
WHAT CAN REAL ESTATE AGENTS DO, THAT THE BUYERS OR SELLERS CAN'T DO THEMSELVES?

As professionals who specialize in real estate, we complete the home-shopping puzzle. We can help open up the possibilities for your next home with a variety of services:

FINANCING

We can help them evaluate their financial circumstances, help you decide how much house they can afford and help them select the best financing plan.

HOUSING NEEDS ANALYSIS

We can help them sort out housing priorities, the expenses involved in buying a particular home and what steps to take to reach their goal.

HOME SEARCH

We can show them what properties are on the market in their price range and take them on a guided tour of the homes they're interested in.

CONTRACT

We can make sure they understand the terms and conditions of a contract when they are ready to make an offer on a home.

LOAN APPLICATION

We can help them select the best financing option, help them choose the lender with the best rates and service record and help them prepare their mortgage application.

INSPECTION AND CLOSING

We will assist you in a pre-settlement inspection to be sure the terms of the purchase contract are kept, and we'll follow through to all the way to settlement.

GOING WITHOUT A REAL ESTATE AGENT DOESN'T MEAN IT IS CHEAPER OR BETTER.

The "for-sale-by-owner" sellers are doing their own marketing to save the commission a professional real estate agent would charge. So what is left for them to save? In fact, they might end up paying more if the house is overpriced. One needs to beware of these costly pitfalls:

CONFUSION

They end up dealing, in many cases, with an untrained novice who is not familiar with real estate law or the real estate code of ethics. Something might be overlooked that will cost them money later.

ADDITIONAL LEGAL COSTS

They will need a lawyer to draw up your sales contract, which should include safeguards for them that an experienced agent would typically suggest, such as making the contract contingent on a home inspection and approval of your mortgage loan.

ONE WILL HAVE TO BE THEIR OWN NEGOTIATOR

Also, without agents involved, they would have to conduct their own negotiations on the contract and make sure all the details are taken care of before closing.

FIVE REASONS WHY YOU STILL NEED A REAL ESTATE AGENT

Forbes article (www.forbes.com)

The proliferation of services that help homebuyers and sellers complete their own real estate transactions is relatively recent, and it may have you wondering whether using a real estate agent is becoming a relic of a bygone era. While doing the work yourself can save you the significant commission rates many real estate agents command, for many, flying solo may not be the way to go—and could end up being more costly than a realtor's commission in the long run. Buying or selling a home is a major financial (and emotional) undertaking. Find out why you shouldn't discard the notion of hiring an agent just yet.

1. BETTER ACCESS/MORE CONVENIENCE

A real estate agent's full-time job is to act as a liaison between buyers and sellers. This means that he or she will have easy access to all other properties listed by other agents. Both the buyer's and seller's agent work full time as real estate agents and they know what needs to be done to get a deal together. For example, if you are looking to buy a home, a real estate agent will track down homes that meet your criteria, get in touch with sellers' agents and make appointments for you to view the homes. If you are buying on your own, you will have to play this telephone tag yourself. This may be especially difficult if you're shopping for homes that are for sale by owner.

Similarly, if you are looking to sell your home yourself, you will have to solicit calls from interested parties, answer questions and make appointments. Keep in mind that potential buyers are likely to move on if you tend to be busy or don't respond quickly enough. Alternatively, you may find yourself making an appointment and rushing home, only to find that no one shows up.

2. NEGOTIATING IS TRICKY BUSINESS

Many people don't like the idea of doing a real estate deal through an agent and feel that direct negotiation between buyers and sellers is more transparent and allows the parties to better look after their own best interests. This is probably true—assuming that both the buyer and seller in a given transaction are reasonable people who are able to get along. Unfortunately, this isn't always an easy relationship.

What if you, as a buyer, like a home but despise its wood-paneled walls, shag carpet and lurid orange kitchen? If you are working with an agent, you can express your contempt for the current owner's decorating skills and rant about how much it'll cost you to upgrade the home without

insulting the owner. For all you know, the owner's late mother may have lovingly chosen the décor. Your real estate agent can convey your concerns to the sellers' agent. Acting as a messenger, the agent may be in a better position to negotiate a discount without ruffling the homeowner's feathers.

A real estate agent can also play the "bad guy" in a transaction, preventing the bad blood between a buyer and seller that can kill a deal. Keep in mind that a seller can reject a potential buyer's offer for any reason—including just because they hate his or her guts. An agent can help by speaking for you in tough transactions and smoothing things over to keep them from getting too personal. This can put you in a better position to get the house you want. The same is true for the seller, who can benefit from a hard-nosed real estate agent who will represent their interests without turning off potential buyers who want to nigger about the price.

3. CONTRACTS CAN BE HARD TO HANDLE

If you decide to buy or sell a home, the offer to purchase contract is there to protect you and ensure that you are able to back out of the deal if certain conditions aren't met. For example, if you plan to buy a home with a mortgage but you fail to make financing one of the conditions of the sale—and you aren't approved for the mortgage—you can lose your deposit on the home and could even be sued by the seller for failing to fulfill your end of the contract.

An experienced real estate agent deals with the same contracts and conditions on a regular basis, and is familiar with which conditions should be used, when they can safely be removed and how to use the contract to protect you, whether you're buying or selling your home.

4. REAL ESTATE AGENTS CAN'T LIE

Well, OK, actually they can. But because they are licensed professionals there are more repercussions if they do than for a private buyer or seller. If you are working with a licensed real estate agent under an agency agreement, (i.e., a conventional, full-service commission agreement in which the agent agrees to represent you), your agent will be bound by common law (in most states) to a fiduciary relationship. In other words, the agent is bound by license law to act in their clients' best interest (not his or her own).

In addition, most realtors rely on referrals and repeat business to build the kind of clientele base they'll need to survive in the business. This means that doing what's best for their clients should be as important to them as any individual sale.

Finally, if you do find that your agent has gotten away with lying to you, you will have more avenues for recourse, such as through your agent's broker, professional association (such as the National Association Of Realtors) or possibly even in court if you can prove that your agent has failed to uphold his fiduciary duties.

When a buyer and seller work together directly, they can (and should) seek legal counsel, but because each is expected to act in his or her best interest, there isn't much you can do if you find out later that you've been duped about multiple offers or the home's condition. And having a lawyer on retainer any time you want to talk about potentially buying or selling a house could cost far more than an agent's commissions by the time the transaction is complete.

5. NOT EVERYONE CAN SAVE MONEY

Many people eschew using a real estate agent to save money, but keep in mind that it is unlikely that both the buyer and seller will reap the benefits of not having to pay commissions. For example, if you are selling your home on your own, you will price it based on the sale prices of other comparable properties in your area. Many of these properties will be sold with the help of an agent. This means that the seller gets to keep the percentage of the home's sale price that might otherwise be paid to the real estate agent.

However, buyers who are looking to purchase a home sold by owners may also believe they can save some money on the home by not having an agent involved. They might even expect it and make an offer accordingly. However, unless buyer and seller agree to split the savings, they can't both save the commission.

THE BOTTOM LINE

While there are certainly people who are qualified to sell their own homes, taking a quick look at the long list of frequently asked questions on most "for sale by owner" websites suggests the process isn't as simple as many people assume. And when you get into a difficult situation, it can really pay to have a professional on your side.