



COMMONWEALTH of VIRGINIA
Department of Professional and Occupational Regulation

Ralph S. Northam
Governor

Brian Ball
Secretary of
Commerce and Trade

December 6, 2018

Jay W. DeBoer
Director

Dear Broker,

On January 1, 2019, legislation will go into effect that amends the laws governing licensees of the Real Estate Board ("Board"). These changes will affect you, your firm, and your operations. The new law (1) adds a definition for "real estate team" to the *Code of Virginia* and requires those real estate teams to obtain business entity salesperson licenses from the Board; (2) clarifies the duties for supervising brokers; and (3) changes the requirement for reporting licensees affiliated with branch offices.

First, § 54.1-2100 of the *Code of Virginia* defines a real estate team as "two or more individuals, one or more of whom is a real estate salesperson or broker, who (i) work together as a unit within the same brokerage firm, (ii) represent themselves to the public as working together as one unit, and (iii) designate themselves by a fictitious name."

Accordingly, supervising brokers need to ensure real estate teams they supervise which are not currently licensed as business entities and meet the definition of real estate team obtain a business entity salesperson license. Please do not call the Board to ascertain whether a business entity meets this definition, as the Board cannot make this determination for you. If you're unsure if a business entity meets the definition of real estate team, you may wish to seek advice from counsel.

Second, § 54.1-2110.1 of the *Code of Virginia* was amended to clarify that real estate teams be supervised by a supervising broker. Also, this section now requires brokerage agreements to include the name and contact information of the supervising broker.

Third, supervising brokers will no longer be required to provide a Branch Office Affiliation Certification form upon the renewal of each affiliated licensee. Rather, a supervising broker will be required to provide the Board with the names and license numbers of each affiliated licensee at the renewal of the branch office's license.

If you have additional questions, please contact Board staff by email at reboard@dpor.virginia.gov or by phone at 804-367-8526.

Sincerely,

Real Estate Board