

**DISCLAIMER:**

Forms are created with a view to identify and satisfy general needs. The preset portion of any form is complex and can be difficult to understand.

Be advised that the explanations contained herein are **not** meant to be a full and complete discussion of the meanings and implications of each provision, paragraph or section in each form. The explanations are meant only to be a general simple overview and are not meant to replace the full text and legal ramifications of each form and any provision, paragraph or section therein.

It is important and mandatory to understand that the use of a form does not apply to every circumstance and extreme care should be exercised in that respect.

Everyone is encouraged and it is recommended that everyone seek and obtain professional advice to ensure a complete and accurate understanding of any form and not rely on the explanations contained herein.

**TAKE NOTE THAT EVERY REAL ESTATE TRANSACTION IS UNIQUE AND THE TORONTO REAL ESTATE BOARD DOES NOT WARRANT AND IS NOT LIABLE OR RESPONSIBLE IN ANY WAY FOR THE ADEQUACY, SUFFICIENCY, APPLICABILITY, ACCURACY OR SUITABILITY OF ANY OF THE EXPLANATIONS OR PROVISIONS HEREINAFTER SET OUT.**

**PROCEED TO NEXT PAGE ...**

*This form is a contract between a Buyer and a real estate company that gives the real estate company permission to act on the Buyer's behalf in the purchase of a property. Assuming the buyer is a client of the real estate company, the Real Estate Council of Ontario (Ontario's governing body) Code of Ethics requires that salespeople have a written buyer agency agreement signed prior to an offer being prepared on behalf of the Buyer.*

*The section at the top identifies the parties involved in the agreement and sets the time frame for which the contract is valid. The Code of Ethics requires the Buyer's initials on this form if the agreement is to extend beyond six months.*

**TO:**.....(Broker) Tel.No. (.....).....

**ADDRESS:**.....

..... Fax.No. (.....).....

hereinafter referred to as the Broker.

**I/We**....., hereinafter referred to as the Buyer,

hereby give you the **exclusive authority** to act as our agent until 11:59 p.m. on the .....day of .....,20.....,

**{** Buyer acknowledges that the time period for this Agreement is negotiable between the Buyer and the Broker, however, in accordance with the Code of Ethics of the Real Estate Council of Ontario, **if the time period for this Agreement exceeds six months, the Broker must obtain the Buyer's informed consent and initials.** **}**



(Buyer's Initials)

for the purpose of locating a real property meeting the following general description:

Property Type (Use):.....

***GEOGRAPHIC LOCATION:** This indicates the area, agreed upon by both the Buyer and the real estate company, for which the agreement is valid. It is usually the area in which Buyer wishes to purchase property.*

Geographic Location:.....

***This statement affirms that the Buyer has not signed a contract of this nature with any other real estate company.***

**I hereby warrant that I am not a party to a buyer agency agreement with any other registered real estate broker for the purchase or lease of a real property of the general description indicated above.**

**1. DEFINITIONS AND INTERPRETATIONS:** *The following section defines who will be referred to as the Buyer and Seller for the remainder of the document.*

**1. DEFINITIONS AND INTERPRETATIONS:** For the purposes of this Buyer Agency Agreement ("Authority" or "Agreement"), "Buyer" includes purchaser and tenant and a "seller" includes a vendor, a landlord or a prospective seller, vendor or landlord. A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is subsequently exercised, and a lease includes any rental agreement, sub-lease or renewal of a lease. This Agreement shall be read with all changes of gender or number required by the context.

**2. COMMISSION:** *The following section establishes the commission structure for the process. It states that the Buyer understands that the real estate company (salesperson) will be paid a fee by the company that has the property listed. If the Buyer indicates in the commission portion to pay the real estate company a specific amount and the portion offered by the company listing the property is less than what the Buyer has agreed to pay, then the Buyer is responsible for the difference. The Buyer is to be informed of the commission amount being paid by the company with whom the property is listed.*

**2. COMMISSION:** In consideration of the Broker undertaking to assist me, I agree to pay commission to the Broker as follows:  
If, during the currency of this Agreement, I enter into an agreement to purchase or lease a real property of the general description indicated above, I agree the Broker is entitled to receive and retain any commission offered by a listing broker or by the seller. I understand that the amount of commission offered by a listing broker or by the seller may be greater or less than the commission stated below. I understand that the Broker will inform me of the amount of commission to be paid to the Broker by the listing broker or the seller at the earliest practical opportunity. I acknowledge that the payment of any commission by the listing broker or the seller will not make the Broker either the agent or sub-agent of the listing broker or the seller.

If, during the currency of this Agreement, I enter into an agreement to purchase or lease any property of the general description indicated above, I agree the Broker is entitled to be paid a commission of.....% of the sale price of the property or .....

I agree to pay directly to the Broker any deficiency between this amount and the amount, if any, to be paid to the Broker by a listing broker or by the seller. I understand that if the Broker is not to be paid any commission by a listing broker or by the seller, I will pay the Broker the full amount of commission indicated above.

I agree to pay the Broker such commission if I enter into an agreement within .....days after the expiration of this Agreement (**Holdover Period**) to purchase or lease any real property shown or introduced to me from any source whatsoever during the term of this Agreement, provided, however, that if I enter into a new buyer agency agreement with another registered real estate broker after the expiration of this Agreement, my liability to pay commission to the Broker shall be reduced by the amount paid to the other broker under the new agreement.

I agree to pay such commission as described above even if a transaction contemplated by an agreement to purchase or lease agreed to or accepted by me or anyone on my behalf is not completed, if such non-completion is owing or attributable to my default or neglect.

Said commission, plus any applicable taxes, shall be payable on the date set for completion of the purchase of the property or, in the case of a lease or tenancy, the earlier of the date of occupancy by the tenant or the date set for commencement of the lease or tenancy.

**3. AGENCY:** *The following section confirms that the salesperson has explained the different types of agency relationships that may occur in a real estate transaction.*

**3. AGENCY:** I acknowledge that the Broker has provided me with written information explaining agency relationships, including information on Seller Agency, Sub-Agency, Buyer Agency, Dual Agency and Customer Service.

The Broker shall assist the Buyer in locating real property of the general description indicated above and shall represent the Buyer in an endeavour to procure the acceptance of an agreement to purchase or lease such a property.

I acknowledge that I may not be shown or offered all properties that may be of interest to me.

I hereby agree that the terms of any buyer's offer or agreement to purchase or lease the property will not be disclosed to any other buyer.

The Buyer hereby appoints the Broker as agent for the purpose of giving and receiving notices pursuant to any offer or agreement to purchase or lease a property negotiated by the Broker.

**INITIALS OF BUYER(S):**

*DUAL AGENCY: The following section acknowledges that the real estate company has permission to work simultaneously with the Buyers wishing to purchase the property that a Seller has listed with the real estate company, should the circumstance arise. In this situation the real estate company has an obligation to represent the best interests of both parties. This type of agency is accompanied with strict guidelines that include full disclosure of the details and the nature of the relationship to both parties. There are also provisions about what salespeople may not discuss, including any information regarding money or motivation between the Buyer and Seller.*

*If the situation of dual agency arises, the real estate company will advise the parties involved in writing at the latest before they sign an Agreement of Purchase and Sale (this is usually done by using the Confirmation of Co-operation and Representation form at the time the offer is being signed).*

*A Buyer is not entitled to information about any other offers.*

*This section of the form also allows salespeople to supply factual information regarding other sales and properties in order to assist Buyers and Sellers with their respective decisions.*

**DUAL AGENCY:** I hereby acknowledge that the Broker may be entering into listing agreements with sellers of properties I may be interested in buying or leasing. In the event that the Broker has entered into or enters into a listing agreement with the seller of a property I may be interested in buying or leasing, I hereby consent to the Broker acting as a Dual Agent for the transaction, however, the Broker is required to inform me in writing of a Dual Agency situation with the Buyer and seller at the earliest practical opportunity and in all cases prior to any offer to purchase or lease being submitted or presented.

I understand and acknowledge that in a Dual Agency situation the Broker must be impartial and equally protect the interests of the Buyer and the seller in the transaction. I understand and acknowledge that in a Dual Agency situation the Broker shall have a duty of full disclosure to both the Buyer and the seller, including a requirement to disclose all factual information about the property known to the Broker.

However, I further understand and acknowledge that the Broker shall not disclose:

- that the seller may or will accept less than the listed price, unless otherwise instructed in writing by the seller;
- that the Buyer may or will pay more than the offered price, unless otherwise instructed in writing by the Buyer;
- the motivation of or personal information about the Buyer or seller, unless otherwise instructed in writing by the party to which the information applies or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- the price the Buyer should offer or the price the seller should accept; and
- the Broker shall not disclose to the Buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Broker concerning potential uses for the property will be disclosed to both Buyer and seller to assist them to come to their own conclusions.

I further acknowledge that the Broker may be entering into buyer agency agreements with other buyers who may be interested in the same or similar properties that I may be interested in buying or leasing and I hereby consent to the Broker acting as an agent for more than one buyer interested in the same property without any claim by me of conflict of interest.

**4. REFERRAL OF PROPERTIES:** *The following section requires the Buyer to commit to working with the real estate company for the length of the contract and states that they must inform their salesperson if they become aware of a property of interest to them. If they do not inform the salesperson of a property of interest that they subsequently purchase on their own, the set commission will still be owed to the salesperson.*

**4. REFERRAL OF PROPERTIES:** I agree that during the currency of this Buyer Agency Agreement I will act in good faith and work exclusively with the Broker for the purchase or lease of a real property of the general description indicated above. I agree that, during the currency of this Agreement, I shall advise you immediately of any property of interest to me that came to my attention from any source whatsoever, and all offers to purchase or lease submitted by me shall be submitted through you to the seller. If I fail to advise you of any property of interest to me that came to my attention during the currency of this Agreement and I arrange a valid offer to purchase or lease the property during the currency of this Agreement or within the Holdover Period after expiration of this agreement, I agree to pay you the amount of commission set out above, payable within (5) days following your written demand therefor.

5. **INDEMNIFICATION:** This asserts that salespeople cannot be held liable for the condition of the property. It is the responsibility of the Buyer to educate themselves on the condition of a property.

5. **INDEMNIFICATION:** The Broker and salespeople of the Broker are trained in dealing in real estate but are not qualified in determining the physical condition of the land or any improvements thereon. I agree that the Broker will not be liable for any defects, whether latent or patent, to the land or improvements thereon. All information supplied by the seller or landlord or the listing broker may not have been verified and is not warranted by the Broker as being accurate and will be relied on by the Buyer at the Buyer's own risk. The Buyer acknowledges having been advised to make their own enquiries to confirm the condition of the property.

6. **FINDERS FEE:** This provides consent for the salesperson to accept any finders fee that a mortgage company may offer to them. It also states that this fee would be collected by the salesperson in addition to the stated commission. It should be noted that a specific consent will be required at the time a finder's fee arises.

6. **FINDERS FEE:** I acknowledge that the Broker may be receiving a finder's fee from a lender in the event that a new mortgage or an increase in financing is required for a transaction contemplated by this Agreement, and I consent to any such fee being retained by you in addition to the commission as described above.

7. **CONSUMER REPORTS:** This states that the Buyer understands that credit checks and personal information about them may be used in the process of them purchasing a property.

7. **CONSUMER REPORTS:** The Buyer is hereby notified that a Consumer Report containing credit and/or personal information may be referred to in connection with this Agreement and any subsequent transaction.

8. **USE AND DISTRIBUTION OF INFORMATION:** The following section gives salespeople the right under the Privacy Act to use personal information provided to them by the Buyer in order to assist in making the transaction happen. It also assures the Buyer that this information will not be distributed to third parties (i.e. pool or moving companies).

8. **USE AND DISTRIBUTION OF INFORMATION:** The Buyer consents to the collection, use and disclosure of personal information by the Broker for such purposes that relate to the real estate services provided by the Broker to the Buyer including, but not limited to: locating, assessing and qualifying properties for the Buyer; advertising on behalf of the Buyer; providing information as needed to third parties retained by the Buyer to assist in a transaction (e.g. financial institutions, building inspectors, etc...); and such other use of the Buyer's information as is consistent with the services provided by the Broker in connection with the purchase or prospective purchase of the property.

The Buyer agrees that the sale and related information regarding any property purchased by the Buyer through the Broker may be retained and disclosed by the Broker and/or real estate board(s) (if the property is an MLS® Listing) for reporting, appraisal and statistical purposes.

9. **CONFLICT OR DISCREPANCY:** If there are other schedules (additional information) added to the following agreement by the parties involved that contain something specific that contradicts what is in the text of the form, the information on the attachment supersedes what is on the form.

9. **CONFLICT OR DISCREPANCY:** If there is any conflict or discrepancy between any provision added to this Agreement and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any provisions added to this Agreement, shall constitute the entire Authority from the Buyer to the Broker. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein.


10. **ELECTRONIC COMMUNICATION:** This agreement, if necessary, may be sent via electronic means and still be binding on all parties.


10. **ELECTRONIC COMMUNICATION:** This Buyer Agency Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by me by electronic means shall be deemed to confirm I have retained a true copy of the Agreement.

**THIS AUTHORITY HAS BEEN READ AND FULLY UNDERSTOOD BY ME AND I ACKNOWLEDGE THIS DATE HAVING RECEIVED A TRUE COPY.** Any representations and warranties contained herein are true to the best of my knowledge, information, and belief.

DATED at.....this..... day of....., 20.....

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)..... (Signature of Buyer).....  DATE.....

(Witness)..... (Signature of Buyer).....  DATE.....