Buyer brokerage agreement
• Agreement between broker and buyer
• Compensation and representation

Option contract
• Right to purchase real estate in the future
• Terms must be 100% stated

Listing Agreement
• Employment contract between seller and broker

Contract for Sale and Purchase
• Agreement between seller and buyer

Four Contracts Licensees May Prepare
Buyer Brokerage Agreement

Commercial
• Broker hired to find a property
• Addresses broker representation

Residential
• Commission buyer agrees to pay broker
• Commission is reduced by amount paid by listing brokerage

Four Contracts Licensees May Prepare
Four Contracts Licensees May Prepare

Lease-Option agreement
- Optionor – property owner
- Optionee – potential buyer
- Specified price
- Definite time period
- Must be in writing to be enforceable (Statute of Frauds)
- Unilateral contract
  - Only seller has to perform if buyer exercises the option
- Buyer must pay a non-refundable fee
  - Fee must be definite valuable consideration
  - Seller may retain fee if option not exercised
Lease-purchase agreement

• Tenant enters into a lease

• Agreement becomes effective at end of lease term

• Tenant responsible for repairs during lease

Four Contracts Licensees May Prepare
Listing Agreement

• Agreement between broker and seller
• Broker must have power of attorney
  • To accept or reject offers on sellers behalf
• Listing agreement may be verbal
  • Must prove seller approved of brokers efforts to sell
• Listing agreement for more than one year must be in writing
• Signed listing agreement must be given to seller within 24 hours
• Cannot contain an automatic renewal
Open listing Agreement

- Given to multiple brokers
  - Usually a for-sale-by-owner (FSBO)
- Procuring cause
  - Who introduced the property to the buyer
- Unilateral contract
  - Only seller has to perform
  - Can be terminated at will
  - May not be entered in MLS

Four Contracts Licensees May Prepare
Exclusive agency listing

• Property is listed with one broker
• If owner is procuring cause – no commission due
• Listing brokerage participates with cooperating brokers
• May be entered in the MLS

Four Contracts Licensees May Prepare
Four Contracts Licensees May Prepare

**Exclusive right-of-sale listing**
- Most common in residential real estate
- Broker is paid no matter who is procuring cause, including owner
- Best protection for Broker
- May be entered in MLS
Net listing

- Minimum amount owner wants to receive
- Broker keeps amount over sellers net amount
- Legal in Florida

Four Contracts Licensees May Prepare
Contract for sale and purchase

- Standard contracts provided by Florida Association of Realtors (FAR)
- Federal E-Sign Act allows electronic signatures

Four Contracts Licensees May Prepare
Transfer of a right or interest in land Must be in writing to be enforceable Purchase and sale contract Lease over a year Option contract Failure to comply: not illegal, contract may be unenforceable

2 Exceptions

1. Title has transferred to Buyer
2. Buyer has paid part of the purchase price, and
   a. Taken possession
   or
   b. Made improvements

Statute of Frauds
Default and Dispute Resolution

Specific Performance

- One party defaults & the other party asks the courts to require specific performance
- Usually a buyer remedy
Default and Dispute Resolution

**Damages**

- **Liquidated damages**
  - Specified in the contract
  - Usually the deposit, retained by the seller when buyer defaults

- **Compensatory damages**
  - Not specified in contract
  - Usually a remedy decided by the courts
Effect a sale
Transaction must close for broker to be paid

Find a purchaser (Florida)
Commission is earned when:
• Ready, willing and able buyer is presented to seller
• Must be same terms as offered in listing contract
• Seller does not accept offer
• Commission is due
Liens on Commission

Sales Commission Lien Act
F.S. 475 – PART III Commercial Real Estate
• Broker must disclose lien rights
  • At or before the brokerage agreement is executed
  • Lien rights are not waivable before commission is earned
  • Within 30 days of earning commission & 1 day before closing
• Deliver commission notice to:
  • Owner of the commercial real estate
  • Closing agent
  • Lien notice may be recorded in public records
  • Lien attaches to the net sales proceeds (not real estate)
• F.S. 475.703 - .705
Liens on Commission

Leasing Commission Lien Act
F.S. 475 – PART IV Commercial Real Estate
- Broker must disclose lien rights
  - At or before the brokerage agreement is executed
  - Lien rights are not waivable before commission is earned
- Commission earned – broker may file lien notice
- Copy must be delivered to owner within 7 days after filing lien notice
- Lien may be recorded in public records
  - Lien attaches to the owner’s interest in the real property
- F.S. 475.803 - .807
Rayner vs. Wise Realty
- Sellers must disclose material defects
- Licensees must disclose material defects if known

HIV/AIDS
- Licensees must not disclose
- Terms must be 100% stated

Restrictive Covenants
- Seller must provide HOA documents to Buyer
- Buyer has 3 days to review

Lead-Based Paint
- Pre-1978 properties
- Sellers & landlords must provide disclosure
Coffee Break
15 Minutes