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Your Relationship with the REALTOR®

When you engage a REALTOR® to represent you or act on your behalf in a particular matter, an agent/client relationship arises between you and the REALTOR®'s employing brokerage. This relationship can be created by the signing of a listing contract for the sale of your home or a buyer's agency contract for representation in buying a home. For a buyer, it can also arise through the implied conduct and activity between you and the REALTOR® when the REALTOR® takes on the role of representing you in viewing properties, obtaining information, or assisting in negotiations. Through these actions, it may become evident that the REALTOR® has undertaken to represent you even though your legal relationship has never been discussed. For a buyer, in the absence of any written buying contract with the brokerage, an agent/client relationship can be created when a REALTOR® undertakes to do something on your behalf which results in your reliance and acceptance of the REALTOR®'s actions.

Duties and Obligations of the REALTOR®

Once an agent/client relationship is formed, the REALTOR® and their employing brokerage are required to protect and promote your best interests in the transaction as they would their own. The following outlines some of their duties arising out of an agent/client relationship in a typical real estate transaction:

- 1. Loyalty** to serve your best interests ahead of anyone else's, including their own and at all times to exercise good faith and to disclose all known facts and information that may influence your decision.
- 2. Obedience** to follow all your lawful instructions.
- 3. Discretion** to keep confidential your private circumstances, motivations, and confidences, which you shared with the REALTOR® or which the REALTOR® or the brokerage has learned.

- 4. Competence** to exercise reasonable care and skill in performing all assigned duties.
- 5. Accounting** of all money, deposits, or other property entrusted to them.

Agency Disclosure

The REALTOR® from whom you received this brochure a member of the Manitoba Real Estate Association and a local real estate board (where organized). The REALTOR® is a member of the Canadian Real Estate Association, which entitles him/her to be referred to by the term REALTOR®. A REALTOR® is required to abide by a strict code of ethics and standards of business practice that serve to protect the buying and selling public. One of the ethical obligations embodied in the standards of business practice requires that all REALTORS® disclose to all parties concerned which party they are representing in a real estate transaction, i.e., seller or buyer. The requirement reads as follows:

“A REALTOR® shall fully disclose in writing to, and is advised to seek written acknowledgement of disclosure from, his or her Clients and those Customers who are not represented by other Registrants regarding the role and the nature of the services the REALTOR® will be providing. This disclosure shall be made at the earliest possible opportunity and in any event prior to the REALTOR® providing professional services which go beyond providing information as a result of incidental contact by a consumer.”

This brochure is not a contract for agency services. Its purpose is to assist in clarifying the role and nature of services that a REALTOR® and their employing brokerage may provide to a client or customer.

If you have any questions about the contents of this brochure, talk to the REALTOR® or another representative of the brokerage who gave you this brochure or contact your local real estate board or the Manitoba Real Estate Association.



Build. Empower. Uphold.



Working with a REALTOR®

TYPES OF AGENCY RELATIONSHIPS

Agent Represents One Party



SINGLE

Buyer and seller are represented by different brokerages/agents.

In Manitoba, the approach to real estate agency relationships is one that reflects the general understanding and expectation of buyers and sellers. It is generally understood that whether buying or selling, the REALTOR® and brokerage that you engage and rely on for representation has formed an agency relationship with you whereby the agent/client duties arise. It is this approach that is reflected in your local real estate board's multiple listing contract for residential property and the statutory *Residential Offer to Purchase* form that the REALTOR® is required to use for residential properties. It is assumed that, unless the parties otherwise agree, the REALTOR® and the brokerage representing the seller is the seller's agent and the REALTOR® and the brokerage representing the buyer is the buyer's agent.

Buying or selling a home is often one of the largest financial transactions a person makes. It is important to consider the kind of legal relationship you might be entering into with the REALTOR® you choose to assist you. This brochure will refer to the individual representative as the "REALTOR®" and the real estate firm that employs the "REALTOR®" as the "brokerage".

Agent or Brokerage Represents Both Parties



JOINT

Agent(s) from the same brokerage represent both the buyer and the seller.

It may arise that your REALTOR® or brokerage also represents the person who wishes to buy your home (or represents the owner of the home you are interested in buying). This may occur (even though the REALTORS® are different persons) when both REALTORS® are employed by the same brokerage. When this occurs, a conflict of interest arises and the brokerage can only continue to represent both parties when both parties consent to the joint representation and acknowledge the impact that the joint representation will have on the brokerage's duties. You may be asked to sign an *Acknowledgement of Limited Joint Representation* document. The terms of that acknowledgment will set out the agreed limits of the agency duties outlined earlier in this brochure. When both parties agree to limited joint representation, the REALTOR® and brokerage's relationship to both parties is tempered by the requirement for fairness and evenhandedness resulting in the brokerage being unable to represent the interests of either party over the other. Subject to the terms of *Acknowledgement of Limited Joint Representation*, the REALTOR® may no longer be able to keep confidential certain types of information relevant to the transaction from the other party and may be compelled to disclose these facts in an exercise of openness and fairness.

If you have any questions or concerns about joint representation and the impact it will have on the agency duties, you should discuss this with the REALTOR® involved before entering an agent/client relationship. The terms of any listing or buying contract that you sign will include your consent to the brokerage representing both parties jointly; if that is not your desire, the agreement should be amended accordingly.

No Agency Representation



NO REPRESENTATION

A buyer or seller (unrepresented) communicates directly with the other party's agent.

Apart from a single agency relationship (where the brokerage represents one party) or joint agency relationship (where the brokerage represents both parties), it is possible to engage the services of a REALTOR® without you and the brokerage establishing an agent/client relationship. This may occur when you attend an open house that is being offered for sale, and you make an offer to purchase it through the REALTOR® representing the seller. Or perhaps you are selling a home privately, and a buyer's REALTOR® contacts you directly and assists you in selling the home to his or her client. In these instances, the REALTOR® must make it clear to you that even when assisting you in such things as completing the paperwork or answering your questions, he or she is not representing you but rather is representing the other party only. Even though it is clear between you and the salesperson that the REALTOR® is not representing you, the REALTOR® will still owe certain legal and ethical duties to you, which include the following:

- 1. Honesty and fairness** in response to all your questions concerning the real estate property the REALTOR® is promoting.
- 2. Care and skill** in providing accurate information and assistance with the offer to purchase contract, in presenting the offer you submit, in dealing with conditions, in explaining legalities, and overall general assistance.

One of the disadvantages of dealing with the other party's REALTOR® or not having an agent/client relationship with the REALTOR® you asked to assist you is that you cannot expect the REALTOR® to negotiate price and terms on your behalf, because such activity may be contrary to the best interests of the client the REALTOR® is representing.

Acknowledgement

I acknowledge having received a copy of this brochure entitled *Working With a REALTOR®* from:

I acknowledge that:

NAME OF REALTOR®

employed by:

NAME OF BROKERAGE

disclosed that he/she is representing:
(check where appropriate)

- | | |
|--|--|
| <input type="radio"/> the seller's interest and not my own | <input type="radio"/> my interest as a seller |
| <input type="radio"/> the buyer's interest and not my own | <input type="radio"/> both my interest and the interest of the other party as joint representative with the full knowledge and consent of both parties |
| <input type="radio"/> my interest as a buyer | |
| <input type="radio"/> other: | |

SIGNATURE

DATE