



RECO ALERT!

Please be advised that, as a result of a recent RECO Complaint Investigation, we are required to ensure that all our associates practice the following:

MULTIPLE REPRESENTATION DISCLOSURE

When you are the listing representative on a property, it's imperative that you disclose situations of multiple representations. If any of the buyers are being represented by someone from our brokerage, whether by you or a fellow employee of our brokerage, that information **must** be disclosed to all other prospective buyers before an offer is made. Failing to do so may give other buyers the sense that the process was not conducted fairly, and that one buyer may have been given preferential treatment. That is the reason the requirements were put into place in REBBA 2002.

Upon knowing that there is a multiple representation scenario, the listing representative **must** notify the other buyers' representatives (or the buyers directly if they are not represented) in writing to let them know of the situation.

It is also mandatory that disclosure in writing be made to all buyer reps if there is a reduction in co-op commission on any offer. This must include details of the actual amount of reduction.

Documentation confirming that this disclosure was made (e.g., through email or text) is not only recommended, but required in order to prove compliance with the Code of Ethics.

Your cooperation and compliance with the above is greatly appreciated.

Paul Fletcher

Broker of Record

Multiple Representation

 reco.on.ca/registrars-bulletin/multiple-representation

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March 1, 2016

Bulletin #2016-2

This bulletin describes the disclosure obligations of a brokerage before it enters into a multiple representation situation. This includes representing a buyer and seller or multiple prospective buyers in the same transaction.

Services

In all situations, before entering into an agreement regarding trading in real estate, registrants are required to:

- Describe the services that are generally available to buyers and sellers;
- Describe the services that will be provided and the alternatives available to the potential client or customer;
- Inform prospective buyers and sellers of the possibility of multiple representation, including a description of the services the brokerage would provide in a multiple representation situation; and
- Make it clear to prospective buyers and sellers that the brokerage cannot represent multiple clients in a transaction unless all of the potential clients consent in writing to that representation.

Written consent from clients

When a multiple representation situation arises, registrants must explain how the services provided to the client will differ from a single representation situation, including any differences in the sharing of information. These disclosures are to be made at the earliest practical opportunity and before an offer to purchase is made.

The brokerage must also obtain the written consent of all of the parties it is representing in that transaction, via their salespersons or brokers.

Written consent is required in situations where a single brokerage represents two or more clients in a trade, even if different salespersons or brokers are involved. Given that the brokerage has a fiduciary relationship with more than one client to a trade, it must be clear to all clients to the trade how information related to the transaction will be exchanged and how services will be provided.

Consent to multiple representation is required when:

- A brokerage is representing both the buyer and seller in a transaction; or
- A brokerage is representing multiple prospective buyers in a single transaction.

In the case of multiple buyers, it may not be clear to the buyer's brokerage that a single brokerage is representing multiple buyers until one or more buyers have expressed interest in the same property. This knowledge may come through the listing brokerage, or its representatives, as they are in a position to know the source of all buyers. The listing brokerage is then expected to pass on this information to the buyers' brokerage. In such situations, consent to

BROKER OF RECORD BULLETIN

PAUL FLETCHER, BROKER OF RECORD



NEW RULES:

Written Direction for Multiple Offers

Although the changing market may make this a case of “closing the barn door after the horses have escaped”, RECO is on the war-path due to abuses and consumer complaints that have arisen from recent “wild west-style” mishandling of the offer process, particularly in relation to pre-emptive offers.

Clear, detailed and informed written direction from Sellers is absolutely required for every listing if a delay in offers is part of the marketing strategy. As well, documented written notification to all “interested” parties is also required regarding the offer process and/or any changes to that process.

Further, RECO cautions against the use of any disclaimers on listings, such as “Seller reserves the right to accept pre-emptive offers *without notice*” (or variations thereof) to be in direct contravention of REBBA.

It is imperative that every registrant take the time to read and fully understand the Registrar’s Bulletin attached here and to begin immediately to have OREA’s newly revised Form 244 explained to and signed by every seller.

The new forms will facilitate establishing informed consent with sellers and should lead to a fairer process for all parties.

If you still have questions after carefully reviewing the attached documents, please speak with your manager or give me a call at 905-858-3434.



Form 244

for use in the Province of Ontario

RE: LISTING AGREEMENT FOR:

PROPERTY ADDRESS:

BETWEEN:

SELLER:

AND

LISTING BROKERAGE:

MLS® NUMBER(S): **L/BR ID. #**

INTERBOARD MLS® NUMBER: **BOARD:**

LISTING COMMENCEMENT DATE:

THE SELLER ACKNOWLEDGES THAT THIS DIRECTION CANNOT BE CHANGED OR AMENDED OTHER THAN BY A NEW WRITTEN DIRECTION.

The Seller hereby directs the following:

NO CONVEYANCE OF ANY WRITTEN SIGNED OFFERS prior to on the day of, 20.....
(Seller's Initials) (conveyance includes but is not limited to presentation, communication, transmission, entertainment or notification of) (a.m./p.m.)

OTHER DIRECTIONS.....
(Seller's Initials)

OTHER DIRECTIONS.....
(Seller's Initials)

The Seller acknowledges that the Listing Brokerage has professional obligations to other brokerages and the Listing Brokerage will be complying with rules and regulations with respect to showing of properties and the conveyance of written offers.

The Listing Brokerage agrees to immediately notify the Real Estate Board(s) of this Seller's Direction in accordance with the MLS® Rules and Regulations, provided that this is an MLS® listing.

The Seller and the Listing Brokerage agree that the said Listing Agreement shall remain in full force and effect.

THIS IS NOT A CANCELLATION OF THE LISTING AGREEMENT.

For the purposes of this Direction, "Seller" includes vendor, landlord and lessor, "Buyers" include purchaser, tenant and lessee and Real Estate Board(s) includes Real Estate Association(s).

SIGNED, SEALED AND DELIVERED I have hereunto set my hand and seal:

..... (Seller) (Seal) (Date)

..... (Seller) (Seal) (Date)

..... (Name of Listing Brokerage)

..... (Authorized to bind the Listing Brokerage) (Date) (Name of Person Signing)