



GET IN TOUCH.

BOMA Seattle King County: 206-622-8924
BOMA Spokane: 509-344-2662
BOMA South Puget Sound: 253-265-3042

BOMA Lobbyists
Mark Gjurasic: 360-481-6000
Chester Baldwin: 360-688-4588

BAD FOR WASHINGTON

SB 5189/HB 1316 [prohibiting dual agency in certain real estate transactions]

*Dual agency is when a real estate agent/broker or full-service real estate firm works with both the buyer and the seller. Dual agents work for both the buyer and the seller, but only with the express consent of both parties. **Dual agency is authorized in State law RCW 18.86.060 and requires full written disclosure to both parties and has operated to the advantage of both parties for many years.** Dual agency most often occurs at the behest of both parties in order to save time, money and share market information. Existing Washington law provides for adequate consumer safeguards.*

Why have these bills been introduced? A similar bill was tried in California and soundly defeated once lawmakers understood the true motivations behind it and the likely impacts. These bills, if passed would hinder or even end dual agency and are promoted by the self-serving interests of **a small number of tenant/buyer-only firms to do legislatively what they can't do successfully through market competition.**

Washington State law already requires disclosures to consumers in commercial transactions if dual agency arises. The additional requirements proposed in SB 5189/HB 1316 does little to enhance understanding of dual agency, but instead creates barriers to free choice and added costs to real estate transactions, especially if a consumer chooses to use a full-service firm.

SB 5189 and HB 1316 offer a solution where there is no problem. Dual agency has generally operated without issue in Washington for some time. When representing both parties to a transaction, commercial real estate companies have instituted proven procedures to ensure each party is zealously represented, such as obtaining written consent from each party, assigning separate brokers to individually represent each party and establishing confidentiality walls to protect each party's information. To our knowledge, consumers of commercial brokerage services have raised no concerns over dual agency.

SB 5189 and HB 1316 are anti-consumer legislation because if passed they would interfere with a consumer's right to retain the broker of his or her choice imposing costly and unwanted mandates even for the most simple and smallest of transactions.

Many clients want to work with full service firms that can provide a complete array of services to meet their needs. Any one client may need real estate services to acquire new property, dispose of unwanted property, assist with construction management, and provide other real estate services. Full service firms can provide all of these services that clients want under one coordinated umbrella, and our enhanced expertise can result in better outcomes for our clients.

This proposed legislation would negatively impact the majority of large and small companies that occupy commercial real estate space in Washington, particularly in its largest markets. Washington would be the first and only state in the country to enact such a mandate and as a result, would increase the complexity and costs of transactions, reduce choice of properties and advisors, cause the termination or delay of projects and chill corporate investment in the state, all putting jobs at risk.

SB 5189 and HB 1316 would cause unnecessary upheaval to the industry and cost the industry millions of dollars and could effectively deny Washingtonians the choice and expertise afforded to them under the current dual agency model.