

# Why Smart Buyers Use A Buyer's Agent

## “Why Do I Need A Buyer’s Agent?”

Buying a home is probably the most important purchase you’ll ever make. Do you want to go it alone?

Until a few years ago, home buyers had no choice. They decided upon a home to buy and negotiated the contract without representation.

Traditionally, all residential real estate agents represented the home seller. That was true of the “listing agent” who put the home up for sale, as well as the agent who found the buyer. That agent — who helped the buyer find the right home — actually worked for the seller. Under that traditional system, all agents were legally bound to represent the seller and the buyer had no representation.

## Now Buyers Have A Choice

Buyers no longer need to represent themselves during the home search and purchase while all agents represent the seller. Smart home buyers today can receive undivided confidential representation by choosing a “buyer’s agent.”

In fact, 71% of home buyers surveyed in a recent Gallup poll for the National Association of Realtors said they would use a buyer’s agent next time they purchased.

At last, you don’t have to buy a home alone.

Now you, like the seller, can have someone on your side looking after your best interests.

## “How Can A Buyer’s Agent Help Me?”

A buyer’s agent usually owes certain duties to their home buyer, such as care, confidentiality, full disclosure and accurate accounting. These responsibilities are defined by state laws, the REALTORS® Code Of Ethics, general principles of agency and court decisions.

That’s the legal definition. But what does a buyer’s agent actually do for the home buyer? Like other agents, a buyer’s agent will show the buyer available homes, point out the property’s features, provide financing information and submit the offer to purchase.

But that’s not all. As your representative, a buyer’s agent will share valuable and essential information with you if the agent knows it, such as:

- Whether the seller would accept a lower price;
- The seller’s reason for selling and timetable;
- How long the home has been on the market;
- Strengths and weaknesses of the property.

Most important for many buyers, you can ask a buyer’s agent for advice and assistance in setting your offering price and structuring the other terms of your offer. What’s more, you’ll have peace of mind knowing an advocate is working on your behalf to help you buy at the best possible terms. A buyer’s agent’s goal is to help you buy the home you want — and buy it at the right price.

## “Who Needs A Buyer’s Agent?”

If you want to make sure you buy smart, you need a buyer’s agent. If you’re a first-time buyer, if you’re relocating or unfamiliar with the local real estate market, if you’re buying for investment and want negotiating help, or if you need to purchase anonymously, you’ll be best served by a buyer’s agent who puts your interests first.

Also, if the real estate professional helping you find a home is a relative, close friend, or business associate or you previously were the agent’s home-selling client, chances are you’d expect the agent to represent your interests and should establish a buyer agency relationship. Or, if you just want to get the best value in a property and an agent, you owe it to yourself to be the most knowledgeable buyer you can be.

## “What Can A Seller’s Agent Do To Help Me Buy?”

Without a buyer’s agent, you’re really on your own. Keep in mind, the seller’s agent is actually working for the seller and is the seller’s legal representative. Yes, a seller’s agent can offer buyers some services, including a diligent search to find the right home, an explanation of available financing, calculation of monthly payments, estimation of settlement costs, presentation of your offer to buy.

What a seller’s agent cannot do is disclose information not in the best interest of the seller such as an opinion of the home’s real value or what price and terms the seller would accept.



By law, the seller’s agent must negotiate on behalf of the seller and may not withhold from the seller information that could strengthen their bargaining position. That means you, as a buyer, should be careful not to disclose to the seller’s agent any financial or personal information that could be used against you.

## “What Will A Buyer’s Agent Cost Me?”

Perhaps the right question is, “What will it cost me if I don’t use a buyer’s agent?” Purchasing a home without representation is possibly the biggest financial mistake you can make.

A buyer’s agent can guide you each step of the way to prevent costly errors. Failure to find out about defects in the property or the actual value of the property can, of course, be an expensive mistake. And failure to negotiate a contract that works for you can cost you plenty. With a buyer’s agent, you can ask for and receive advice and assistance in selecting the best property and determining an offering price.

## “Who Pays The Buyer’s Agent’s Fee?”

That depends. Surveys show in most instances buyer’s agents are paid like seller’s agents; that is, buyer’s agents generally receive a share of the sales commission built into the list price. Many listing agreements between home seller

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