

Customer or Client?

What's the difference?

In real estate transactions, buyer-clients are entitled to a higher level of service than buyer-customers. Becoming a client typically involves signing a Buyer Representation Agreement with a buyer's representative, who then owes you fiduciary duties. This means that your buyer's rep is expected to exercise discretion when acting on your behalf, including adhering to very specific responsibilities, obligations, and high standards of good faith and loyalty.

For example, if you're a client, a buyer's agent will seek to negotiate the most favorable transaction terms for you—and will not disclose any material facts about your situation that could hurt your negotiating position.

If, however, you are only a customer, a buyer's rep may not be in a position to answer even basic questions, such as "Why are they selling?" or "Is this home priced competitively?" This is because they are acting instead as a sub-agent for the seller.

YOUR SERVICES WILL VARY, DEPENDING ON YOUR STATUS.

If you are a CUSTOMER (no fiduciary relationship), an agent will:	If you are a CLIENT (fiduciary relationship), your agent will:
Maintain loyalty to the seller's needs	Pay full attention to your needs
Tell the seller all that they know about you	Tell you all that they know about the seller
Keep information about the seller confidential	Keep information about you confidential
Focus on the seller-client's property	Focus on choices that satisfy your needs
Provide just the material facts	Provide material facts as well as professional advice
Only provide price information that supports the seller's listing price	Provide price counseling based on comparable properties and their professional insights
Protect the seller	Protect and guide you
Negotiate on behalf of the seller	Negotiate on your behalf
Attempt to solve problems to the seller's advantage and satisfaction	Attempt to solve problems to your advantage and satisfaction

** Note that not every state requires a signed Buyer's Representation Agreement to create an agency relationship. In some cases, an agency relationship can be formed if both parties simply behave as if one exists.*

The Accredited Buyer's Representative (ABR®) designation is awarded by the Real Estate Buyer's Agent Council (REBAC), a subsidiary of the National Association of REALTORS® (NAR).

To learn more about REBAC and access various homebuyer resources, please visit www.REBAC.net.

