

Agency- What is it?



UNDERSTANDING AGENCY - WHO WORKS FOR WHOM?

SELLER AGENCY (SINGLE AGENCY)

- Agent will represent the best interests of the seller
 - Agent will owe the seller fiduciary duties
 - Agent must give the seller all material facts, so the seller can make an educated decision.
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BUYER AGENCY (SINGLE AGENCY)

- Agent will represent the best interests of the buyer
- Agent will owe the buyer fiduciary duties
- Agent must give the buyer all material facts, so the buyer can make an educated decision.

TRANSACTION BROKER (DUAL AGENCY)

- Agent represents both the buyer and the seller equally.
- Agent's objective is to get a mutually satisfactory agreement among all parties. ▪ Agent gives all options to the buyer and the seller.
- Depending on the local market, all parties may be present at contract presentation to negotiate on their own behalf.
- All parties have confidentiality. Agent may do nothing to the detriment of either the buyer and the seller.
- Both the buyer and the seller have a right to counsel. Before making any decisions, both parties have the right to seek family, religious, legal, or financial counsel.

AGENCY RELATIONSHIPS

AGENCY

The relationship between a principal and the principal's agent, which arises out of a contract, wherein the agent is employed to do certain acts dealing with a third party.

PRINCIPAL / CLIENT

(The employer of an agent)



The PRINCIPAL and BROKER are bound by a LISTING CONTRACT

REAL ESTATE BROKER



CUSTOMER (Prospective Buyer)

REAL ESTATE SALESPERSON

(Operates as a SUB-AGENT to the Broker)



The BROKER and SALESPERSON owe the following fiduciary duties to the CUSTOMER:

- Act fair and honestly
- Disclose all known material facts
- Operate with reasonable skill and care

DUAL AGENCY

An agency relationship in which the agent acts concurrently for both the buyer and seller.

DUAL AGENCY MUST BE FULLY DISCLOSED TO ALL PARTIES!

