

Agent vs. Transaction Broker — It's Important to Know the Difference

Every time I meet a prospective client, I get the opportunity to explain the difference between being that person's **agent** and being that person's **transaction broker**.

An "agent" is working solely in the client's interest, whereas a "transaction broker" is favoring neither party in a transaction.

Whether you are buying or selling real estate, you should want your broker to be working in your best interest, and that means you want him or her to be your agent.

By law, an agency relationship can only exist if it is in writing signed by both you and the agent. Otherwise, the default relationship is that of transaction broker.

When a broker asks a buyer to sign agency papers up front, he or she is likely think that the broker is trying to pressure him into a rela-

tionship for which he may not feel ready. If that's how you feel, I suggest that you sign a **1-week** agency agreement rather than not sign one at all.

After all, you want to see whether you like working with that broker before you commit to use him or her, and you might as well "test drive" him as your agent, not as a transaction broker, right? You want him to demonstrate how he can

represent your interests, so let him be your agent for that week. At the end of the week, you can extend the relationship — or walk away and find someone you like better.

Like most agents, I represent both buyers and sellers, and I have learned to do both jobs well, getting the highest price for my sellers and the lowest price for my buyers.

What happens, however, when

you represent both sides? That's when most agents convert to being a transaction broker — informing both clients of this change in status, as required by law.

However, I don't feel this is appropriate when I don't have a pre-existing agency relationship with the buyer. If the buyer comes to me inquiring about one of my listings, that doesn't constitute a pre-existing relationship, so I feel it appropriate to treat that buyer as a **customer**, and, as required by the Real Estate Commission, I give that buyer a disclosure that I am the seller's agent and will treat the buyer as a customer. Then it's up to the buyer to decide whether he wants to hire an agent or feels comfortable being unrepresented. I make it attractive for a buyer to remain as a customer (because I make more commission), but it's up to the buyer to decide if that's in his best interest. Note: both ethics and law require agents to treat "customers" fairly.

REAL ESTATE TODAY



By **JIM SMITH**,
Realtor®

This Week's Featured New Listing:

Golden Home Backs to Chimney Gulch

Buyers wait for homes in Beverly Heights to come on the market — especially homes on the side of Mt. Zion Drive which backs to Chimney Gulch — so I don't expect this one to last long. From the backyard you can enjoy watching the paragliders take off from next to the "M" above you and landing in the field below you. Mountain bikers and hikers can access the Chimney Gulch trail just a block uphill from this home. You'll also like the main-floor master with its jetted tub and his-and-her walk-in closets. The walk-out basement has three more bedrooms plus a rec room — all with new plush carpeting. That rec room, like the family room above it, has a wood-burning fireplace with a large slate hearth. Very nice! The updated kitchen has beautiful slab granite counters with a breakfast bar and opens to an enclosed, heated porch. Nice yard! **Open this Saturday 1-4 pm.**



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