Questions and Answers on: WORKING WITH REAL ESTATE AGENTS

What happens if I want to be property listed by the same agent or firm that represents me?
A: You may permit an agent or firm to represent you and the seller at the same time. This would mean that the real estate agent or firm of agents would represent both you and the seller equally. This “dual agency relationship” will help you because both of you are being represented by the same agent or firm. If you have not already agreed to a dual agency relationship, this is your right, and the buyer’s agent will ask you to consent to the buyer agency agreement or sign a separate agreement or location pointing out your firm as an agent that permits dual agency. If you do not consent, then the buyer’s agent will no longer be required to represent and assist you in any matter, and an attorney is not required to continue to represent you in any other legal or official for you. If you do not sign the agency agreement, then the agent’s agency and loyalty relation with you no longer exist. You should then promptly seek to retain the services of another attorney (or designee).

What services might a buyer agent provide? A: Here are some typical services that a buyer agent can provide.

• Help you prepare and submit a written offer to the seller.

• Help you negotiate the terms of the offer. If the offer is accepted, the agent can draft a contract to purchase a property, negotiate amendments to the contract, and continue to represent you through the date of the closing.

• Help you understand the compensation provision. A buyer agent can be compensated in different ways. For example, you can pay the agent out of your own pocket. Or the agent may seek compensation from the seller. A buyer agent can be compensated by the sellers.

How can I reduce the risk if dual agency occurs? If you are not sure that an agent represents you and is no longer required to keep information about you confidential, you should avoid saying anything you do not want the seller to know (even personal, financial or confidential).

What happens if the buyer agency agreement expires? A: If the buyer agency agreement expires after you entered into a contract to purchase a property, then the buyer agent may continue to represent you through the date of the closing and is responsible for compensating the seller’s agent for the services rendered by the buyer’s agent. Any agreement between you and your agent permits the buyer agent to seek any compensation from the seller’s agent for the work done by the buyer’s agent. Whatever the case, be sure your agency agreement contains a penalty or fee for early termination.

What is the risk of a buyer to dual agency? A: Dual agency creates a potential conflict of interest for the firm that represents you since it is naturally divided between you and the seller. It is especially important that you have a clear understanding of your relationship with the firm and all of its individual agents, since all of them are dual agents. Only ask one agent to represent you in the sale of your home. However, a single dual agent does not itself break the rule of dual agency. All agents must treat buyers and sellers fairly and equally; and cannot help one party gain an advantage over the other.

If you have already hired an agent, ask that agent to help terminate the agreement without the consent of the other party. If the agent asks for compensation in exchange for the agreement without the consent of the other party, you may consult your own attorney or simply wait until the expiration of the agreement. If the agreement contains a penalty or fee for early termination, the buyer agent may not be able to prevent the buyer from paying the seller’s agent.

Can I buy a real estate without hiring a real estate agent? A: Yes. If the seller’s attorney or firm that you contact does not agree to offer you the seller’s terms, you can enter into the purchase agreement without a buyer’s agent. However, you should have an attorney review any purchase agreements you may enter into.

When can an agent terminate agency? A: An agent can be terminated in different ways. For example, you can terminate agency if you no longer want the agent to assist you in the sale of your home or if you have made a contract to purchase a property, then your agent may no longer represent and assist you in any other legal or official for you. If you are not able to make an agreement with the other party, simply wait until the expiration of the agreement. If the buyer agent is able to help to negotiate the termination, then you can agree to dispute or try to negotiate the amount of compensation. If the agreement contains a penalty or fee for early termination, the agreement may subsequently be voided.

Termination of Agency Agreements

What happens if I want to buy a property listed with my real estate agent? A: If you hire a real estate agent or firm to represent me, then your agent may be required to terminate the agency agreement. If you hire an agent or firm to represent you, then you and the seller both agree to terminate the agreement. A dual agency relationship will happen if one agent represents both parties.

What is a dual agency relationship? A: A dual agency creates a potential conflict of interest for the firm that represents you since it is divided between you and the seller. It is especially important that you have a clear understanding of your relationship with the firm and all of its individual agents, since all of them are dual agents. If you have not already agreed to a dual agency relationship, then you and the seller should sign a written agency agreement.

Termination of Agency Agreements

If you have an unrepresented buyer, who pays the fees? A: If you are an unrepresented buyer, who pays the fees? A: (1) that the buyer may agree to any price or terms other than those established by the buyer; (2) that the buyer’s motivation for buying, and (3) information that the buyer has included as confidential, unless otherwise required by the law.

Can the real estate agent who represents the seller require me to hire an agent to represent me? A: No. While it may benefit you to hire an agent, there is no law requiring you to hire a real estate agent or real estate.

What happens if I have dual agency? A: If you have dual agency, it means that your real estate agent or firm has agreed to represent you and the seller.

There may be situations when an agent can act as both a buyer’s and a seller’s agent. There are situations where an agent can be both a buyer’s and a seller’s agent. There are situations where an agent can be both a buyer’s and a seller’s agent. There are situations where an agent can be both a buyer’s and a seller’s agent. There are situations where an agent can be both a buyer’s and a seller’s agent.
Agents Disclosure” with you at first substantial contact—before you have the ability to negotiate the best deal. It is important for you to know whether the buyer or seller may each have their own agents. And sometimes the buyer and seller agents can provide many useful services and work with you in the same transaction. It is important for you to know whether you are working with one agent or a team of agents, even while acting as an agent of the other party.

Do not share any confidential information with a real estate agent or assure that you are acting in your best interest if you have entered into a written agreement with the agent to represent you. Otherwise, the agent can share your confidential information with others and this could hurt your ability to negotiate the best deal.

As a buyer or seller, if you are unskilled and unsure about the risks involved with real estate, the Real Estate Commission recommends that you consult with an attorney to assist you and a real estate agent to represent you. The agent will be able to assist you in understanding the terms and conditions of your obligation to pay commissions and to negotiate the best deal for you.

Q&A for SELLERS

Q: What does the word, “agency,” mean?
A: The relationship between a real estate agent and the buyer or seller who hires the agent is known as an agency relationship, because the real estate agent acts on behalf of (i.e., as an agent for) the buyer or seller (the “client”). In an agency relationship, the agent has certain duties and responsibilities to that client.

Q: What is an agency agreement?
A: An agreement in a real estate transaction between a real estate agent and a client is called a listing agreement. In a listing agreement, the real estate agent agrees to market the client’s property for a specified period of time and for a stated commission or fee. The listing agreement is a contract between you and the firm that represents you. The listing agreement must state the amount or method for computing your commission or fee. This payment is then shared with the firm’s individual agents or subagents. A real estate agent and his or her firm is called “selling” an agent if the real estate agent represents only the seller. A real estate agent and his or her firm is called “buying” an agent if the real estate agent represents only the buyer.

Q: What are listing agreements for? A: The listing agreements help you to market your property and to negotiate for you the best price and terms. When you enter into a listing agreement, you are giving the firm the right to sell your property for a stated commission or fee. If you agree to a writing “listing” agreement, the firm and its agents are authorized to represent you in your listing. The listing agreement will allow you to appoint one or more real estate agents who will be your personal representatives.

Q: What is the risk if dual agency occurs? A: Dual agency occurs if one agent represents both the buyer and the seller in your transaction. It is important to realize that a dual agency relationship may not be right for you. It is generally not recommended to use dual agency, as it can be a conflict of interest. Dual agency can create a potential conflict of interest in the sale or purchase of your property. Both you, as seller, and the buyer must consent in writing to dual agency.