

All about Agency Part 2

Now that you have a better understanding of what agency is, it is time to delve into the different types of agency. There is an agent out there for everyone, regardless of what your wants and needs are as a consumer.

Seller's Agent

In most instances a seller's agent exists through and because of a listing contract. A seller's agent is hired by and represents the sole interests of the seller. Sometimes the agent who you would consider "working with the buyer" is actually a subagent of the seller. That basically means that while they may be showing the buyer properties and communicating with the buyer, they are still representing the seller's interests. The responsibilities of the seller's agent include but are not limited to:

- Take no action that negatively impacts the seller's interests in a transaction, remaining loyal to the seller
- Disclose to the seller any conflicts of interest in a timely manner
- Advise the seller to seek expert advice on matters relating to the transaction that are beyond the agent's expertise
- Avoid disclosing any confidential information from or about the seller, even after the agency relationship is over
- Make a good faith and continuous effort to find a buyer for the property

Buyer's Agent

A common misconception people have is that whatever agent is showing you homes and writing your offer is actually representing you. That is not the case unless there has been a signed agreement stating that the agent is representing the buyer. A buyer's agent is hired by potential buyers to represent them in a real estate transaction. The reason for this type of agency is because in a transaction, the buyer does not have representation by default. The buyer's agent works for the buyer's best interests throughout the transaction. The buyer can pay the licensee directly through a negotiated fee, or the buyer's agent may be paid by the seller or a commission split with the listing broker. In most instances in the Rolla/ St. James area, the sellers are responsible for paying the commissions for the agents.

Dual Agent

There are instances when an agent is representing both the buyer and the seller. As a dual agent, one real estate agent or company represents both the seller and the buyer as clients in the same transaction. At some point the buyer and seller will have opposing interests in the transaction, which makes it impossible for the agent or company to provide the highest level of service to you. In situations where there is a conflict with the duties of loyalty owed to one of the parties, the agent or company will take on a more neutral role in the negotiations. For example, the agent or company will prepare contract proposals as directed by either party, rather than providing one party advice on how to gain an advantage over the other. While this multiple representation relationship may limit the services provided to a particular client (and therefore must be consented to in advance in writing), it does increase the likelihood of the right buyer and seller finding each other.

Transaction Broker

The most recent form of representation is that of a transaction broker. With a transaction broker, the agent represents

neither the buyer nor the seller. The agent essentially acts as a mediator or facilitator of the deal, while not representing the interests of either party. This agency is becoming more popular nationally. In fact, without a signed buyer's agency agreement, some areas are considering the agent a transaction broker by default, instead of a subagent of the seller.

No matter what kind of agency relationship you and your Realtor® decide on, it is important to be represented by a professional in your quest to buy a home. Hopefully this information will ensure that you are fairly represented as you now understand what responsibilities your Realtor® has as your agent.