

## Conflicted Agent Practices

Below are examples real estate agent practices permitted under Georgia law that conflict with client interests. Sage avoids these practices through *True Agency*.

### Engaging in Designated Agency

*Designated Agency* occurs when a brokerage firm *represents* both the seller and the buyer in the same transaction, with one of the firm's agents *representing* the seller and another *representing* the buyer. Designated Agency is a serious conflict of interest, similar to a law firm representing opposing parties in the same lawsuit or business transaction. Designated agency is a common practice in the larger real estate companies; in fact, it is encouraged because it is profitable.

**True Agency precludes designated agency. Because we check for potential conflicts prior to accepting a new listing or buyer client, designated agency is never an issue with Sage.**

### Accepting Competing Listings

Real estate companies and their agents routinely list homes for sale that compete directly with their other listings. In fact, it is common for an agent to have several competing homes listed in a single neighborhood. When you hire an agent to market and sell your home, you expect her to sell against your competition. Of course, it is impossible for that expectation to be met when the firm and/or the agent also represent your competition.

**True Agency precludes Sage from accepting a listing that would logically compete with an existing client's listing.**

### Accepting Undisclosed Excess Commission

Listings frequently offer a commission above a base-line 3% to induce buyer agents to *sell* the listing to their clients. Agents are not required to disclose a commission *bonus* to their client. Because a bonus influences an agent to *steer* her buyer-client toward one home over another, and because the price the buyer pays for the home is inflated to cover the bonus, accepting excess compensation is a conflict of interest.

**True Agency requires that we disclose and pay you any commission or bonus paid to us in excess of a 3% commission share.**

### Steering Buyer Clients

An agent may choose whether or not to show a client a particular property, or may influence a client's decision with respect to a property, to promote the agent's own agenda. It is common for agents to steer clients toward the agent's own listings, the agent's company's listings or toward listings offering a commission bonus. It is also common for agents to steer clients away from *by-owner* homes and listings offering a lower commission.

**True Agency requires that we show clients all homes meeting their criteria, while providing unbiased information and objective advice concerning any listing.**