

Residential Standard Agency FAQ's

Question: Is it the law that you have to have a signed agreement to show a house that is not your listing?

Answer:

Yes. Is it clearly expressed somewhere in the law? No. It takes three steps to get there, which is one of the reasons it has been causing concern. Here's how it goes:

1. **All brokerage agreements must be in writing** (yes - that's the 2012 change to the law)
2. **Showing a house is a brokerage service** (yes it is, because you cannot do it without a real estate license, based on the regulations regarding what an *unlicensed* person *cannot* do, one example of which is show a house)
3. **You conduct brokerage services on behalf of a client** (by definition – and your only options are the buyer and the seller)

Therefore: if you don't represent the seller, you need some agreement to conduct brokerage services.

Question: I heard that I will have to have a written Buyer Broker agreement for every transaction. Is that true?

Answer:

All agents will have to have *written* agency and brokerage agreements with clients they represent. These agreements must, at a minimum:

- Provide a list of services that the agent will deliver;
- Provide a schedule of fees that will be associated with service, and when payable; and
- Provide a definite termination date.

Question: What do I do if the Buyer wants to be represented by an agent but refuses to sign a Buyer Broker Agreement?

Answer

The new requirement that all Buyer Brokerage Agreements be in writing does not specify the duration of the agreements. For example, let's say I am a buyer looking for a house and I know I want representation but I am not sure from whom. Do I want to sign a Buyer Brokerage Agreement, which ties me to a specific agent for 180 days? Absolutely not! However, I may be very willing to sign an agreement for a few days, or for a specific property while we get to know each other. If after a trial period both the agent and the Buyer decide that the relationship will be a good one, then propose a long term Buyer Broker Agreement.

You should also point out that you are required by law to have the agreement in writing. RAR has developed a consumer brochure to help you in this situation.

Question: What if I represent a Seller and an interested Buyer wants me to write the offer but does not want representation? Will I have to have a Buyer Broker Agreement with him?

Answer:

No. The new law does not force Buyers to be represented by an agent. In this scenario, if you limit assistance to the buyer to ministerial tasks such as filling in the blanks on a contract no agreement is required. However, if the Buyer does want to be represented by an agent, then an agreement must be in writing.

Question: I heard that the law dramatically changes the way dual agency works in Virginia. Is that true?

Answer:

No. The disclosure requirements for dual agency have not changed. What has changed is the Dual Agency Disclosure Form. Dual agents will now provide, and have signed by the clients, a new form expressly describing the limitations on what dual agents cannot do for parties to a transaction.

Question: How do teams disclose a brokerage relationship?

Answer:

While the legislature has not addressed the use of "teams" in real estate transactions, we recommend that the names of all licensed members of a team be included in the Disclosure of Brokerage Relationship to Unrepresented Parties. Further, for dual or designated agency/representation, the agent's name who is specifically assigned to the client should be inserted on the disclosure form.

Question: Do I need to enter into a written brokerage agreement to provide a BPO?

Answer:

Yes. If you have been requested to provide a BPO (broker price opinion), then that is providing licensable service to a client and a written brokerage agreement is necessary to perform the service. You can elect to represent the client in an agency relationship (standard agent or limit service agent) or non-agency relationship (independent contractor).