



Nova Scotia introduces mandatory Buyer Brokerage Agreements

News Mar 6, 2017

By Penn Javdan

Nova Scotia has become the second province in Canada to make Buyer Brokerage Agreements mandatory.

While brokerage agreements have been standard practice for sellers, the rule change by the Nova Scotia Real Estate Commission (NSREC) means those looking to purchase a home as a client of a brokerage will also sign a brokerage agreement. "It acts as a source of reference especially for clients in knowing their rights and responsibilities," says Sarah Hill, communications officer at NSREC. From a consumer perspective it helps a buyer client understand what the brokerage obligations will be and how the brokerage will be paid.

"From a licensee's perspective, mandating Buyer Brokerage Agreements gives brokers the ability to more easily maintain stock of their buyer clients and ensure compliance of the terms of their relationship with the brokerage," says NSREC. "From a regulatory perspective, it is just as important to have all client relationships clearly expressed in writing for buyers as for sellers."

While the agreements have already been mandatory for buyers working with some types of brokerages since 2008, Nova Scotia is the second province in Canada to mandate brokerage agreements for all buyers who are clients of real estate brokerages – second to Alberta.

NSREC says the purpose of buyer brokerage agreements are to:

- describe the role and services of the brokerage and, if applicable, the designated agent
- outline the obligations of the client, the brokerage and, if applicable, the designated agent
- explain the extent to which personal information can be shared
- establish a clear commencement and expiry dates for the relationship
- address conflicts of interest.

The newly revised agreement has been rewritten to a degree, in plainer language.

The NSREC offered information sessions for licensees prior to making the agreements mandatory.

For more information, visit the Nova Scotia Real Estate Commission's website to view the new Buyer Brokerage Agreement, a list of do's and don'ts and the top 10 questions for consumers.

[♥ Recommend](#)
[↗ Share](#)

Sort by Newest ▾



Join the discussion...

LOG IN WITH

OR SIGN UP WITH DISQUS [?](#)Name **Scooter** • a year ago

As we have found in Alberta, some agents will sign buyers into the buyer brokerage agreement and instruct the buyers to call & view properties with the listing agent. Then if they find a property that peaks their interest, call the agent that has the signed buyer's brokerage agreement to show the property again & write the OTP.

We also found that the local real estate boards and AREA have failed to promote the buyer's brokerage agreement to the general public, leaving the Realtor, holding the paperwork and explaining how being a buyer of real estate works today!

Furthermore, all brokers & Realtors know this buyer's brokerage agreement came about because of the general public being able to post their listings on the MLS system through a brokerage that deals with mere postings. Thanks to the competition bureau. Makes one wonder if that's why local real estate boards and AREA failed to promote this new way of doing business, were they in fear of further backlash from the public?

[^](#) | [v](#) • [Reply](#) • [Share](#) >
**Carolyn L** ↗ Scooter • a year ago

From your comment, Scooter...

"As we have found in Alberta, some agents will sign buyers into the buyer brokerage agreement and instruct the buyers to call & view properties with the listing agent. Then if they find a property that peaks their interest, call the agent that has the signed buyer's brokerage agreement to show the property again & write the OTP."

Would it not be prudent for the listing agent to inquire as to if the caller is already under contract? And record the buyer contract number? Or able to look up a cross reference name?

MLS listings are assigned a reference number that travels with that listing for the life of the listing. If not sold and re-listed, a new MLS listing number is assigned and no mention is made that the property was previously listed.

Would it not be prudent for controlling interests to assign a point of reference number to a buyer contract? Each reference number only to be used once, as with listing numbers, for the life of the buyer agency contract? And recorded at some number supply source, being tied to that one buyer.

Also: it would be necessary to have all relevant persons party to the purchase identified, to prevent someone from going behind the contract so to speak, with a different family member as an example, signing a different contract with a different agent.

It might be useful to hear a little more detail how Nova Scotia and Alberta each work their systems.

