

The Seller's Perspective - Buyer Agency in a downward market:

Many of us learned the principles and tone to apply to our own real estate transactions by hearing stories from our parents or mentors in the business community when they sold their homes. We learned that once listed, the listing broker and all the other agents in the area were bound by contract to get the seller the highest price and best of terms. We learned that when a seller found that an agent had spoken negatively about a property, the agent could be accused of breach of fiduciary duty. We witnessed associate agents effectively getting tossed out of local markets by crossing a powerful seller or an influential listing broker. **During the pre-buyer agency era, sellers felt as if they were employing the entire real estate community to sell their home and in effect they were. Uninformed sellers are still thinking this is the case today. But in Connecticut, the seller-centric protocol where all agents were either agents or sub-agents of the seller is no longer available. We can no longer expect to control the opinions or actions of the agents representing buyers.**

The old system: Traditionally, all Realtors (the agent listing your home and any agent with a buyer) **were under contract to represent the seller-client's best interests** in a relationship called "co-brokerage". Agents maintained only a "customer relationship" with buyers. This client-level status given only to sellers ethically prevented agents from offering detracting information (full disclosure) about the home or the price of the home to the buyer except what was required by law. It also obligated agents to reveal the buyer's motivation, timing, willingness and maximum price ability to the seller in order to enhance your negotiating position. **Essentially, all agents were cheerleaders for the property and intelligence officers for the seller.** Whenever Realtors may have had differences regarding a transaction, they could defer to the realization that they both were employed by the seller. This was great for the sellers and the few buyers that recognized the situation went along with it knowing that any inequities would someday be made up when they too would become sellers. But, as time went on, **buyers began to collectively realize that they had no one owing them full disclosure or confidentiality in the home-buying process.** In Connecticut since 1997, buyers have had the opportunity for equal representation through legislated industry reform. **This has changed the negotiating dynamics of the real estate transaction for you the seller.**

The new balanced protocol: Realtors are now required by law to offer prospective buyers full client-level services. This means that buyer agents are now duty bound to maintain buyer confidentiality, perform due diligence and disclose known detracting information about your property or the price of your property. The two most important repercussions from this change are: **1) With the expertise of real estate professionals on both sides of the transaction, it is now more crucial to a successful sale that value be affirmed by the buyer's agent. 2) We have largely been in a "sellers market" since the enactment of Connecticut Buyer Agency Laws. This fact has limited the potential countering-effect of buyer agency. Formerly, sellers in down markets could depend upon the support of a seller-centric protocol. When next we see a prolonged downward market, the effect of buyer agency will be new to us all.**

* Area-wide, there are some 140 agents who have participated in sales of over one million dollars.