

**"BUYER AGENCY"** - A simple signature changes the protocol between buyers and the agent showing them properties.

Many buyers (both out of state and local) are still unaware that if they do not sign a buyer agency agreement with the agent showing them properties, they are rejecting a newly won consumer right and reverting to the "seller-client-only" protocol of the past.

Traditional real estate protocol did not allow for buyers to contract their own agents. Standard industry practice aligned all agents (the listing agent and any agent with the buyer) to represent the best interests of the seller in a relationship called "co-brokerage". Brokers maintained only a "customer relationship" with buyers and at best served them with honesty and fairness. This client-level status given only to sellers, ethically prevented agents from offering buyers detracting information about the home or price of the home other than what was required by law or adopted ethical standards. It also obligated agents to give uninhibited disclosure to the seller. This could include revealing the buyer's motivation, timing, willingness and maximum price ability in order to enhance the seller's negotiating position. Since all brokers were contracted and paid by the seller through sub-agency agreements, from the seller's and listing broker's point of view, **agents with buyers were expected to act as cheerleaders for the property and intelligence officers for the seller.** This seller-centric system, which excluded buyers as clients, encouraged a duplicitous relationship between buyers and the agent showing them properties.

Over the years, laws were passed to make sure that this practice was disclosed to each buyer. Agents reminded buyers that any inequities would someday be made up when they too would become sellers. If you were an informed buyer during this time, you realized that you needed to ask direct questions in order to receive those honest and fair responses. Being evasive and guarded with information that could weaken your negotiating position was a necessary buyer strategy when dealing with real estate agents. To be fair, many transactions worked well in this environment, but over time **buyers began to collectively realize that they had no one owing them full disclosure or confidentiality in the home-buying process.** The insurance industry took note as well. Potential lawsuits and insurance industry lobbying caused our state legislature to recognize the need to balance the protocol in real estate transactions. **The opportunity to contract your own agent is a right that Connecticut buyers now have.**

**A balanced transactional protocol - what you get:** In 1997, buyers received the opportunity for equal representation through legislated industry reform. This changed the historical relationship between buyers and the agent showing them properties. Before negotiating for a property\*, **brokers are now required to offer buyers full client-level services**, where fiduciary duties are legally owed to you in the same manner that a seller binds their broker to agency duties. This means that once signed, it becomes the buyer agent's duty to be your advocate, maintain your confidentiality, perform due diligence, and to disclose any known detracting information about a property or its asking price. **These obligations also make available a wider range of legal remedy should you later need it.** But, like any home seller, you cannot receive client-level services if you do not sign a representation agreement.

**What do you commit to:** You must agree to employ the brokerage firm for a term just as a seller does. It is always best to find a reputable agent and work with him or her for the entire search and purchase of your property. This provides continuity to the transaction and **clear direction for legal remedy if later needed.** At the minimum, you can make a term commitment for only the specific properties that you view with an agent. This binds the agent to fiduciary confidentiality & full disclosure. You are simply swapping a commitment to the brokerage firm (should you pursue one of these properties in the future), for client-level services. **Call your attorney to verify that the position of client receives more accountability than that of customer.** The choice comes down to either dealing with a salesperson employed by the seller or retaining your own professional guide. By the way, this client-level service is generally of no direct cost to the buyer. In practice, most sellers now agree at the time they list their property to pay the fee for the buyer's representation.

**What is your alternative?** Connecticut's buyer agency law does not force you to sign a buyer brokerage agreement. **The state has created a procedure that requires only that we offer you this client-level service prior to negotiating for a property\* and that you make the choice of being treated as a "client" or as a "customer".** Today, if you want the subordinated level of service that was available to you prior to legislated industry reform, you can still have it. However, as an enforcement tool, the Department of Consumer Protection requires that we be able to produce written proof that you have been informed about the benefits of "Buyer Agency" and deliberately choose to continue unrepresented. **Buyers who wish to proceed without anyone owing them confidentiality or full disclosure in the home-buying process, need to affirm that decision by signing the Department of Consumer Protection disclosure form.**

\* The Board of Realtors® regards a showing as the beginning of the negotiating process.