



# The Real Estate View



*A thoughtful look at real estate issues in the tri-city area.*

## *How A Good Real Estate Can Save You Time, Money & Stress!*

It seems there is a lot of confusion out there about what a realtor actually does. If you read certain editorials, it sounds like real estate agents are simply over-paid salesmen. Then there are the horror stories of how an agent totally messed up the paperwork or gave bad advice. However, on the flip side of things, perhaps you or a friend used a realtor in the past who represented you well and worked very hard during the sale or purchase process to truly earn their commission. What makes the difference? What should you expect a real estate agent to do for you?

### ***How a good agent represents a seller***

Following are some basic things that an agent should do for a seller.

- 1) The agent should be able to present you with solid information that will help you set a proper price.
- 2) The agent should listen carefully to your particular circumstances and offer solutions to any problems or concerns you might have.
- 3) The agent should have a comprehensive marketing plan. Generally speaking the better the marketing plan, the greater expense the agent is incurring. Thus agents who do a better job of marketing usually charge a higher commission.
- 4) If desired, the agent should be able to help you "stage" your home and recommend certain repairs or upgrades that would help your home sell more quickly or for a better price.
- 5) The agent should have good negotiating skills. He or she will be representing you when an offer is presented. An agent should be "on

your side" when it comes to negotiation. Please be aware that some discount and flat rate agencies leave the negotiation process to the seller.

- 6) A good agent should make sure that the purchase contract is written in such a way that it protects the client so that he cannot be taken advantage of.
- 7) A good agent stays on top of things such as the buyer's loan approval process, the inspection process, and any possible problems with the appraisal or other issues that arise during the escrow period.

A good agent should be able to save you money by helping you price your home correctly, marketing it for a quick sale, and protecting your interests throughout contract negotiations and escrow period. It is in your best interest to ask questions to determine the agent's expertise. You might also want to ask for testimonials from some of the agent's past clients.

### ***How a good agent represents a buyer***

Following are some basic things that an agent should do for a buyer.

- 1) The agent should listen carefully to determine the buyer's housing needs and desires.
- 2) The agent should be happy to answer general questions about the area and neighborhoods. However keep in mind that an agent cannot answer questions that would violate federal fair housing standards.
- 3) The agent should be able to answer basic questions about the loan approval process and make recommendations about local lenders, helping you to understand rates and "upfront fees".

- 4) When touring homes the agent should point out not only the positive features of the home, but also any negative things that the agent notices.
- 5) When the search has been narrowed to one or two homes, the agent should provide you with "comps" to help you determine how much you want to offer.
- 6) The agent should represent you fully during the negotiation process. He or she should be able to write a contract that makes sure that you are not taken advantage of.
- 7) The agent should coordinate the home inspection, termite inspection, Buyer Inspection Notice, appraisals, and any other inspections or issues that arise during the escrow period.

A good agent can save you money by listening carefully to your housing needs, then showing you homes within your price range, and finally helping you determine the fair market value of any particular home. The agent should protect your interests throughout contract negotiations, inspections, and the escrow period.

Whenever you consider buying or selling, interview an agent just like you would any other professional you were hiring to represent you. A home purchase or sale is a high dollar transaction, and you want to be sure that the person you hire will represent you to the best of their ability.

For additional information, go to [www.GretchensHouses.com](http://www.GretchensHouses.com) and click on the "Current Reports" tab to view **5 Important Questions to Ask When Interviewing an Agent**

*Give me a call today!*

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At [www.GretchensHouses.com](http://www.GretchensHouses.com)

⇒ Prescott Area Real Estate Figures for 2006—How much did the “bubble burst” in the Prescott Area?



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*FAQ's about Real Estate*

***Doesn't the real estate agent always represent the seller?***

- ◆ Realtors in the state of Arizona have a fiduciary duty to represent their client (whether that client is a buyer or a seller) to the best of their ability and agree to put their client's interest ahead of their own.

***Who pays the agent's commission?***

- ◆ Generally speaking, the **seller** pays the realtor's commission. He initially contracts with a real estate agent to represent him in the sale of his property. If the agent successfully sells the property, then a commission is paid out of the seller's closing funds. Ex. The Seller hires Joe Blow of ABC Real Estate to sell his home. Jane Snow of XYZ Realty brings an offer from her buyer that the seller accepts. At the close of escrow, the commission is paid to ABC Real Estate and XYZ Realty (usually split 50/50, but not always). ABC Real Estate then pays a portion of their commission to Agent Joe Blow and XYZ Realty pays a portion of their commission to Agent Jane Snow. In other words, the commission usually gets split (unequally) four ways.

***Do I still have to pay a commission if my home doesn't sell?***

- ◆ No, if the home does not sell, the agent does not receive a commission unless the seller has breached the terms of the listing agreement.

***As a buyer, will I have to pay a commission to my realtor?***

- ◆ Generally, a buyer never pays a commission unless he has entered into a contract with a buyer's agent for exclusive representation and has agreed to compensate that agent. (Not all buyer agents ask for compensation from the buyer.)

***As a buyer, won't I get a better deal if I call the agent whose name is on the "For Sale" sign?***

- ◆ No, the agent whose name is on the "For Sale" sign represents the seller of that home. That agent has a fiduciary duty to represent his client, the seller. At the very least you will enter into a "limited representation" situation where the seller's agent will not be able to give full and complete representation to either the buyer or the seller. If you would like complete representation, you should choose a realtor that does not represent the seller of the house that's for sale. The agent that you choose to represent you will likely show you some other homes in your price range, and give you information about the fair market value of the home you choose to make an offer on.