Choosing a Buyer's Agent

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Often, Real Estate Agents compete for Listings. Meaning, that a person who wants to sell their home or property will reach out to several Real Estate Agents. They will interview the prospective Agents and compare/contrast them against each other before making a final decision on who they want to represent them.

It is less common for Buyers to interview Buyer's Agents. To be honest, most buyers are not as prepared or knowledgeable about the process, especially if they are a first-time home buyer.

I know I wasn't. And I was intimidated by the things that I didn't understand.

In many cases, a Buyer will see a house on realtor.com or a similar site. They will fall in love with pictures and click the button that these sites provide to connect them with an Agent.

Here is what most consumers don't know about those sites:

They are paid Referrals. Meaning, that if you are connected directly with an Agent by clicking that button – those Agents or their Brokerages have participated in a referral program. **Now, these may be fantastic agents!**

I participate in these programs myself, because since these third parties have interjected themselves into the home search arena, most consumers use them. And if/when an Agent who is connected to a client in this way closes a deal, they pay a hefty percentage of their commission to these sites – sometimes up to 45%.

For you, the buyer, it is not money that comes directly out of your pocket. This referral fee is paid entirely by the real estate brokerage from their earned commission, meaning it is not an extra line-item fee charged to you. Still, most consumers remain completely unaware of this significant financial impact on the real estate agent.

Buyers fall in love with a house through pictures. They want to see it. They can't see it unless they sign a Buyer's Agency Contract with a Real Estate Agent. They sign. They see. They like or don't like, but now they are under contract with this Agent for their Home Buying journey.

In other cases, the Buyer contacts the Listing Agent directly to see the house. Listing agents would love to show them the house because A) they want to sell the house for their client and B) they want to represent both their client AND the Buyer as a dual agent, because they will then earn commission on the Seller (Listing) side ***and*** the Buying side.

Again, the Buyer needs to establish Agency in order to see the house. They sign. They see. They like or don't like, but now they are under contract with this Agent for their Home Buying journey.

In both of these scenarios, the Buyer did not take time to interview the Real Estate Agent.

These are suggestions that I would give to one of my own family members:

1) **Educate yourself on the Home Buying process** BEFORE you start searching for homes.

2) Remember that this a **Huge Financial Decision**. This process will sometimes be emotional and stressful; there is no way to avoid that. This is going to be one of the largest purchasing decisions of your life.

   Once you fall in love with a house and are ready to put in an offer or waiting to hear if your offer was accepted or when going through inspections and negotiations, you are emotionally invested. The more decisions you make ahead of time before you are emotionally invested, the more clear-headed and logical you will be.

3) **Make your Needs vs Wants list**. Visualize your ideal home. Do you need 3 bedrooms? Would you love 4? Think about your current life and family size and your anticipated future needs based on a growing family or lifestyle changes. For spouses this is an extremely important step in getting on the same page and taking each of your needs and wants into consideration.

   Get really clear about what your new home must have. These are your non-negotiables. If you know you won't be happy in a house that doesn't have large closets for instance, it doesn't matter how much you love the house. Once the rose color fades and you don't have enough storage space, you will be frustrated on a daily basis. If you have to drive 15 extra minutes to work every day and the traffic is getting worse, you will be frustrated. These are just simple examples, but get clear on your personal non-negotiables.

   The other side of this is separating out your wants from your needs. Because, here is a truth (especially depending on your price point and desired location), there is no perfect house. There can be a perfect house *for you* – if it meets your needs and has most of your important wants. You will want to refer to this list often and keep it top of mind in your search efforts!

4) **Research Real Estate Agents in your desired location!** If you are only moving a short distance, this will be within your current area. But, if you are moving to a new neighborhood that you don't know very well, you will want an Agent who frequently services that area.

Here is why: You want someone who knows the area well enough to answer your non-real estate related questions knowledgeably (who personally knows where the grocery stores are or has information regarding the school district or community events and organizations). You also want an Agent who won't have to drive 45 minutes or an hour to show you a home. You want an Agent who is local and can squeeze you into their schedule easily if a new home gets listed and you want to get in to see it as quickly as possible, before someone else puts in an offer.

5) **Compare and contrast the Local Agents** that you find in your search. Research them by looking at their social media or their internet presence. Get a feel for their professionalism and personability. Then reach out to each chosen Agent (I would recommend reaching out to at least 3). Take note of how easily you connected with them directly. Did they answer the phone right away or call you back within a reasonable amount of time? Were they pleasant and respectful?

Explain that you are researching to find a Buyer's Agent and that you have a few questions. This will tell you a lot, right off the bat, as to whether this is someone that you will want to work with or not. This puts you in a position of empowerment.

You will be meeting, speaking with, texting and emailing this person consistently and extensively throughout your Home Buying journey. You want to feel comfortable with this person and trust their professionalism *and personalism*.

6) **Try before you buy.** When you select the Agent that you think would be the best fit for you, try them out once. You have the Right to request that you will sign a BAC (Exclusive Buyer's Agency Agreement) solely for one property.

What this means is that you will agree to sign their BAC for you to see a chosen property you are interested in. If you place an offer on that particular house, you must use that agent. But, if you don't, you are no longer committed to that Agent for the rest of your Home Buying Search. *(Confirm that is clearly stated on the BAC prior to signing).*

This will give you the opportunity to meet that Agent in person and decide if you are completely comfortable with them to represent you. Take note of how they show you the property. Are they knowledgeable about the HVAC, Water Heater, Roof, etc. Are they reviewing the Seller's Disclosures* with you? Do you like them and feel a sense of trust in working with them?

**Sellers Disclosures are documents that the seller completes about the history of the property.*

Most professional Real Estate Agents will understand your desire to meet with them in person once before you fully commit to working with them. However, after that one showing, they will likely require you to sign/commit to work exclusively with them before proceeding any further.

7) **Understanding the Fees:** Before you sign a BAC (for either your "one property interview" or for a duration of time), understand the fees that you will be paying for their professional services.

There are usually two fees you will be required to pay.

The first is a brokerage or administrative fee (this can be expressed by various names distinct to each brokerage, but essentially covers file storage, office expenses, etc.). This fee is different for each brokerage, but it is a flat fee usually in the range of $250 - $1,000+. Confirm this with your Agent.

The second is the Real Estate commission. Each Agent handles this differently. Typically, the Real Estate commission is a percentage of the purchase price. Again, make sure you confirm this with your Agent.

*This fee can be negotiated with the Seller for them to pay this for you, in your offer – your Agent should explain this in detail to you. Make sure you understand the fee structure before you commit.

8) **Commit to working exclusively with your chosen Buyer's Agent** by signing a BAC (Exclusive Buyer Agency Contract). You have now established Agency!

I sincerely wish you great success on your Home Buying Journey!