
YOUR GUIDE TO BUYER'S AGENTS



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Introduction

If you're looking to buy a house, then whom do you trust to help you find the best deal possible? A real estate agent, right? While that is true, it's imperative that you have the right agent working on your behalf.

Today we're going to be talking about setting up an agency agreement with a buyer's agent. We'll discuss the meaning of that term, what your arrangement can consist of, and the benefits of that relationship.

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What is a Buyer's Agent?

Simply, this is a real estate agent who represents the person on the buying side of a real estate transaction: the buyer. The agent on the selling side of the transaction representing the seller is often referred to as the listing agent. They are there to serve the seller, which means that they will be interacting with a lot of different buyers.

However, if you're the one looking for a home, then having a buyer's agent working for you is probably the best move that you can make. At first, you may wonder if it's necessary to have one in the first place, but there are a lot of benefits that come from this relationship.

One thing to keep in mind, however, is that you have to have an agency agreement to get the best services. While you could work with an agent without an agreement, a lack of guarantees on both of your parts could lead to a lackluster process, which could affect your ability to close.

Overall, it's much better to enter into an agency agreement with your buyer's agent if you want to proceed. Not only will this ensure that you get the best service, but it offers written protections and guarantees that will come in handy during the buying process.

Benefits of Using a Buyer's Agent

As you can imagine, having someone representing you when searching for a new home can have a few perks. Assuming that you're not familiar with all of the details of what it takes to get into a new home (e.g., paperwork, inspections, financing, title insurance, appraisals, and so on), an agent will be able to make the experience much easier and smoother for you.

Let's go over the primary reasons that you would want to sign up with a buyer's agent.

BETTER REPRESENTATION

If you were to search for your next home by yourself, and you contact the listing agents you meet along the way, they will only have the interests of the seller in mind. Sometimes buyers unknowingly ask the agent representing the seller to help them in preparing an offer of the home. While this process is possible, as a home buyer you are asking the agent who represents the seller to now represent you as well.

This can bite you in a few different ways.

First, if there are multiple buyers interested in the property, you will have to compete with them without having a buyer's agent to consult with you regarding strategies to beat the other offers. Essentially, you are negotiating blind, which means that you have little power in the proceedings.

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Secondly, if you are presenting your offer to the listing agent directly, your enthusiasm (or lack thereof) can be communicated to the seller without any context. For example, if you think that the asking price is a "great deal," then it may limit your chances of negotiation in the future since the agent will have relayed that comment to the seller.

Finally, you won't have someone who understands all of the complexities of the home-buying process at your disposal. Thus, you will have to rely on the seller's agent to provide you with all of the details, and again, your interests are not their primary concern.

Overall, a buyer's agent will make sure that your needs are met during the whole experience. You will be building a relationship with your agent, who will want to know what kinds of elements are most important to you for your new home and what parameters you're hoping to fill.

Then, when the negotiations begin, you will have a knowledgeable expert in your corner. The buyer's agent will be able to guide you through the transaction, letting you know if there are risks or concerns along the way. He or she will help you navigate through the process so that you understand what's going on every step of the way.

NO FEES

Before you sign with a buyer's agent, you may be wondering how much it will cost you. After all, he or she is putting in a lot of hours and work for you, so you'll have to provide compensation, right?

Fortunately, that's not handled by you. Rather, in almost every home sale, it's up to the seller to pay both agent's fees. This means that you don't have to pay for anything out of pocket, and you can rest easy knowing that you got the best service regardless.

Here is another little known benefit of entering into an agreement with a buyer's agent. Let's say that you have an agent who has been helping you search for homes, but you have not signed a buyer agent agreement. That agent has to consider this risk: without an agreement, you could, at any time, decide to work with someone else to find a home. There is a chance the agent isn't going to put as much time and effort into the experience to make sure that you're satisfied.

No one wants to work for free, and when you don't have a contract, it doesn't make sense for the agent to make you a priority. Instead, he or she may focus on his or her other clients and put you lower on their list because the other people were willing to sign an agreement.

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Overall, if you want the best service from your agent it's a good idea to enter into an agency agreement.

MORE OPPORTUNITIES

How much time can you devote to buying a new home? By that, we mean how many hours can you spend looking for properties for sale, vetting them, and calling different agents to try to schedule showings? Assuming that you have a job and a life, the answer is probably a lot less than it should be.

With a buyer's agent on your side, you don't have to worry about missing out on an opportunity. He or she will dedicate enough time to finding places that fit within your parameters. Also, your agent will make sure to do legwork beforehand so that you don't waste time on houses that won't be desirable.

Have you ever gone to an open house, only to be disappointed by the asking price or some other element of the property? A buyer's agent will be able to vet the home before you even think about visiting it to make sure that this doesn't happen. A good agent will know what's important to you and avoid properties that don't meet your criteria.

Another thing about having an agent is that you can get access to more homes. If you're checking only a handful of sites or listings, you will miss out on properties for sale that aren't on your radar. Since your agent is connected to the real estate industry, he or she will be able to hear about houses that may not get listed publicly, or at least not on sites that you would be checking. Often, agents will let the other agents in their own office know about properties that will be coming on the market before anyone else. This can be great for you if your agent gets an inside tip.

PROFESSIONAL RECOMMENDATIONS

If you're new to the home-buying process, you probably aren't aware of all of the steps you have to take to make sure that you're getting a good deal. You'll also have to work with a variety of people, from mortgage brokers to lenders to appraisers.

With a buyer's agent, he or she can recommend high-quality service providers to fit your needs. If you still haven't secured a loan, your agent can put you in touch with someone who can help expedite the process.

These recommendations can run the gamut from people who will help you get financing to movers who can transport your stuff quickly and safely. Most buyer's agents will have a talented roster of various people who can help make your transition into your new home as smooth and enjoyable as possible.

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PROFESSIONAL RECOMMENDATIONS

As we mentioned, you will want to sign an agency contract with your buyer's agent to ensure that he or she will be committed to you for the duration of your home buying experience. Once this happens, you will be able to get a lot more done in much less time.

For the most part, these contracts stipulate that you and your agent are exclusive. This means that you agree to work with only your agent to find and submit offers on homes. This doesn't mean that you can't shop for homes online or walk through an open house without your agent; however, when it comes time to schedule a private showing or make an offer, you need to work solely with your agent.

This level of commitment is going to help you find your dream home much faster than if you tried to do it on your own. When you have someone working full-time, you can see more houses and work with more sellers to find the right fit for you.

On top of that, buyer's agents are all about building a relationship with you. This experience is more than just about making a commission; it's about ensuring that you are satisfied with your new property.

Because the agent isn't paid until you close the deal, he or she can't be satisfied unless you are. That means your agent will pull out all the stops to make this process as simplified and streamlined as possible.

Do you prefer to get emails or texts? Do you want to look at virtual tours or do you want to see homes in person? Whatever your preferences are, a buyer's agent will make sure that your wants and desires are met at all times.

What to Ask a Buyer's Agent?

By now, you're probably sold on the idea of having an agent in your corner to help you find your new home. However, how can you be sure that you've found the right one? Here are some critical questions to ask so that you know that you've made the right decision before you sign anything.

What areas or neighborhoods do you specialize in?

This question is crucial because you want an agent who knows the areas in which you want to live. If you work with someone who is unfamiliar with the neighborhood, then how can you be sure that your needs are met?

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For example, if there are particular “must-haves” that you want near your home, how will your agent know if they’re there? If he or she doesn’t specialize in that neighborhood, you run the risk of missing out on the crucial elements you desire.

WHAT'S YOUR AVAILABILITY?

Even with an exclusive contract, your agent may only do this as a part-time gig. If that’s the case, then you have to make sure that he or she can dedicate enough time to finding the home of your dreams.

One thing to consider is your timeline. Do you have to move quickly due to a new job or expiring lease? If so, then you might want to find a buyer’s agent who can be on your case full-time. Otherwise, it could take longer to get into a new home, and you won’t have the luxury of waiting for the perfect opportunity.

Something else to consider is scheduling. If you have very little time or a unique schedule that will make it difficult to see homes during normal hours, you may want to find an agent who can accommodate these needs.

Finally, remember that there are a lot of steps to getting into a new home. Before you hire your buyer’s agent, ask them how they help their clients achieve their home buying goals. If the market is really hot, ask them how they help their buyers compete and get the winning contract.

HOW LONG HAVE YOU BEEN AN AGENT?

In many cases, you want a buyer’s agent who has a lot of experience. Although new agents can be knowledgeable, there are a lot of different elements of this process that can be challenging. As a result, experience usually trumps knowledge.

Considering that you’re not paying out of pocket for a buyer’s agent, it’s usually a good idea to sign with someone who really knows what they’re doing.

Bottom Line

If you’re ready to get started with a buyer’s agent, then contact me today to find out how I can make your home-buying experience enjoyable and effortless. Don’t stress about finding the home of your dreams; let me handle the dirty work for you so that you can focus on what matters.
