



How long is the period an agent represents a buyer-client?

A: The representation timeline varies for retaining a buyer broker depending on the type of buyer-client, individual or entity.

When the buyer is an individual, the representation period may not exceed three months from the date the representation agreement is entered into. [Calif. Civil Code §1670.50(d)(2)]

Once retained, an individual and their broker may be faced with the representation expiring before the client has contracted to buy a property. To continue with authority to act on behalf of the buyer and earn a fee, the broker and their buyer need to enter into a renewal of the representation agreement.

The renewal agreement resets the expiration date which may not exceed three months from the date the renewal agreement is entered into. For a renewal to reset the expiration date, the broker uses a Renewal of Buyer Representation Agreement form. [See **RPI** Form 103.1A]

Representation agreements with individuals may not be extended on expiration, only renewed. The renewal agreement merely sets a new expiration date without reference to the prior expiration

date. [CC §1670.50(d)(1)]

When the buyer is an entity:

- the representation period before expiration may be for any duration; and
- the expiration date may be extended for whatever duration the broker and buyer negotiate. [CC §1670.50(d)(1)]

A broker representing an entity as a buyer-client uses a modification of the representation agreement form to reset the expiration date of the retainer period for whatever duration negotiated. [See **RPI** Form 103.2A]

Entity clients include:

- corporations;
- real estate investment trusts (REITs);
- limited liability companies (LLCs); and
- partnerships.

An inter vivos trust, also known as a living trust, is not an entity but is an individual.