

What is an AREC?

It's an acronym for the Alaska Real Estate Commission Consumer Disclosure. It's not a contract – it's a disclosure.

The state of Alaska requires this form before your realtor can even show you a house! It has an important purpose too..... explaining who represents whom?

So this is an easy way to explain it....remember, you MUST sign this before you can even look at homes with a realtor – it's state law!

There are several different ways you can work with a realtor.

1) Specific Assistance

This means that the realtor you are using, does not represent you solely. They are assisting you in the transaction, but may represent someone else. Please note that not all information that you provide to your realtor is confidential in this scenario.

However, the realtor does owe you these duties:

- a. They can't be sloppy, they must exercise reasonable skill and care.
- b. Honesty and good faith is required in all dealings.
- c. Timely presentation of all written communications, meaning you must get a copy of all documentation.
- d. The realtor must disclose all material information known by them regarding the physical condition of the property.
- e. They must keep a timely accounting of all money and property received by the realtor.

2) Representation – most common scenario

This means that you have your own realtor who represents you alone. Many of the duties are the same, but here it is all written out for you:

- a. All the items listed above
- b. Your realtor should not intentionally take actions which are adverse or detrimental to you, the consumer and their client.
- c. They need to tell you if there are conflicts of interest.
- d. They need to advise you to seek independent expert advice if they don't know.
- e. Your realtor can't disclose information about you or how much you will pay or anything like that UNLESS it's required by law.
- f. Your realtor must, in good faith, help you reach your real estate goals and objectives.

3) Neutral Licensee, this one isn't used very often.

This would be used if you have a home and your neighbor wants to buy it. The two of you have already decided upon a price and negotiated it all out. The realtor comes in, doesn't represent either of you, but facilitates the paperwork, makes sure everything is correct and prepares everything for closing. This is usually done at a negotiated cost. Here is what is required:

- a. Both parties have to sign a document stating that you all agree that you are not represented.
  - b. All the items listed above
  - c. The Realtor cannot intentionally take action that is adverse or detrimental to either client.
  - d. The Realtor needs to tell you if there are conflicts of interest for either client.
  - e. The Realtor needs to advise both of you to seek independent expert advice if they don't know.
  - f. The Realtor can't disclose information about either client without written permission, during the transaction or after.
  - g. The Realtor can't disclose the terms of the amount of money either consumer is willing to pay or accept for the property.
- 4) Designated Licensee, rarely used

This is when a company assigns a realtor to represent one side of the transaction (say the seller) and another realtor in the same office to represent the other side (say the buyer)

It's very important to our team to make sure you are represented the way you want to be represented!