

## RECO Fact Sheet Multiple Representation

November 3, 2016

### What is multiple representation?

- Multiple representation (or “dual agency”) occurs when two or more parties are represented as clients by the same brokerage. This could happen with each party having a different representative of the same brokerage, or a single representative working with two or more parties.
- Typically, multiple representation will involve the buyer and seller of a property, but it can also happen with two or more buyers who are interested in the same property.

### When is multiple representation permitted?

- In Ontario, dual agency is not permitted; however, it can happen if both parties provide written and informed consent to their brokerage.
- If one party does not give written consent, the brokerage must release one of their clients.

### What must be disclosed in a multiple representation scenario?

- First, before entering into any representation agreement, the brokerage must inform the parties that the possibility for multiple representation could arise, that consent in writing is required, and describe the type of services and service levels that the brokerage would provide in multiple representation.
- Then, as soon as another client representation arises, and before any offer to purchase is made, the brokerage must also disclose to the parties some key information:
  - That they intend to represent two clients.
  - A full explanation of how the brokerage’s obligations to promote and protect each client’s interests will differ compared to if they only represented one client in the trade.



## What are the pros and cons associated with multiple representation?

Pros	Cons
Though not automatic or required, brokerages who act as dual agents will sometimes reduce the total commission to be paid, to a level less than if two different brokerages were involved.	Inherently, a buyer's and seller's interests differ in that the seller wants to get as much as possible for their property, while the buyer wants to pay the least amount possible. This could be problematic for the brokerage, which has a duty to meet both clients' best interests.
There may be some administrative, logistical and communication advantages to dealing with one brokerage, though generally brokerages work well together to complete transactions.	Multiple representation presents particular challenges for buyers who may <b>rely heavily on the guidance of the broker or salesperson</b> , especially if they are sharing confidential information that may impact their bargaining position with the other party to the trade.
Multiple representation may lead to improved knowledge about the condition of the home on the part of the buyer.	It can be challenging to understand when a broker or salesperson has to share information and when they don't. Having someone dedicated to your interests could reduce misunderstandings, assumptions or guesswork.  For example, the brokerage may be required to disclose facts about the property to the buyer that would not necessarily be disclosed if they worked with separate brokerages.



## What do you need to consider before agreeing to multiple representation?

- As a client, your needs and expectations must come first. You always have a choice, so don't be afraid to exercise your right to disagree to dual agency if you are uncomfortable with the arrangement or it doesn't support your objectives.
- If you wish to find alternative representation, there are thousands of registered brokerages in Ontario to choose from. A good place to start is visiting [www.reco.on.ca](http://www.reco.on.ca).

*NOTE: Multiple representation can also occur if you come to a brokerage as a 'customer', however it is important to note that a sales representative doesn't have the same fiduciary duty to a customer as they do to a client, this may put you at a disadvantage. To learn more about being a customer, check out this [Ask Joe column](#).*

### Media contact:

James Geuzebroek, Director, Communications  
E-mail: [james.g@reco.on.ca](mailto:james.g@reco.on.ca) | Phone: 416 207-3108