

FOR IMMEDIATE RELEASE

CONTACT: Laura Snow  
(323)259-6448  
[Laura2Snow@earthlink.net](mailto:Laura2Snow@earthlink.net)

## CONSUMER GUIDELINES OFFERED IN HOME SELLING PROCESS

-- Awareness is Key; Conflict of Interest Pervasive in Real Estate --

SAN DIEGO, CA (September 21, 2005) – As Realtors convene today in San Diego at the California Association of Realtors' (CAR) annual convention, there is a topic that will not be discussed in any of the seminars – the conflict of interest pervasive in the real estate field. In California, where listings are currently scarce, consumers need to be aware of how agents -- on both the buying and selling ends -- may be acting in ways that do not benefit them.

“It is critical that consumers become informed of the various conflict of interest scenarios that could occur when they buy or sell a home,” states Paul Yalnezian, president of Right Home, a privately-owned real estate services corporation licensed and serving California. “Conflict of interest in real estate can be very costly to the consumer, as real estate is typically the largest purchase a person engages in. It happens when someone in a position of influence or trust, recommends that we do something that benefits him, and not necessarily us.”

To help consumers become more aware, Mr. Yalnezian, a licensed broker since 1990, has created a list of guidelines that will benefit both real estate buyers and sellers. In his tip sheet he includes the following examples of conflict of interest:

- Any time real estate agents and their brokerages represent both the buyer and seller on the same property transaction and collect both the sales and buyers commission (called “double ending” the deal);
- When an agent recommends certain service providers (such as a mortgage broker, appraiser, or home inspector) and receives a kickback referral fee without disclosing the relationship to the consumer;
- When an agent inquires about the status of a listing, and the listing agent claims to have several offers already, when in fact he has none;
- Any time a listing agent misrepresents the availability of access to show or inspect a listed property;
- When an agent recommends you offer above the asking price, while all the comparable sales data suggest a much lower value.

Yalnezian also notes that consumers should beware of various “discount” services that a traditional real estate brokerage may offer.

“In California’s current business climate, agents are seeking to win listings by promising a very low sales commission,” states Mr. Yalnezian. “The agent will then try to recover from the lower commission by representing the buyer as well and getting ‘well’ on the buyer’s side commission.”

In 75 percent of the residential and commercial real estate transactions that Right Home represents, it is representing both a seller and buyer on the same property transaction, however, all the real estate agents receive a salary instead of a commission, and the company business model does not permit the collection of double commissions. “So our clients interests are served only, not the agent or brokerage. Right Home receives the same sales commission, as low as 1 ½ percent whether we’re handling both sides of the transaction or another agent is working with the buyer.”

This fundamental distinction avoids “double ending the deal,” or a conflict-of-interest pervasive in traditional brokerages. Also, clients receive a service performance guarantee, and agents are paid bonuses based on client satisfaction, not volume. Yalnezian points out that in traditional real estate there are legal protections for home sellers and buyers. Any wrongdoing by an agent, however, may be difficult to prove, as they are independent sole practitioners. Agents are typically not under direct supervision and can therefore manipulate the system with little chance of getting caught.

“In traditional real estate, small violations that are hard to detect, let alone prove, can result in big rewards for the agent,” states Mr. Yalnezian. “Therefore, the consumer must always be on guard and know about the potential conflicts of interest before you put your house on the market or begin looking for a new home. Through Right Home’s guidelines for consumers sheet, our goal is to help consumers through this major and sometimes stressful transaction.”

Right Home, a comprehensive real estate corporation established in 1998, is located in Glendale, California and provides real estate brokerage services, mortgage financing and escrow services all under one roof. The company differentiates itself from the traditional brokerage by its exclusive use of salaried real estate agents instead of commissioned independent agents. The privately owned company is licensed in California and conducts business primarily in the San Fernando Valley to the San Gabriel Valley with more than 20 full-time employees. The company is managed by Paul Yalnezian, founder and president of Right Home. For more information, contact Right Home at [righthome.com](http://righthome.com) or (818)240-7840.