

Ten Agents or One?

A large, three-dimensional number '10' rendered in a vibrant green color with a subtle wood-grain texture. The number is positioned on the left side of the page, to the left of the author's name and the first paragraph.

By Brian Madigan LL.B.

Which is better? You might think 10. In fact, that's what most people think.

In reality, you are probably better off with one good agent who has your best interests at heart rather than ten who have other priorities.

This occurs frequently on the buying side. A prospective purchaser will call a few agents who have potential properties listed for sale. The conversation will usually end with “well, if anything else comes up, call me”.

Truly, what does this mean? Does it create an agency relationship? Within a few minutes the prospective purchaser is on to the next agent. Again, the conversation is similar. At the end of the day, the potential buyer is left with ten agents all of whom have given some indication that they might call.

In many cases, these agents will have asked:

- Are you working with an agent?
- Would you like me to work as your agent?

The common response is the same that can be overheard in every clothing store: “no thanks, I’m just looking”, or more accurately “no... I’m just staring to look....”. The point is quite clear, the caller does not want to get involved.

Each of these agents will likely represent a series of potential buyers. These buyers will have signed an exclusive representation agreement. That means, even if they find the property themselves, they will bring it to their own agent’s attention and will process any offers through their agent. So, their agent is secure and safe in knowing that eventually, should the client buy a property, they will earn a commission.

What about the ten agents? They have no relationship whatsoever with the potential buyer. They know they are competing with others, and perhaps first come, first served, but who knows? Many times, these potential buyers will have a friend or a relative in the business, so the agent actually never makes any money.

The result is quite simple, the potential purchaser who thinks he has ten agents working for him and all competing for his business really has no one. Actually, there is a legal impediment to overcome. If an agent represents a client and a property is listed which falls within the appropriate parameters, it *must* be brought to the attention of the client. And, it must be brought to the attention of

the client *before* it is brought to anyone else's attention. That is based upon the **duty of loyalty** owed by the agent to the client.

This means that the potential purchaser will not likely hear of new properties until every agent has exhausted their own list of clients. So, they hear on the 7th or 8th day that the property is available, not the first.

Naturally, it would be wiser to select an agent. Pick one and work with that person in an effort to locate the best and most suitable property. This way, the agent will owe the duty of loyalty to them, and will be obligated to act in their best interests.

I appreciate that it sounds a lot better to have ten agents. But really, you didn't have ten, you didn't have any, so one is much better.

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