

PRE-AGENCY SHOWING AGREEMENT FOR WISCONSIN PROPERTIES

1 Under Wisconsin law, buyers have choices in their relationship with an agent. There are essentially three agency options
2 available for buyers under Wisconsin law: pre-agency, subagency, and buyer agency. Each agency type varies by what
3 level of brokerage services may be provided.

4 A buyer can sign a buyer agency agreement with a firm and be the firm's client with all the services and duties that come
5 with being a firm's client. A buyer could work with the firm that has the property listed or another firm and not sign a buyer
6 agency agreement. The buyer would be a customer of the firm with some services and duties but not client-level duties.
7 When the buyer is a customer of either the listing firm or another firm, the agent working with the buyer cannot put the
8 buyer's interests ahead of the seller's interests. A buyer and a firm also can operate for a limited time in what is known
9 as pre-agency where the buyer is not yet a customer nor a client. During pre-agency, the agent cannot put the buyer's
10 interests ahead of the seller's interests and cannot engage in any negotiation on behalf of the buyer.

BUYER RELATIONSHIPS WITH AGENTS

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12 **1. Buyer in Pre-agency:** A buyer in pre-agency is not a client or a customer of the real estate firm and its agents.
13 In pre-agency the firm and its agents may provide the buyer services such as showing properties and act as a
14 neutral information provider, but the firm cannot negotiate for the buyer. "Negotiate" is defined in Wis. Stat. §
15 452.01(5m). One example of negotiations would be drafting an offer for the buyer. If during pre-agency,
16 negotiations are requested or initiated, then at that point pre-agency authorization ends and the firm and the
17 buyer would establish either subagency, where the firm is a subagent of the listing firm, as defined in Wis. Stat. §
18 452.01(7r) and the buyer is a customer, or execute a buyer agency agreement where the buyer is a client, if they
19 wish to proceed together. Both the buyer and the firm have a choice at that point whether to proceed together,
20 and if so, under which agency relationship.

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22 **2. Buyer as Customer:** If a subagency relationship is chosen by the buyer and the firm or if the buyer initiates
23 subagency with another firm, the buyer is a customer. The buyer would receive the duties owed to all parties,
24 including the authorization for negotiation, but would not receive client level services, and would not receive
25 price advice, e.g., advice such as how much a buyer should offer on a property, or negotiation recommendations
26 or recommendations regarding which property or properties to pursue. Buyers who are customers receive a
27 separate disclosure and agents who are working with buyer customers cannot put the buyer customer's interests
ahead of the seller's interests.

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29 **3. Buyer as Client:** When a buyer wants to have access to the full suite of brokerage services, the buyer would
30 sign a written buyer agency agreement with the firm and become the firm's client. When a buyer is a client, the
31 firm can put the buyer's interests ahead of the seller's interests while observing duties that agents owe to all
32 parties in a transaction. When a buyer is a client, the firm can provide information and advice such as how much
33 the buyer should offer for the property, and negotiation recommendations or recommendations regarding which
property or properties to pursue, and other client services the firm offers.

PRE-AGENCY AGREEMENT

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35 The undersigned Prospective Buyer and the Firm hereby enter this Pre-Agency Showing Agreement on the following
36 terms and conditions:

37 **THIS IS NOT AN AGENCY AGREEMENT. THIS AGREEMENT DOES NOT AUTHORIZE AN AGENT TO DRAFT AN**
38 **OFFER TO PURCHASE.** This is an agreement that authorizes the Firm and its agents to help the Prospective Buyer
39 identify and locate properties and to show homes to the Prospective Buyer in a pre-agency relationship. The Firm and
40 agents may show properties and provide information, as requested. Either the Prospective Buyer or the Firm may
41 discontinue working together under pre-agency at any time, upon informing the other, and it is agreed and understood
42 that whether to proceed with any further or additional brokerages services, whether under subagency or under buyer
43 agency, is a choice between the Prospective Buyer and the Firm and agents.

44 **Compensation.** A firm may receive compensation for showing properties to a Prospective Buyer during pre-agency. The
45 Prospective Buyer and the Firm agree the Firm shall be paid \$_____

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47 (insert amount, if any) for showing properties. The fee cannot be paid to the agent directly and must be paid to the Firm.

