

*** Attention Buyers *** - Please Read This Before Buying

Before selecting a real estate agent to represent you in the purchase of a home, please educate yourself regarding what you should expect from your real estate agent. We have compiled a list of ten questions that every buyer should ask his/her real estate agent:

1. **Are you a full-time, professional real estate agent?** The answer should be yes. Consider if you were having surgery, would you hire a part-time doctor whose day job was in retail? A home costs more than open heart surgery. You should demand to work with a full-time real estate agent.
2. **Will you show me other agent's listings and other company's listings?** The answer should be yes. Some agents will only show their listings or their company's listings. There are some who only show another agent's listings if the listings are over-priced or are one's that they think their buyer will not like.
3. **Will you show me houses within my price range?** The answer should be yes. Some agents are taught to find homes in the top of their buyer's price range in order to make a higher commission. Your agent should try to find you a house for less money that is a perfect fit.
4. **Will you perform a detailed market analysis before I buy?** The answer should be yes. Please run from the following scenario. Your agent shows you a house listed for \$200K and you decide to make an offer. Your agent asks you, "Ok, how much would you like to offer?" Your response should be, "Goodbye!" How can you know how much to offer if you do not even know how much the house is worth? What if the house is only worth \$150K and you tell your agent to offer \$180K. You may think you are getting a deal when the seller accepts your offer, but in reality, you paid \$30K too much! The need for a detailed market analysis is particularly critical if you are a cash buyer. Buyers with financing will have an appraisal that may prevent them from paying too much. Sadly many cash buyers pay too much for their homes because their agent did not run an accurate market analysis.
5. **Have you closed at least ten transactions in the last twelve months?** Be sure your real estate agent is more concerned about your best interest than with getting a commission check. Some agents pressure buyers into making poor decisions just to make a sale.
6. **Will you research the seller?** You would be amazed at how much public information there is if you know the right places to look. Wouldn't it be nice for negotiation purposes if you knew how much the seller paid for the home, if and how much the seller owes on the home, or whether the seller has more than one house, for example?
7. **Will you research the property?** Wouldn't it be nice to know whether an addition has been permitted, how much water a well and surrounding wells produce, or whether the four-bedroom house has a two-bedroom septic? Many agents are taught to be terrified of lawsuits, so their standard response to a tough question is "I don't know." Many agents are taught to be "the source of the source." The net result is that many agents tend to do a poor job in representing their clients.

8. **Will you protect my earnest money?** Buyers may write a check for \$1,000 to \$5,000 or more as earnest money. There are several contingencies that *might* protect a buyer's earnest money including: inspection, appraisal, and loan. There are contractually acceptable ways to cancel a contract and get the buyer's earnest money back. There are also pitfalls where the buyer can lose the earnest money if the agent sends the wrong cancellation text.
9. **Will you give my lender a sense of urgency?** Loans often kill a transaction in this market. Loans can be delayed and contracts cancelled because agents are not proactively working with their buyer's lender to ensure that the loan process is moving along and that the underwriter has all of the required documentation.
10. **Are you familiar with my type of transaction?** An agent might be very familiar with basic transactions, but may be a novice with foreclosure transactions, for instance. When an agent is not familiar with a particular type of transaction, the agent may make mistakes. Mistakes typically cost money.

If you are considering buying a home and you have not entered into a Buyer-Broker Contract, then please call Nancy and Brian Biggs. We will take very good care of you and your hard-earned money.

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