

UNDERSTANDING BROKERAGE RELATIONSHIPS



Customer

- A person who has **not** entered into a written brokerage agreement
- Must be treated honestly and fairly
- Agents must disclose material facts they know or should know
- Duty of confidentiality owed to prospective client*



Client

- A person who has entered into a **written** brokerage agreement with a broker
- Agent owes client duties of reasonable care: loyalty, disclosure, confidentiality, diligence, and accounting



Brokerage Relationship

A relationship created by a **written** brokerage agreement between a client and a broker where the client authorizes the broker to provide real estate brokerage services in a **residential** real estate transaction



Buyer agent

A licensed real estate broker, associate broker, or salesperson who, in accordance with a written brokerage agreement, represents a buyer/tenant in the acquisition of real estate for sale/lease



Seller agent

A licensed real estate broker, who in accordance with a written brokerage agreement, acts as the listing broker, or a licensee **affiliated with the listing broker**



Subagent

A licensee **from another company** that is authorized, through the listing agreement, to show the home to buyer **customers** on behalf of the seller**



Dual Agency

A relationship in which a licensed real estate broker or designated branch office manager acts as a dual agent



Dual Agent

A licensed real estate broker or designated branch office manager who acts as an agent for **both** the seller/landlord and buyer/tenant in the same transaction



Intra-company agent

The two agents who have been **designated** by a dual agent to act on behalf of a seller/landlord or buyer/tenant in the same transaction***

Notes:

* Duty is owed to a customer with whom you've discussed forming a brokerage relationship.

** A subagent's duty of loyalty is to the seller.

*** Intra-company agents are affiliated with the same brokerage.