

# Buyer Agency: Questions & Answers

## Understanding Buyer Agency – Part III of III

### **Why do I need a buyer's agent?**

A buyer's agent promotes your interests and represents you throughout the home-buying process, beginning with the search for the perfect home until you have the keys in your hand. A buyer's agent can provide you with many important benefits such as knowledge of the local market, negotiating skills and expertise in working with contracts.

### **What is a Buyer Brokerage Contract?**

A Buyer Brokerage Contract is the legal document that sets out the relationship between you and the real estate brokerage (and all of its agents). The contract also establishes the obligations of each party: you agree to have only the brokerage represent you and the brokerage agrees to represent you and act in your best interests.

### **Do I have to sign a contract for a specific length of time?**

The expiration date on the Buyer Brokerage Contract is agreed upon between you and your agent. There is no requirement for the contract to last any predetermined amount of time. The contract should be written to expire in a time period that works for both you and your agent.

### **What happens if I sign a Buyer Brokerage Contract and then find a home listed through another agent?**

Any time you find a property you'd like to view, contact your buyer's agent. The buyer's agent will contact the seller's agent to arrange a showing.

### **What if I decide to buy a home directly from a builder?**

With a buyer agency relationship, there is no obligation to purchase a resale home. Tell your agent you'd like to look at a new property. Your buyer's agent will help you navigate through all the information on new homes and neighbourhoods. More importantly, your buyer's agent acts for you and represents your interests when negotiating with a builder. Your agent can help you work with the builder from the planning stage, or help you finalize details for your new home. Your buyer's agent can also assist you through other unique issues that new homes present such as warranties, GST, builder's liens or encumbrances. Buyer's agents also have access to standard contracts and schedules that protect you, the consumer, when buying your new home. Commission is paid per the terms of your Buyer Brokerage Contract.

### **Can I look at open houses without my buyer's agent present?**

Yes, you can view open houses without your buyer's agent but as a courtesy you should inform the agent at the open house that you are already represented. If you want to see the property again, your buyer's agent will make arrangements for a showing.

### **How is my buyer's agent paid?**

The terms of payment should be contained in the Buyer Brokerage Contract. Usually, the contract will state that the brokerage will receive either a portion of commission offered by the seller's brokerage or a fee that is negotiated between you and your agent (whichever is greater). Real estate commissions are negotiable in Canada and you and your agent have to agree on a suitable amount of compensation. If the seller's brokerage doesn't offer a portion of commission to your buyer's agent, you may want to take that into consideration when making an offer on a property.

### **Should my buyer's agent be a REALTOR®?**

Not all agents are REALTORS®. In addition to complying with provincial laws, REALTORS® belong to the local real estate board and subscribe to the strict Code of Ethics and Standards of Business Practice of the Canadian Real Estate Association. This ensures you will receive the highest level of service, education and integrity.

*Source: Alberta Real Estate Association*

