

## Thinking About Buying a Home? Think About Using a Buyer's Agent.

What costs hundreds of thousands of dollars, must be purchased in 60 days or less, keeps you in debt for 20 years, wakes you up at night in a cold sweat, includes 30 to 40 pages of very small print, and requires coordinating your schedule with dozens of people you have never met? If you guessed buying a home, you guessed right.



It may be a cliché, but it is still true that for most people, buying a home is the biggest financial transaction in their lives - not to mention complicated, confusing and often frustrating. Homebuyers can make the process easier by going in prepared. A good way to start is to attend a homeownership counseling session, which is often free and provides valuable information on the home buying process. Many organizations around Baltimore offer these sessions, including the Greater Baltimore Board of REALTORS®. But, if you really want to minimize your frustration and maximize your time and energy, think about using a buyer's agent to represent you in the process.

Perhaps the biggest source of confusion in the home buying process is knowing who the real estate agent works for in any given situation. In general, if a buyer meets an agent at an open house or calls the agent from a sign or ad, chances are that agent is representing the seller. If, however, a buyer contacts an agent through a referral and makes a general request to see property, that agent is probably representing the buyer under what Maryland law calls a presumed buyer agency relationship. This type of agency relationship does not bind the buyer to working with the agent, but it does prevent the agent from disclosing any confidential information provided by the buyer.

While this looks like a win-win, buyers need to know that a presumed buyer's agent is limited in what they can provide. If you want someone to really represent you, you need to sign a buyer's agency agreement. This will establish both the scope of representation and the method of compensation. Most agreements authorize the buyer's agent to collect his compensation from the sales commission first, with the buyer responsible for any shortfall.

With a buyer's agent, you get a licensed real estate professional whose sole purpose is to help you buy the home you want, in the neighborhood you choose and at a price you can afford. Buyer's agents assist buyers by providing

## ***Thinking About Buying a Home? Think About Using a Buyer's Agent, continued***

market information to make sure the home is not overpriced. They also coordinate the various inspections, help negotiate the best deal possible and provide recommendations for reputable lenders, title companies and the like. Most importantly, buyer's agents make sure that all the seller-required disclosures are made, and that the buyer stays on track with contract deadlines. They also help work through any surprises that may arise.

According to the 2005 National Association of REALTORS® Profile of Home Buyers and Sellers released in January 2006, the most important factor in choosing a buyer's agent was reputation, followed by knowledge of the market, understanding of the purchase process and responsiveness. While word of mouth is still the most common way to find a reputable buyer's agent, buyers can also look for agent certification to judge an agent's qualifications.

For example, the ABR designation stands for an Accredited Buyer's Representative and indicates that the agent has completed a rigorous course focused on buyer's agency. The ABR designation is only available to REALTORS® who are licensed real estate professionals, are members of the National Association of REALTORS® and have agreed to adhere to a strict code of ethics.

While the 2005 Profile revealed that 77 percent of buyers use the Internet to search for a home, with [www.realtor.com](http://www.realtor.com) being by far the most popular, nine out of 10 buyers still used a real estate agent in the search process. NAR research has also shown that when a buyer's agent is used, the buyer found a home one week faster and saw three more properties than unrepresented buyers. So if the home buying process is keeping you up at night, don't panic – find a buyer's agent you trust and let them sweat the details.

*Information provided by Carolyn Blanchard Cook, Deputy Executive Vice President of the Greater Baltimore Board of REALTORS®. Contact her at [Carolyn@GBBR.org](mailto:Carolyn@GBBR.org).*