

TRUST IN REAL ESTATE SERVICES ACT

MULTIPLE AND DESIGNATED REPRESENTATION

OREA has been calling on the Government of Ontario to allow for designated representation since 2017. We took that position when the previous Liberal government was consulting on a multiple representation ban. Instead of a ban, OREA proposed a model which would permit two agents at the same brokerage to represent both a buyer and seller in a single transaction.

Definition of Designated Representation

Designated representation is not anything new as a business model because it is used by brokerages in other provinces, like Alberta and Nova Scotia. It allows a brokerage practicing designated representation to have the option to work with both the buyer and the seller in a single transaction. **The proposed model of designated representation says that the duty owed to the clients would apply to the designated agents within a brokerage for the specific, identified transactions, not the brokerage and all of its REALTORS®.**

Example

ABC Realty Inc. has a listing, and the brokerage also happens to represent a buyer that is interested in that listing. In other words, the brokerage represents the seller and the buyer. Today, that is known as multiple representation. **In the proposed designated representation model, the listing agent would be able to represent the seller, while another agent at ABC Realty Inc. would represent the buyer on behalf of the brokerage to advocate solely for the buyer. The**



Brokerage would retain oversight responsibility for the designated agent's fulfillment of the duties to the clients.

Key Points

- Brokerages are allowed to select either a brokerage representation agreement or a designated representation agreement on a transaction-by-transaction basis.
- **The type of agreement is to be determined at the beginning of the transaction.**
- Multiple representation can still occur. **Under designated representation, multiple representation occurs when the same designated representative represents more than one client in the same trade.**
- Consent for multiple representation must be obtained as soon as the brokerage is aware it is in multiple representation.
- REALTORS® are required to disclose the differences between the obligations of the brokerage and designated representative if only one client is represented, with specific reference to the duties, services, and remuneration agreements.

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