

BUYER REPRESENTATION AGREEMENTS IN INDIANA

STUDY SHEET

Summary

Buyer agency (buyer representation), in which the agent represents the buyer's interests in a transaction, is a relatively new concept in the real estate world. Some buyers are easy; others require a lot of hand-holding. But representing them fully is vital to smooth transactions. As a buyer agent, you assist your clients from the property search to the closing.

Top Takeaways

- The three main types of buyer agency are:
 - Open agency
 - Exclusive right-to-represent
 - Exclusive agency
- Knowing your clients' motivations for buying, understanding their financial needs, and listening carefully to them are the keys to an effective buyer presentation.
- A buyer client is different from a buyer customer. You owe everyone certain duties, such as honesty, but you don't have an agency relationship with buyer customers. You owe a higher level of duties, called fiduciary duties, to clients.
- An exclusive right-to-represent agreement is the most popular form of a buyer representation agreement.
- Your buyer presentation is your main tool to build trust with a potential buyer client, so prepare, educate, and sell yourself.
- Cooperating agents work together to bring a buyer and a seller together. Cooperating agents are always from a different brokerage.
- Don't forget that your buyer client must know how you will be compensated (which is why the two of you sign a compensation disclosure).
- All compensation must go through your brokerage.
- Your compensation may be determined by the idea of procuring cause.
- The buyer agency agreement can terminate in several ways. Even after termination, you may have responsibilities to fulfill.

Take a look back at your notes for these items:

- Types of Buyer Representation resource
- How to Conduct a Buyer Presentation resource