

## Who represents you?

### KNOW WHO REPRESENTS YOU

Whether you're buying your first home or your tenth, today's consumers have the option to choose the type of representation they want when enlisting the expertise and knowledge of a real estate professional. Traditionally, most agents represented the seller. Today, however, home buying consumers have the option to seek assistance with their search for the perfect home from a buyer's broker - a real estate professional who will agree to represent their sole interest.

Buyer's brokerage involves an agent representing the buyer in a real estate transaction for a fee paid by, or on behalf of, the buyer. A buyer's broker is employed by a purchaser to get the best possible price and terms for a buyer. For example, a buyer's broker might negotiate for a smaller deposit, for all closing costs to be paid by the seller, or for other contract terms most favorable to the purchaser. Assistance from a buyer's broker may also include helping the buyer obtain legal assistance to review proposed contracts or structural inspectors to examine the property. In a buyer's broker situation, it is up to the agent and the buyer to negotiate the fee for the service. A buyer's broker represents the buyer just as a seller is represented by a seller's agent.

Other types of relations that can exist include the following:

- Seller's agent - the agent represents the seller in a transaction, and works with the buyer as a customer.
- Dual agency - the agent represents both the buyer and the seller in the same transaction. This may only be done with the informed consent of both the buyer and the seller and only in transactions of commercial property.
- Facilitator - the agent represents neither the buyer nor the seller. He will act as a communicator and negotiator with the purpose of making the transaction happen. The facilitator concept is relatively new to real estate and is not as common as the other types listed above.

Before deciding on what type of representation is the best for you, it is recommended that, in addition to the various forms of representation, you understand that the term "agency" refers to the fiduciary relationship that exists between a buyer or seller and the real estate agent who represents them. Some form of written disclosure is recommended between agents and the consumers they are working with, to help ensure there is no misunderstanding regarding agency relationships.

Currently, 44 states and the District of Columbia have mandated agency disclosure, either through legislation or regulation. This requires real estate agents to inform the parties to a transaction whom they represent. The changes in the way real estate professionals are representing consumers can be attributed to a better-educated public looking for flexibility and options in the buying process.

The National Association of Realtors endorses freedom of choice and informed consent for consumers of real estate services when creating agency relationships with real estate professionals.

We recognize that our industry is changing and we are committed to respond to these changes. Our policies emphasize the importance of education and training on the topic of agency, and we encourage requirements for pre-licensing courses and continuing education programs to address the topic of agency.