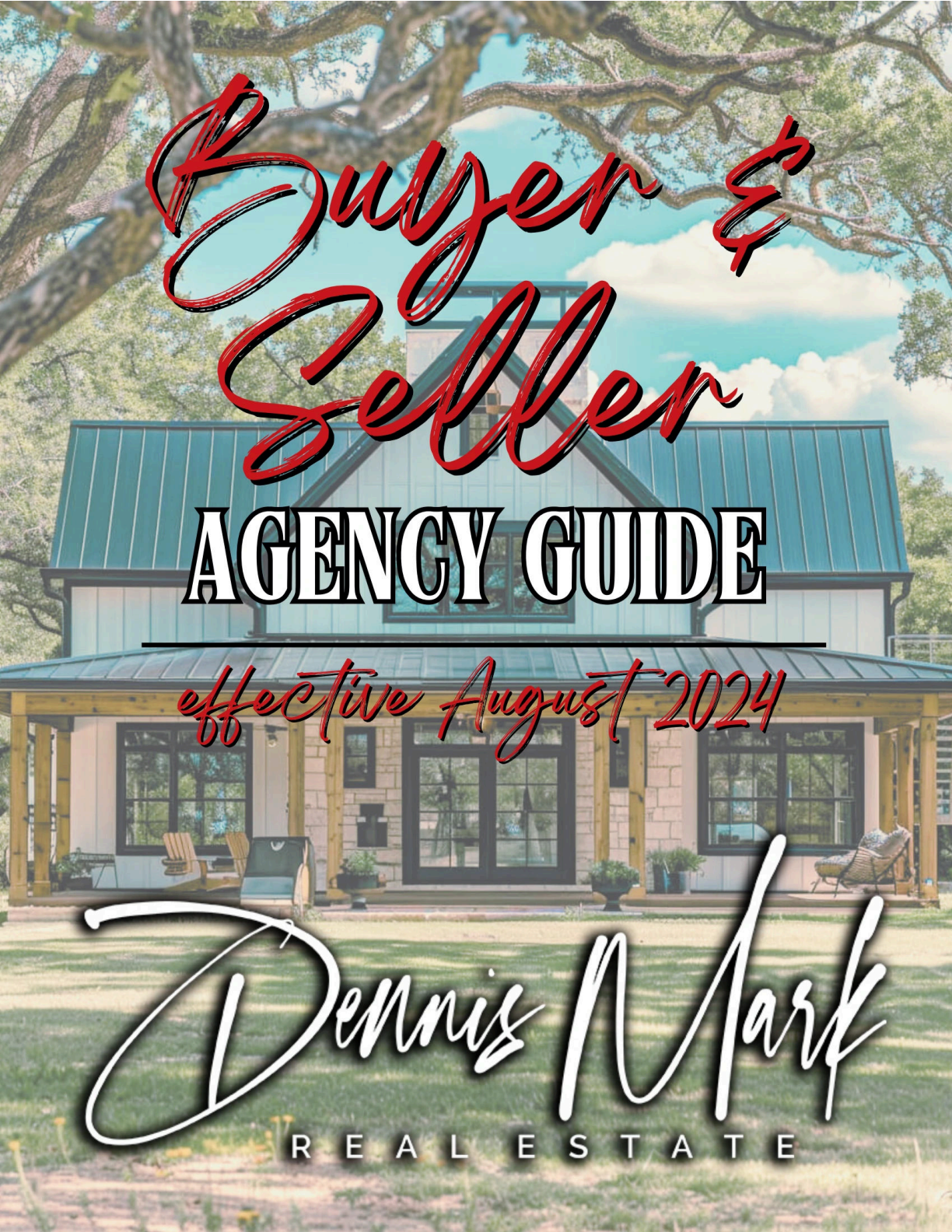




*Buyer &
Seller*

AGENCY GUIDE

effective August 2024

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R E A L E S T A T E

Your Exclusive Guide to the new

Buyer & Seller Agency Changes

in New Jersey

Welcome to Your Personal Guide!

Buying or selling a home can be a big deal, and it's important to know the rules. Recently, New Jersey passed new laws that change how real estate agents work with buyers and sellers. This guide will help you understand these changes in simple terms.

Why These Changes?

The new laws aim to make real estate transactions fairer and more transparent for everyone involved. They ensure buyers and sellers clearly understand their rights and responsibilities and how their agents work for them.



New Buyer Agency Changes

What is Buyer Agency?

Buyer Agency is an agreement where a real estate agent represents the buyer in a transaction. The agent's job is to help the buyer find the best home at the best price and terms, while working in the best interest of the buyer.

Key Changes for Buyers:

1. Buyer Agency Agreement:

- o **Old Way:** Not all buyers had to sign an agreement with their agent.
- o **New Way (NJ Law):** Every buyer must sign a Buyer Agency Agreement. This contract outlines the agent's duties and how they will get paid, in addition to the buyer's duties and sets expectations for both sides.

2. Compensation Option:

- o **Old Way:** Compensation typically came from the proceeds of the sale of the home, paid at closing from the seller side of the transaction.
- o **New Way (NJ Law):** Buyers now have more control over what their agent will be paid. This will be negotiated in the Buyer Agency Agreement.
- o **Additional Notes:**
 1. If Seller does not offer buyer agent compensation, the buyer will now pay their agent. This is why the negotiation of compensation has been added.
 2. If seller offers compensation to the buyer agent, but it is not enough to cover the negotiated compensation on the buyer agency agreement – the buyer will have to cover the balance of that compensation.
 3. If seller offers more compensation to the buyer agent than negotiated on the buyer agency agreement, the additional money goes to the buyer, not the buyer agent.
 4. All agent compensation can still be negotiated into the price of the home, and requested that the seller pay out that compensation for both agents.
EVERYTHING IS A NEGOTIATION, AS IT ALWAYS HAS BEEN.

3. Dual Agency Disclosure:

- o **Old Way:** Sometimes, the same agent could represent both the buyer and seller, known as dual agency.
- o **New Way (National Law):** Dual agency is still allowed, but it must be fully disclosed and agreed upon by both parties, in writing. Buyers should understand how this might affect their representation.

4. Responsibilities are Clearly Defined:

- o **Old Way:** Only responsibilities of the agent were defined
- o **New Way (National Law):** Now, both the agent and the buyer have clearly defined responsibilities.

5. Options:

- o **New Way:** A buyer now can tell their Realtor to only show them homes that are offering Buyer Agent Compensation.

Why These Changes Benefit Buyers:

1. **Conflict of Interest:** If you don't have your own agent, you're dealing directly with the listing agent, who is focused on getting the best deal for the seller. They might not fight for the best price or terms for you. When you have me as your dedicated agent, my only job is to make sure you get the best deal possible. I'm here to protect your interests.
2. **Expert Negotiation:** Negotiating can be tricky, and you want someone experienced to do it for you. Without representation, you might not get the best price or terms. I'll negotiate fiercely on your behalf, making sure we get a deal that works for you, possibly saving you a lot of money.
3. **Access to Full Market Information:** Listing agents might not give you all the information you need. I'll provide you with detailed market data, including comparable sales, neighborhood insights, and property history. This way, you can make a well-informed decision without any surprises.
4. **Legal and Contractual Protection:** Real estate transactions are full of complex legal details. Missing something could lead to big problems later. I'll guide you through every step, ensuring all documents are correct and your rights are protected.
5. **Personalized Service:** I'll tailor everything to your needs, from finding listings that match your criteria to arranging showings that fit your schedule. A listing agent is focused on selling the property, not on what works best for you. Not every home has an open house, so how do you expect to tour that home without having your own agent to schedule those tours?
6. **Ongoing Support:** Even after you've bought the home, I'll be here to help with any issues or questions. The listing agent's role typically ends with the sale, so having me means continued support.
7. **Your Choice:** Despite the agreement, if at any time you are not satisfied with our relationship of the service being provided to you, you can terminate the relationship upon mutual understanding.



New Jersey

Consumer Protection Enhancement Act

1. Brokerage Services Agreements REQUIRED:

- o **Detail:** All real estate licensees will be required to use brokerage agreements, which outline services they will provide to all clients over the course of a respective transaction.

2. Designated Agency Now Allowed:

- o **Detail:** Designated Agency, which enables a brokerage to appoint different agents to represent both the seller and the buyer with full fiduciary duties at the clients request, is now permissible.

3. Open House Representation Signage REQUIRED:

- o **Detail:** Listing agents will be required to explicitly disclose who they represent at open houses in the form of signage either at the entrance or sign-in sheet for all attendees to see.

4. Compensation Disclosure Changes MANDATED In MLS:

- o **Detail:** Sellers' agents can no longer disclose compensation in Multiple Listing Services or Notify MLSs about cooperative compensation if prohibited by MLS policy

5. Seller's Property Condition Disclosure:

- o **Detail:** Residential sellers must provide a fully completed Seller's Property Condition Disclosure Statement before buyers are contractually obligated

6. Agency Added As Required Core CE Topic:

- o **Detail:** Licensees must complete continuing education classes every 2 years to stay informed and best serve their clients



Frequently Asked Questions

1. **What if I don't want to sign a Buyer Agency Agreement?**
 - o If you want to be represented by a Realtor, you will have to sign a Buyer Agency Agreement. Otherwise, you can represent yourself and will need to learn how to navigate through scheduling showings for yourself, submitting offers and putting together your team of professionals to assist with all parts of the transaction.
2. **How do I negotiate the agent's commission as a buyer?**
 - o Discuss your expectations with your agent upfront. The commission is part of your Buyer Agency Agreement, so make sure you're comfortable with the terms before signing.
3. **Can an agent still represent both buyer and seller?**
 - o Yes, but it must be fully disclosed and agreed upon by both parties, in writing. I recommend that you interview with multiple agents so that you fully understand the potential conflicts and ask questions if you're unsure.
4. **How will I know the exact cost of selling my home?**
 - o Your listing agreement will outline all costs related to the Realtors duties, including the agent's commission. Make sure you review and understand these details before signing.

Have More Questions???

Let's have a conversation

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