

Residential Office Locations

Branford Office

1236 Main St., Branford, CT 06405

203-481-5343

e-mail: branford@hpearce.com

Guilford Office

88 Broad St., Guilford, CT 06437

203-453-2737

e-mail: guilford@hpearce.com

Madison Office

588 Boston Post Rd., Madison, CT 06443

203-245-3133

e-mail: madison@hpearce.com

New Haven Office

32 Whitney Ave., New Haven, CT 06510

(203)-776-1899

e-mail: newhaven@hpearce.com

Wallingford Regional Office

4 North Main St., Wallingford, CT 06492

203-265-4866

e-mail: wallingford@hpearce.com

North Haven Office

393 State St., North Haven, CT 06473

203-281-3400

e-mail: northhaven@hpearce.com

Industrial & Commercial Offices

North Haven Office

393 State St., North Haven, CT 06473

203-281-3400

e-mail: cfuchs@hpearce.com

Rocky Hill Office

1845 Silas Deane Hwy, Rocky Hill, CT 06067

860-721-8100

e-mail: cfuchs@hpearce.com

Relocation Division

Corporate Services & Relocation Divisions

393 State St., North Haven, CT 06473

203-281-3400

e-mail: relo@hpearce.com



Understanding...

- Seller Representation
- Buyer Representation
- Dual Agency
- Designated Agency



Buyer & Seller Representation

A Member of the



www.hpearce.com



Local • Full Service • Experts

Agency

On June 1, 1997, the Connecticut Real Estate practices on agency changed.

Previously, by law, Real Estate Agents *always* represented the interests of the Seller—even if they were working with the Buyer and had never met the Seller. Legally, that meant that the Agent who had a relationship with the Buyer could not disclose any information that might have harmed the Seller's interests and, at the same time, that the Seller was being represented by Sub-Agents that he or she had never met. *Under the new law, agency is defined by contractual obligations.*

Seller Agency

The listing agency (H. Pearce Company) represents the Seller when it enters into a contract to sell his or her home. In this case, all fiduciary responsibilities are owed to the Seller/Client.

Unrepresented Buyer

In some cases, A Buyer, wishing to purchase a property listed by the H. Pearce Company, may choose *not* to be represented. In this case, he or she would be considered a "customer". All fiduciary responsibilities would still be owed to the Seller.



The Agent would then be obligated to be honest and fair to both the Buyer and the Seller, and to disclose all material facts to the Buyer as required by state law. However, the Agent would still represent

the Seller and would not disclose any information regarding Seller motivation or offer assistance in determining a price.

Buyer Agency

Once the Agent enters into a contract with a Buyer, the Agent must offer him or her total confidentiality and representation. The Buyer becomes the client, and the Agent can now:

- Disclose problems that Buyers might not have questioned
- Advise a Buyer on what to pay
- Research comparable homes and their sales prices
- Recommend the best negotiation procedures

Dual Agency

A dual agency situation arises when one of H. Pearce Company's "Buyer Clients" wants to purchase a listing from one of H. Pearce Company's "Seller Clients". In this case, the Agents involved must treat *all* parties fairly and impartially. They may *not* disclose any information that would create a negotiating advantage for either client.

Designated Agency

Designated agency occurs when the H. Pearce Company contractually represents both the Buyer and the Seller and either party declines dual agency. In this case, all parties consent to "Designated Agency".

Although the H. Pearce Company's Principal Broker assumes a dual agency position, the individual Agents within the company will represent their clients according to their original contracts. Each client will then receive personalized and confidential representation.

Who Pays the Commission?

In almost all cases, the commission is still paid to the Seller's Agent, who then pays a "Buyer Broker Commission" to the Broker that represents the Buyer. The commission is paid out of the proceeds of the transaction (technically by the Seller), as it has always been paid. The final price is understood to include the cost of commissions.

Who Benefits?

Buyers are not the only ones who benefit from Buyer Brokerage. Sellers have fewer liability problems because they no longer are faced with "vicarious liability" for anything a "Sub-Agent" says to a potential Buyer. Previous to the new law, the Sellers had *no direct contact* with many Agents who were showing and disclosing things about their homes. Now, if a Buyer remains unrepresented, the listing Agent must ask the Seller to agree to show his or her home to an "Unrepresented Buyer" and must disclose to the Seller that he or she will incur liability.

A Win Win Situation

Buyer Brokerage is a win win situation:

- *For the Buyer*, who receives all the added benefits of the Agent's research and knowledge of the market.
- *For the Seller*, who is relieved of some liability.
- *For the Agent*, who can now comfortably disclose much more and work much harder for his or her client.

