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# CANONS OF ETHICS FOR THE REAL ESTATE INDUSTRY

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## SECTION 1: General Duties to the Public and Industry

**Article 1.** Licensing as a real estate broker or salesman indicates to the public at large that the individual so designated has special expertise in real estate matters and is subject to high standards of conduct in the licensee's business and personal affairs. The licensee should endeavor to maintain and establish high standards of professional conduct and integrity in dealings with members of the public as well as with fellow licensees and, further, seek to avoid even the appearance of impropriety in any activities as a licensee.

**Article 2.** It is the duty of the broker to protect the public against fraud, misrepresentation or unethical practices in real estate transactions. The licensee should endeavor to eliminate in the community, any practices which could be damaging to the public or to the integrity of the real estate profession.

**Article 3.** The licensee should provide assistance wherever possible to the members and staff of the Real Estate Commission and Division of Real Estate in the enforcement of the licensing statutes and administrative rules and regulations adopted in accordance therewith.

**Article 4.** The licensee should be knowledgeable of the laws of Ohio pertinent to the real estate and should keep informed of changes in the statutes of Ohio affecting the duties and responsibilities of a licensee. (formerly Article 3.1)

**Article 5.** A licensee should represent clients competently and should promote the advancement of professional education in the real estate industry through the licensee's conduct. (formerly Article 4)

**Article 6.** The licensee should be informed as to matters affecting real estate in the community, state, and the nation, so that the licensee may be able to contribute to public thinking on such matters including taxation, legislation, land use, city planning, and other questions affecting property interests. (formerly Article 5.1)

## SECTION II: Specific Duties to Clients and Customers

**Article 7.** The licensee should disclose all known material facts concerning a property on which the licensee is representing a seller or a purchaser to avoid misrepresentation or concealment of material facts. (formerly Article 5.3)

**Article 8.** The licensee should recommend that title be examined and legal counsel be obtained. (formerly Article 6)

**Article 9.** The licensee, for the protection of all parties, should see that financial obligations and commitments regarding real estate transactions are in writing, expressing the exact agreement of the parties; and that copies of all agreements, at the time they are executed, are placed in the hands of all parties involved.

**Article 10.** A licensee should not enter into an agency relationship with a party whose interests are in conflict with those of the licensee or another client represented by the licensee without fully disclosing the potential conflict and obtaining the informed consent of all parties. (formerly Article 11)

**Article 11.** A licensee should not accept compensation from more than one party without the full knowledge and consent of all parties to the transaction. (formerly Article 12)

**Article 12.** When acting as a seller's agent, a licensee should disclose to the seller if the licensee is the actual purchaser, or if the purchaser is another licensee affiliated with the same brokerage as the licensee, a business entity in which the licensee has an interest, or is a member of the licensee's immediate family. (formerly Article 13)

**Article 13.** When asked to provide an appraisal (formal or informal), price opinion, comparative market analysis or any other task that is intended to determine the value of a property, a licensee shall not render that opinion without the careful analysis and interpretation of all factors affecting the property, and should not mislead their client as to the value of the property. (formerly Article 16)

**Article 14.** The licensee should not undertake to provide professional services concerning a property or its value where the licensee has a present or contemplated interest unless such interest is specifically disclosed to all affected parties. Nor should the licensee make a formal appraisal when the licensee's employment or fee charged for the appraisal is contingent upon the amount of the appraisal. (formerly Article 16.1)

**Article 15.** The licensee should not attempt to provide an appraisal, price opinion, comparative market analysis or any other task that is intended to determine the value of a property, if the subject property is of a type that is outside the field of expertise of the licensee unless, the licensee obtains the assistance of another licensee or appraiser who has expertise in this type of property. (formerly Article 16.2)

**Article 16.** The licensee should not advertise property without authority, and in any advertisement the price quoted should be that agreed upon with the owners as the offering price. (formerly Article 17)

## SECTION III: Duties to Fellow Licensees

**Article 17.** A licensee should respect the exclusive agency of another licensee until it has expired or until the client, without solicitation initiates a discussion with the licensee about the terms upon which the licensee might enter into a future agency agreement or one commencing upon the expiration of any existing agreement. (former Article 21)

**Article 18.** A licensee should not solicit a listing that is currently listed with another broker, unless the listing broker, when asked, refuses to disclose the nature and expiration of the listing. In that event the licensee may contact the owner to secure such

## Canons of Ethics for The Real Estate Industry

information and may discuss terms upon which the licensee might take a future listing, or one commencing upon the expiration of any existing exclusive listing. (formerly Article 21.1)

Article 19. A licensee should not solicit a buyer/tenant who is subject to an exclusive buyer/tenant agreement, unless the broker, when asked, refuses to disclose the nature and expiration date

of the exclusive buyer/tenant agreement. In that event the licensee may contact the buyer/tenant to secure such information and may discuss the terms upon which the licensee might enter into a future buyer/tenant agreement or may enter into a buyer/tenant agreement to become effective upon the expiration of any existing exclusive buyer/tenant agreement. (new Article)