

## Disclosure Regarding Real Estate Agency Relationships For Rental Property

Before you disclose confidential information to a real estate licensee regarding a real estate transaction, you should understand what type of agency relationship you have with that licensee. As of January 1, 1994, Michigan law requires real estate licensees who are acting as agents of landlords or tenants of real property to advise the potential landlord or tenants with whom they work of the nature of their agency relationship.

A broker or salesperson may function in any of the following capacities:

- \* represent the landlord as an authorized landlord's agent or subagent
- \* represent the tenant as an authorized tenant's agent or subagent
- \* represent both the landlord and tenant as a disclosed dual agent, authorized by the landlord and tenant.
- \* represent neither the landlord or tenant as an agent, but provide services authorized by the landlord or tenant to complete a transaction as a transaction coordinator.

### LANDLORD'S AGENTS

A landlord's agent, under a property management agreement with the landlord, acts solely on behalf of the landlord. A landlord can authorize a landlord's agent to work with subagents, tenant's agents and/or transaction coordinators. A subagent of the landlord is one who has agreed to work with the landlord's agent, and who, like the landlord's agent, acts solely on behalf of the landlord. Landlord's agents and their subagents will disclose to the landlord known information about the tenant which may be used to the benefit of the landlord.

The duties that a landlord's agent and subagent owes to the landlord include:

- \* promoting the best interests of the landlord;
- \* fully disclosing to the landlord all facts that might affect or influence the landlord's decision to accept an offer to lease;
- \* keeping confidential the landlord's motivations for leasing;
- \* disclosing the identities of all tenants and all information about the willingness of those tenants to complete the lease or to offer a higher rate

### TENANT'S AGENTS

A tenant's agent, under a tenant's agency agreement with the tenant, acts solely on behalf of the tenant. A subagent of the tenant is one who has agreed to work with the tenant's agent and who, like the tenant's agent, acts solely on behalf of the tenant. Tenant's agents and their subagents will disclose to the tenant known information about the landlord which may be used to benefit the tenant.

The duties a tenant's agent and subagent owe to the tenant include:

- \* promoting the best interests of the tenant;
- \* fully disclosing to the tenant all facts that might affect or influence the tenant's decision to tender and offer to lease;
- \* presenting all offers to lease on behalf of the tenant;
- \* disclosing to the tenant all information about the willingness of the landlord to complete the lease or to accept a lower rate

### DUAL AGENTS

A real estate licensee can be the agent of both the landlord and the tenant in a transaction, but only with the knowledge and informed consent, in writing, of both the landlord and the tenant.

In such a dual agency situation, the licensee will not be able to disclose all known information to either the landlord or the tenant.

As a dual agent, the licensee will not be able to provide the full range of fiduciary duties to the landlord or the tenant.

The obligations of a dual agent are subject to any specific provisions set forth in any agreement between the dual agent, the landlord and the tenant.

### TRANSACTION COORDINATOR

A transaction coordinator is a licensee who is not acting as an agent of either the landlord or the tenant, yet is providing services to complete a real estate lease.

The transaction coordinator is not an agent for either party and therefore owes no fiduciary duty to either party. The transaction coordinator is not the advocate of either party and therefore has no obligation to "negotiate" for either party. The responsibilities of the transaction coordinator typically include:

- \* providing access to and the showing of the property to be leased;
- \* providing access to market information;
- \* providing assistance in the preparation of a lease agreement which reflects the terms of the parties' agreement;
- \* presenting a lease and any subsequent counter-offers;
- \* assisting all parties in undertaking all steps necessary to carry out the agreement

### LICENSEE DISCLOSURE

I hereby disclose that the relationship I have with you is as a (check one below):

Landlord's agent    Tenant's agent    Dual agent    Transaction coordinator (A licensee who is not acting as an agent of either the Landlord or the Tenant.)    None of the above

Further, this form was provided to you before the disclosing of any confidential information to me.

\_\_\_\_\_  
Licensee **Robert Parker**

\_\_\_\_\_  
Date

### ACKNOWLEDGMENT:

By signing below, the parties confirm that they have received and read the information in this agency disclosure statement and that this form was provided to them before the disclosure of any confidential information specific to the potential landlords or tenants.

\_\_\_\_\_  
 Landlord /  Tenant (check one)

\_\_\_\_\_  
Date

\_\_\_\_\_  
 Landlord /  Tenant (check one)

\_\_\_\_\_  
Date