

USEFUL INFORMATION

Contract for mediating property when the client is a consumer

When an estate agent takes on the assignment of mediating a property a written contract must be drawn up between the estate agent and the client.

You can read more about mediating property in the fact sheet Useful information on *Property mediation* (Bra att veta om *Fastighetsförmedling*).

The contract

The contract stipulates the conditions for the assignment and the estate agent's and the client's rights and obligations when mediating property.

The estate agent and the client should each have a copy of the agreement.

Significance of the requirement for a written contract

The requirement for a written contract means that the estate agent may not refer to oral agreements that make greater demands on the client than may apply according to various legal acts.

The client always has the right to refer to oral agreements. However, it may be difficult to prove oral promises and agreements.

An oral agreement

Although the estate agent must try to ensure the contract is put in writing, an oral agreement may nevertheless be binding. This applies in particular to the question of the estate agent's right to remuneration. Even if there is only an oral agreement, the estate agent may have the right to receive a commission if the property is purchased by a party the estate agent has found.

Sole agency

The assignment of mediating a property may be given with or without sole agency. An agreement on sole agency must be made in writing. The period for the sole agency can be determined to a maximum of three

months at a time. An agreement to extend the contract may be signed no sooner than one month before the current agreement expires.

The estate agent's right to sole agency means that the estate agent normally has the right to receive a commission if the property is sold during the period the sole agency applies. This even applies if the estate agent has not in any way participated in the sale. A client who sells the property himself or through another estate agent during the period the sole agency applies therefore risks having to pay a commission to the estate agent who has sole agency.

A property mediation assignment with sole agency means that the estate agent is expected to be more active than under a contract without sole agency.

Signatures

The contract and any changes to this should be signed by the estate agent and the client. If there is more than one owner of the property, all owners should sign the contract themselves or through an agent.

The estate agent's possibility to transfer the mediation assignment

The estate agent must not allow any other estate agent to take over the mediation assignment unless permission is given in writing by the client.

The estate agent's possibility to use assistants

The estate agent may allow an assistant to carry out limited parts of the assignment. However, this only applies when the estate agent's special skills are not required. An assistant may not behave in such a way that it can be perceived as through the assistant is carrying out and has responsibility for the assignment.

The estate agent may also allow another estate agent to participate and to take care of parts of the assignment. However, the estate agent must first obtain permission from the client to do so.

The period of validity of the contract

If the estate agent and the client have not decided how long the contract will apply, it will apply until terminated by one of the parties.

No obligation to sell

A person who has given an estate agent the assignment of mediating a property is not obliged to go through with the sale.

Notice of termination

The estate agent and the client may agree on a particular period of notice for terminating the contract, that is, that the agreement will continue to apply for some time after one party has decided to terminate it.

The form for terminating the agreement

If the estate agent wishes to terminate a contract, he must do so in writing. A client may terminate a contract orally. However, it may be difficult for a client to prove the contract has been terminated orally.

Terminating an agreement prematurely

Both the client and the estate agent have the right to terminate a mediation contract. If there are no acceptable reasons for terminating the agreement, the other party may have the right to damages.

If the client has lost confidence in the estate agent, for instance, because the estate agent has in some way mismanaged the assignment, there may be acceptable reasons for the client to terminate the agreement prematurely.

An estate agent must have important reasons for terminating a contract prematurely. One such reason may be that the cooperation with the client does not function properly because the client has deliberately given the estate agent incorrect information.

The estate agent's right to remuneration

The estate agent may have the right to a commission or other remuneration if the property is sold. This applies even if the contract has been terminated by the client or by the estate agent himself. The estate agent's remuneration may be reduced if the estate agent has neglected his obligations towards the buyer or the seller when carrying out the assignment.

You can read more about the estate agent's right to remuneration in the fact sheet Useful information on *Remuneration to the estate agent* (Bra att veta om *Ersättningen till fastighetsmäklaren*).

The Swedish Board of Supervision of Estate Agents is a government agency with responsibility for supervising registered estate agents.

The Board issues fact sheets in a series entitled - USEFUL INFORMATION

These fact sheets can be ordered from the Swedish Board of Supervision of Estate Agents or downloaded from the Board's website.



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