



## Real Estate Talk: Brokerage act update

### Description

# Changes to the Real Estate Brokerage Act regarding double representation

By Joseph Marovitch

March 17, 2022

Real estate brokerage is governed by the **Real Estate Brokerage Act (REBA)**. The REBA was created by the **Organisme d'autoréglementation du courtage immobilier du Québec (OACIQ)** under the authority of the Quebec Government to protect the public. Recently, the REBA has been amended to address the situation where a broker represents both the buyer and seller in the transaction to buy and sell a residential property.

Currently, a seller can be represented by a broker via a written brokerage contract. In the process of selling the property, should a buyer who is not represented by another broker express interest in the property, the listing broker becomes the selling broker as well and represents both parties.

Recently, the REBA has been amended to address the situation where a broker represents both the buyer and seller in the transaction to buy and sell a residential property.

In this situation, there is a conflict of interest whereby the broker is working for both buyer and seller but acquires compensation from the seller. As well, since there is no additional selling broker representing the buyer, the listing broker receives double the compensation. It is, therefore, in the interest of the broker to favour the seller.

To alleviate this issue, the amendment to the brokerage act limits the broker's responsibility to one of three roles **as of June 10, 2022**.

- The broker can represent the seller as the listing broker with a written brokerage contract to sell. In this situation, the broker's primary responsibility is to represent the seller and receive compensation from the seller as stated in the seller's contract.



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Or

- The broker can represent the buyer as the selling broker with a brokerage contract to purchase. In this situation, the broker represents the interest of the buyer and receives compensation from the buyer as set in the buyer's contract.

Or

- The broker can be a collaborating broker representing the seller but working for the listing broker and paid by the listing broker. As a note, this third role may not resolve the reason for the amendment. Therefore, I would recommend acquiring a selling broker who would be compensated by the buyer.

Should a buyer express interest in a property the listing broker is selling, but the buyer is not represented, then the listing broker has the obligation to request the buyer acquire the services of another broker to represent them.

If the broker already has a brokerage contract to purchase with the buyer and the buyer wishes to make an offer on a property that is a listing of the same broker, the buyer contract automatically becomes null and void, and the listing broker may only represent the seller.

'What changes after June 10, 2022, is that a broker cannot represent both a buyer and seller in the same transaction.'

The buyer must then find another broker to represent them. However, the buyer has the right to represent themselves should they choose to do so or acquire a collaborating broker who would be working for and be compensated by the listing broker. However, again, I advise acquiring a selling broker and not a collaborating broker.

What changes after June 10, 2022, is that a broker cannot represent both a buyer and seller in the same transaction.

It should also be noted that whether a broker is representing a buyer or seller, or acting in the role of a collaborating broker, a written agreement must be signed. Verbal agreements are no longer considered valid and without a written agreement defining the broker's role, they may not be eligible for compensation.

For further information, go to: [oaciq.com/en/articles/forthcoming-amendment-to-the-real-estate-brokerage-act-regarding-double-representation-in-residential](https://oaciq.com/en/articles/forthcoming-amendment-to-the-real-estate-brokerage-act-regarding-double-representation-in-residential)

Should you have questions or comments, please refer to the comments section at the bottom of the page. As well, to view past articles, [click here](#).

Next article: **Why use a broker to buy and sell?**

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## State of the market

Supply is slowly increasing and gaining momentum based on the frequency of new listings. However, demand is still high, and prices continue to rise. The rise in prices can be attributed to inflation at 5.7%, according to **Bank of Canada** Governor **Tiff Macklem**, as stated in a recent [Financial Post article](#), due to the Russian war on Ukraine causing gas, material and transport costs to rise.

With the increase in inflation, the Bank of Canada is considering increasing the interest rate quicker than anticipated, which may ease the pressure on the housing market by reducing the demand while supply



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increases.

Have a great week, and stay safe.

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## Let's not forget that people with cancer are vulnerable too!

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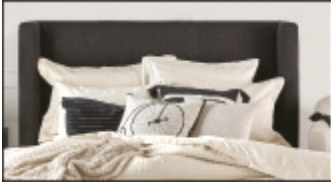
Feature image: Edmond Dantès from Pexels

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**Joseph Marovitch** has worked in the service industry for over 30 years. His first career was working with families from Westmount and surrounding areas, hosting children between the ages of 6 to 16 as the owner and director of Camp Maromac, a sports and arts sleep away summer camp established in 1968. Using the same strengths caring for the families, such as reliability, integrity, honesty and a deep sense of protecting the interests of those he is responsible for, Joseph applies this to his present real estate broker career. Should you have questions please feel free to contact Joseph Marovitch at 514 825-8771, or [josephmarovitch@gmail.com](mailto:josephmarovitch@gmail.com)



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