getting a recommendation from a friend or work colleague is an excellent way to find a good agent, whether you are a buyer or a seller. Be sure to ask if they would use the agent again. You also can call the managers of reputable real estate firms and ask them for recommendations of agents who have worked in your neighborhood.

A good agent typically works full-time and has several years of experience at minimum. If you are a buyer, you don't usually pay for your agent's services (in the form of a commission, or percentage of the sales price of the home). All agents in a transaction usually are paid by the seller from the sales

proceeds. In many states, this means that your agent legally is acting as a subagent of the seller. But in some states, it's legal for an agent to represent the buyers exclusively in the transaction and be paid a commission by the sellers. You also can hire and pay for your own agent, known as buyer's brokers, whose legal obligation is exclusively to you. If you are a seller, you should interview at least three agents, all of whom should make a sales presentation including a comparative market analysis of local home prices in your area. The best choice isn't always the agent with the highest asking price for your home. Be sure to evaluate all aspects of the agent's marketing plan and how well you think you can work with the individual.

How much does my real estate agent need to know?

Real estate agents would say that the more you tell them, the better they can negotiate on your behalf. However, the degree of trust you have with an agent may depend upon their legal obligation. Agents working for buyers have three possible choices: They can represent the buyer exclusively, called single agency, or represent the seller exclusively, called sub-agency, or represent both the buyer and seller in a dual-agency situation. Some states require agents to disclose all possible agency relationships before they enter into a residential real estate transaction. Here is a summary of the three basic types:

* In a traditional relationship, real estate agents and brokers have a fiduciary relationship to the seller. Be aware that the seller pays the commission of both brokers, not just the one who lists and shows the property, but also to the sub-broker, who brings the ready, willing and able buyer to the table.

* Dual agency exists if two agents working for the same broker represent the buyer and seller in a transaction. A potential conflict of interest is created if the listing agent has advance knowledge of another buyer's offer. Therefore, the law states that a dual agent shall not disclose to the buyer that the seller will accept less than the list price, or disclose to the seller that the buyer will pay more than the offer price, without express written permission.

* A buyer also can hire his or her own agent who will represent the buyer's interests exclusively. A buyer's agent usually must be paid out of the buyer's own pocket but the buyer can trust them with financial information, knowing it will not be transmitted to the other broker and ultimately to the seller.

Where can I get information on buyer agents?

For information on buyer agents, contact the your area's Realtor association or National Association of Exclusive Buyers Agents: 320 West Sabal Palm Place, Suite 150, Longwood, FL 32779. Phone: 407-767-7700, Toll-Free: 800-986-2322, FAX: 407-834-4747, WEBSITE: www.naeba.org.