

WB-50 RESIDENTIAL PRE-AGENCY SHOWING AGREEMENT

1 For purposes of this Agreement, "residential" means property with one-to-four dwelling units.

2 Under Wisconsin law, buyers have choices in their relationship with an agent. There are three agency options available

3 for buyers: pre-agency, subagency, and buyer agency. Each agency type varies by what level of brokerage services may

4 be provided.

5 A buyer can sign a buyer agency agreement with a firm and be the firm's client with all the services and duties that come

6 with being a firm's client. A buyer could work with the firm that has the property listed or another firm and not sign a buyer

7 agency agreement. The buyer would be a customer of the firm with some services and duties but not client-level duties.

8 When the buyer is a customer of either the listing firm or another firm, the agent working with the buyer cannot put the

9 buyer's interests ahead of the seller's interests. A buyer and a firm also can operate for a limited time in what is known

10 as pre-agency where the buyer is not yet a customer nor a client. During pre-agency, the agent cannot put the buyer's

11 interests ahead of the seller's interests and cannot engage in any negotiation on behalf of the buyer.

BUYER RELATIONSHIPS WITH AGENTS

- 13 1. **Buyer in Pre-Agency:** A buyer in pre-agency is not a client or a customer of the real estate firm and its agents.
- 14 In pre-agency, the firm and its agents may provide the buyer with services such as showing properties and act
- 15 as a neutral information provider, but the firm cannot negotiate for the buyer. "Negotiate" is defined in Wis. Stat.
- 16 § 452.01(5m). One example of negotiations would be drafting an offer for the buyer. If negotiations are requested
- 17 or initiated, pre-agency authorization ends and the firm and the buyer would establish either subagency, where
- 18 the firm is a subagent of the listing firm, as defined in Wis. Stat. § 452.01(7r) and the buyer is a customer, or
- 19 execute a buyer agency agreement where the buyer is a client, if they wish to proceed together. Both the buyer
- 20 and the firm have a choice at that point whether to proceed together, and if so, under which agency relationship.
- 21 2. **Buyer as Customer:** If a buyer and the firm choose a subagency relationship, the buyer is a customer. The
- 22 buyer would receive the duties owed to all parties, including the authorization for negotiation, but would not
- 23 receive client-level services. As a customer, the buyer would not receive advice, such as how much the buyer
- 24 should offer on a property, recommendations on negotiation or which property or properties to pursue. Buyers
- 25 who are customers receive a separate disclosure and agents who are working with buyer customers cannot put
- 26 the buyer's interests ahead of the seller's interests.
- 27 3. **Buyer as Client:** When a buyer wants to have access to the full brokerage services offered by a firm, the buyer
- 28 would sign a written buyer agency agreement with the firm and become the firm's client. When a buyer is a client,
- 29 the firm can put the buyer's interests ahead of the seller's interests while observing duties that agents
- 30 owe to all parties in a transaction. When a buyer is a client, the firm can provide information and advice such as
- 31 how much the buyer should offer for the property, and negotiation recommendations or recommendations
- 32 regarding which property or properties to pursue, and other client services the firm offers.

RESIDENTIAL PRE-AGENCY SHOWING AGREEMENT

34 The undersigned Prospective Buyer and the Firm enter into this Residential Pre-Agency Showing Agreement

35 ("Agreement") on the following terms and conditions:

36 **THIS IS NOT AN AGENCY AGREEMENT. THIS AGREEMENT DOES NOT AUTHORIZE AN AGENT TO DRAFT AN**

37 **OFFER TO PURCHASE.** This Agreement authorizes the Firm and its agents to help the Prospective Buyer identify and

38 locate properties and to show homes to the Prospective Buyer in a pre-agency relationship. The Firm and agents may

39 show properties and provide information, as requested. Either the Prospective Buyer or the Firm may discontinue

40 working together under pre-agency at any time, upon informing the other, and it is agreed and understood that whether

41 to proceed with any further or additional brokerages services, whether under subagency or under buyer agency, is a

42 choice between the Prospective Buyer and the Firm and agents.

43 **Compensation.** A firm may receive compensation for showing properties to a prospective buyer during pre-agency. The

44 Prospective Buyer and the Firm agree the Firm shall be paid as follows (insert amount, if any, and terms of payment):

45 **2% of the final purchase price**

46

47 The fee cannot be paid to the agent directly and must be paid to the Firm.

48 **Real estate commissions and compensation are not set by law and are fully negotiable.**

49 **A firm working with a buyer for services covered by this Agreement cannot receive compensation or fees from**
50 **any source that exceeds the amount specified in this Agreement, unless agreed to in writing.**

51 **The compensation paid under a pre-agency agreement to a firm does not prohibit a firm from receiving other**
52 **compensation as an agent working with a buyer as a client or customer in the purchase of property.**

53 **FAIR HOUSING / NON-DISCRIMINATION.** The Firm and its agents agree that they will not discriminate based on race,
54 color, sex, sexual orientation as defined in Wisconsin Statutes § 111.32(13m), disability, religion, national origin, marital
55 status, lawful source of income, age, ancestry, family status, status as a victim of domestic abuse, sexual assault, or
56 stalking, or in any other unlawful manner.

57 **NOTICE ABOUT SEX OFFENDER REGISTRY.** The Prospective Buyer may obtain information about the sex offender
58 registry and persons registered with the registry by contacting the Wisconsin Department of Corrections on the Internet
59 at <http://www.doc.wi.gov> or by telephone at (608)240-5830.

60 **DUTIES TO ALL PARTIES.** Under Wisconsin law, a firm and its agents owe certain duties to all parties in transaction,
61 including during pre-agency. The Firm and its agents owe the Prospective Buyer:

- The duty to provide brokerage services fairly and honestly.
- The duty to provide brokerage services with reasonable skill and care.
- The duty to disclose in writing certain material adverse facts about a property, unless disclosure of the information is prohibited by law.
- The duty to keep confidential information given to the firm in confidence or information a reasonable person would want to be kept confidential, unless the law requires disclosure. The firm and its agents will not disclose the confidential information of the parties.
- The duty to provide accurate information about market conditions that affect the transaction within a reasonable time of the party's request for it, unless disclosure of the information is prohibited by law.
- The duty to safeguard trust funds and other property held by the firm or its agents.
- The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the advantages and disadvantages of the proposals.

74 (x) _____
75 Prospective Buyer's Signature ▲ Print Name Here ► Date ▲

76 (x) _____
77 Prospective Buyer's Signature ▲ Print Name Here ► Date ▲

78 (x) _____
79 Prospective Buyer's Signature ▲ Print Name Here ► Date ▲

80 (x) _____
81 Prospective Buyer's Signature ▲ Print Name Here ► Date ▲

82 **Madison Abodes LLC**
83 Firm Name ▲

84 (x) _____
85 Agent's Signature ▲ Print Name Here ► Date ▲