

Transcript for *Working With Real Estate Agents – Buyers Video*

Are you considering buying a house or other real estate? If so, you may want a real estate agent to guide you through the process. Here at the North Carolina Real Estate Commission, we want you to understand the different ways you can work with an agent when buying real estate and the services agents can provide.

You have several choices about how a real estate firm and its agents will work with you. For example, you may want them to represent only you as a **buyer agent**, or, you may be willing to allow them to represent both you and the seller at the same time as a **dual agent**. You might even prefer to be unrepresented and work directly with the **seller's agent**. Some brokers will offer you a choice of these services, and others may not.

Whether you choose to work with a buyer agent, dual agent, or seller's agent, that agent must treat you honestly and fairly and tell you about any "material facts" that the agent knows about or should know about that could influence your decisions in the transaction.

The Real Estate Commission has developed a disclosure form called *Working with Real Estate Agents* to help you understand the different kinds of agency relationships. The form emphasizes the importance of not sharing confidential information with an agent until you know whether the agent represents you. The Real Estate Commission requires every real estate agent to review this disclosure form with you and to ask you to sign it before receiving any confidential information from you or assisting with your purchase.

The *Working with Real Estate Agents Disclosure* is not a contract. Signing it does not obligate you to work with the agent who presented it to you. Your signature is just an acknowledgement that you have received the disclosure form.

The Commission also publishes a brochure entitled, *Questions and Answers On: Working with Real Estate Agents*. This brochure explains what a real estate agent's duties are, what services your agent will provide for you, and how the agent will be paid. You can download the brochure for free from the Commission's website at ncrec.gov.

If you choose to have a buyer agent or firm represent you, they owe you certain duties. First, the firm and its agents must promote your best interests ahead of all others. They must be loyal to you, follow your lawful instructions, and give you information about the property that could influence your purchasing decisions. Your agent must also use reasonable skill, care, and diligence throughout the process, and account for all money they receive on your behalf.

Once you've agreed that a firm or agent will represent you, they may **not** give certain confidential information about you to the seller or sellers' agents without your permission. Confidential information includes your motivation for buying or your negotiating strategy. For this reason, don't tell the agent anything that you don't want a seller to know until you enter into an agreement to hire the agent.

A buyer agent will help you:

- find a suitable property,
- gather more information about properties you're interested in,
- prepare and submit an offer,
- order inspections, and
- prepare for closing.

A buyer agent may be paid in different ways. Often, the agent will seek payment from the seller or listing firm first, but – if the seller and listing firm refuse, then you may have to pay the buyer agent yourself. You and the agent will address the firm's fees in the written buyer agency agreement. Be sure to read and understand any agency agreement before you sign it and make sure it includes any promises that the agent has made to you.

You'll also be asked to indicate in the buyer agency agreement if the firm you're hiring will be allowed to participate in dual agency. "Dual Agency" is when the firm that represents **you** also represents the **seller** at the same time. This is most likely to happen if your buyer agent's firm has a listing agreement with the owner of a property that you want to purchase. In a dual agency situation, the firm and its agents owe equal obligations to you and the seller rather than only representing your interests. Because of this, your agent may lose their ability to advise, counsel, or advocate for either party.

In order to reduce the conflict of interest inherent in dual agency, some real estate firms may offer a type of dual agency called "Designated Dual Agency." This is where one agent within the firm is designated to represent only you and **another** agent within the firm is designated to represent only the seller. Neither agent should have confidential information about the other party at the time of designation. This type of dual agency allows you and the seller to be more fully represented because it allows your agent to advise you and to negotiate and advocate for you.

For more information about the duties and responsibilities of real estate agents, visit the Commission's website at ncrec.gov and click on the Publications tab. Or just give us a call at 919-875-3700.