

DEFINITIONS OF REAL ESTATE BROKERAGE RELATIONSHIPS

For purposes of these Definitions, buyer also means "tenant" and seller also means "landlord".

Seller's Agent: A seller's agent:

- Is engaged as a limited agent and works solely on behalf of the seller;
- Owes duties to the seller which include the utmost good faith, loyalty and fidelity;
- Will negotiate on behalf of and act as an advocate for the seller;
- Must disclose to potential buyers or tenants all adverse material facts about the property actually known by the broker.

Seller is legally responsible for the actions of the agent when such agent is acting within the scope of the agency. A separate **written** listing agreement is required which sets forth the duties and obligations of the parties.

Seller's Subagent: A subagent:

- Is engaged as a limited agent and owes the same duties of utmost good faith, loyalty and fidelity to a seller as the seller's agent;
- Must make the same disclosures to buyers concerning adverse material facts about the property;
- Will negotiate and act as an advocate for the seller.

Seller is legally responsible for the acts of the subagent when such agent is acting within the scope of the subagency. Seller must give **written** permission for the listing agent to employ subagents.

Buyer's Agent: A buyer's agent:

- Is engaged as a limited agent and works solely on behalf of the buyer and owes duties to the buyer which include the utmost good faith, loyalty and fidelity;
- Will negotiate on behalf of and act as an advocate for the buyer;
- Must disclose to potential sellers all adverse material facts concerning the buyer's financial ability to perform the terms of the transaction and whether the buyer intends to occupy the property.

Buyer is legally responsible for the actions of the agent when such agent is acting within the scope of the agency. A separate **written** buyer agency agreement is required which sets forth the duties and obligations of the parties.

Dual Agent: A dual agent is a broker who:

- With the written informed consent of all parties to a contemplated real estate transaction, is engaged as a limited agent for both the seller and buyer.

The seller and buyer may both be legally responsible for the acts of the dual agent when such agent is acting within the scope of the dual agency relationship. A **written** dual agency agreement/addendum is required (e.g., Dual Agency Addendum).

Transaction-Broker: A transaction-broker:

- Assists the buyer or seller or both throughout a real estate transaction with communication, advice, negotiation, contracting and closing without being an agent or advocate for any of the parties;
- A transaction broker does owe the parties a number of statutory obligations and responsibilities, including using reasonable skill and care in the performance of any oral or written agreement;
- Must also make the same disclosures as agents about adverse material facts concerning a property or a buyer's financial ability to perform the terms of a transaction and whether the buyer intends to occupy the property.

The parties to a transaction are not legally responsible for the actions of a transaction-broker and a transaction-broker does not owe those parties the duties of an agent. **No written** agreement is required.