

# REAL ESTATE RELATIONSHIPS DISCLOSURE

South Dakota Real Estate brokers are required to develop and maintain a written office policy that sets forth agency and brokerage relationships that the broker may establish. The broker must disclose in writing the types of agency and brokerage relationships the broker offers to consumers and to allow a consumer the right to choose or refuse among the various real estate relationships. The following real estate relationships are permissible under South Dakota law.

**Single Agency-Seller's Landlord's Agent:** Works on behalf of the seller/landlord and owes duties to the seller/landlord, which include good faith, loyalty, and fidelity. The agent will negotiate on behalf of and act as an advocate for the seller/landlord. The agent may not disclose confidential information without express authority of seller or landlord.

**Single Agent-Buyer's/Tenant's Agent:** Works on behalf of the buyer/tenant and owes duties to the buyer/tenant, which include good faith, loyalty, and fidelity. The agent will negotiate on behalf of and act as an advocate for the buyer/tenant. The agent may not disclose confidential information without express authority of buyer or tenant.

**Appointed Agent:** Works on behalf of the seller/landlord or buyer/tenant and owes the same duties to the client as that of a single agent. A seller/landlord or buyer/tenant with an appointed agency agreement is represented by agents specifically named in the agreement. Any agents of the firm not named in the agreement do not represent the seller/landlord or buyer/tenant. The named appointed agent acts solely on behalf of his or her client and may only share confidential information about the client with the agent's responsible broker or the broker's designee who is also named in the agreement. Other agents in the firm have no duties to the seller/landlord or buyer/tenant and may act solely on behalf of another party in the transaction. The responsible broker and the broker's designee act as a disclosed limited agent when appointed agents within the same firm are representing their respective clients in the same transaction.

**Disclosed Limited Agent:** Works on behalf of more than one client to a transaction, requiring the informed written consent of the clients before doing so. A limited agent may not disclose confidential information about one client to another without written permission releasing that information. While working to put the transaction together, agents in a limited agency transaction cannot negotiate nor advocate solely on behalf of either the seller/landlord or buyer/tenant. A limited agent may not be able to continue to provide other fiduciary services previously provided to the client.

**Transaction Broker:** Exercises reasonable skill and care in assisting one or more parties with a real estate transaction without being an advocate for any party. Although the transaction broker will help facilitate the transaction, the licensee will serve as a neutral party, offering no client-level services (such as negotiation) to the customer. The transaction broker may not disclose confidential information about a party to another without written permission releasing that information.

**Duties of a buyer, tenant, landlord, or seller:** The duties of the real estate licensees in a real estate transaction do not relieve a party to a transaction from the responsibility to protect the party's own interests. Persons should carefully read all documents to ensure that they adequately express their understanding of the transaction. If legal or tax advice is desired, consult a competent professional in that field.

**All real estate licensees must provide disclosure of all actually known adverse material facts about the subject property or a party's ability to perform its obligations.**

**South Dakota law requires a written agreement which sets forth the duties and obligations of the parties as described in the brokerage relationships itemized above.**

The office policy of \_\_\_\_\_ (company) is to offer only those services marked above.

By \_\_\_\_\_ (licensee)

**Acknowledgement:** I have been presented with an overview of the brokerage relationship options available and hereby acknowledge receipt of:

- Real Estate Relationships Disclosure form
- Consumer Real Estate Information Guide (residential property sales transaction only)

I understand that receipt of these materials is for disclosure purposes only and does not constitute a contract or agreement with the licensee.

Signature \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_ am/pm

Signature \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_ am/pm

**By marking a box and signing below, it is understood that the consumer is working without the benefit of client or transaction broker representation.**

Buyer/tenant understands that Broker is not representing Buyer as a client or working with Buyer as a transaction broker. Buyer further understands that Broker is acting as agent for the seller or is assisting the seller as a transaction broker.

Seller/Landlord understands that Broker is not representing Seller/Landlord as a client or working with Seller/Landlord as a transaction broker. Seller further understands that Broker is acting as agent for the buyer or is assisting the buyer as a transaction broker.

Signature(s) \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_ am/pm