

Alpha College of Real Estate  
8 Hour Required Topic Classroom Course Agency Law 6/2011 Update Supplement

Virginia Agency Law

§ 54.1-2130. Definitions.

"Agency" means every relationship in which a real estate licensee acts for or represents a person by such person's express authority in a real estate transaction, unless a different legal relationship is intended and is agreed to as part of the brokerage relationship. Agency includes representation of a client as a standard agent or a limited service agent. Nothing in this article shall prohibit a licensee and a client from agreeing in writing to a brokerage relationship under which the licensee acts as an independent contractor or which imposes on a licensee obligations in addition to those provided in this article. If a licensee agrees to additional obligations, however, the licensee shall be responsible for the additional obligations agreed to with the client in the brokerage agreement. A real estate licensee who enters into a brokerage relationship based upon a written brokerage agreement that specifically states that the real estate licensee is acting as an independent contractor and not as an agent shall have the obligations agreed to by the parties in the brokerage agreement, and such real estate licensee and its employees shall have no obligations under §§ 54.1-2131 through 54.1-2135 of this article. *However, any real estate licensee who acts for or represents a client in an agency relationship shall either represent such client as a standard agent or a limited service agent.*

"Brokerage agreement" means the ~~written agreement by which a real estate licensee represents a client in creating a brokerage relationship between a client and a licensee.~~

*"Independent contractor" means a real estate licensee who (i) enters into a brokerage relationship based upon a brokerage agreement that specifically states that the real estate licensee is acting as an independent contractor and not as an agent; (ii) shall have the obligations agreed to by the parties in the brokerage agreement; and (iii) shall have no obligations under §§ 54.1-2131 through 54.1-2135.*

"Licensee" means real estate brokers and salespersons as defined in Article 1 (§ 54.1-2100 et seq.) of Chapter 21 of this title.

*"Property management agreement" means the written agreement between a property manager and the owner of real estate for the management of the real estate.*

§ 54.1-2131. Licensees engaged by sellers.

B. Licensees shall treat all prospective buyers honestly and shall not knowingly give them false information. A licensee engaged by a seller shall disclose to prospective buyers all material adverse facts pertaining to the physical condition of the property which are actually known by the licensee. As used in this section, the term "physical condition of the property" shall refer to the physical condition of the land and any improvements thereon, and shall not refer to: (i) matters outside the boundaries of the land or relating to adjacent or other properties in proximity thereto, (ii) matters relating to governmental land use regulations, and (iii) matters relating to highways or public streets. Such disclosure shall be made in writing. ~~A licensee shall not be liable to a buyer for providing false information to the buyer if the false information was provided to the licensee by the seller or was obtained from a governmental entity or from a person licensed, certified, or registered to provide professional services in the Commonwealth, upon which the licensee relies, and the licensee did not (i) have actual knowledge that the information was false or (ii) act in reckless disregard of the truth.~~ No cause of action shall arise against any licensee for revealing information as required by this

Alpha College of Real Estate  
8 Hour Required Topic Classroom Course Agency Law 6/2011 Update Supplement

article or applicable law. Nothing in this article shall limit in any way the provisions of the Virginia Residential Property Disclosure Act (§ 55-517 et seq.).

§ 54.1-2133. Licensees engaged by landlords to lease property.

B. Licensees shall treat all prospective tenants honestly and shall not knowingly give them false information. A licensee engaged by a landlord shall disclose to prospective tenants all material adverse facts pertaining to the physical condition of the property which are actually known by the licensee. As used in this section, the term "physical condition of the property" shall refer to the physical condition of the land and any improvements thereon, and shall not refer to: (i) matters outside the boundaries of the land or relating to adjacent or other properties in proximity thereto, (ii) matters relating to governmental land use regulations, and (iii) matters relating to highways or public streets. Such disclosure shall be made in writing. ~~A licensee shall not be liable to a tenant for providing false information to the tenant if the false information was provided to the licensee by the landlord or was obtained from a governmental entity or from a person licensed, certified, or registered to provide professional services in the Commonwealth, upon which the licensee relies, and the licensee did not (i) have actual knowledge that the information was false or (ii) act in reckless disregard of the truth.~~ No cause of action shall arise against any licensee for revealing information as required by this article or applicable law. Nothing in this subsection shall limit the right of a prospective tenant to inspect the physical condition of the property.

§ 54.1-2135. Licensees engaged to manage real estate.

*D. Property management agreements shall be in writing and shall:*

- 1. Have a definite termination date or duration; however, if a property management agreement does not specify a definite termination date or duration, the agreement shall terminate 90 days after the date of the agreement;*
- 2. State the amount of the management fees and how and when such fees are to be paid;*
- 3. State the services to be rendered by the licensee; and*
- 4. Include such other terms as have been agreed to by the owner and the property manager.*

§ 54.1-2137. Commencement and termination of brokerage relationships.

A. The brokerage relationships set forth in this article shall commence at the time that a client engages a licensee and shall continue until (i) completion of performance in accordance with the brokerage relationship or (ii) the earlier of (a) any date of expiration agreed upon by the parties as part of the brokerage relationship or in any amendments thereto, (b) any mutually agreed upon termination of the relationship, (c) a default by any party under the terms of the brokerage relationship, or (d) a termination as set forth in subsection ~~D~~ F of § 54.1-2139.

B. ~~Brokerage relationships~~ *Brokerage relationships agreements shall be in writing and shall have:*

Alpha College of Real Estate  
8 Hour Required Topic Classroom Course Agency Law 6/2011 Update Supplement

1. *Have a definite termination date; however, if a brokerage relationship does not specify a definite termination date, the brokerage relationship shall terminate ~~ninety~~ 90 days after the date of the brokerage relationship ~~was entered into agreement~~*
2. *State the amount of the brokerage fees and how and when such fees are to be paid;*
3. *State the services to be rendered by the licensee;*
4. *Include such other terms of the brokerage relationship as have been agreed to by the client and the licensee; and*
5. *In the case of brokerage agreements entered into in conjunction with the client's consent to a dual representation, the disclosures set out in subsection A of § 54.1-2139.*

§ 54.1-2139. Disclosed dual standard agency authorized.

A. A licensee may ~~not act as a dual representative only with standard agent unless he has first obtained the~~ written consent of all ~~clients parties~~ parties to the transaction *given after written disclosure of the consequences of such dual standard agency. Such ~~written consent and disclosure of the brokerage relationship as required by this article shall be presumed to have been given as against any client who signs a disclosure as provided in this section.~~ shall be in writing and given to both parties prior to the commencement of dual standard agency. The disclosure shall contain the following provisions:*

1. *That following the commencement of dual standard agency, the licensee will be unable to advise either party as to the terms, offers or counteroffers; however, under the limited circumstances specified in subsection C, the licensee may have previously discussed such terms with one party prior to the commencement of dual standard agency;*
2. *That the licensee cannot advise a buyer client as to the suitability of the property, its condition (other than to make any disclosures as required by law of any licensee representing a seller), and cannot advise either party as to repairs of the property to make or request;*
3. *That the licensee cannot advise either party in any dispute that might later arise relating to the transaction;*
4. *That the licensee will be acting without knowledge of the client's needs, client's experience in the market, or client's experience in handling real estate transactions unless he has gained that information from earlier contact with the client under the limited circumstances specified in subsection C; and*
5. *That either party may engage another licensee if he requires additional representation.*

B. *Such disclosures shall not be deemed to comply with the requirements set out in this section if (i) not signed by the client or (ii) given in a purchase agreement, lease or any other document related to a transaction. Any disclosure and consent that substantially complies with the following shall be deemed in compliance with this disclosure requirement:*

Alpha College of Real Estate  
8 Hour Required Topic Classroom Course Agency Law 6/2011 Update Supplement

*DISCLOSURE OF DUAL STANDARD AGENCY*

*The undersigned do hereby acknowledge disclosure that:*

*The licensee .....*

*(Name of Broker, Firm or Salesperson as applicable)*

*represents more than one party as a dual standard agent*

*in this real estate transaction as indicated below:*

*..... Seller(s) and Buyer(s)*

*..... Landlord(s) and Tenant(s).*

*The undersigned understand:*

- 1. That following the commencement of dual standard agency, the licensee cannot advise either party as to the terms to offer or accept in any offer or counteroffer; however, the licensee may have advised one party as to such terms prior to the commencement of dual standard agency;*
- 2. That the licensee cannot advise the buyer client as to the suitability of the property, its condition (other than to make any disclosures as required by law of any licensee representing a seller), and cannot advise either party as to what repairs of the property to make or request;*
- 3. That the licensee cannot advise either party in any dispute that arises relating to the transaction;*
- 4. That licensee may be acting without knowledge of the client's needs, client's knowledge of the market, or client's capabilities in dealing with the intricacies of real estate transactions; and*
- 5. That either party may engage another licensee to represent their respective interests.*

*The undersigned by signing this notice do hereby acknowledge*





Alpha College of Real Estate  
8 Hour Required Topic Classroom Course Agency Law 6/2011 Update Supplement

~~E. A principal or supervising broker may assign different licensees affiliated with the broker as designated representatives to represent different clients in the same transaction to the exclusion of all other licensees in the firm. Use of such designated representatives shall not constitute dual representation if a designated representative is not representing more than one client in a particular real estate transaction; however, the principal or broker who is supervising the transaction shall be considered a dual representative as provided in this article. Designated representatives may not disclose, except to the affiliated licensee's broker, personal or financial information received from the clients during the brokerage relationship and any other information that the client requests during the brokerage relationship be kept confidential, unless otherwise provided for by law or the client consents in writing to the release of such information.~~

~~F. Use of designated representatives in a real estate transaction shall be disclosed in accordance with the provisions of this article. Such disclosure may be given in combination with other disclosures or provided with other information, but if so, the disclosure must be conspicuous, printed in bold lettering, all capitals, underlined, or within a separate box. Any disclosure which complies substantially in effect with the following shall be deemed in compliance with such disclosure requirement:~~

~~DISCLOSURE OF THE USE OF DESIGNATED REPRESENTATIVES~~

~~The undersigned do hereby acknowledge disclosure that:~~

~~The licensee .....~~

~~(Name of Broker and Firm)~~

~~represents more than one party in this real estate transaction as indicated below:~~

~~..... Seller(s) and Buyer(s)~~

~~..... Landlord(s) and Tenant(s).~~

~~The undersigned understands that the foregoing dual representative may not disclose to either client or such client's designated representative any information that has been given to the dual representative by the other client within the confidence and trust of the brokerage relationship except for that information which is otherwise required or permitted by Article 3 (§ 54.1-2130 et seq.) of Chapter 21 of Title 54.1 of the Code of Virginia to be disclosed. The undersigned by signing this notice do hereby acknowledge their informed consent to the disclosed dual representation by the licensee.~~

Alpha College of Real Estate  
8 Hour Required Topic Classroom Course Agency Law 6/2011 Update Supplement

~~The principal or supervising broker has assigned~~

~~..... to act as Designated Representative~~

~~(Licensee/Sales Associate)~~

~~for the one party as indicated below:~~

~~..... Seller(s) or ..... Buyer(s)~~

~~..... Landlord(s) or ..... Tenant(s).~~

~~and~~

~~..... to act as Designated Representative~~

~~(Licensee/Sales Associate)~~

~~for the other party as indicated below:~~

~~..... Seller(s) or ..... Buyer(s)~~

~~..... Landlord(s) or ..... Tenant(s)~~

~~.....~~

~~.....~~

~~Date~~

~~Name (One Party)~~

~~.....~~

~~.....~~

~~Date~~

~~Name (One Party)~~

~~.....~~

~~.....~~

~~Date~~

~~Name (Other Party)~~

~~.....~~

~~.....~~

~~Date~~

~~Name (Other Party)~~

**§ 54.1-2139.1. Designated standard agency authorized.**

*A. A principal or supervising broker may assign different licensees affiliated with the broker as designated standard agent to represent different clients in the same transaction to the exclusion of all other licensees in the firm. Use of such designated standard agents shall not constitute dual standard agency if a designated standard agent is not representing more than one client in a particular real estate transaction; however, the principal or broker who is supervising the transaction shall be considered a dual standard agent as provided in this article. Designated standard agents may not disclose, except to the affiliated licensee's broker, personal or financial information received from the clients during the brokerage relationship and any other information that the client requests during the brokerage relationship be kept confidential, unless otherwise provided for by law or the client consents in writing to the release of such information.*

*B. Use of designated standard agents in a real estate transaction shall be disclosed in accordance with the provisions of this article. Such disclosure may be given in combination with other disclosures or provided*

Alpha College of Real Estate  
8 Hour Required Topic Classroom Course Agency Law 6/2011 Update Supplement

*with other information, but if so, the disclosure shall be conspicuous, printed in bold lettering, all capitals, underlined, or within a separate box. Any disclosure that complies substantially in effect with the following shall be deemed in compliance with such disclosure requirement:*

*DISCLOSURE OF THE USE OF DESIGNATED STANDARD AGENTS*

*The undersigned do hereby acknowledge disclosure that:*

*The licensee .....*

*(Name of Broker and Firm)*

*represents more than one party in this real estate transaction as indicated below:*

*..... Seller(s) and Buyer(s)*

*..... Landlord(s) and Tenant(s).*

*The undersigned understand that the foregoing dual standard agent may not disclose to either client or such client's designated standard agent any information that has been given to the dual standard agent by the other client within the confidence and trust of the brokerage relationship except for that information which is otherwise required or permitted by Article 3 (§ 54.1-2130 et seq.) of Chapter 21 of Title 54.1 of the Code of Virginia to be disclosed. The undersigned by signing this notice do hereby acknowledge their informed consent to the disclosed dual standard agency by the licensee.*

*The principal or supervising broker has assigned*

*..... to act as Designated Standard Agent*

*(Licensee/Sales Associate)*

*for the one party as indicated below:*

*..... Seller(s) or ..... Buyer(s)*

*..... Landlord(s) or ..... Tenant(s)*

Alpha College of Real Estate  
8 Hour Required Topic Classroom Course Agency Law 6/2011 Update Supplement

and

..... to act as Designated Standard Agent

(Licensee/Sales Associate)

for the other party as indicated below:

..... Seller(s) or ..... Buyer(s)

..... Landlord(s) or ..... Tenant(s)

.....  
Date Name (One Party)

.....  
Date Name (One Party)

.....  
Date Name (Other Party)

.....  
Date Name (Other Party)

§ 54.1-2139.2. Disclosed dual representation authorized.

A. A licensee may act as a dual representative only with the written consent of all clients to the transaction. Such written consent and disclosure of the brokerage relationship as required by this article shall be presumed to have been given as against any client who signs a disclosure as provided in this section.

B. Such disclosure may be given in combination with other disclosures or provided with other information, but if so, the disclosure shall be conspicuous, printed in bold lettering, all capitals, underlined, or within a separate box. Any disclosure which complies substantially in effect with the following shall be deemed in compliance with this disclosure requirement:

DISCLOSURE OF DUAL REPRESENTATION

The undersigned do hereby acknowledge disclosure that:

The licensee .....

(Name of Broker, Firm or Salesperson as applicable)

represents more than one party in this real estate transaction as indicated below:



Alpha College of Real Estate  
8 Hour Required Topic Classroom Course Agency Law 6/2011 Update Supplement

*the firm. Use of such designated representatives shall not constitute dual representation if a designated representative is not representing more than one client in a particular real estate transaction; however, the principal or broker who is supervising the transaction shall be considered a dual representative as provided in this article. Designated representatives may not disclose, except to the affiliated licensee's broker, personal or financial information received from the clients during the brokerage relationship and any other information that the client requests during the brokerage relationship be kept confidential, unless otherwise provided for by law or the client consents in writing to the release of such information.*

*B. Use of designated representatives in a real estate transaction shall be disclosed in accordance with the provisions of this article. Such disclosure may be given in combination with other disclosures or provided with other information, but if so, the disclosure shall be conspicuous, printed in bold lettering, all capitals, underlined, or within a separate box. Any disclosure which complies substantially in effect with the following shall be deemed in compliance with such disclosure requirement:*

*DISCLOSURE OF THE USE OF DESIGNATED REPRESENTATIVES*

*The undersigned do hereby acknowledge disclosure that:*

*The licensee .....*

*(Name of Broker and Firm)*

*represents more than one party in this real estate transaction as indicated below:*

*..... Seller(s) and Buyer(s)*

*..... Landlord(s) and Tenant(s).*

*The undersigned understand that the foregoing dual representative may not disclose to either client or such client's designated representative any information that has been given to the dual representative by the other client within the confidence and trust of the brokerage relationship except for that information which is otherwise required or permitted by Article 3 (§ 54.1-2130 et seq.) of Chapter 21 of Title 54.1 of the Code of Virginia to be disclosed. The undersigned by signing this notice do hereby acknowledge their informed consent to the disclosed dual representation by the licensee.*

*The principal or supervising broker has assigned*

