

# REAL ESTATE

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## THE REAL DEAL

Real Estate News You Can Use

BY EVI COGHLAN



### The Worst Mistake that Buyers Make

If you are out shopping for a new home, in the real estate business you are referred to as a “buyer.” As such, you are quite a desirable person in the hearts and minds of real estate agents.

In some cases, you may find yourself being wooed by one or more agents seeking to represent you as you look at houses and ultimately purchase one. Which is great because you can interview more than one person and choose the one you feel will best advocate for your interests in the transaction. In the worst case (hopefully not the norm), you may feel pressured or even stalked by someone in my line of work. As you can imagine, this is not fun. And experiencing this may make you feel reluctant about choosing someone – anyone – to work with on an exclusive basis.

By law in Connecticut, unless you are willing to look at properties by contacting the listing agent of every house on the market that you want to see, you will need to sign a buyer agency agreement with one brokerage company and designate a single agent or team with whom you will work exclusively to find your new home. In other words, you will select one agent to work with.

While most buyers are comfortable with this arrangement, some – mostly those who’ve had a past negative real estate experience – resist exclusive representation. The leading reason for this is probably the easy availability of real estate information on the Internet. With all listed properties searchable on line via realtor.com and/or brokerage company sites such as *coldwellbankermoves.com*, shy buyers can get more information

than ever before. And by keeping a diligent eye on the “open house” postings online and in the weekend newspapers, these buyers can even see many properties on their own, without much contact with agents. Ultimately, when they see a house they want to purchase, most of these buyers approach the listing agent directly with their offer.

Which is exactly the wrong thing to do.

Back to the title of this column. The worst mistake that buyers make is declining to be represented by a buyer’s agent. There are four reasons why you should not do this:

1. *You won’t see everything on the market.* Despite your best Internet searching skills, there will be houses perfectly suited to your needs that are not readily apparent online. A buyer agent will make sure that you know about these properties.
2. *You won’t know about in-house listings.* Many times really great properties get snapped up before ever making it to the multiple listing service – so they never even appear online. A buyer agent will make sure that you’re clued into the “exclusives” that come into his or her office as well.
3. *You will not be as well represented as you deserve to be.* The bottom line is that the listing agent’s loyalty is to the seller. Yes, there are legal provisions and standards of conduct for “dual agency” – whereby the listing agent can represent both sides of the deal if buyer and seller are agreeable. But think about it. The listing agent has a relationship with the seller, but probably just met you. Where do you think his or her allegiance resides? Also, you represent an unexpected windfall to the listing agent, who will collect both the listing and selling sides of the commission if you buy the property without the involvement of a buyer agent. How hard do you think the listing agent will be willing to negotiate on your behalf when he or she has such a big

stake in the outcome?

It is important to note that there are extremely ethical agents out there who represent both sides of many deals with fairness and integrity. But why would you take the risk that the agent who represents the property you want to buy may not be one of them?

4. *There’s a good chance you will pay too much.* If the prior points have not convinced you, maybe this will get your attention. Studies have shown that un- and under-represented buyers strike much less favorable deals than those who have been counseled by a real estate professional.

Purchasing a home without using a buyer’s agent is like going into court and relying on your opponent’s attorney. It’s like ordering medical tests yourself, without consulting a doctor. It’s just not a smart thing to do.

“Whoa,” you say. “I’ve never met an agent who could advise me at a similar level as my doctor and my lawyer do.” Perhaps that’s why you became an Internet shopper in the first place. And I do empathize...many in the home-selling profession cannot and do not provide such high-level expertise. However, there are seasoned businesswomen and men capable of counseling you at this level who practice in the Westport/Weston market.

Before deciding to do it yourself, sit down with one of us for a demonstration.

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