## WORKING WITH REAL ESTATE AGENTS (LEASE TRANSACTIONS)

*NOTE: This form is designed for use by agents working with landlords and/or tenants. It is similar, but not identical, to the "Working with Real Estate Agents" brochure published by the NC Real Estate Commission (available in letter-length format as NCAR Standard Form #520), which **must** be used by agents working with sellers and/or buyers.*

When leasing real estate, you may find it helpful to have a real estate agent assist you. Real estate agents can provide many useful services and work with you in different ways. In some real estate transactions, the agents work for the landlord. In others, the landlord and tenant may each have agents. And sometimes the same agents work for both the landlord and the tenant. It is important for you to know whether an agent is working for you as **your** agent or simply working **with** you while acting as an agent of the other party.

This brochure addresses the various types of working relationships that may be available to you. It should help you decide which relationship you want to have with a real estate agent. It will also give you useful information about the various services real estate agents can provide landlords and tenants, and it will help explain how real estate agents are paid.

### LANDLORDS

***Landlord's Agent***

If you are leasing real estate as a landlord, you may want to "list" your property for lease with a real estate firm. If so, you will sign a "listing agreement" authorizing the firm and its agents to represent you in your dealings with tenants as your *landlord's agent.* You may also be asked to allow agents from other firms to help find a tenant for your property.

Be sure to read and understand the listing agreement before you sign it. Your agent must give you a copy of the listing agreement after you sign it.

*Duties to Landlord:* The listing firm and its agents must · promote your best interests · be loyal to you · follow your lawful instructions · provide you with all material facts that could influence your decisions · use reasonable skill, care and diligence, and · account for all monies they handle for you. Once you have signed the listing agreement, the firm and its agents may not give any confidential information about you to prospective tenants or their agents without your permission so long as they represent you. But **until you sign the listing agreement, you should avoid telling the listing agent anything you would *not* want a tenant to know.**

*Services and Compensation:* To help you lease your property, the listing firm and its agents will offer to perform a number of services for you. These may include · helping you price your property · advertising and marketing your property · giving you all required property disclosure forms for you to complete · negotiating for you the best possible price and terms · reviewing all written offers with you and · otherwise promoting your interests.

For representing you and helping you lease your property, you will pay the listing firm a commission or fee. The listing agreement must state the amount or method for determining the commission or fee and whether you will allow the firm to share its commission with agents representing the tenant.

***Dual Agent***

You may even permit the listing firm and its agents to represent you **and** a tenant at the same time. This "dual agency relationship" is most likely to happen if an agent with your listing firm is working as a *tenant's agent* with someone who wants to lease your property. If this occurs and you have not already agreed to a dual agency relationship in your listing agreement, your listing agent will ask you to amend your listing agreement to permit the agent to act as agent for both you and the tenant.

It may be difficult for a *dual agent* to advance the interests of both the tenant and landlord. Nevertheless, a *dual agent* must treat tenants and landlords fairly and equally. Although the *dual agent* owes them the same duties, tenants and landlords can prohibit *dual agents* from divulging **certain** confidential information about them to the other party.

Some firms also offer a form of dual agency called "designated agency" where one agent in the firm represents the landlord and another agent represents the tenant. This option (when available) may allow each "designated agent" to more fully represent each party.

If you choose the "dual agency" option, remember that since a dual agent's loyalty is divided between parties with competing interests, it is especially important that you have a clear understanding of · what your relationship is with the *dual agent* and · what the agent will be doing for you in the transaction.

### TENANTS

When leasing real estate as a tenant, you may have several choices as to how you want a real estate firm and its agents to work with you. For example, you may want them to represent only you (as a **tenant's agent**). You may be willing for them to represent both you and the landlord at the same time (as a **dual agent**). Or you may agree to let them represent only the landlord (**landlord's agent** or **subagent**). Some agents will offer you a choice of these services. Others may not.

***Tenant's Agent***

*Duties to Tenant:* If the real estate firm and its agents represent you, they must ● promote your best interests ● be loyal to you ● follow your lawful instructions ● provide you with all material facts that could influence your decisions ● use reasonable skill, care

and diligence, and ● account for all monies they handle for you. Once you have agreed (either orally or in writing) for the firm and its agents to be your *tenant's agent,* they may not give any confidential information about you to landlords or their agents without your permission so long as they represent you. But **until you make this agreement with your tenant's agent, you should avoid telling the agent anything you would not want a landlord to know.**

*Unwritten Agreements:* To make sure that you and the real estate firm have a clear understanding of what your relationship will be and what the firm will do for you, you may want to have a written agreement. However, some firms may be willing to represent you and assist you for a time as a *tenant's agent* without a written agreement. But if you decide to make an offer to lease a particular property, the agent must obtain a written agency agreement before writing the offer. If you do not sign it, the agent can no longer represent and assist you and is no longer required to keep information about you confidential.

Be sure to read and understand the agency agreement before you sign it. Once you sign it, the agent must give you a copy of it.

*Services and Compensation:* A *tenant's agent* will perform a number of services for you. These may include helping you ● find a suitable property ● learn more about the property ● prepare and submit a written offer to the landlord and ● otherwise promote your best interests. A *tenant's agent* can be compensated in different ways. For example, you can pay the agent out of your own pocket. Or the agent may seek compensation from the landlord or listing agent first, but require you to pay if the listing agent refuses. Whatever the case, be sure your compensation arrangement with your *tenant's agent* is spelled out in a tenant agency agreement before you make an offer to purchase property and that you carefully read and understand the compensation provision.

***Dual Agent***

You may permit an agent or firm to represent you **and** the landlord at the same time. This "dual agency relationship" is most likely to happen if you become interested in a property listed with your *tenant's agent* or the agent's firm. If this occurs and you have not already agreed to a dual agency relationship in your tenant agency agreement, your *tenant's agent* will ask you to amend the tenant agency agreement or sign a separate agreement or document permitting him or her to act as agent for both you and the landlord. It may be difficult for a *dual agent* to advance the interests of both the tenant and landlord. Nevertheless, a *dual agent* must treat tenants and landlords fairly and equally. Although the *dual agent* owes them the same duties, tenants and landlords can prohibit *dual agents* from divulging **certain** confidential information about them to the other party.

Some firms also offer a form of dual agency called "designated agency" where one agent in the firm represents the landlord and another agent represents the tenant. This option (when available) may allow each "designated agent" to more fully represent each party.

If you choose the "dual agency" option, remember that since a *dual agent's* loyalty is divided between parties with competing interests, it is especially important that you have a clear understanding of ● what your relationship is with the *dual agent* and ● what the agent will be doing for you in the transaction. This can best be accomplished by putting the agreement in writing at the earliest possible time.

***Landlord's Agent Working With a Tenant***

If the real estate agent or firm that you contact does not offer *tenant agency* or you do not want them to act as your *tenant*'s *agent,* you can still work with the firm and its agents. However, they will be acting as the *landlord's agent* (or "subagent"). The agent can still help you find and lease property and provide many of the same services as a *tenant's agent*. The agent must be fair with you and provide you with any "material facts" (such as a leaky roof) about properties.

But remember, the agent represents the landlord - not you - and therefore must try to obtain for the landlord the best possible price and terms for the landlord's property. Furthermore, a *landlord's agent* is required to give the landlord any information about you (even personal, financial or confidential information) that would help the landlord in the lease of his or her property. Agents must tell you *in writing* if they are *landlords' agents* before you say anything that can help the landlord. But **until you are sure that an agent is not a *landlord's agent,* you should avoid saying anything you do *not* want a landlord to know.**

*Landlords' agents* are compensated by the landlords.

_____

*Date*

**Goodson Realty & Associates Inc** — Firm Name

**Maiinda Goodson** — *Agent Name and License Number* **208153**

***Disclosure of Landlord Subagency***

☒ *When showing you property and assisting you in leasing a property, the above agent and firm will represent the* ***LANDLORD.*** *For more information, see "Landlord's Agent Working with a Tenant" in the brochure.*

*Agent's Initials Acknowledging Disclosure:* _____



**STANDARD FORM 521**
**Revised 7/2014**
**© 7/2020**

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**WORKING WITH REAL ESTATE AGENTS (LEASE TRANSACTIONS)**

***This is not a contract***

By signing, I acknowledge that the agent named below furnished a copy of this brochure and reviewed it with me.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. MAKES NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION.

| | |
|---|---|
| *Tenant or Landlord Name (Print or Type)* | *Tenant or Landlord Name (Print or Type)* |
| *Tenant or Landlord Signature* | *Tenant or Landlord Signature* |
| *Date* | *Date* |

**Goodson Realty & Associates Inc**
*Firm Name*

**Maiinda Goodson**
*Agent Name and License Number* **208153**

***Disclosure of Landlord Subagency***

[X] *When showing you property and assisting you in leasing a property, the above agent and firm will represent the LANDLORD. For more information, see "Landlord's Agent Working with a Tenant" in the brochure.*

*Tenant's Initials Acknowledging Disclosure:* _____

***Agents must retain this acknowledgment for their files.***



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**Revised 7/2014**
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*This form is required for use in all sales transactions, including residential and commercial.*

# Working With Real Estate Agents Disclosure
(For Buyers)

**IMPORTANT**

This form is not a contract. Signing this disclosure only means you have received it.

- In a real estate sales transaction, it is important that you understand whether an agent represents you.
- Real estate agents are required to (1) review this form with you at first substantial contact - before asking for or receiving your confidential information and (2) give you a copy of it after you sign it. This is for your own protection.
- Do not share any confidential information with a real estate agent or assume that the agent is acting on your behalf until you have entered into an agreement with the agent to represent you. Otherwise, the agent can share your confidential information with others.

***Note to Agent:*** *Check all relationship types below that may apply to this buyer.*

_____ **Buyer Agency:** If you agree, the agent who gave you this form (and the agent's firm) would represent you as a buyer agent and be loyal to you. You may begin with an oral agreement, but your agent must enter into a written buyer agency agreement with you before preparing a written offer to purchase or communicating an oral offer for you. The seller would either be represented by an agent affiliated with a different real estate firm or be unrepresented.

_____ **Dual Agency:** Dual agency will occur if you purchase a property listed by the firm that represents you. If you agree, the real estate firm and any agent with the same firm (company), would be permitted to represent you and the seller at the same time. A dual agent's loyalty would be divided between you and the seller, but the firm and its agents must treat you and the seller fairly and equally and cannot help you gain an advantage over the other party.*

_____ **Designated Dual Agency:** If you agree, the real estate firm would represent both you and the seller, but the firm would designate one agent to represent you and a different agent to represent the seller. Each designated agent would be loyal only to their client.*

**Any agreement between you and an agent that permits dual agency must be put in writing no later than the time you make an offer to purchase.*

_____ **Unrepresented Buyer** (Seller subagent): The agent who gave you this form may assist you in your purchase, but will not be representing you and has no loyalty to you. The agent will represent the seller. Do not share any confidential information with this agent.

***Note to Buyer:*** *For more information on an agent's duties and services, refer to the NC Real Estate Commission's "Questions and Answers on: Working With Real Estate Agents" brochure at ncrec.gov (Publications, Q&A Brochures) or ask an agent for a copy of it.*

| Buyer's Signature | Buyer's Signature | Date |
|---|---|---|
| **Malinda Goodson** | **208153** | **Goodson Realty & Associates, Inc.** |
| Agent's Name | Agent's License No. | Firm Name |

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