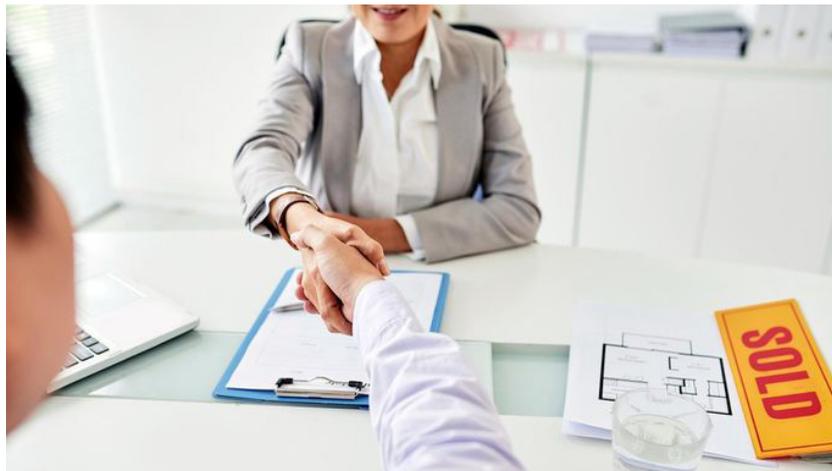


What Is a Buyer's Agent?

A Trusted Guide Who'll Help You Find a Home

By Liz Alterman | Nov 11, 2019



Ready to house hunt? It's a jungle out there: Prepare for a flurry of paperwork, stampedes of buyers competing for the same digs, and other challenges, before you get your hands on those house keys.

We won't lie: The process can be complex and stressful—especially if you are a first-time buyer. Having a real estate pro by your side can make all the difference.

You might have heard of buyer's agents, selling agents, listing agents, and so on. You're a buyer, so what is a buyer's agent?

True to their name, buyer's agents help real estate buyers navigate the real estate market; they can also save you tons of time and money on the road to your new home.

Read on to learn how a real estate buyer's agent can help, and how to find the right one for you.

Benefits of using a buyer's agent when buying real estate

"A buyer's agent will guide you through the home-buying transaction and be at your disposal for any questions or concerns," says Shane Wilcox, a Realtor® with Partners Trust. Here are some of the things a buyer's agent can do:

- **Find the right property.** After determining what the clients are looking for and what they can afford, the agent will schedule appointments to tour homes that fit the bill. The agent can also explain the ins and outs of various properties and neighborhoods, to help buyers decide which home is right for them, by explaining the pros and cons of various options.
- **Negotiate the offer.** The buyer's agent will advise clients on an appropriate price to offer and present it to the seller's agent. "Then they will negotiate on your behalf and write up the contracts for you," says Matt Laricy, a Realtor with Americorp Real Estate in Chicago. This is where the agent's experience in negotiating deals can save you money and help you avoid pitfalls like a fixer-upper that's more trouble than it's worth.
- **Recommend other professionals.** A buyer's agent should also be able to refer you to reliable mortgage brokers, real estate attorneys, home inspectors, movers, and other real estate professionals. This can also help expedite each step of the process and move you to a successful real estate sale all the faster.

- **Help overcome setbacks.** If the home inspector's report or appraisal brings new issues to light, a buyer's agent can advise you on how to proceed with the transaction, and then act as a buffer between you and the sellers or their broker. If negotiations become heated or hostile, it's extremely helpful to have an experienced professional keeping calm and offering productive solutions.

Buyer's agent vs. listing agent: What's the difference?

Buyer's agents are legally bound to help buyers, whereas listing agents—the real estate agent representing the home listing—have a fiduciary duty to the home seller.

"That's why it's in your best interest as a buyer to get an agent who is there to represent you," explains Alex Cortez, a Realtor with Wailea Village Properties in Kihei, HI.

"Think about it this way: If you were getting sued, would you hire the same attorney as the person suing you? Of course not. You need someone who will diligently fight for your interests and rights."

Let's say, for instance, you walked up to the listing agent at an open house. You might gush about how you love the home and want to buy it, but add that you will need to move soon—because you're expecting your second child and need to decorate the nursery, pronto, or because the lease on your rental is up in a couple of months.

A seller's agent could then use this information against you by informing the sellers that your clock is ticking, so they shouldn't budge too much on their asking price—if at all.

Yet make this same confession to the buyer's agent you're working with, and it's all fine—this professional would know to keep this info private from sellers (and their agents), so it can't be used against you.

Some states, recognizing this problem, required a disclosure of dual agency when a broker represents both sides of a real estate transaction.

However, you may still not be comfortable after signing an agreement saying you know someone is a double agent. You might want to hire an agent who is not representing the owner, and who is looking out for your best interests.

How to find a buyer's agent

A good buyer's agent can ease your way to homeownership—and a bad one can result in a bumpy ride.

You should not just take the first buyer's agent you meet (as two-thirds of home buyers do), or blindly accept the recommendation of a friend (more than half do this). Instead, it's best to interview at least three agents and ask them a few questions, including the following:

- What neighborhoods do you specialize in? Real estate requires local expertise, so you should find an agent who's extremely familiar with the areas you're interested in.
- What's your schedule and availability? Part-time real estate agents who are committed can do a fine job, but if the house of your dreams pops up or you encounter last-minute closing snafus, you want an agent who will be readily reachable.
- How long have you been a real estate agent? You ideally want someone with a couple of years of experience, and a proven track record of selling homes.

To find real estate agents in your area, head to [realtor.com/realestateagents](https://www.realtor.com/realestateagents), where you can also read online reviews provided by past clients and learn more.

The agent/buyer contract

Once you agree to work with someone, you will have to sign a contract called an “exclusive buyer agency agreement,” outlining the agent’s services and compensation (more on that next).

This contract also means that this person will be your sole representative and that you won’t work with other buyer’s agents.

How much do buyer’s agents cost?

Home buyers don’t need to worry about the expense of hiring a buyer’s agent. Why? Because the seller pays the commission for both the seller’s and buyer’s agents.

Typically, the commission is the equivalent of about 6% of the home’s sales price, which is split evenly between both agents (on a \$200,000 home, that would be \$6,000 apiece).

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