

Why Hire A Buyer's Broker?

In the case of types of Agency Relationships in Real Estate Transactions Broker and Agent shall be used interchangeably.

The first is a **Buyer/Tenant Broker**. This person works strictly with the best interest of the real estate buyer or tenant in mind. It is his/her job to find the best property regardless of who listed it. He/She will negotiate to obtain the best price and terms and conditions for the Buyer/Tenant.

Second is the **Seller's/Landlord Broker** or **Listing Broker**. This person is working strictly for the real estate owner.

The third type of representation is the **Transactional Broker**. They represent neither side. The only act as a facilitator (doing paperwork) is to bring the two sides together and not to negotiate. The Buyer and Seller are left to work out the final deal on their own.

The fourth is a **Sub-agent**. In most states, this form of agency has been abolished. The Sub-agent assists the Buyer to locate a property. However, since the Sub-agent does not have a formal agreement with the Buyer he/she is technically working for the Seller's Agent. For liability reasons, many brokerages do not permit or practice sub-agency.

The fifth is **Designated Agency** whereby a different agent in the same firm separately represent the intent of the Buyer/Seller; Landlord/Tenant. The final and most sensitive type of representation of all is **Dual Agency**. In this form of agency the Broker lists a property. Thus he/she is the representative of the Seller. However, under this form of agency the Broker is allowed to represent the Buyer.

Numerous experts in the fields of real estate, law and ethics find Dual Agency raises ethical concerns and in this case, the Broker must take a very neutral position with both parties.

If the Broker is both a Seller's Agent and a Buyer's Agent, it stands to reason that the very first properties that he will steer you toward are those properties listed by the Broker.

This begs the questions:

- Is the Broker working to get the Buyer the lowest possible price or the Seller the highest possible price?
- Are these the best properties for you or might there be better deals located elsewhere in the marketplace?

Buyer/Tenant representation with a knowledgeable broker can give the client the advantage of professional, cost saving advocacy with little or no cost to the client.

A REALTOR has a fiduciary responsibility to the client. Included in the fundamental duties of such a fiduciary are good faith and **undivided loyalty**, and full and fair disclosure. These responsibilities create the possibility of conflict of interest once Dual Agency has been entered into. Because of these limits and restrictions placed upon the Broker by license law, rules and regulations, contract law, the principals of the law of agency, the Broker may not undertake the role of Dual Agent without first disclosing this position to both parties. The prospective seller and buyer must acknowledge their full understanding for such conflicts and give written permission.

They must acknowledge that **they understand that they are giving up their right to the agent's undivided loyalty.**

APTCOR COMMERCIAL, REALTORS can be an invaluable advisor to the Buyer/Tenant side of a transaction and in most cases, without direct compensation by the Buyer/Tenant because it can participate in the fees paid for commission by the Seller/Landlord.