

The Internet-Empowered Consumer Deserves an Agent!

The real estate industry loves working both sides of a real estate transaction – that is, representing the Seller of a home by virtue of being the Listing Agent and also representing the Buyer of the home. Two sides of a sale equals twice the commission. But what is good for the Listing Agent may not be good for the consumer. Despite fairly strict dual agency regulations in situations like this, the Listing Agent is straddling a tricky fence between two parties who each have a big emotional and financial interest in the transaction.

In all but the most exceptional of circumstances, I strongly believe that Internet-empowered consumers should NOT use the listing agent of a property in which they may be interested as THEIR agent in the purchase of the home. Buyers should seek out and be represented by a Realtor who will vigorously negotiate in the BUYERS' interest alone.

The Internet, while being a valuable consumer resource, has proven itself to have an uglier side as well with more home-buyers going directly to the listing agent to have their Offer to Purchase prepared. According to a recent study conducted in California [and should we really expect it to be much different here?], 32% of all consumers who used the Web to shop for homes used the listing agent for representation versus only 19% of consumers who did not use the Internet.

YIKES!

Clearly, the success of the Internet as a marketing tool has created an effective way for Buyers to find their new home but at the price, often, of going directly to the listing agent to make their purchase.

There is more to the Realtor's role in assisting in the purchase of a home than simply writing the Offer to Purchase. There are a whole range of activities - from completing discovery on the property itself to assembling comparable sales data for the area to assist in assessing its market worth to crafting an Offer that protects the interest of the Buyer, and more -that require someone to be advocating for the Buyer alone.

I believe that owners of listings portals, including individual agents, should spell out the dangers of dual agency and encourage prospective Buyers to seek their own representation. Otherwise, greed may be driving poor consumer choice.

Of course, if you believe that one person can serve two masters at the same time – that is, negotiate the highest possible price and terms for the Seller and the best possible price and terms for the Buyer – then this caution will make little difference.

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