

# Buyer Agency

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## Part 1: What is Buyer Agency?

Buyer agency is defined as a *principal-agent relationship in which the broker is the agent for a buyer, with fiduciary responsibilities to the buyer*. What does that mean? It means that as a buyer's agent you are tied to the buyer, and that all of your loyalties are to the buyer.

Buyer agency is a relatively new concept for the real estate world. In the past, agents were Seller's Agents, working for the person who signed a contract employing them to sell real estate. Over time that arrangement resulted in too many misunderstandings. A buyer working with a Seller's Agent often regarded that person as *his* agent, and felt free to make confidential statements, not understanding they would be passed on to the seller.

Complaints were made to real estate commissions, and lawsuits were filed. As a result, many states now require us to explain agency status to the buyer.

In today's real estate world, you'll find agents who work as Seller's Agents and Buyer's Agents, and in some areas you'll see Dual Agents and Designated Agents. Here's a simplified recap of those terms.

<b>Seller's Agent</b>	<p>Your duty is to obtain the best deal for the seller. You are allowed to give the buyer only material facts about the property.</p> <p>A Seller's <i>Sub</i> Agent is an agent from another office who is not working as a Buyer's Agent.</p>
<b>Buyer's Agent</b>	<p>Your duty is to obtain the best deal for the buyer. You may pass on any and all information you obtain about the seller or the property.</p>
<b>Dual Agent</b>	<p>You must be loyal to both parties. Dual agency occurs when a real estate agency owns a listing, and an agent from the office, working as a buyer's representative, shows that listing.</p> <p>In areas where it's allowed, Dual Agency must be disclosed and agreed-to in writing by both parties.</p>
<b>Designated Agent</b>	<p>Very similar to Dual Agency, and also not available everywhere. The broker-in-charge designates two agents to work a transaction, one for the seller, one for the buyer.</p>