



CONSUMER GUIDE: AGENCY RELATIONSHIPS

When you are looking to buy or sell a home, you may hear about different types of relationships – agency and non-agency – that exist between buyers and sellers and the real estate professionals they are working with. These relationships are defined by state law and here are the basics of what to think about:

What does it mean for a real estate professional to be my “agent”? A licensed real estate professional is your agent when you have hired them to represent you as you buy or sell a home. A seller’s agent has fiduciary duties to the seller, meaning their job is to work in the best interests of the seller, which usually means the best price and terms. Sellers usually establish this relationship in a listing agreement. A buyer’s agent works with the buyer to represent their best interests throughout the transaction. Buyer’s agents will ask the buyer to sign a written buyer agreement.

What different types of agency relationships are there? There are several types, including:

- **Single agency**, when an agent represents only one side of the real estate transaction – buyer or seller.
- **Dual agency**, which allows an agent to represent both the buyer and seller at the same time. There is a requirement for disclosure and for informed consent from both the buyer and seller because the role of the agent in a dual agency situation becomes more neutral and the parties cannot expect undivided loyalty.
- **Designated agency**, when agents from the same brokerage – a real estate firm – represent both the buyer and seller in the same transaction. Brokerages may assign agents to work exclusively for the buyer and seller to avoid potential conflicts of interest. Connecticut law permits designated agency which requires disclosure and consent from both the buyer and seller.
- **Unrepresented party**, when there is no client level representation with any real estate licensee.

Is it possible to have a non-agency relationship? Yes. In non-agency relationships, the real estate professional does not act on behalf of a buyer or seller and has no fiduciary duties to the prospective buyer or seller.

Do I have to enter into an agency relationship? No, your relationship with your real estate professional can be any type – agency or non-agency. However, remember that if you work with a buyer’s agent, they will require you to sign a written buyer agreement prior to touring a home.

Practices may vary based on state and local law and real estate brokerage office policy.

