



AGENCY RELATIONSHIP

Why so many contracts?

BOSLEY
REAL ESTATE

TREVOR BOND, Sales Representative
Bosley Real Estate Ltd., Brokerage - 169 Danforth Avenue
T: 416.465.7527 | E: trevor@trevorbond.ca



THE AGENCY RELATIONSHIP

I'm trying to simplify this explanation and may cut some corners, if you are concerned or you require more detailed answers to questions, do not hesitate to contact me directly. Let's differentiate persons that work with Realtors that are under contract (Agency relationship or a Client) versus those not under contract (Customer Service Agreement or a Customer). Duty of Care differs between Customers and Clients. So too the level of obligation, whereby the Client's relates to the Representation Agreement, and the duty of care includes everything that is done (or ought to be done) by the agent. Such as:

- Fiduciary Responsibilities or Obligations under Agency or Common Law
- A relationship of trust between a client
 - Loyalty, best interests (single party representation)
 - Avoid conflicts of interest
 - Disclose conflicts
 - Do not seek profit, 3rd party or thru improper advice
 - Do not misuse confidential information, for the agent's own interests, to harm the client, or interfere with client endeavors
- Exercise Care and Skill
 - Providing Accurate Information
 - Refer relevant experts
- Negotiate favourable terms
- Act in person
- Perform Mandate as set out in the agreement
- Do the Client's lawful bidding
- Confidentiality, motivations, full disclosure
- Honesty
- Respond to questions
- Perform standard brokerage functions

*Governing Bodies:
Regulatory Obligations as set out in REBBA 2002 or Real Estate Business Brokers Act,
Privacy Act PIPIDA, Consumer Protection Act, Competition Act.*



The Contracts Binding Realtor to Client

BUYER AGENCY

(a BRA a.k.a. the Buyer Representation Agreement, is the contract Buyers sign with their Representatives)

I am a representative of my Brokerage. So when you hire me, you are in fact entering into a contract with Bosley Real Estate. Bosley is in the end responsible for the various filings and requirements that various governing bodies and statutes demand, I'm responsible for fulfilling the duties of the contract.

A real estate company acting as a “buyer’s agent” must do what is best for the buyer. A written contract, called a buyer agency agreement, (here is a plain language BRA) establishes buyer agency. It also explains services the company will provide, establishes a fee arrangement for the Realtor’s services and specifies what obligations a buyer may have.

Typically, buyers will be obliged to work exclusively with that Brokerage for a period of time. Information a buyer shares with the buyer’s agent must be kept confidential. That includes your motivations, price ceiling, and any info that can be used against you during negotiations.

Old School Agents rejoiced as they saw the BRA as merely a protection of their commission, but it is more than that to the smart Buyer, it holds the Realtor to a minimal duty of care.

SELLER AGENCY

When a real estate company acts as a seller’s agent, it must do what is best for the seller of a property. A written contract, called a listing agreement, establishes seller agency (here is a plain language listing agreement). It also explains services the company will provide, establishes a fee arrangement for the Realtor’s services and specifies what obligations a seller may have.

BUYER'S AGENCY
The B.R.A.

SELLER'S AGENCY
The Listing Agreement

AGENCY ACKNOWLEDGMENT
Working With a Realtor



DUAL/MULTIPLE AGENCY

Occasionally a real estate company will be the agent of both the buyer and the seller. More often will I be negotiating with a colleague from my, or another office of my brokerage. Consent is required, as I can't guarantee that a colleague didn't overhear a telephone conversation with my Client, or some other possible (albeit unlikely) breach in privacy.

On the rare occasion I've 'double-ended' a listing with my own buyer, I do so in an extremely transparent manner where both parties must feel this is the best deal for them. The deal must be in both their best interests. At Bosley we are not able to represent Buyers during multiple offers on our own listing (dual agency, multiple offers). A manager must sit in on the Buyers or Sellers side.

The buyer and seller must consent to this arrangement in their listing and buyer agency agreements. Under this "dual agency" arrangement, the company must do what is best for both the buyer and the seller.

Since the company's loyalty is divided between the buyer and the seller who have conflicting interests, it is absolutely essential that a dual agency relationship be established in a written agency agreement. This agreement specifically describes the rights and duties of everyone involved and any limitations to those rights and duties suggest an offering price, which is realistic and competitive given the current climate of the market.

NON-CLIENTS

Realtors are obliged to treat fairly and honestly any customers, or those who are not under an Agency agreement. You may ask why or when is there ever a Customer relationship with a Realtor. For me the answer is rarely. Usually it's a buyer who thinks they are going to get a deal by letting the Realtor double-end the sale. But our best interests are not in the Seller's Listing Agreement. It may happen more in the city with builders or investors that don't like to be obligated to any one Realtor or out of the city in rural areas where it's less of a Seller's Market (written in 2013).

Realtors are obligated to disclose facts that may affect a buying or selling decision. It may be difficult for a Realtors to judge what facts are important. They also may not be in a position to know a fact. You should communicate to your Realtor what information and facts about a property are important to you in making a buying or selling decision, and document this information to avoid any misunderstandings and/or unpleasant surprises.

Similarly, services that are important to you and are to be performed by the brokerage, or promises that have been made to you, should be documented in your contract with the brokerage and its salesperson/broker.