Agency: Working with Clients | Summary

Outline

This summary contains information from two lessons, part 1 and part 2.

Part 1 encompasses:
  • Unit 1: Working with Sellers
  • Unit 2: Property Disclosure

Part 2 encompasses:
  • Unit 3: Working with Buyers
  • Unit 4: Commission
  • Unit 5: Strategies for Success

In the online course, you will have to take a quiz which asks questions from both lessons.

Objectives

By the end of this lesson, you will be able to:

  • Identify the provisions of different types of listing agreements.
  • Identify seller property disclosure requirements.
  • Describe requirements for presenting offers.
  • Identify the provisions of a buyer-broker agreement.
  • Describe the elements required for a standard sales agreement.
  • Describe strategies for commission sharing.
  • Discuss strategies for building trust with your clients.
Unit 1: Working with Sellers

The Sales Process

1. The broker or salesperson meets with a seller and negotiates a listing agreement.
2. The listing broker markets the property.
3. The listing broker presents offers to the sellers and delivers counteroffers to prospective buyers.
4. The listing broker assists the seller through settlement.
5. The listing broker collects earned commission, and distributes it to affiliated licensees or other brokers as appropriate.

Listing Agreement Negotiations

- Who within in the brokerage will have the authority to represent the seller in dealings with third parties
- Whether or not the seller will allow subagency or broker’s agents
- The start and expiration date of the listing
- The list price; must be determined by the seller and defended by the listing agent
- Your commission and commission to any cooperating brokers
- Allowable marketing techniques

Types of Listing Agreements

Exclusive Right to Sell Listing
- Grants the broker the exclusive right to represent the seller in the sale of the seller’s property
- Requires the listing agency to advertise the property and actively promote its sale
- Provides that the broker will be compensated if the broker, the seller, or any other person or entity produces a purchaser in accordance with the terms specified in the listing agreement, or if the property is sold during the term of the listing agreement to anyone other than to specifically exempted persons or entities
- Provides listing agent with the greatest opportunity to earn commission

Exclusive Agency Listing
- Grants an agency the exclusive right to represent the seller in the marketing and sale of the seller’s property
- Requires the listing agency to work the property and actively promote its sale
- Provides that the broker will be compensated only if someone other than the seller finds the buyer in accordance with the terms specified in the listing agreement
- Requires good record-keeping to provide evidence of who was the procuring cause of the sale in the event of any disputes

Open Listing
- A unilateral agreement that grants an agency the non-exclusive right to represent the seller in the marketing and sale of the seller’s property
- Allows a seller to list with as many brokers as he or she chooses
- Provides that the broker will be compensated only if he or she is the procuring cause of the sale
Net Listing
- Not technically a listing, rather a method of compensation
- Seller sets net amount he or she is willing to accept for the property
- Broker entitled to keep the excess as commission
- Illegal in New York and rarely used in other states

Common Elements in a Listing Agreement

- **Parties** – Anyone having a share of ownership should be listed, as should the broker and salesperson and other affiliated licensees
- **Description of Property** – Includes the street address and sometimes the legal description
- **Asking Price** – The proposed gross sales price of the property (actual sold price minus any real estate taxes, special assessments, outstanding mortgage and deed debts, broker commissions, and other obligations)
- **Term of Contract** – Must include a specific ending date; average expiration date is 90-120 days after signature; cannot be more than one year or include renewal clause
- **Payment of Broker** – The conditions under which the commission will be paid, as well as the amount of the negotiated commission
- **Offer of Cooperation** – Whether or not subagency is acceptable and if the listing broker may pay part of commission to a buyer’s agent
- **Disclosure** – Seller disclosure of what is known about the structure and mechanicals of the property; could be in the listing agreement or in a separate document
- **Fair Housing** – Should contain an anti-discrimination/fair housing clause acknowledging that discrimination based on religion, race, color, national origin, sex, disability or familial status on the part of the real estate broker, real estate salesperson, seller, or lessor is prohibited
- **Personal Property/Leased Equipment** – List any personal property of the seller that will be included with the sale of the property or fixtures that will be removed from the property

Permission to Advertise

Must get the express written consent from owner for any advertising or solicitation of the property. All of these are negotiable:

- Place yard signs
- List the property in the MLS
- Hold open houses
- Contract with cooperating brokers as subagents
- Advertise in local media
- List the property on Internet websites

What CANNOT Appear in a NY Listing?

- A duration that exceeds one year
- An automatic renewal clause
- A clause that requires a cancellation notice in order to terminate at the end of the term
Optional Elements in a Listing

- **Proof of ownership**: commonly a warranty deed and title insurance policy
- **Indemnification clause**, indicating that the seller and broker will not sue each other for misinformation reasons
- Statement indicating any **conflicts of interest** will be disclosed
- Statement that the **seller will not enter into a listing contract** with another broker during the agreement
- **A commission protection clause** requiring seller to compensate broker even if the property is sold AFTER the listing agreement expires under certain circumstances
- **A statement about a seller’s willingness to enter into a seller financing arrangement**

Revoking a Listing Agreement

- Sellers may revoke a listing contract, however, canceling the listing typically constitutes a breach of the contract and the broker may demand compensation.
- If a provision for early termination exists in the contract, or if the termination is for cause, sellers may be able to cancel without paying damages.

Presenting Offers from Buyers

- Offers should be handled in person.
- Explain the terms of the offer, including any contingencies related to the buyer’s financial qualifications.
- Identify anything in the offer that could be problematic so that you continue to protect the sellers’ best interest by offering alternatives.
- Discuss settlement costs.
- Ask the sellers to sign the offer if it’s acceptable to them.
- Explain the next steps to the sellers, including what it means to present a counteroffer.
- **All offers** should be presented, even if the agent thinks they’re unacceptable.
- Listing agreements often contain a clause that releases agents from liability if they do not present additional offers after an offer is accepted.

Who Owns Listings?

*Listings belong to the broker and stay with the broker.*
Unit 2: Property Disclosure

Seller Disclosure

- Sellers are required to disclose material defects about the property
- Disclosure forms are required to be presented to potential buyer prior to signing sales agreement
- Generally should not be considered to be a warranty
- Sellers are usually not obligated to disclose patent defects (plainly observable)
- Seller and seller’s agent are obligated to disclose latent defects (not plainly observable in a reasonable inspection)
- Seller is not obligated to perform an inspection prior to completing the form

Seller Liability

While the seller is liable for intentional misrepresentations or omissions, the seller is not liable for errors or omissions if:

- The seller had no knowledge of the error or omission.
- The seller had reason to believe that the defect had been corrected.
- The seller based his statements on information obtained from a source of authority (for example, a public agency, licensed engineer, home inspector, contract, land surveyor, structural pest control inspector) and the seller was unaware of the error or omission.

Buyer Responsibility

- Buyer must be given the opportunity to inspect the property.
- Buyer is responsible for recognizing patent defects.

Listing Agent Responsibility

A listing agent shares some liability and needs to look for obvious problems on a walk-through. In order to be liable, however, a listing agent must:

- Have actual knowledge of a material defect that was not disclosed to the buyer, or
- Be aware of any misrepresentation related to a material fact.

Material Facts

- Generally refers to the condition of the property
- Broadly defined as something that would change the individual’s actions if known
- Material information that is intentionally withheld is the classic definition of fraud.
Nondisclosure

A licensee:

- Cannot disclose that a former occupant has or is suspected of having a disability as defined by fair housing laws.
- Typically is not obligated to disclose any possible stigmas associated with the property.
- Would not likely be disciplined for violating the fiduciary obligations of loyalty, obedience, or confidentiality if making full disclosure of material facts.

In New York, a seller is **not** obligated to disclose certain information, such as that a murder or suicide took place in the home. This is considered to be confidential information for the sellers and immaterial to the condition of the property. Buyers may inquire in writing about the history of the house, but the seller is not obligated to respond.

New York Disclosure Act

New York listing agents must:

- Give the Property Condition Disclosure Statement to sellers of one- to four-family dwellings (not including condos or cooperatives).
- Inform the seller of his or her legal obligation to complete the form.
- Give signed form to prospective buyer before the buyer signs a purchase agreement.

The seller is **exempt** from completing the form if the transfer is:

- A result of a **court order**.
- To a mortgage lender by a deed in lieu of foreclosure or in satisfaction of the mortgage debt.
- From one **co-owner** to another co-owner.
- Made to a **spouse** or to someone sharing a **common ancestor**, such as a child, sibling, parent, etc.
- Between **husbands and wives** as a result of dissolution of marriage, legal separation, or property settlement agreement.
- **New residential construction** not yet lived in (if the buyer has a one-year warranty and the dwelling has passed inspection for occupancy and compliance with local or accepted building codes).

An agent should **never assist** in completing this form and should **not sign** the form, since it could result in legal liability if misstatements are made.
Residential Lead-Based Paint Hazard Reduction Act (Title X)

- Sellers (or seller’s agents) and landlords are required to disclose known lead paint hazards for homes built before 1978.
- Sellers and landlords must disclose any known lead-based paint hazards in homes and must give buyers and tenants any reports available from prior lead tests.
- Sellers (or seller’s agents) and landlords must give buyers and renters a pamphlet about how to protect families from lead in homes.
- Home buyers have a 10-day period (or other mutually agreed on time) to conduct a lead paint inspection or risk assessment at their own expense.
- Sellers, landlords, and real estate agents must include certain language in sales contracts and/or leasing agreements to ensure that disclosure and notification actually take place. This is included in most standard real estate contracts.
- Sellers aren’t required to remove lead paint, correct hazards, or do any testing. The contingency language in a purchase contract should explain what happens if lead paint or lead paint hazards are found.

Megan’s Law

- States are required to develop a procedure to notify community residents of sexual offenders living in their area.
- In New York, Megan’s law falls under the Sex Offender Registration Act (SORA) of 1996, which says any person convicted of a sexual crime must register with the Division of Criminal Justice Services 10 days prior to their release. Offenders living outside NY who go to work or school in the state, must also register.
- Once sellers have actual knowledge, sellers and agents are required to answer truthfully if a prospective purchaser inquires about sex offenders in the neighborhood. Direct them to local law enforcement.
Unit 3: Working with Buyers

Buyer’s Agency

- An agency relationship between a buyer and a broker
- Created with buyer-broker contract (also called a buyer agency agreement or buyer relationship agreement) which:
  - Grants the broker the exclusive right to represent the purchaser in the purchase or lease of property
  - Makes the buyer responsible for paying commission to the buyer’s broker

Duties of a Buyer’s Agent

Buyer’s agents owe all fiduciary obligations to the buyer in a real estate transaction. Among the duties of a buyer’s agent:

- Seek a property at a price and with purchase or lease terms acceptable to the purchaser. Unless the client so directs, the licensee is not obligated to seek additional purchase or lease possibilities if the purchaser is a party to a contract to purchase property, or has entered into a lease, or has extended a letter of intent to lease.
- Within the scope of knowledge required for licensure, answer the purchaser’s questions and provide information to the purchaser regarding any offers or counteroffers.
- Assist the purchaser in developing, communicating, and presenting offers or counteroffers.
- Present any offer to purchase or lease to the seller or the seller’s agent in a timely manner, even if the property is subject to a contract of sale, lease, or letter of intent to lease, and accept delivery of and present any counteroffers to the purchaser in a timely manner.
- Within the scope of knowledge required for licensure, answer the purchaser’s questions regarding the steps the purchaser must take to fulfill the terms of any contract.

Purchase Agreements

- The buyer’s initial offer (and subsequent counteroffers)
- The receipt for the earnest money deposit
- The contract between the buyer and seller
- Establishes the terms and conditions of the sale
- The document that communicates the details of the transaction to the mortgage lender, title company, and any other party to the transaction

New York Purchase Contracts

In New York, the location often dictates how purchase contracts are handled:

- Upstate New York (north of Westchester County) – agents generally complete pre-printed forms, which are joint creations of local real estate associations and bar associations.
- Downstate New York – agents generally complete binders with the required data, then pass to the seller’s attorney to create the sales contract.
Standard Information in a Purchase Agreement

- Agent relationship
- Parties to the contract
- Property description
- Terms (initially, the purchase price written in the purchase agreement is the buyer’s first offer)
- Deposits
- Settlement requirements or details

Financing Contingencies

- **Financing Clause** – A contingency that the buyer is able to obtain financing upon agreeable terms, including the mortgage amount, the type of mortgage, the maximum interest rate, the minimum term, etc.
- **FHA or VA Loan Clause** – A contingency that the buyer is able to obtain a VA-guaranteed loan commitment.
- **Loan Assumption Clause** – A contingency that the buyer is able to assume the seller’s loan.
- **Seller Financing Clause** – A contingency that the buyer is able to obtain financing from the seller.
- **Land Contract Clause** – A contingency that the seller grants a land contract to the buyer.
- **Sell Other Home Clause** – A contingency that the buyer is able to sell another home before he is bound to purchase another.

Typical Buyer Contingencies

- **Condominium Review Clause** – A contingency that allows review and acceptance of the Condominium Association documents.
- **Attorney Review Clause** – A contingency allowing the buyer’s attorney to review the contract. If the attorney does not approve of the contract, the buyer is excused from performing.
- **Inspection Clause** – A contingency relating to systems such as electrical, plumbing, roofing, drainage, heating, air conditioning, etc. and specifying they are in adequate supply and working properly.
- **Walk-Through Clause** – A contingency allowing the buyer the opportunity to walk through the home, and accept (or not) the condition and, therefore, the purchase agreement.
- **Absent Party Clause** – A contingency allowing the buyer to accept an offer by telephone or other non-signatory method, and sign within a fixed timeframe.
- **Wood Infestation Clause** – A contingency giving the buyer the opportunity to have the property inspected for termites and provide options if there are problems.
- **Certificate of Occupancy Clause** – A contingency putting the seller on notice that if the municipality requires a certificate of occupancy, the seller must provide it.
Unit 4: Commission

Eligibility

To be eligible for a sales commission, an individual must be:

- A real estate licensee, and
- Employed by the buyer or seller under a valid contract.

A salesperson receives the agreed upon share of the commission from his or her employing broker, and only from his or her employing broker.

Commission Details

- Generally considered earned when a ready, willing, and able buyer is found to meet the terms of the seller; referred to as a meeting of the minds
- Rates and terms set by each broker individually
- Always negotiated with the client
- May be based on percentage of sales price, flat fee, fee for specific services
- May be set up on a schedule, with the percentage changing as the price of the property goes up
- Generally earned when a ready, willing, and able buyer is found
- Should be included in a written agreement
- May be paid after a listing agreement expires if a “protection period” clause exists

An agent should never discuss commission rates with a licensee from another brokerage. To do so could leave the licensee open to charges of price-fixing, a violation of antitrust law.

New York Commission Escrow Act

- Signed in law in August 2008
- Intended to protect real estate brokers’ commissions that are contractually earned but that sellers refused to pay at closing
- Brokers who dispute commissions must file an “affidavit of entitlement to commission for completion of brokerage services”
- Requires that any disputed commission will be taken out of the proceeds of the sale and placed into escrow with the county clerk until the dispute is resolved
- Does not create a lien on the property, nor does it keep the closing from going forward
Commission Disputes Between REALTORS®

- Usually settled in an arbitration hearing with a disinterested third party
- Primary goal is to determine the procuring cause of the sale
- Factors in determining procuring cause may include:
  - Did the listing broker make an offer of compensation?
  - Did the initial broker make reasonable efforts to develop and maintain an ongoing relationship with the buyer?
  - Did the broker who initially introduced the buyer to the property engage in conduct (or fail to take some action) which caused the buyer to seek assistance from another broker?
  - Did the second broker wrongfully interfere with the first broker’s relationship with his/her buyer?
  - How do the efforts of one broker compare to the efforts of the other?
  - Was either broker aware of the other broker’s role in the transaction?
  - Did each broker fulfill his/her fiduciary obligations to his/her client?
  - What was the length of time between each broker’s efforts and the final purchase agreement?
  - Did either broker have a buyer-broker agency contract with the buyer?
  - Why did the buyer make the offer to purchase through one broker rather than the other?

Avoiding Disputes

A log of all activities should be kept from the time the agency relationship begins. For example, you should record:

- Conversations that occur on the phone,
- Copies of e-mails,
- Listings presented to the buyer,
- Any forms used to determine the buyer specifications,
- Appointments or cancellation of appointments, and
- Information provided regarding lenders, inspectors, and other professionals.

Pending Transactions

Most states prohibit a salesperson from accepting a commission or other valuable consideration from anyone other than the salesperson’s employer; they can never be paid by another broker or by a seller or buyer directly. It is generally permissible, however, for a salesperson to collect from a broker with whom she is no longer employed, if she was licensed with that broker at the time the commission is earned.

A potential commission for pending transactions should be spelled out clearly in the employment agreement that a licensee has with his or her employing broker.
Unit 5: Strategies for Success

Getting Clients

- Remember that when you’re selling yourself, you are also selling the services offered by your brokerage. Take advantage of your broker’s reputation, history, and experience.
- Never lie or exaggerate about your experience.
- Recognize your sphere of influence for referral opportunities.
- Pick an area where you feel comfortable and keep working it for results, within reason.

Showing Properties

- Be prepared. Never guess or make up an answer.
- Go through the home by yourself before showing it to a potential buyer if you’re not the listing agent.
- Be especially careful when qualifying buyers’ needs and wants.
- Take a buyer to a property via the scenic route if they aren’t familiar with an area.
- Make sure that the seller is not around when you’re showing the house.
- Help the buyers visualize themselves in the house by pointing out how their furniture, artwork, etc., would look in a particular location.
- Make sure that the seller has removed as much clutter as possible from the rooms.
- Ask a seller to walk through some model homes for some free advice on “staging.”

Handling Objections

- Restate an objection before trying to answer it.
- Never make a big deal out of an objection. Make your answer short and direct to the question at hand.
- Respond to objections by asking questions. This helps you understand the objection, the prospect’s thinking, and the real reason for the objection.
- No property is perfect. Every pro and con about the property must be weighed to find the best fit for a prospect. Sit down with the prospect and write out this list, helping to focus on the positives.
- Use third parties to support answers to objections, if possible. Avoid legal trouble by seeking the advice of experts if necessary.

Closing the Sale

- Take the initiative and ask for the sale.
- Don’t be pushy. However, there’s nothing wrong with a confident suggestion that if they like what they see, they should sign now before someone else does.
- Help make people feel at ease with making an offer or signing a contract to buy a house by sitting down with them and going through each part of the offer they are about to sign.
- Try to avoid any interruptions that can derail everyone’s train of thought. Let your prospects focus on signing the offer or contract.
- Encourage their attorney to look over the documents. This often makes people feel more secure.
Errors and Omissions Insurance

- Professional liability insurance that protects licensees from mistakes or negligence.
- Typical policy pays legal fees and judgments resulting from real estate activities.
- Does not cover fraud, transactions involving buying or selling your own real estate, and, depending on the policy, may not cover civil rights violations.
- Most agents can be covered under their broker’s policy for an additional fee.
- Brokers are not required to carry E&O insurance.
Terminology Review

**Arbitration** An alternative to a court proceeding where the parties agree to submit facts and evidence to an impartial third party.

**Asking Price** The price the seller asked for the property when it was first put on the market. Also called **Listing Price**.

**Binder** An agreement that may accompany an earnest money deposit for the purchase of real property as evidence of the purchaser’s good faith and intent to complete the transaction. It is important to note a binder is not a sales contract. It is used, however, by attorneys as the blueprint for creating a sales contract. Typically used in Downstate New York.

**Buyer-Broker** An agent representing the interests of the buyer of a property. Also called **Buyer’s Agent**.

**Broker Protection Clause** Provides the broker is still entitled to commission if the property is sold during a certain time period under certain circumstances.

**Broker’s Agent** Engaged and works directly for the broker – a broker’s agent is not a subagent of the seller or buyer. Still owes the same fiduciary duty to the broker’s seller or buyer the broker does.

**Brokage** A broker’s business.

**Buyer-Broker Contract** An employment contract between a buyer and a broker that grants the broker the exclusive right to represent the purchaser in the purchase or lease of property and that makes the buyer responsible for paying commission to the buyer-broker. Also called a **Buyer Agency Agreement**.

**Caveat Emptor** A Latin phrase meaning “let the buyer beware.” The rule that says a buyer is expected to examine property carefully, instead of relying on the seller to point out problems.

**Commissions** The compensation paid to someone in lieu of or in addition to his or her regular salary. (Commissions may be a flat rate or percentage of sales price, but can only be counted as income if they are consistent.)

**Competitive Market Analysis** A method of determining the approximate market value of a home by comparing the subject property to other homes that have sold, are presently for sale, or did not sell in a given area.

**Condition** A provision in a contract, deed, law, regulation, guideline, etc. that makes the parties’ rights and obligations depend on the occurrence (or non-occurrence) of a particular event. Also called a **Contingency Clause**.

**Cooperating Agent** An agent who works with a listing agent to sell property in a real estate transaction; the selling agent who found a buyer for the listed property. The cooperating agent could be a buyer’s agent, or a subagent or broker’s agent of the listing broker. Also called **Cooperating Broker**.

**Counteroffer** A counteroffer represents a change. It is a response to an offer to enter into a contract, changing some of the terms of the original offer. A counteroffer is a rejection of the original offer (not a form of acceptance), and does not create a binding contract unless the new counteroffer is accepted by the original offeror (the counteroffereree).

**Deposit** Money offered as an indication of good faith regarding future performance of a purchase agreement. Also called **Earnest Money**.

**Disclosure Statement** A document, required by law, which reveals specific information.

**Earnest Money** Money offered as an indication of good faith regarding future performance of a purchase agreement. Also called **Deposit**.

**Errors and Omissions (E & O) Insurance** Professional liability insurance that protects real estate licensees from mistakes or negligence. A typical policy pays legal fees and judgments resulting from real estate activities. It doesn’t cover fraud, transactions of buying or selling your own real estate, and, depending on the policy, may not cover civil rights violations (because punitive damages are usually exempt).

**Exclusive Agency** Listing agreement that entitles the broker to a commission if anyone other than the seller finds a buyer for the property during the listing term.

**Exclusive Right to Sell** Listing agreement that entitles the broker to a commission if anyone, including the seller, finds a buyer for the property during the listing term.

**Farming an Area** A phrase used to create an image of working on a specific area over a period of time for prospects. Like farming, you plant seeds and wait for them to grow.
Farming encompasses a number of techniques – from calling all the houses on each street to passing out brochures in an area.

**Latent Defect** A defect that is not visible or apparent; a hidden defect that would not be discovered in a reasonably thorough inspection of property.

**Legal Description** A precise description of a piece of property.

**Listing** A written agency contract between a seller and a real estate broker, stating that the broker will be paid a commission for finding (or attempting to find) a buyer for the seller’s real property. A listing is a personal services contract.

**Listing Broker** The broker with whom a seller signs a listing agreement and to whom commission is typically paid upon the successful procurement of a buyer. Also called **Listing Agent**.

**Listing, Exclusive Agency** A listing agreement that entitles the broker to a commission if anyone other than the seller finds a buyer for the property during the listing term.

**Listing, Exclusive Right to Sell** A listing agreement that entitles the broker to a commission if anyone, including the seller, finds a buyer for the property during the listing term.

**Listing, Net** A listing agreement in which the seller sets a net amount that is acceptable for the property; if the actual selling price exceeds that amount, the broker is entitled to keep the excess as commission. Net listings are illegal in New York.

**Listing, Open** A nonexclusive listing, given by a seller to as many brokers as he or she chooses. If the property is sold, a broker is only entitled to a commission if he or she is the procuring cause of the sale.

**Material Fact** An important fact; one that is likely to influence a decision.

**Multiple Listing Service (MLS)** A listing service whereby local member brokers agree to share listings and commissions on properties sold jointly. The MLS generally consists of either a book or, more typically, an online database that is updated regularly to include new listings.

**Offer** When one person proposes a contract to another and that offer is accepted, a binding contract is formed.

**Offer of Compensation** The commission rate that will be paid on the sale of property is always independently negotiated between the seller and the broker at the time a listing agreement is made.

**Offer of Cooperation** Usually published in the form of an MLS listing, the listing includes the amount, (most frequently a percent of the gross sales price or a flat fee) offered as compensation for either a subagent or buyer’s agent.

**Offeree** A person who receives an offer or to whom an offer is made.

**Offeror** A person who makes an offer.

**Patent Defect** A visible, apparent defect that can be seen in a reasonably thorough inspection of property.

**Personal Property** Tangible items that (usually) are not permanently attached to or part of real estate; any property that is not real property; movable property not affixed to land. Also called **Chattels** or **Personalty**.

**Pre-Approval** Process by which a lender determines if potential borrowers can be financed through the lender, and for what amount of money.

**Pre-Qualification** Process by which an agent or lender reviews potential borrowers to determine if they are likely to get approved for a loan, and for approximately what amount.

**Procuring Cause** The real estate agent who is primarily responsible for bringing about a sale, such as by introducing the buyer to the property or by negotiating the agreement between the buyer and seller. Sometimes more than one agent contributes to a sale.

**Purchase Agreement** A contract in which a seller promises to convey title to real property to a buyer in exchange for the purchase price. Also called a **Purchase and Sale Agreement**, a **Purchase Contract**, a **Sales Contract**, or an **Earnest Money Agreement**.

**Revocation** When someone who granted or offered something withdraws it; as when a principal withdraws the authority granted to the agent, or an offeror withdraws the offer.

**Selling Agent** The agent who finds a buyer in a real estate transaction, often as a cooperating agent. Also called **Selling Broker**. Do not confuse with the term seller’s agent, which is the listing agent.

**Sphere of Influence**
People you know (and whom you can ask for referrals).

**Stigmatized Property** A property that is undesirable to most people because of a past event (often a crime or environmental hazard).

**Subagent** An agent of an agent; a person that an agent has delegated authority to, so that the subagent can assist in carrying out the principal’s orders.

**Tortious Interference** The causing of harm by disrupting something that belongs to someone else – for example, interfering with a contractual relationship so that one party fails to execute his or her promise.