

Brokerage Relationships Explained



Understanding Agency Law in Maine Real Estate

In Maine, real estate licensees may act as a Seller's Representative (Agent), a Buyer's Representative (Agent), or a Disclosed Dual Representative (Dual Agent).

Representation agreements are formalized according to state law and the nature of our relationship. In some cases, this may create dual representation — for example, when a buyer wishes to acquire a property we also represent for sale.

No matter the situation, we always disclose our relationships in accordance with Maine law and ethical business practices. This area of real estate can be complex, and we take it very seriously. Our goal is for you to be comfortable with our role every step of the way.

We're also happy to provide references from past clients with whom we have worked successfully as disclosed dual agents.

Appointed Agency

Our firm practices Appointed Agency, as outlined in our listing agreements. An Appointed Agent is a licensee designated by the Designated Broker (DB) to represent a client exclusively, to the exclusion of other affiliated agents within the same brokerage. If a conflict arises at any point, the DB may appoint another agent in the company to represent one of the parties.

- If a seller prefers not to allow Dual Agency, we can proceed using Appointed Agency by assigning another agent to one party.
- If a seller wishes to work only with their preferred agent, we can include termination language in the contract to reflect that preference.

This approach allows flexibility while ensuring that every client's interests are fully protected.

Client vs. Customer

You'll receive the "Real Estate Brokerage Relationships" form, as required by the Maine Real Estate Commission. This form explains the difference between Client and Customer level services.

Think of it as the "Miranda Rights" of real estate:

Until you are a Client, anything you say can be shared with a prospective buyer.

Customer: Before signing a representation agreement, you are considered a Customer. I can provide information and perform basic ("ministerial") acts, but I cannot advise you or assist with due diligence.

Client: Once you sign a representation agreement, you become a Client. I can then advise you, analyze your business and financials, and represent your interests fully. Since I need to provide you with a business valuation prior to listing, I'll sign a Non-Disclosure Agreement (NDA) to protect your confidential information. Once the conversation shifts from selling myself to selling real estate, a Client relationship must be established.

Disclosed Dual Agency (DDA)

If a buyer inquires about one of my listings, I may act as a Disclosed Dual Agent, representing both the buyer and the seller in the same transaction — but only with the written consent of both parties.

As a Dual Agent, there are specific things I cannot disclose:

- The buyer's ability or motivation to buy
- The seller's bottom line or motivation to sell

All other relevant facts must be disclosed honestly to both sides. The three protected items in any dual agency situation are Price, Motivation, and Strategy — or "PMS." I owe confidentiality on these items to both parties unless given written permission otherwise.

Why Dual Agency Often Works Well in Hospitality Brokerage

Hospitality transactions differ from traditional residential real estate. A single, experienced broker representing both parties can often ensure smoother communication, protect goodwill, and help both sides reach a fair, efficient closing. As a dual agent, I can communicate directly with both parties — as well as their attorneys and accountants, reducing miscommunication and maintaining a cooperative, businesslike atmosphere.

When both buyer and seller feel they've reached a fair deal, and both leave the closing table satisfied, I've done my job.

I've successfully closed many transactions as a Disclosed Dual Agent (and several repeat DDA deals), with both sides remaining pleased well beyond closing. You can see examples of these sales at: danamoos.com/sold.html. Should any seller prefer not to allow a Dual Agency relationship, we will discuss alternative arrangements before proceeding.

NON-REPRESENTED BUYERS (CUSTOMERS)

The Maine Real Estate Commission requires that SELLER client Realtors working with non-represented buyers, also known as customers, the following:

1. Maintain loyalty to the SELLER
2. Tell the SELLER all that they know about the buyer.
3. Keep information about the SELLER confidential.
4. Focus on the SELLER-clients property
5. Provide just material facts to the buyer-customer.

6. Only provide price information that supports the SELLER'S listing price.
7. Protect the SELLER.
8. Negotiate on behalf of the SELLER.
9. Attempt to solve problems to the SELLER'S advantage and satisfaction.

A buyer without representation cannot expect advice from a Realtor. If you ask me advice, I have to say "*I cannot assist you with any due diligence unless you are a client*"

As you can see, the un-represented buyer receives no service or protection. How can hiring a Realtor and becoming a ***client***, help you, the BUYER?

1. Your agent will give your needs priority.
2. Now, your Realtor can tell you, the BUYER, what they know about the seller.
3. Your Realtor will keep information about you confidential.
4. Your Realtor will focus on choices that satisfy your needs.
5. You will have not only the material facts of a property but your Realtor will give you professional advice.
6. Your Realtor will provide counseling on comparable properties and their professional insights.
7. As a BUYER client you will be protected and guided in the real estate transaction.
8. Your Realtor will negotiate on your behalf...
9. And will attempt to solve problems to your advantage and satisfaction.