



REAL ESTATE BROKERAGE IN WASHINGTON

Introduction

This pamphlet provides general information about real estate brokerage and summarizes the laws related to real estate brokerage relationships. It describes a real estate broker's duties to the seller/landlord and buyer/tenant. Detailed and complete information about real estate brokerage relationships is available in chapter 18.86 RCW.

If you have any questions about the information in this pamphlet, contact your broker or the designated broker of your broker's firm.

Licensing and Supervision of Brokers

To provide real estate brokerage services in Washington, a broker must be licensed under chapter 18.85 RCW and licensed with a real estate firm, which also must be licensed. Each real estate firm has a designated broker who is responsible for supervising the brokers licensed with the firm. Some firms may have branch offices that are supervised by a branch manager and some firms may delegate certain supervisory duties to one or more managing brokers.

The Washington State Department of Licensing is responsible for enforcing all laws and rules relating to the conduct of real estate firms and brokers.

Agency Relationship

In an agency relationship, a broker is referred to as an “agent” and the seller/landlord and buyer/tenant is referred to as the “principal.” For simplicity, in this pamphlet, seller includes landlord, and buyer includes tenant.



For Sellers

A real estate firm and broker must enter into a written services agreement with a seller to establish an agency relationship. The firm will then appoint one or more brokers to be agents of the seller. The firm's designated broker and any managing broker responsible for the supervision of those brokers are also agents of the seller.



For Buyers

A real estate firm and broker(s) who perform real estate brokerage services for a buyer establish an agency relationship by performing those services. The firm's designated broker and any managing broker responsible for the supervision of that broker are also agents of the buyer. A written services agreement between the buyer and the firm must be entered into before, or as soon as reasonably practical after, a broker begins rendering real estate brokerage services to the buyer.



For both Buyer and Seller - as a Limited Dual Agent

A limited dual agent provides limited representation to both the buyer and the seller in a transaction. Limited dual agency requires the consent of each principal in a written services agreement and may occur in two situations: (1) When the buyer and the seller are represented by the same broker, in which case the broker's designated broker and any managing broker responsible for the supervision of that broker are also limited dual agents; and (2) when the buyer and the seller are represented by different brokers in the same firm, in which case each broker solely represents the principal the broker was appointed to represent, but the broker's designated broker and any managing broker responsible for the supervision of those brokers are limited dual agents.



Duration of Agency Relationship

Once established, an agency relationship continues until the earliest of the following:

1. Completion of performance by the broker;
2. Expiration of the term agreed upon by the parties;
3. Termination of the relationship by mutual agreement of the parties; or
4. Termination of the relationship by notice from either party to the other. However, such a termination does not affect the contractual rights of either party.

Written Services Agreement

A written services agreement between the firm and principal must contain the following:

1. The term (duration) of the agreement;
2. Name of the broker(s) appointed to act as an agent for the principal;
3. Whether the agency relationship is exclusive (which does not allow the principal to enter into an agency relationship with another firm during the term) or nonexclusive (which allows the principal to enter into an agency relationship with multiple firms at the same time);
4. Whether the principal consents to limited dual agency;
5. The terms of compensation;
6. In an agreement with a buyer, whether the broker agrees to show a property when there is no agreement or offer by any party or firm to pay compensation to the broker's firm; and
7. Any other agreements between the parties.

A Broker's Duties to All Parties

A broker owes the following duties to all parties in a transaction:

1. To exercise reasonable skill and care;
2. To deal honestly and in good faith;
3. To timely present all written offers, written notices, and other written communications to and from either party;
4. To disclose all existing material facts known by the broker and not apparent or readily ascertainable to a party. A material fact includes information that substantially adversely affects the value of the property or a party's ability to perform its obligations in a transaction, or operates to materially impair or defeat the purpose of the transaction. However, a broker does not have any duty to investigate matters that the broker has not agreed to investigate;
5. To account in a timely manner for all money and property received from or on behalf of either party;
6. To provide this pamphlet to all parties to whom the broker renders real estate brokerage services and to any unrepresented party;
7. To disclose in writing who the broker represents; and
8. To disclose in writing any terms of compensation offered by a party or a real estate firm to a real estate firm representing another party.

A Broker's Duties to the Buyer or Seller

A broker owes the following duties to their principal (either the buyer or seller):

1. To be loyal to their principal by taking no action that is adverse or detrimental to their principal's interest in a transaction;
2. To timely disclose to their principal any conflicts of interest;
3. To advise their principal to seek expert advice on matters relating to the transaction that are beyond the broker's expertise;
4. To not disclose any confidential information from or about their principal; and
5. To make a good faith and continuous effort to find a property for the buyer or to find a buyer for the seller's property, until the principal has entered a contract for the purchase or sale of property or as agreed otherwise in writing.

Limited Dual Agent Duties

A limited dual agent may not advocate terms favorable to one principal to the detriment of the other principal. A broker, acting as a limited dual agent, owes the following duties to both the buyer and seller:

1. To take no action that is adverse or detrimental to either principal's interest in a transaction;
2. To timely disclose to both principals any conflicts of interest;
3. To advise both principals to seek expert advice on matters relating to the transaction that are beyond the limited dual agent's expertise;
4. To not disclose any confidential information from or about either principal; and
5. To make a good faith and continuous effort to find a property for the buyer and to find a buyer for the seller's property, until the principals have entered a contract for the purchase or sale of property or as agreed otherwise in writing.

Compensation

In any real estate transaction, a firm's compensation may be paid by the seller, the buyer, a third party, or by sharing the compensation between firms. To receive compensation from any party, a firm must have a written services agreement with the party the firm represents (or provide a "Compensation Disclosure" to the buyer in a transaction for commercial real estate).

A services agreement must contain the following regarding compensation:

1. The amount the principal agrees to compensate the firm for broker's services as an agent or limited dual agent;
2. The principal's consent, if any, and any terms of such consent, to compensation sharing between firms and parties; and
3. The principal's consent, if any, and any terms of such consent, to compensation of the firm by more than one party.

Short Sales

A "short sale" is a transaction where the seller's proceeds from the sale are insufficient to cover seller's obligations at closing (e.g., the seller's outstanding mortgage is greater than the sale price). If a sale is a short sale, the seller's real estate firm must disclose to the seller that the decision by any beneficiary or mortgagee, to release its interest in the property for less than the amount the seller owes to allow the sale to proceed, does not automatically relieve the seller of the obligation to pay any debt or costs remaining at closing, including real estate firms' compensation.



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**BUYER BROKERAGE
SERVICES AGREEMENT**

This Buyer Brokerage Services Agreement ("Agreement") is effective upon mutual acceptance ("Effective Date") and is made by and between _____ ("Buyer Brokerage Firm" or "Firm") and

Buyer Buyer ("Buyer") for real property located
in the following areas: _____ (unlimited if not filled in) ("Area").

1. DEFINITIONS. "Purchase(s)" includes a contract to purchase, an exchange or contract to exchange, or an option to purchase.

2. TERM. This Agreement will expire _____ days (60 days if not filled in) from the Effective Date ("Term"). If this Agreement expires while Buyer is a party to a purchase and sale agreement and represented by Buyer Brokerage Firm as indicated on the purchase and sale agreement, the Term shall automatically extend until the sale is closed or the purchase and sale agreement is terminated.

3. AGENCY.

a. Pamphlet. Buyer acknowledges receipt of the pamphlet entitled "Real Estate Brokerage in Washington."

b. Buyer Broker. Buyer Brokerage Firm appoints _____ ("Buyer Broker") to represent Buyer. This Agreement creates an agency relationship with Buyer Broker and any of Firm's managing brokers who supervise Buyer Broker ("Supervising Broker"). No other brokers affiliated with Firm are agents of Buyer.

c. Agency Relationship. Buyer Brokerage Firm's representation of Buyer for the purchase of real property in the Area shall be (non-exclusive, if not checked):

☐ Exclusive. Buyer may not enter into an agency relationship with another real estate firm during the Term for the purchase of real property in the Area ("Exclusive Agency"); or

☐ Non-Exclusive. Buyer may enter into a non-exclusive agency relationship with other real estate firms during the Term ("Non-Exclusive Agency").

4. LIMITED DUAL AGENCY.

a. Buyer Broker as Limited Dual Agent. If initialed below, Buyer consents to Buyer Broker and Supervising Broker acting as limited dual agents in the sale of property that is listed by Buyer Broker. Buyer acknowledges that as a limited dual agent, RCW 18.86.060 prohibits Buyer Broker from advocating terms favorable to Buyer to the detriment of the seller and further limits Buyer Broker's representation of Buyer.

Buyer's Initials Date Buyer's Initials Date

b. Firm Limited Dual Agency. If Buyer purchases a property listed by one of Firm's brokers other than Buyer Broker ("Listing Broker"), Buyer consents to any Supervising Broker, who also supervises Listing Broker, acting as a limited dual agent.

5. COMPENSATION. Buyer acknowledges that there are no standard compensation rates and the compensation in this Agreement is fully negotiable and not set by law. The compensation for Buyer Brokerage Firm's services (the "Compensation") shall be:

a. _____ % of purchase price; \$ _____; other: _____

b. If Buyer Broker is a limited dual agent and represents both Buyer and the seller, then the Compensation shall be (equal to the amount in subsection 5(a) if not filled in):

_____ % of purchase price; \$ _____; other: _____

Buyer's Initials Date Buyer's Initials Date

**BUYER BROKERAGE
SERVICES AGREEMENT**

6. SELLER COMPENSATION OFFER.

A seller may, but is not required to, offer compensation to Firm for representing Buyer in the purchase of seller's real property ("Seller's Offer"). Seller's Offer is disclosed in the listing, shall be stated in the purchase and sale agreement, and may be accepted by Buyer, on behalf of Firm, in the purchase and sale agreement.

a. Seller's Offer Equal to Compensation. If Seller's Offer is equal to the Compensation, Buyer shall accept Seller's Offer and Buyer shall not be obligated to separately pay Firm.

b. Seller's Offer Greater Than Compensation. If Seller's Offer is greater than the Compensation, Buyer shall accept Seller's Offer and Buyer shall not be obligated to separately pay Firm. The amount of Seller's Offer that is greater than the Compensation shall be:

- ☐ Paid to Firm;
☐ Credited to Buyer (to the extent allowed by Buyer's lender) and any non-allowed amount paid to Firm;
☐ Credited to the seller; or
☐ Other: _____.

c. Seller's Offer Less Than Compensation. If Seller's Offer is less than the Compensation, Buyer shall accept Seller's Offer (if any) and:

- ☐ Pay the balance of the Compensation to Firm at closing;
☐ Request that the seller pay the balance of the Compensation to Firm as a part of Buyer's offer to purchase the property; or
☐ Other: _____.

7. COMPENSATION TERMS. The Compensation is due (except as otherwise agreed herein) when Buyer purchases real property located in the Area during the Term and:

a. Exclusive Agency. For Exclusive Agency, the purchase closes.

b. Non-Exclusive Agency. For Non-Exclusive Agency, the purchase closes, and Buyer Brokerage Firm represents Buyer in such purchase as indicated on the purchase and sale agreement.

c. Compensation After Expiration. If within _____ days (60 days if not filled in) after the Term:

- i. Exclusive Agency. Buyer purchases a property that was brought to the attention of Buyer during the Term by the efforts or actions of Firm, or through information secured directly or indirectly from or through Firm; or a property that Buyer inquired about to Firm during the Term. Compensation is due when the purchase closes.
ii. Non-Exclusive Agency. Buyer purchases a property for which Buyer Brokerage Firm presented a written offer to the seller on behalf of Buyer during the Term. Compensation is due when the purchase closes.

Provided that in either event, if Buyer or the seller pays compensation to another real estate firm representing Buyer in conjunction with such a sale, the amount of compensation payable to Firm shall be reduced by the amount paid to such other firm(s).

d. Additional Consent. Buyer consents to Firm receiving compensation from more than one party and to sharing of compensation between firms, provided that any terms and amounts offered to or by Firm are disclosed as required by RCW 18.86.030 and any amounts paid to Firm reduce Buyer's obligation to Firm.

e. Cancellation Without Legal Cause. For Exclusive Agency, if Buyer cancels this Agreement without legal cause, Buyer may be liable for damages incurred by Firm as a result of such cancellation.

8. SHOWINGS, LISTINGS, VA FINANCING.

a. Showing Properties. Buyer Broker ☐ shall; ☐ shall not (shall if not checked) be obligated to show properties to Buyer for which there is no Seller's Offer and Buyer has not agreed to pay the Compensation.

b. Listings. Buyer Broker shall bring listings to the attention of Buyer, regardless of Seller's Offer.
☐ Exceptions: _____.

c. VA Financing. Due to VA regulations, if Buyer is obtaining VA financing, the Compensation must be paid by the seller.

**BUYER BROKERAGE
SERVICES AGREEMENT**

- 9. NO WARRANTIES OR REPRESENTATIONS.** Firm makes no warranties or representations regarding the value of or the suitability of any property for Buyer's purposes. Buyer agrees to be responsible for making all inspections and investigations necessary to satisfy Buyer as to the property's suitability and value.
- 10. INSPECTION RECOMMENDED.** Firm recommends that any offer to purchase a property be conditioned on an inspection of the property and its improvements conducted by a licensed inspector. Firm and Buyer Broker have no expertise in these matters and Buyer is solely responsible for interviewing and selecting all inspectors.
- 11. NO DISTRESSED HOME CONVEYANCE.** Firm will not represent or assist Buyer in a transaction that is a "Distressed Home Conveyance" as defined by Chapter 61.34 RCW unless otherwise agreed in writing. A "Distressed Home Conveyance" is a transaction where a buyer purchases property from a "Distressed Homeowner" (defined by Chapter 61.34 RCW), allows the Distressed Homeowner to continue to occupy the property, and promises to convey the property back to the Distressed Homeowner or promises the Distressed Homeowner an interest in, or portion of the proceeds from a resale of the property.
- 12. FAIR HOUSING.** Local, state, and federal fair housing laws prohibit discrimination based on sex, marital status, sexual orientation, gender identity, race, creed, color, religion, caste, national origin, citizenship or immigration status, families with children status, familial status, honorably discharged veteran or military status, the presence of any sensory, mental, or physical disability, or the use of a support or service animal by a person with a disability.
- 13. ATTORNEYS' FEES.** In the event either party employs an attorney to enforce any terms of this Agreement and is successful, the other party agrees to pay reasonable attorneys' fees. In the event of trial, the successful party shall be entitled to an award of attorneys' fees and expenses; the amount of the attorneys' fees and expenses shall be fixed by the court. The venue of any suit shall be the county in which the property is located.
- 14. OTHER.**

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Buyer's Signature Date

Buyer's Signature Date

Buyer E-mail Address

Buyer Phone Number

Buyer Brokerage Firm

Buyer Broker's Signature Date

Buyer Brokerage Firm License Number

Buyer Broker License Number

Buyer Broker E-mail Address

Buyer Broker Phone Number

**AMENDMENT TO
BUYER BROKERAGE
SERVICES AGREEMENT**

This amends the Buyer Brokerage Services Agreement ("Agreement") dated _____ between _____ ("Buyer Brokerage Firm" or "Firm") and _____ ("Buyer") (the "Amendment").

1. ☐ **TERM EXTENDED.** The term of the Agreement is extended until _____ days (60 days if not filled in) from the date of mutual acceptance of this Amendment.

2. ☐ **AGENCY RELATIONSHIP.** Buyer Brokerage Firm's representation of Buyer for the purchase of real property in the Area is amended to be:

☐ Exclusive. Buyer may not enter into an agency relationship with another real estate firm during the Term for the purchase of real property in the Area ("Exclusive Agency"); or

☐ Non-Exclusive. Buyer may enter into a non-exclusive agency relationship with other real estate firms during the Term ("Non-Exclusive Agency").

3. ☐ **AGENCY AND CO-BUYER BROKER.** Firm appoints _____ ("Co-Buyer Broker") to represent Buyer with Buyer Broker. This Amendment creates an agency relationship with Co-Buyer Broker and any of Firm's managing brokers who supervise Co-Buyer Broker ("Supervising Broker"). No other brokers affiliated with Firm are agents of Buyer.

4. ☐ **LIMITED DUAL AGENCY.**

a. Buyer Broker as Limited Dual Agent. If Buyer did not previously consent in the Agreement and if initialed below, Buyer consents to Buyer Broker and any of Firm's managing brokers who supervise Buyer Broker acting as limited dual agents in the sale of property that is listed by Buyer Broker. Buyer acknowledges that as a limited dual agent, RCW 18.86.060 prohibits Buyer Broker from advocating terms favorable to Buyer to the detriment of the seller and further limits Buyer Broker's representation of Buyer.

Buyer's Initials Date Buyer's Initials Date

b. Co-Buyer Broker as Limited Dual Agent. If initialed below, Buyer consents to Co-Buyer Broker and Supervising Broker acting as limited dual agents in the sale of property that is listed by Co-Buyer Broker. Buyer acknowledges that as a limited dual agent, RCW 18.86.060 prohibits Co-Buyer Broker from advocating terms favorable to Buyer to the detriment of the seller and further limits Co-Buyer Broker's representation of Buyer.

Buyer's Initials Date Buyer's Initials Date

5. ☐ **COMPENSATION.** The compensation for Buyer Brokerage Firm's services is amended from the compensation set forth in the Agreement to (the "Compensation"):

☐ _____ % of purchase price;

☐ \$_____;

☐ other:_____

6. ☐ **OTHER:**

All other terms and conditions of the Agreement remain unchanged.

Buyer's Signature Date Buyer's Signature Date

Buyer Brokerage Firm Buyer Broker's Signature Date