

5 Reasons to Sign a Buyer Representation Agreement

If you've started looking for a home —and a real state professional to assist you—your buyer's representative may ask you to sign a Buyer Representation Agreement. What is this form? Why should you sign it?

A Buyer Representation Agreement is a legal document that formalizes your working relationship with a particular buyer's representative, detailing what services you are entitled to and what your buyer's rep expects from you in return. While the language used in the document is formal, homebuyers should view it as an important and helpful tool for clarifying expectations, developing mutual loyalty, and most importantly, elevating the services you will receive.

1. Receive a higher level of service. If you've formalized an agency relationship with a buyer's rep, you can expect to be treated like a client instead of a customer. What's the difference? Clients are entitled to superior services, relative to customers. While the details vary from state to state, and from one buyer's agent to another, you can generally assume that being a client means that you've formed a fiduciary, or agency, relationship with your buyer's rep.'
2. Get more without paying more. In almost every case, home sellers have already agreed to pay a buyer's agent's commission if they haven't, you can ask your buyer's rep to avoid showing you any such homes. Or you can still view the home, knowing that you'll need to factor your agent's commission into any offer you may write. While buyers rarely pay real estate commissions, this is an important detail you'll want to discuss with your buyer's rep and clarify in their representation agreement.
3. Avoid misunderstandings. A Buyer's Representation Agreement clarifies expectations, helping you understand what you should and shouldn't expect from your buyer's rep, and what they will expect from you, which usually centers on loyalty.
4. Agency relationships are based on mutual consent. While most representation agreements specify a time period, they can be terminated early if both parties consent. Most buyer's reps are willing to end the agreement early if the working relationship isn't going well. Some buyer's reps also offer representation agreements for as little as one day, for the purpose of giving both parties a brief trial period to explore working together.
5. Strength as a team. When you and your buyer's rep work together within a formalized agency relationship, you have created a team dedicated to helping you achieve the best possible home-buying experience.