

Sales agent v Buyer agent: Who works for you?

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A seller's agent is instructed by a seller to market and sell a property. A buyer's agent is retained by a buyer to find a property and to negotiate its price. An "estate agent" can serve in either role depending on the client's needs, but they tend to specialise in working either with sellers or with buyers. So, what role does each have and how do they differ?

Seller's Agent

When an agent acts as seller's agent, he or she generally undertakes the following tasks:

- Valuing the property for sale. To sell your property for the best price in the shortest time with the least inconvenience, you must accurately and competitively price your home. It is important therefore to have an agent who understands how to strike the proper balance and sell your home for a price you want.
- Recommending any necessary repairs and improvements. A seller's agent will give a seller advice on how best to present their property to the market so it is seen in the best possible light by potential buyers.
- Marketing a seller's property. A seller's agent will do things like put up a "for sale" sign, host open house viewings, and advertise in local magazines, newspapers and websites.
- Presenting a seller with offers made by a buyer and negotiate a deal with the buyer or the buyer's agent (if any). A seller's agent sorts out the difference between low-ball offers and genuine compromise offers, and he or she will advise the seller whether the offer is a good one in the current market or not.
- Supporting the seller and the agreed deal through to completion.

The seller's agent is retained by the seller but this can be on a variety of basis:

1. Sole agency - this is where a single firm of estate agents only is instructed to act for the seller and is paid an agreed remuneration (invariably based on a percentage of the sales price) by the seller when the sale completes.
2. Joint agency - a seller may choose to instruct two or more firms of estate agents on a joint agency basis. All the firms instructed will seek to market the property and find a buyer and will share the commission (on an agreed split) by the seller from the sale proceeds on completion.
3. Multi agency - here a seller instructs multiple estate agency firms but only the firm which finds the buyer who proceeds to completion is paid a commission from the proceeds by the seller.

Buyer's agent

A buyers' agent is retained by a buyer not the seller. In contrast to the seller's agent, the buyer's agent is ordinarily paid by the buyer when the property transaction completes. That remuneration is usually on a fixed fee basis or calculated as a percentage of the saving made on the actual agreed purchase price as compared to the asking price, or a combination of the two.

During a transaction a buyer's agent generally undertakes the following tasks:

- Assisting a buyer to find a suitable property.

A buyers' agent searches for homes that meet a buyer's criteria. Advising and assisting a buyer to determine which property best meets the buyer's needs. The buyer's agent will often compile a shortlist of appropriate properties before arranging for viewings of those felt best suited to the buyer's requirements.

- Making and negotiating offers on a buyer's behalf with the seller's agent. A buyer's agent will help a buyer to make an offer that is fair, not too generous or insulting.
- Supporting the buyer and the agreed deal through to completion.

Impact on the Jersey Property Market

The role of a buyer's agent is an emerging proposition for Jersey although it has been commonplace in other larger jurisdictions for many years. It is perhaps a reflection of the increasing interest in Jersey from those relocating from further afield, whose busy lifestyles necessitate professional assistance to minimise the time investment needed to identify a home to buy, and to see that purchase through to completion.

As can be seen from the above, the roles of the two types of agents differ, reflecting the essentially different stances of their respective clients. Sellers, in particular, should pay attention to the content of their seller's agency agreements to ensure they understand how and when fees are payable and to whom, especially where a buyer's agent is also involved.

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