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Realtors' Challenge: Representing Buyers & Sellers Without Conflict of Interest

By now, I hope you're aware that "Realtor" is a trademark — that only half of America's licensed real estate agents are members of the National Association of Realtors (NAR) and can thus call themselves "Realtors."

As a Realtor, I'm a member of two other Realtor associations — the Jefferson County Association of Realtors and the Colorado Association of Realtors. Indeed, it's only by joining the local Realtor association that a licensed agent becomes a member of the state and national associations.

If you listen to Public Radio stations, as I do, you have probably heard NAR's underwriting message portraying Realtors as "representing America's residential and commercial property owners." There's no mention of representing buyers, even though many Realtors choose

to represent *only* buyers. What about those NAR members?

When a Realtor finds the buyer for one of his or her listings, the issue of "agency" arises. In which party's best interest is he working now?

The issue of agency is addressed in the state-approved listing agreement. Most agents will check the box declaring that in the event we represent both parties, we become a neutral "transaction broker."

Some sellers are uncomfortable with that scenario, however, and will insist that the broker remain as "agent," forcing the Realtor to treat the buyer as a "customer," possibly losing that side of the transaction (and half the commission) to another Realtor.

I have encountered this situation a few times and always managed to have the buyer accept the role of customer, trusting in my ability to

treat him or her fairly and ethically.

I certainly understand the concern of buyers and sellers about this potential conflict of interest — just as I understand a buyer's concern that his broker earns more money if the buyer pays more for the house. There may be agents who can't handle such a conflict of interest, but the rest of us take pride in our ability to do so.

Follow-Up: Agents Who Take a Political Stand

Two weeks ago, I wrote about agents "playing possum" politically for fear of losing a commission. You can imagine my surprise when I heard from Sonja Leonard Leonard, a Denver Realtor who mailed a Bush-bashing mailer to the largely Republican neighborhood of North Country Club. She reported a flurry of reaction, 10% of whom were appalled, but one of whom listed their million dollar home with her. It closed last week. You can read her mailer and her email about it online at www.JimSmithColumns.com.

REAL ESTATE TODAY



By JIM SMITH, Realtor®

This Week's Featured New Listing:

Ranch-Style Home in 55+ Golden Community

The Ulysses Senior Community is a well-built 2002 complex of 24 townhomes in the "new urbanism" style of fronting to a courtyard with garages to the outside. As you'd expect, the home has many handicapped/adult features, such as wide doors, no steps and chair height toilets. The attached two-car garage is extra wide on both sides. Above the garage is a spacious loft plus a guest suite with full bath and walk-in closet. The main floor has an open floor plan, vaulted ceilings and gleaming hardwood floors. All the kitchen appliances, plus washer and dryer, are included. There are two other units for sale at this time. Let me show you all three; you'll buy this one!



Take a VIDEO Tour online at: www.1114Ulysses.com

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