

Disclosure of Real Estate Agency Relationships

There are three possible types of agency relationships. They are:

- 1. Seller's Agent/Listing Agent**
- 2. Buyer's Agent**
- 3. Dual Agent**

An agent represents the seller when a property is listed for sale. An agent represents the buyer when working with buyers. A dual agent represents both the seller and the buyer, when he/she shows buyers a property listed with his/her agency.

Each agency relationship carries with it legal duties and responsibilities on the part of the broker/salesperson as well as the seller and buyer.

Seller's Agent/Listing Agent

A seller's agent acts solely on behalf of the seller. A seller's agent has fiduciary duties to the seller which include reasonable care, undivided loyalty, confidentiality and full disclosure.

Although a seller's agent does not represent the buyer, a seller's agent must treat buyers honestly and fairly. A seller's agent must also disclose all material facts about the seller's property that are known by the broker.

Sub-Agent

A sub-agent is a type of seller's agent. Blanket sub-agency occurs when a listing agency offers (typically through a Multiple Listing Service-MLS) to share its commission with another broker who produces a buyer/customer for its listed property. This sub-agent has the same fiduciary duties to the seller as the listing agent does. Blanket sub-agency is being phased out in Connecticut by laws as of June 1, 1997.

Buyer's Agent

A buyer's agent acts solely on the behalf of the buyer. A buyer's agent has fiduciary duties to the buyer which include reasonable care, undivided loyalty, confidentiality and full disclosure. Buyer's agents often work with sellers but do not represent the seller. However, in working with the seller, a buyer's agent must act honestly and fairly.

Dual Agent

Dual Agency occurs when a real estate firm representing the buyer shows the buyer properties where the firm has also agreed to be the agent of the seller. A real estate firm can be the agent of both the buyer and seller in a transaction with the knowledge and written consent of the buyer and seller.

A real estate firm acting as a dual agent must carefully explain to both buyer and seller that they are representing both parties and their fiduciary duties are different if they represent both parties. When representing both seller and buyer, the agent must have the express permission of the respective party in order to disclose confidential information to the other party, such as price, terms and motivation to sell or buy.