

# TIP OF THE MONTH



## January Tip of the Month:

### What should I take note of when co-brokling with another salesperson?

Co-brokling refers to a situation when two or more salespersons, representing different parties in a transaction, work together to complete the property transaction to the benefit of their respective clients. The commission is then shared between the salespersons.

This is a common practice in the estate agency industry and here are some things to note to ensure a smooth co-brokling process:

## CO-BROKING 101

### WHAT YOU SHOULD DO



Be open to co-brokling opportunities. Co-brokling exposes the property to a wide pool of interested buyers, and the greater exposure could attract a higher offer and a higher price, which would benefit your client.



Disclose your name, CEA registration number, estate agent, and contact number when seeking information from the other salesperson.



Negotiate with the other salesperson and agree to the co-brokerage fee upfront, keeping in mind your duty to act in your client's interest.

### WHAT YOU SHOULDN'T DO



Block the other salesperson from co-brokling. You should not deny co-brokling opportunities to other salespersons. If approached by other salespersons to co-broke, you should agree and avoid finding ways not to co-broke (e.g. telling them that you are not sharing your commission).



Collect both a commission from your client and a co-brokling fee from the salesperson representing the other party in the transaction.



Bypass the listing salesperson or approach the listing salesperson's client directly to communicate matters relating to the property transaction.

There was a recent [case](#) of a salesperson who attempted to cover up receiving both a commission from his tenant-client and a co-broking fee from the landlord's salesperson by falsely declaring the commission from his tenant-client as a 'property management fee'. The salesperson was sentenced to a financial penalty of \$27,000 and received a 10-month suspension for breaches to the [Code of Ethics and Professional Client Care \(CEPCC\)](#).

Remember to conduct yourself professionally in your estate agency work. If you run into any issues with co-broking arrangements, approach your KEO for assistance in resolving the matter. Disputes regarding co-broking fees should be handled by your KEO and legal department.

Find out more about co-broking in our *CEAenergy* [article](#).

*Brought to you by the Council for Estate Agencies*

