Trust in Real Estate
Services Act (TRESA)

The way REALTORS® do business is changing.
TRESA Phase Two came into effect on December 1, 2023.

Seven Changes REALTORS® Need to Know

1. A new, **principle-based Code of Ethics** related to integrity, quality of service, and conflicts of interest.

2. The RECO discipline committee has the ability to:
   a. **Suspend**, **revoke** or **apply conditions** to a registration.
   b. **Investigate** a REALTOR®'s conduct and refer the matter to the discipline committee **whether a formal complaint is made or not**.

3. The introduction of the **mandatory** *RECO Information Guide* to improve the information and disclosure obligations REALTORS® must provide to Buyers and Sellers.

4. Moving forward, there are two terms REALTORS® need to know – **client** and **self-represented party (SRP)**. An SRP is a party who is not receiving services from a Brokerage with respect to a trade.

5. **Customer Service Agreements are no longer permitted.**

6. Sellers have the **option to disclose the contents of offers** which allows them to direct the Brokerage to share details, other than personal identifying information, of competing offers.

7. An **optional Designated Representation model** to limit the occurrence of Multiple Representation.

Consumer Options Under TRESA

Client	Self-Represented Party
✅ Agreement	⛔ Agreement
✅ Services	✅ Assistance
✅ Representation	⛔ Representation

Changes to Written Agreements and Disclosures

TRESA regulations now require:

- Disclosures to **be in writing**, in **clear and concise language,** and must include the **prominent placement of the word** *disclosure*.

- REALTORS® must obtain a **written acknowledgment** from the client indicating that the disclosure has been received.

- Once the written acknowledgment is signed, **a copy must be provided** to the client.

TRESA continues to require disclosures on the following:

- **Multiple Representation,**
- **Material facts** and **latent defects,**
- **Conflicts of interest**, and
- The existence of a **Seller Property Information Statement (SPIS)**.

Definitions and Examples

Self-Represented Party (SRP)

A **self-represented party (SRP)** is a party not receiving services from a Brokerage with respect to a trade.

There are two instances where a REALTOR® can interact with an SRP without providing what could be considered client services.

First, an SRP can receive general information relating to real estate, like general real estate market statistics.

Second, a REALTOR® can provide assistance to an SRP if that assistance is **a service to or incidental to a service to their client.**

General information · Assistance relative to Client
SRP · Salesperson · Client · SRP

Example:
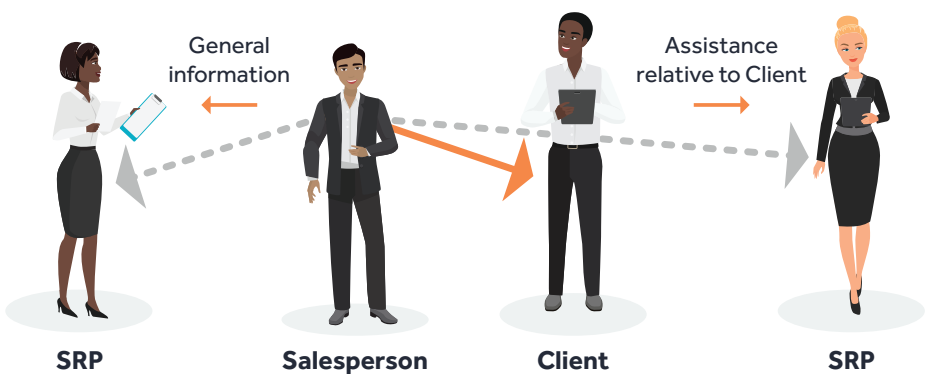
The Salesperson representing the Seller is showing their listing to an SRP. Should the SRP wish to purchase the property, the REALTOR® may assist the SRP with the mechanics of filling out an Agreement of Purchase and Sale, **but they would not be able to provide any advice** or cause the SRP to rely on the REALTOR®'s judgement or skill.

Designated Representation

Designated Representation allows a Brokerage to have the option to **work with both the Buyer and the Seller** in a single transaction **without entering into Multiple Representation.** The Designated Representation model says that the duty owed to the clients **would apply to the designated Salespersons within a Brokerage for the specific identified transactions**, not the Brokerage and all of its REALTORS®.

The Listing Salesperson is able to represent the Seller's best interests while another Salesperson at the same Brokerage can represent the best interests of the Buyer without being limited by Multiple Representation. The **Brokerage retains oversight and responsibility** for the Salespersons' fulfillment of duties to the clients.

Example:

ABC Realty Inc.

Assistance relative to Seller · Assistance relative to Buyer
SRP · Client (Seller) · Salesperson A (Seller Rep) · Salesperson B (Buyer Rep) · Client (Buyer) · SRP

Salesperson A of ABC Realty Inc. has a Designated Representation Agreement **with the Seller**. **Salesperson B**, also of ABC Realty Inc., has a Designated Representation Agreement **with the Buyer**. The Buyer can purchase the property from the Seller without entering into Multiple Representation.

A Designated Representative may assist an SRP, provided the assistance is a service **to their designated client.**

Multiple Representation Under the Designated Representation Model

Multiple Representation can occur if a **single Salesperson represents both the Seller and the Buyer** as their Designated Representative. **SRPs** are offered the **same general assistance** under Multiple Representation.

Example:

Assistance relative to Seller · Assistance relative to Buyer
SRP · Client (Seller) · Salesperson · Client (Buyer) · SRP

To learn more, visit orea.com/tresa and the TRESA hub on TRREB's Home Page.