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## **LEGAL NOTES**

11-15-13

### **BUYER BEWARE!**

AN ARTICLE PUBLISHED IN THE HOUSTON CHRONICLE ON 11-13-13 REPORTS THAT A HOUSTON RESIDENTIAL REAL ESTATE AGENT FIRM IS SUING A HOMEOWNER FOR BREACH OF CONTRACT. THE REAL ESTATE AGENT FIRM CLAIMS THAT THE HOMEOWNER BREACHED HIS "BUYER REPRESENTATION AGREEMENT" WITH THE FIRM BY PURCHASING A HOME THROUGH ANOTHER REAL ESTATE AGENT DURING THE EXCLUSIVE PERIOD OF THE AGREEMENT. THE HOMEOWNER ADMITS THAT HE DID NOT READ THE AGREEMENT WHEN HE SIGNED IT. NO MATTER HOW THE LAWSUIT IS RESOLVED, THERE ARE SOME LESSONS TO BE LEARNED FROM THIS HOMEOWNER'S EXPERIENCE. FIRST, READ AND UNDERSTAND ANY AGREEMENT WHICH YOU SIGN. IF YOU DON'T UNDERSTAND A PROVISION IN THE AGREEMENT OR ITS CONSEQUENCE, ASK QUESTIONS OR ENGAGE AN ATTORNEY TO ASSIST YOU. FOR MOST PERSONS, THE PURCHASE OF A HOME IS THE BIGGEST INVESTMENT A PERSON WILL MAKE. SECOND, THINK TWICE ABOUT ENTERING INTO A BUYER REPRESENTATION AGREEMENT WITH AN AGENT IN ANTICIPATION OF PURCHASING A NEW HOME. THERE ARE LEGITIMATE REASONS FOR A REAL ESTATE AGENT WHO REPRESENTS A SELLER TO REQUIRE AN EXCLUSIVE OR "LISTING" AGREEMENT IN MARKETING A HOUSE FOR SALE. HOWEVER, THE SAME REASONS DON'T APPLY IN A BUYER'S SITUATION. IF YOU ARE PROSPECTIVE BUYER, WHY LOCK YOURSELF IN IF THE AGENT IS NOT PERFORMING WELL OR EXPOSE YOURSELF TO LIABILITY LIKE THE HOMEOWNER IN THE CHRONICLE ARTICLE?