

# REINSW Exclusive Buyers' Agents Best Practice Guidelines

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Exclusive buyers' agents who are members of the Real Estate Institute of New South Wales (REINSW) are able to adopt the following voluntary Best Practice Guidelines for Exclusive Buyers' Agents.

These exclusive buyers' agents promise to employ the highest possible standards of integrity and professionalism and commit to the following principles:

## Independence

1. Exclusive buyers' agents must:
  - (a) Act exclusively as a buyers' agent in all real estate sales transactions;
  - (b) Be completely independent from vendors and selling agents and only accept fees or commissions from buyers;
  - (c) Not list or sell any property (other than a property in which they have a legal or equitable interest);
  - (d) Not act on behalf of, or take payment from any other party in a real estate transaction (such as property developers);
  - (e) Not demand or receive referral fees for referring a buyer, or potential buyer, to a selling agent;
  - (f) Not represent any buyer where a conflict of interest exists, or is likely to arise;
  - (g) Not operate out of a selling agent's office.

## Licensing

2. Exclusive buyers' agents must:
  - (a) Hold a full real estate agent's licence under the *Property, Stock and Business Agents Act 2002* and any associated Regulation.
  - (b) Have a thorough knowledge and understanding of legislation relevant to buyers' agency practice and always act in accordance with such legislation, specifically:
    - (i) Have a legislatively compliant written agency agreement specifying the services to be provided; contain details of all applicable fees and disbursement and clearly outline both the agent's and Principal's obligations under the agreement.
    - (ii) Declare to the Principal any financial or other interest in any property or service the agent refers the Principal too.
    - (iii) Provide a written authority to the person keeping a bidders' register at an auction for residential property or rural land, when registering to bid on behalf of a principal, unless acting under a Power of Attorney.

## Research

3. Exclusive buyers' agents must:
  - (a) Advise the Principal before engagement if their property expectations are not realistic for the market;
  - (b) Research the relevant property market in accordance with the Principal's requirements and

- instructions;
- (c) Advise the Principal based on the agent's professional experience, knowledge and judgment;
  - (d) Present relevant properties for a Principal's consideration and communicate the pros and cons of each property;
  - (e) Ensure that the origin or source of the information presented to the Principal by the exclusive buyers' agent is disclosed as being:
    - (i) From the selling agent or another entity; or
    - (ii) A result of the exclusive buyers' agent's own investigations and/or observations;
  - (f) Evaluate all relevant information pertaining to the Principal's selected property;
  - (g) Notify the Principal immediately if any information prepared or supplied by the exclusive buyers agent is later found by the exclusive buyers' agent to be incorrect; and
  - (h) Obtain adequate instructions from a Principal about any material fact(s) that may impact on the decision of the Principal to purchase a property or the value at which the Principal is prepared to purchase the property.

## Representation

- 4. Exclusive buyers' agents must:
  - (a) Always act in the best interests of their Principal;
  - (b) Never do anything that might jeopardise their Principals' bargaining position or other interests;
  - (c) Not disclose any confidential information about their Principal without instructions to do so, unless in accordance with law;
  - (d) Always represent the Principal in accordance with their instructions;
  - (e) Disclose to selling agents that they are acting as a buyers' agent on behalf of a Principal;
  - (f) not represent any buyer where a conflict of interest exists, or is likely to arise;
  - (g) Not undertake specialised services for which the exclusive buyers' agent is not qualified or licensed for and make it clear to the Principal that the exclusive buyers' agent is acting only in the capacity of a buyers' agent and not as a financial, legal or other advisor.

## Insurance

- 5. Exclusive buyers' agents must hold professional indemnity insurance to a minimum value of \$2 million whether operating as a corporation, partnership or sole trader.

*Compiled by the REINSW Buyers' Agents Chapter Committee  
February 2011*