



Russ  
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# *Benefits of Buyer Representation*

Understanding agent value in the buying process with a Russ Lyon Sotheby's International Realty Global Real Estate Advisor,



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# Your Trusted Global Real Estate Advisor

Buying a home is typically one of the largest investments you will make and will have lasting consequences for years to come. A trusted Global Real Estate Advisor can act as your expert guide to negotiate on your behalf, navigate the dozens of pages of disclosures, reports and contracts and help you avoid costly mistakes.

## **Leverage the Sotheby's International Realty Brand**

Sotheby's International Realty is a globally recognized brand that lends credibility with sellers to your offers and elevates your representation. Our success is defined by our deep commitment to our clients. This trust has been built over 280 years of Sotheby's selling its clients' most valuable treasures.

## **Navigating the Home-Purchase Process**

Having an experienced professional in your corner offers a competitive advantage when searching for your home and accessing local resources. An Advisor's broad perspective, experience and access to their network of resources can provide a stabilizing force through what can be a challenging process.

# Understanding Agency

Your Advisor will provide you with an Information About Brokerage Services document that will explain in detail the duties and roles of an Advisor. Legally, the Brokerage is the entity that represents the Buyer or Seller, and the Advisor is an authorized representative of the Brokerage. In this document, we will refer to your advisor as the Advisor, and Russ Lyon Sotheby's International Realty as the Broker.

## **Intermediary Relationships**

Brokerages can legally represent both a Buyer and a Seller on the same transaction provided they have written consent from both parties to do so. An Advisor can represent both the Buyer and the Seller in a transaction as an intermediary without appointment, or a Broker acting as intermediary can make appointments of separate Advisors to Buyer and Seller. Buyers and Sellers must agree to Intermediary Representation in writing in both their representation agreements and again as part of the Contract. Brokerages can legally represent both a Buyer and a Seller on the same transaction provided they have written consent from both parties to do so.





# Initial Consultation

An initial meeting is important to understand your homebuying needs and to develop a strategy to help you successfully make a purchase.

## **Understanding Your Real Estate Goals**

- Purchase timeframes
- Past experience with real estate purchasing
- Risk tolerance
- Financing and stage of preapproval, if a loan is needed

## **Refining Property Search Criteria**

- Location and neighborhood
- Price range
- Size of home, style, amenities
- Specific requirements and non-negotiables
- Condition of home and flexibility to make improvements
- School districts, commute, walkability, etc.

# Benefits of Exclusive Representation

Your Global Real Estate Advisor will prepare a contract outlining their services so they can commit to assisting you with your home purchase transaction. As your exclusive Advisor, they will be assisting you with many tasks. Below is just a brief overview of some of the areas where Advisors demonstrate their value and contribute to a successful purchase

- Provide an overview of the current market dynamics and challenges
- Create a purchase strategy
- Assist with procuring financing
- Evaluate purchase price range
- Set up listing alerts
- Schedule property tours, both privately and of open homes
- Provide access to Off-Market, Coming Soon and Pocket Listings, as available
- Review disclosures and reports on selected homes
- Evaluate and negotiate the offer
- Recommend vendors for inspections





# Understanding Brokerage Compensation

## **Brokerage Compensation**

Similar to a Listing Agreement, Buyers will complete a contract for professional services and representation between themselves and their Advisor. This also confirms the compensation for the Buyer's Advisor and Brokerage. It should be noted that the amount a brokerage charges is not fixed by law, the compensation amount is negotiable, and brokerages may set minimum fees.

## **Compensation Division**

The compensation paid for Buy-Side representation is paid to the Broker to cover business operations, expenses such as Errors and Omissions Insurance, and membership in industry organizations. It is shared with the Advisor and used to offset the Advisor's necessary business expenses associated with licensed activities.



# Who Pays Compensation?

## **Seller-Paid Brokerage Compensation**

When listing a property for sale, Sellers complete a Listing Agreement to authorize payment to the Listing Broker. In most cases, the Listing Agreement also offers a compensation amount to be paid to the Broker representing the Buyer.

If the amount of compensation offered by the Listing Broker is less than the compensation agreed to in the Buyer Representation Agreement between the Buyer and the Buyer's Broker, the Buyer is obligated to cover the difference.

Additionally, Buyers can request that in their initial offer on the Purchase Agreement that Sellers pay the compensation due the Buyer's Broker in the purchase agreement, which can allow the compensation to be incorporated into the final sale price and financed, if accepted. In that case, the compensation will be paid out of escrow from the Seller's proceeds.

## **Buyer-Paid Brokerage Compensation**

A Buyer Representation Agreement allows your Advisor to represent you even when no offer of compensation is published. Your Advisor can search for properties that are not in the MLS, and may be For Sale by Owner, Off-Market, Coming Soon or Pocket Listings — as the Buyer Representation Agreement covers the payment for buy-side representation.





# Advisor Value – 10 Important Benefits

When you hire a Global Real Estate Advisor and pay them a compensation, you're not just compensating them for the time and effort they put into one transaction; you're also benefiting from their years of experience and expertise. Here are just some of the reasons why your Advisor is valuable:

**1. Deep Knowledge** — Real Estate Advisors have in-depth knowledge about the local real estate market, including pricing trends, neighborhoods and what buyers and sellers are looking for. They use this knowledge to guide you to make informed decisions.

**2. Negotiation Skills** — An experienced Advisor has honed their negotiation skills over many transactions. They can help you get the best price for your property or help so you don't overpay for a new one.

**3. Networking** — Global Real Estate Advisors have a vast network of professionals, from inspectors to mortgage brokers, which can be invaluable during the buying or selling process. Their relationships can speed up processes or uncover opportunities you might not find on your own.

**4. Understanding of Forms** — Real estate transactions involve a lot of legal paperwork. An experienced Advisor understands the ins and outs of these contracts and can help you navigate them strategically, reducing the risk of costly mistakes.

**5. Problem-Solving** — Every real estate transaction has its unique challenges. An experienced Advisor has likely encountered and overcome many hurdles and can use that experience to address any issues that arise.

**6. Time-Saving** — While you might see your Advisor mainly during showings or closings, there's a lot of behind-the-scenes work they do — including researching properties, coordinating with other Advisors and handling paperwork. Their expertise streamlines every process, saving you time.

**7. Emotional Buffer** — Buying or selling a home can be emotionally charged. An Advisor serves as a buffer, ensuring that emotions don't cloud judgment or derail a transaction.

**8. Future Guidance** — Many Advisors provide value even after a transaction is complete, offering advice on home improvements, market trends, vendor recommendations or when might be a good time to buy or sell again.

**9. Risk Mitigation** — Mistakes in real estate can be costly. Whether it's missing a disclosure or not understanding a contingency in a contract, an experienced Advisor can help mitigate these risks.

**10. Problem-Solving** — The real estate market and its regulations are continually evolving. Experienced Advisors invest in ongoing education and training to stay updated, ensuring they provide the best service to their clients.

In essence, the compensation is for thousands of hours the Advisor has already invested to develop the knowledge and understanding needed to guide you to the best offer and through closing.





# Navigating Steps to a Successful Purchase

Each homebuying journey is unique, just like you. The following is a list of some of the items your Advisor can assist you with, on your request, that may be part of your home purchase process.

## **Providing Financing Assistance**

Financing and good lender relationships are crucial. Your Advisor can recommend loan officers who can help you financially prepare to purchase your home and determine the best loan for you.

Your Advisor can:

- Introduce the lenders who can prequalify you and confirm the property price range
- Suggest that you obtain loan preapproval, prior to the property selection
- Provide any requested contract documentation
- Show the property to the Appraiser and provide supporting comparable properties

# Locating and Viewing Properties

Our Global Real Estate Advisors view properties continually, follow local market dynamics and are here to guide you in finding the right home. Your Agent can assist by:

- Set up automated Listing Alerts that meet your search criteria
- Present off-market or pre-market listings as they arise
- Communicate with Advisors to schedule and set up private showings
- Map out and tour properties together
- Recommend properties that are available to view at Open Houses
- Provide monthly Market Reports
- Review the pros and cons of each home after viewing





# Evaluating Selected Properties

Your Advisor can help you assess how your selected property compares to others on the market and to homes recently sold. One benefit of having a trusted Global Real Estate Advisor is their familiarity with required disclosures, recommendations for inspectors and experience with reviewing reports.

- Your Advisor will review pricing and offer insight based on deep knowledge of the market.
- Your Advisor will request the Disclosure Package, Preliminary Title Report and other information from the listing Agent.
- Discuss any additional inspections or reports and determine the timeframe for needed contingencies.
- If the home is in an HOA, and the Seller has not provided the HOA docs, the Advisor can explain the typical timing of the process to receive and review the documents.
- Your Advisor can recommend a Title and Escrow Company.

# Writing Competitive Offers

When your Advisor locates a property that meets your needs, they can provide information to assist you in determining an offer price and terms, and then negotiate on your behalf to help you win the sale.

- Communicate with the Listing Advisor to get the best information possible about competing offers and sellers' preferences regarding terms, and the timeline for offer submission.
- Review comparable sales and discuss the price and terms that can best position your offer.
- Prepare a compelling offer with the relevant and required advisories and disclosures, and submit the loan-approval letter and proof of funds with the offer.
- Get signatures on all offer documents to provide a complete offer.

## Presenting Your Offer

Representing you in the best light can be helpful in securing the winning offer. What may not be evident at the outset is the value of having a Real Estate Advisor with a trusted brand and good reputation in the eyes of other Advisors, who are often a key factor in helping their clients assess competing offers.

- Present the offer in person or by e-mail in a timely manner
- Maintain communications and forward any counteroffers for review
- Negotiate on your behalf and write any addenda or subsequent counteroffers





# Opening Escrow

Congratulations! This is just the start of the transaction process. Your Real Estate Advisor will guide you through the requirements that are contained in your accepted offer.

- Understand the role of the Title Company.
- Open escrow at the selected Title Company.
- Ensure you understand wire-fraud concerns and that you communicate directly with your trusted Escrow Officer regarding any wiring, account or transfer information.
- Maintain a secure transaction file with all the ongoing required documentation and upload the Earnest Money and Option Fee to the file.



# Physical & Other Inspection Contingencies

There may be numerous contingencies, and your Real Estate Advisor will help you navigate through them. If you have an Option Period, this will allow you to order further inspections and reports, to get more information about the property. Your Advisor may:

- Recommend or help you locate inspectors for all the inspections you wish or should undertake
- Call inspectors to check on their schedules and set up inspection appointment times
- Review Inspection Reports with you and the inspection
- Communicate with your lender as requested
- Provide resources for Homeowners Insurance and options
- Assist you in negotiating a repair amendment, if applicable
- Help remove any remaining contingencies





# Completing the Closing Process

Your Real Estate Advisor can:

- Recommend movers, interior designers, landscapers, general contractors, gardeners, cleaning services and home maintenance services, as needed
- Arrange for a final walkthrough of the property
- Provide resources for a Home Warranty Policy
- Accompany you to the closing signing
- Assist with setting up utilities and services of your new home.
- Upon recording title, provide keys

**Congratulations on your home purchase!**





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