

## IT'S EASIER KNOWING WHY

By Judith Johannsen

While buying a home is not the hardest thing you'll ever do, it's not as simple as going to a store and taking one off a shelf. Why? - because there are rules and people (buyer, seller, lender, inspector and attorneys) involved.

When buying real property, a buyer is legally entitled to have representation, just like sellers. The Real Estate Commission requires a real estate licensee to explain buyer representation to a buyer, ask him if he wants representation, and, if yes, have him sign a representation agreement *before showing the buyer property*. That a buyer is an agent's best friend or relative is irrelevant – a buyer will still be asked to sign the agreement.

A buyer can also choose to be unrepresented, but is then restricted to seeing only those properties a real estate company has listed.

So, a buyer who wants to see *all* listings that meet his needs, wants and criteria can do it two ways: 1) be represented by a real estate company, or 2) be unrepresented.

With choice one, a buyer signs a buyer representation agreement (a contract) to work exclusively with a company to find a property to buy. This agreement must include the names of the parties (the buyer and the real estate company), a beginning and an ending date, a geographical area in which the buyer wants to search (usually), and the parties' signatures. This choice gives a buyer one-stop shopping.

A number of buyers balk at signing a buyer representation agreement, mostly because they don't want to sign a contract with someone they've just met, but they also don't or won't listen to the reasons why they should.

Surprisingly, some lawyers (who apparently do not understand CT's real estate regulations) advise their buyer clients not to sign a buyer representation agreement. These lawyers must think this approach protects their clients, but the result is this - the buyer is limited to seeing just an individual real estate company's listings and forces him to go to every real estate company who has listings he want to see. This choice is not one-stop shopping, it is house shopping with different agents in many companies and, most importantly, the agents represent the sellers' interests, not the buyer's.

Don't agents know that buyers are not interested in hearing a little talk on buyer representation and they just want to see property, *NOW*? Yes, agents know that buyers are anxious to get started, but they need to explain and offer buyer representation.

Those agents who fail to explain buyer representation or fail to ask a buyer to sign a buyer representation agreement do not understand their basic legal obligations as a real estate licensee. Licensees who show property listed with other companies without a valid buyer representation agreement are violating the CT Real Estate Regulations and risk fines or loss of license.

A buyer who chooses not to be represented but wants to see a company's listings anyway will be asked to sign a disclosure notice (this is not a contract). There is nothing bad or wrong with proceeding as an unrepresented person, and for those who have bought property before and know what to do when, without help, this choice makes sense for them.

Here are two basic rules to remember when buying a home. First, a buyer with representation will have an educated ally who can help him understand how to form and negotiate an offer and how to navigate the financing and inspection processes. Second, the **un**represented buyer is on his own.

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