

**SECTION 1-CODE OF ETHICS****Part I****Relations to the Public****ARTICLE 1**

The Estate Agent should endeavor to eliminate in his community any practices that could be damaging to the public or to the dignity and integrity of the real estate profession. The Estate Agent should co-operate and assist the Association charge with regulating the practices of brokers and sales agents.

(See Standards of Practice Articles 3 and 4).

**ARTICLE 2**

The Estate Agent should not knowingly be a party to the naming of a false consideration in any document. (See Standards of Practice 2 and 4).

**ARTICLE 3**

The Estate Agent should not engage in activities that constitute the practice of law and should recommend that legal counsel be obtained when the interest of his clients requires it. This may be necessary particularly in the drafting of complex leases. (See Standards of Practice Article 6).

**ARTICLE 4**

The Estate Agent in his advertising should be especially careful to present a true picture and should neither advertise without disclosing his company's name nor permit his sales agents to use individual name or telephone numbers unless the sales agents connection to the Estate Agent is obvious in the advertisement. (See Standards of Practice Articles 5 and 9).

**ARTICLE 5**

The Estate Agent shall not deny his professional services to any person for reasons of race, colour, religion, sex, handicap, familial status or national origin. The Estate Agent shall not be party to any plan or agreement to discriminate against a person

or persons on the basis of race, colour, religion, sex, handicap, familial status or national origin.

## **Part II**

### **Relations to the Client**

#### **ARTICLE 6**

It is the duty of the Estate Agent to protect the public against fraud, misrepresentation or unethical practices in the real estate field.

In accepting employment as an agent, the Estate Agent pledges himself to protect and promote the interest of the client. This obligation of absolute fidelity to the client's interest is primary, but it does not relieve the Estate Agent from the obligation of dealing fairly and in a trustworthy manner with all parties to the transaction. (See Standards of Practice Articles 1, 2, 4, 5, 10 and 11).

#### **ARTICLE 7**

Since the Estate Agent is representing one or another party to a transaction he should not accept compensation from more than one party without the full knowledge of all parties to the transaction. (See Standards of Practice Articles 4 and 7).

#### **ARTICLE 8**

The Estate Agent should not acquire an interest in or buy for himself, any member of his immediate family, his firm or any member thereof, or any entity in which he has substantial ownership interest, property listed with him, or his firm without making the true position known to the listing owner, and in which he has interest, the facts should be revealed to the purchaser. (See Standards of Practice Article 2).

#### **ARTICLE 9**

The Estate Agent should not knowingly solicit another agent's vendor by using signs or advertisements to identify properties for sale and then listing directly from the vendor.

**ARTICLE 10**

When acting as agent in the management of property, the Estate Agent should not accept any commission, or profit on expenditures made for an owner, without the owner's knowledge and consent. (See Standards of Practice Articles 3 and 4).

**ARTICLE 11**

The Estate Agent should not undertake to make an appraisal that is outside the field of his experience, or qualification unless he obtains the assistance of an authority on such types of property, or unless the facts are fully disclosed to the client. In such circumstances the authority so engaged should be so identified and his contribution to the assignment should be clearly set forth. (See Standards of Practice Articles 1, 2, 6 and 8).

**ARTICLE 12**

The Estate Agent should not undertake to make an appraisal or render an opinion of value of any property where he has a present or contemplated interest unless such an interest is specially disclosed in the appraisal report. Under no circumstances in making a formal appraisal should the scale of fees influence the valuation. (See Standards of Practice Articles 3 and 4).

**Part III****Relations to his Fellow Estate Agents****ARTICLE 13**

The Estate Agent should seek no unfair advantage over his fellow Estate Agents and should willingly share with them the lessons of his experience and study. (See Standards of Practice Article 3).

**ARTICLE 13B**

The agency of a Member who holds an exclusive listing shall be respected by all other members, and negotiations concerning the property which is listed exclusively shall be carried on with the listing Member and not with the vendor, except with the consent of the Member.

**ARTICLE 14**

The Estate Agent should so conduct his business as to avoid controversies with his fellow Estate Agents. In the event of a controversy between Estate Agents who are members of the Association such controversy should be first arbitrated in accordance with the Rules and the By-Laws of the association rather than litigated. The Estate Agent should avoid involving the clients, customers or the public in such dispute resolutions wherever possible.

**ARTICLE 15**

When the Estate Agent is charged with unethical practice, he should place all pertinent facts before the proper tribunal of the Association for investigation and judgment.

**ARTICLE 16**

In the interest of society, of his associates, and of his own business, the Estate Agent should be loyal to the Association and active as necessary in its work.

**SECTION II - STANDARDS OF PRACTICE****Part I****Relations to the Public****ARTICLE 1**

It is the duty of the Estate Agent to be well informed on current market conditions in order to be in a position to advise his clients as to the fair market price.

**ARTICLE 2**

The Estate Agent should ascertain all pertinent facts concerning every property for which he accepts the agency, so that he may fulfill his obligation to avoid error, exaggeration, misrepresentation, or concealment of pertinent facts.

**ARTICLE 3**

The Estate Agent should keep in a special bank account, separated from his own personal funds, monies coming into his possession in trust for other persons such as escrows, trust funds, client's monies and other like items.

*Trust***ARTICLE 4**

The Estate Agent for the protection of all parties with whom he deals, should see that financial obligations and commitments regarding real estate transactions are writing, expressing the exact agreement of the parties; and that copies of such agreements, at the time that they are executed, are placed in the hands of the parties involved.

**ARTICLE 5**

The Estate Agent must have written authorization from the vendor on a direct listing to show or advertise the property. The vendor should be advised to provide reasonable access for showing the property, with appropriate notice being given by the Estate Agent. Where the property is tenanted the Estate Agent should confirmed with the vendor that the tenant has been duly notified. The Estate Agent is charged with identifying the name of the client (prospective purchaser) to the primary agent prior to obtaining an appointment for viewing.

**PART II****Relations to the Client****ARTICLE 6**

In justice to those who place their interests in his care, the Estate Agent should endeavor always to be informed regarding laws, proposed legislation, governmental orders, and other essential information and public policies which affect those interests. However, the Estate Agent should advise his client to seek pertinent professional legal counsel as required.

**ARTICLE 7**

The Estate Agent must ensure in all cases that he has a signed listing agreement between the authorized vendor and himself or his firm. The Estate Agent may use a sole listing agreement in cases where only one agent is authorised to offer the property for sale, but the owner may sell directly to a purchaser with an obligation to pay commission to the sole agent.

The Estate Agent may use a exclusive listing agreement when he is the only agent authorized to sell the property and the vendor must pay the agreed commission to the said Estate Agent regardless of whether he sells the property or indeed even gives it away.

In the event the vendor or landlord approaches an Estate Agent directly after another agent has sublisted the same property with him, then the Estate Agent should advise the vendor or landlord that he already has a sublisting of the property through another agent. The said sublisting arrangement will last until the expiry date of the sublisting agreement.

**ARTICLE 8**

When asked to make a formal appraisal of real property, the Estate Agent should render an opinion with ~~careful~~ careful and thorough analysis and interpretation of all factors affection the value of the property. His counsel constitutes a professional service.

**ARTICLE 9**

The Estate Agent should not submit or advertise property without authority, and in any offering, the price quoted should not be other than that agreed upon with the owners as the offering price.

The Estate Agent should advise their vendor that when listing a property with several agents the price should be informed and that in the event of any price change all agents involved must be advised in a timely manner.

**ARTICLE 10**

In the event that more than one formal written offer on a specific property is made before the owner has accepted an offer, any other formal written offer presented to the

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Estate Agent whether by a prospective purchaser or another broker, should be submitted to the owner for his decision.

#### ARTICLE 11

The Estate Agent should ascertain from prospective purchaser/tenants whether they have already viewed properties with another agent in order, if possible, to identify properties which may have already been seen by the purchaser and in order to avoid two Estate Agents showing the same property.

In the event that the purchaser has already been shown a specific property then commissions and/or a referral fee must be shared with the agent who first showed the property to the purchaser:

- a) in the case of a resident purchaser a period of six months between showings should elapse in order to make the above null and void;
- b) in the case of non-resident purchaser a period of twelve months between showings should elapse in order to make the above null and void.

### Part III

#### Relations to his Fellow Estate Agents

#### ARTICLE 12

The agency of an Estate Agent who holds an exclusive listing should be respected. An Estate Agent cooperating with a listing broker should not invite the cooperation of a third broker without the consent of the listing broker.

#### ARTICLE 13

The Estate Agent should cooperate with other brokers on property listed by him exclusively whenever it is in the interest of the client, sharing commissions on a previously agreed basis. Negotiations concerning property listed exclusively with one broker should be carried on with the listing broker, not with the owner, except with the consent of the listing broker.

**ARTICLE 13B**

The Listing Agent shall agree the commission with the client.  
The listing Agent appoints the Su-agent and by agreement sets the amount of the fee to be shared. In general 50% of the Listing Agent's fee should be shared with the sub-agent but this can be changed by agreement. If no contrary agreement exists and the Listing Agent agrees to work with the sub-agent then it will be assumed that the terms are 50% of the fee.

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**ARTICLE 14**

The Estate Agent should not solicit the services of an employee or sales agent in the organisation of a fellow Estate Agent without the knowledge of his employer.

**ARTICLE 15**

Signs giving notice of property for sale, rent, lease or exchange should be placed on any property only if authorized by the owner.

In cases where there is no exclusive agent and multiple Members have been given authority to erect signage then the following options are available to Members.

- a. An Order of rotation of signs be agreed amongst the effected Members
- b. One shared sign be erected containing as many as 4 Members details
- c. By agreement no sign will be erected
- d. That a standard For Sale, 'Contact any NRA Agent' should be used
- e. In the final option, the vendor shall determine which sign(s) should be placed

**CONCLUSION**

The term Estate Agent has come to connote competence, fair dealing and high integrity resulting from adherence to a lofty ideal of moral conduct in business relations. No inducement of profit and no instructions from clients ever can justify departure from this ideal, or from breaches from this Code.

28<sup>th</sup> April 2005

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TO: ALL MEMBERS OF N.R.A.

**SCHEDULE OF MINIMUM SCALE OF FEES AS AGREED AT THE A.G.M.  
HELD ON.....AT THE.....**

**Commission on Sale of Property**

.....on the 1<sup>st</sup>.....

.....on the balance exceeding.....

**Commission on Rental of Property**

Commission = 1 Month's rent for a year's rental period on long-term

**ARTICLE 7**

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