

Buyer Representation:

What Homebuyers Should Know About Agency, Loyalty, and Shared Expectations

Most real estate agents earn their living by representing buyers and sellers in property transactions. The yard sign makes it obvious who is representing the sellers' interests.

However, problems can surface on the buyer's side of the transaction, mainly when buyers intentionally or unwittingly do things that lead two agents to believe they represent a buyer, which can occur in various ways. For example:

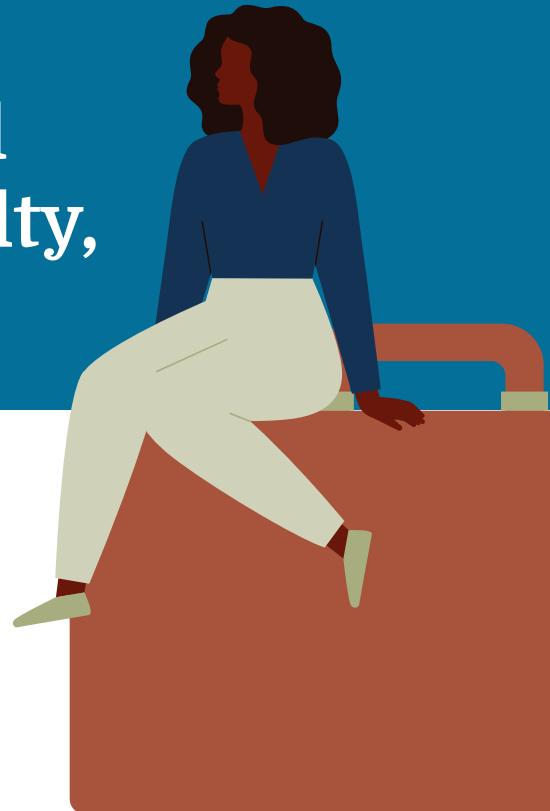
- ▶ A buyer has been searching for homes with a buyer's agent's help. They attend an open house, and the buyer starts talking to the listing agent about the kind of home they want to find, failing to mention that they are already working with another agent and agreeing to see more homes with this agent.
- ▶ Early in their home search, a couple noticed two houses for sale, each listed with a different agent. They call each agent, asking to see the homes, which leads to conversations with both agents about other properties.

A buyer has demonstrated purchasing interest with more than one real estate agent in these cases. Depending on other details of the circumstances—and how your state defines how agency relationships are formed—a dispute could arise between agents regarding who should receive a commission if the buyer proceeds with a purchase.

This is one reason why it's in everyone's best interest to select an agent before viewing homes and formalize your relationship with a signed buyer representation agreement outlining the services your agent will provide.*

Buyers can typically expect a higher level of service when they've aligned themselves with a buyer's agent—and when they make it clear to other agents that they are already represented.

Remember, buyer agency relationships are based on mutual consent, so you can cancel the agreement if your buyer's rep isn't living up to your expectations.



Most importantly, it's beneficial to discuss expectations. Each agent has their own style and preferred way of working with clients, including their obligations to you and what they expect in return.

Take time to discuss shared expectations at the beginning of your relationship. It's the surest way to avoid misunderstandings and form a strong partnership—one that allows your buyer's rep to serve you to their highest ability and helps you achieve the best results in your home purchase.



*Not every state requires a signed Buyer's Representation Agreement to create an agency relationship. In some states, an agency relationship can be formed if both parties simply behave as if one exists.