

BROKERS Who needs one ?

You probably do. You have the choice of attacking the real estate market yourself, or with the help of an expert. If you choose not to use a real estate broker, you will of course save yourself the trouble of paying the broker's commission, but at what price? You will deprive yourself of the benefits of his experience and expertise, which could save you time and help you to avoid making a bad deal. The broker knows the neighborhood and knows the market, and his advice could be invaluable.

Not just any broker will do

Friends, parents, or business associates can all be a source of names. But don't just ask for names. Find out why people are recommending a particular broker. Professionals in related such as finance, tax, and law can also be good broker referral sources. Even with a referral from a trusted source, you should make your own inquiries. Ask for a list of every property the brokerage has sold in recent months. That way you will be able to see how many properties it has sold and listed in your target neighborhood. Eliminate brokers who are focused outside your area and those who have no geographical focus. Check the property type (simple, deluxe, super deluxe, etc.) that has been sold. This will tell whether the broker works on your type of property. See if the broker handles property in your price range. A broker who deals in much more or less expensive property than you expect to buy may not be the right broker for you. Anyone who declines to show such information may be trying to hide either lack of sales or unhappy clients. One common mistake is thinking that working with more than one broker will be much better. Things don't work that way in the real world. You will probably get confused with so many suggestions and it will end up being more difficult to find your dream house. A broker may neglect to focus on your particular case if it is apparent that you are dealing with another one at the same time.

The broker gets his share

Broker's compensation is normally a commission that is paid only when a property is purchased. Commission is calculated as a percentage of the sale price. In Lebanon, it is usually five percent, with the seller and the buyer paying 2.5 percent each. The commission covers the cost of ads and employees. It does not cover registration expenses-although brokerage firms provide all the help the buyer needs while registering the new house. The commission is not usually negotiable if you are dealing with a well-known firm.

Going it alone

One can deal directly with home buyers and developers. In such cases, neither the developer nor the buyer pays commission. While some home-buyers have successfully purchased their homes without a broker, others have made big blunders. Using a broker may make a lot of sense for beginners. Beyond the actual job of finding the property, they perform additional tasks such as negotiating, estimating the market value, checking the legal aspects, and helping coordinate property inspections, facilitating registration procedures, etc. All these tasks need to be done whether there is a broker or not. The money paid in commission is not a guarantee that nothing will go wrong, but the services of a

professional broker make it much less likely. Using a newspaper ad to buy a refrigerator that doesn't work is a nuisance. Buying a home without the help of a broker could be a disaster.

R.E.A.L. is for Real

A newly formed organization, the Real Estate Association of Lebanon (R.E.A.L.) is a representative body for brokers and consultants, with the purpose of regulation, education, and providing a set of standards and code of ethics for the real estate industry. R.E.A.L. will also act as a mediator between brokers and their clients if disputes arise. Given these goals and targets, R.E.A.L. has the potential to transform the brokerage business in Lebanon into a professional industry, and that will create trust between brokers and clients, which in turn will give a boost to an already buoyant real estate market. It is one of the sources to check with regarding the reputation of a broker.