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Alaska Real Estate

Pre-Qualify Your Realtor

Dear Dave: We are about to start shopping for a new home. I was wondering how to choose a Realtor. In a nutshell, can you give some advice?

Answer: This is an excellent question because your choice of a Real Estate Licensee to represent you will make all the difference in the experience, especially if this is your first home. Incidentally, a "Realtor" is simply a Real Estate Licensee who happens to be a member of the National Association of Realtors.

Since the word "Realtor" is a colloquialism, we will use your term here. Whether a Licensee is a member of the Association, or bears any other credentials, may or may not make them your best choice, but read on.

Since you have to pre-qualify with a Lender to obtain financing, why shouldn't you also pre-qualify the Realtor who is going to be so important in your life? The purchase of a home is one of the biggest, life-changing transactions you will engage in.

So, in a nutshell, I would look for 3 characteristics in selecting your Realtor - Integrity, Experience and Work Ethic.

Integrity means being a good, honest person. In every line of business today, from car salesperson to politician, there are a wide variety of characters, driven by various motives. You want a truthful and sincere Realtor, not one driven by greed or other less desirable motives.

Integrity is more important than anything. I would rather work with a completely inexperienced Realtor with integrity, rather than a greed-driven or untrustworthy seasoned professional.

When a Licensee applies to the National Association of Realtors for membership, they are required to study and agree to a demanding Code of Ethics. This earns the licensee's right to be technically designated a "Realtor". You may, therefore, expect a properly designated "Realtor" to have committed to a higher standard of integrity, but still ask questions and form your own opinion.

After integrity, seek **Experience**. Obviously, a Surgeon who has done several hundred operations similar to what you need is to be preferred to a Surgeon performing his first operation.

The same applies to real estate. All manner of complications can arise in a transaction and you will be dealing with these issues. You need the very best advice possible. Your experienced Realtor knows every Lender, every Title Officer, every Home Inspector and also the Realtor who may be representing the seller in your purchase. He, or she, has been down the road several hundred times, and encountered almost every

potential hiccup along the way that can happen.

Would you want to go to Court with a weak and inexperienced Attorney? Then why buy a home with less than the best Realtor you can find - especially since their services to you as Buyer are free (Commissions come out of the Seller's proceeds at closing). Ask questions about their experience before agreeing to work with them.

Keep in mind that, while a Lender, Home Inspector, Surveyor or Title Officer will provide "services", they never "represent" you. Your real estate Licensee, or Realtor, "represents" you. They have much more solemn and strict obligations to work in your best interests.

Finally, **Work Ethic**:- In a nutshell (as you requested), this means that you can find them when you need their help. They work, they have business hours and, within reason, can be found evenings and weekends.

In my 16 years writing these articles, the complaints come in that someone's Realtor was "out to lunch", "could not be found", "forgot to keep the contract schedule" etc. Realtors are paid very well and must be prepared to "work" for that commission check.

So, in sequence, the only Realtor you want is one who pre-qualifies with Integrity, Experience and Work Ethic.

Dear Dave: We have a problem with the house we just bought. I won't bore you with the details, but let's say it is a \$20,000 problem. We strongly feel that the seller is at fault and we want to take her to court. Our question is - Do we have to go to Mediation per the Purchase and Sale Agreement or can we just sue the woman in court?

Answer: Excellent, and interesting, question. While you may, and should, consult an Attorney for legal advice, but I can make the following comments:-

Paragraph 20 of the standard MLS Purchase and Sale Agreement provides that Mediation shall be the first course of action in a dispute. This is cheaper than litigation and, in many cases, solves the problem.

If you signed that standard documentation, but then cruise right on by and go to court instead, it is highly likely that the Judge will look at the contract and send you back to mediation before he will hear your case.

So, when writing up an offer, you need to decide whether the Mediation Clause is right for you. If you agree to mediate, that must be your first course. However, never forget that the findings and recommendations of mediation are NOT binding. So, while you may have agreed to mediate, you have not agreed to accept the results of mediation. Then you simply proceed to litigate in court.