



## Property Condition, Disclosures and Recommendations

In purchasing a property, buyers will want to receive as much information about the property as they can to make informed decisions. Generally, sellers provide and buyers receive a Seller's Property Disclosure Statement prior to the purchase agreement being signed. In addition, many municipalities require property inspections be provided to buyers prior to purchasing a property. Sellers must also inform buyers in writing of any changes and discoveries regarding the property which may occur before closing but after initial delivery of the Disclosure Statement.

Buyers and sellers should be aware that the disclosure is made by the seller, not Edina Realty and its agents. Furthermore, the Disclosure Statement doesn't constitute a contract between the buyer and seller. It merely provides a disclosure of the seller's knowledge about the property. Any agreements, representations or warranties between the buyer and seller must be included in the Purchase Agreement.

A home buyer should be aware of environmental issues which may affect their buying decisions. Among the most common environmental issues are:



- **Radon**
- **Hazardous substances**
- **Asbestos**
- **Mold**
- **Lead based paint/plumbing**
- **Electrical and magnetic fields (EMFs)**
- **Underground storage tanks**

► For more information about any of these environmental issues, please consult your Edina Realty agent.

# TOTAL REPRESENTATION

for Homebuyers and Home sellers



**Edina Realty**<sup>®</sup>  
a Berkshire Hathaway affiliate

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Thank you for selecting an Edina Realty agent to assist you in purchasing or selling a property.

Edina Realty firmly believes that you should be properly informed, at the outset, about matters such as negotiating strategies, selecting price and terms, and protecting yourself in the transaction.

We understand that a real estate transaction may be one of the biggest decisions you will make and we want to assure you that we'll do our best to service your needs.

Your satisfaction is very important to us!



Edina Realty believes that representation is important when selling or purchasing a property. We want to help you understand representation so you can make better informed home buying and selling decisions.



## Agency

An agency relationship is based on one person representing the interests of another person. Real estate agents are licensed by the state to represent a person for the sale, purchase or leasing of property. The responsibility of the agent is defined by state law, the REALTOR® Code of Ethics and general principles of agency law.

## Fiduciary Relationship

In real estate transactions, an agency is formed between the real estate broker and the client. Generally, the client works with one agent who is associated with the broker. The client may be either a buyer or seller.

The type of relationship formed between the agent and the client is called a fiduciary relationship which is based on trust because the agent owes the following duties to the client:



*NOTE: The source of compensation doesn't determine agency. It can be paid by the buyer, seller or both or neither (subject to restrictions under applicable state law).*



## Buyer Representation

Real estate agents have considerable knowledge that can help buyers in deciding what property makes the best sense to buy. Edina Realty firmly believes that buyer representation is an important service and we've been providing that to our clients since 1986.

When a buyer is represented by an agent that agent's fiduciary duties are owed to the buyer not the seller, except in transactions involving dual agency. The agent who represents the buyer has more freedom to discuss with the buyer such things as negotiating strategies and personal finances. The buyer can obtain information from his/her buyer agent concerning the value of the property, the effect of improvements and a variety of information which a seller's agent may not be able to provide.



## Seller Representation

The real estate company that lists the property is called the listing broker. The listing agent will market the home and use his or her expertise to locate a buyer for the property. These efforts may include holding open houses, internet or media advertising, direct mail campaigns, networking with other real estate agents, and more.

Under certain circumstances a listing agent may have a legal responsibility to disclose information that is detrimental to the seller. If the agent is aware of adverse material facts about the property, the agent is required by law to disclose those facts to the buyer. In addition, if the agent learns that a party is not intending to perform under their contract, this information must likewise be discussed.



## Dual Representation

A buyer represented by an Edina Realty agent may be interested in purchasing a property that's listed with Edina Realty. This situation creates what is called a dual agency. Technically, dual agency arises when Edina Realty has a relationship with two clients, the buyer and seller, who may have differing interests.

Dual agency is an appropriate form of representation and can provide benefits to the seller and buyer as long as it is disclosed and agreed upon by both the buyer and seller. Upon the agreement of the parties to a disclosed dual agency, neither agent may disclose any confidential information that would create a negotiating advantage for either client. Confidential information includes such things as the possibility that the seller will accept a price less than the listing price or that the buyer will pay a price greater than the price offered. Of course, in any agency relationship, if the buyer or seller have any legal questions they should consult their attorney.