

## **EXPLANATORY LEAFLET**

# **EXCLUSIVE BROKERAGE CONTRACT**

COMMERCIAL LEASE – RETAIL
OFFICE SPACE – INDUSTRIAL SPACE

# **HIGHLIGHTS**

Following the launch in June 2022 and November 2023 of revised versions of the real estate brokerage forms for residential immovables containing less than 5 dwellings and immovables held in co-ownership, the OACIQ began the task of **modernizing its recommended forms**. The purpose of this work is to **harmonize all brokerage forms** according to the changes introduced in 2022 and 2023 and, of course, to ensure their compliance with the *Real Estate Brokerage Act* (REBA) (CQLR, c. C-73.2) and the regulations thereunder.

No substantial change has been made to the recommended form Exclusive brokerage contract – Commercial lease (BCC) as part of this harmonization work.

**IMPORTANT**: We recommend that you finalize the forms concerned that have not been completed on InstanetForms<sup>™</sup> **no later than September 30 at midnight**. You must not access the forms concerned between 12:01 am and 6:00 am (Montreal time) on October 1, 2025, as the change will take effect at that time.

The forms concerned, completed and signed before October 1, 2025, remain valid.

#### TITLE

An addition has been made to the title of this form to specify that it can be used for transactions involving retail, office and industrial spaces.

#### **CLAUSE 2.1 – OBJECT AND TERM OF THE CONTRACT**

#### Harmonization with mandatory forms EBCS, EBCD, EBCU

Clarifications have been made in this clause as to the reasons for the termination of the contract. The brokerage contract is for the provision of services (art. 2125, 2126, C.C.Q.) Thus, the client may terminate such a contract without reason. The real estate broker acting on his own account or the real estate agency, as the case may be, who is the service provider, may not terminate the contract unilaterally except for a serious reason, and never at an inopportune moment.

#### **CLAUSE 4 – RENT AND LEASING CONDITIONS**

## Clause 4.2.2 - Energy costs

Since this is a form used in commercial matters, it was deemed useful to add clause 4.2.2 concerning the estimated energy costs for the leased premises. The estimated amount indicated in this clause shall be adjusted at the end of each year for the term of the lease.

## **CLAUSE 5 – INFORMATION LISTING SERVICES**

#### Harmonization with section 44 of RBR

#### Clause 5.1

Since March 23, 2023, section 44 of RBR has been amended to eliminate any delay between the listing of the immovable on an information listing service and the beginning of marketing activities. The aim is to combat the practices of "pocket listing" or "coming soon." It is no longer possible to avoid the application of this rule, i.e. to delay the listing of a property, at the client's request, while it is already being offered for sale. For this reason, the reference to "written instructions given by the LESSOR" has been removed from this clause.

#### **CLAUSE 6 – REMUNERATION**

Harmonization with mandatory forms EBCS, EBCD, EBCU

#### Clause 6.1

Clause 6.1 now expressly states that taxes apply to the remuneration amount. This allowed for the removal of clause 6.3 of the old form.

A few wording changes have been made to clause 6.1.

#### Clause 6.3 - Assignment of remuneration

The reference to the obligation of the real estate broker acting on his own account or the real estate agency, as the case may be, representing the lessor to assign his claim to the real estate broker or agency who collaborated in the transaction is removed. This clause does not refer to the obligations of the parties to the contract but concerns the agreement that real estate brokers or agencies may enter into with each other. Therefore, such a clause must not be included in a brokerage contract with the lessor.

#### Clause 6.5 par. 3 - no remuneration

An addition has been made in this clause to make it easier for clients to understand cases where no remuneration is due. The real estate agency or broker acting on his own account is not entitled to any remuneration if, through the lessor's fault, the lease is not signed. Other wording changes have been made.

## CLAUSE 7 - DECLARATIONS AND OBLIGATIONS OF THE LESSOR

## Clause 7.1 par. 5

This clause is enhanced by adding the lessor's declaration regarding the connection of the premises covered by the lease to power utilities provided by the municipality.

Harmonization with mandatory forms EBCS, EBCD, EBCU

## Clause 7.2 - Lessor's right to offer the immovable for sale

A clarification is made to specify that the lessor retains the right to sell his property himself, the concept of exclusivity being only applicable to real estate brokers or agencies.

#### **CLAUSE 8 – OBLIGATIONS OF THE AGENCY OR THE BROKER**

Harmonization with mandatory forms EBCS, EBCD, EBCU

#### Clause 8.1 par. 9 – obligation to disclose any remuneration agreement

The real estate broker or agency must inform the lessor, in writing and without delay, of any remuneration agreement in their favour related to the object of the brokerage contract. This clause was harmonized with the new wording of section 36 of RBR which came into force on March 23, 2023.

#### Clause 8.1 par. 11 - obligation to disclose any remuneration sharing

With a view to transparency and to better inform the public, the real estate broker acting on his own account or the real estate agency must disclose to the lessor in writing any sharing, other than the one mentioned in clause 6.4, which he is planning to make of his remuneration, as well as the identity of the person receiving that share and, in the case of a non-monetary benefit, the nature of the compensation. This clause is consistent with the regulatory obligation of the real estate broker and the real estate agency under section 38 of RBR.

#### Clause 8.1 par. 13 a) - Obligation to notify the lessor of any change of address of the establishment

The real estate broker acting on his own account or the real estate agency party to the brokerage contract must notify the lessor, in writing and without delay, of any change in the address of their establishment. This clause is consistent with the regulatory obligation of the real estate broker and the real estate agency under section 27 of RBR.

#### **CLAUSE 14 – SIGNATURES**

Harmonization with mandatory forms EBCS, EBCD, EBCU

#### Box before the signatures - Privacy protection

As private entities, real estate brokers acting on their own account and real estate agencies are governed, in the performance of their activities, by the *Act respecting the protection of personal information in the private sector*. The purpose of the box concerning privacy protection is to remind real estate brokers and agencies of their obligations and to inform clients.

**IMPORTANT:** This box does not replace the obligation of the real estate broker acting on his own account or the real estate agency to always obtain valid consent when collecting, using, or disclosing personal information.

#### Box before the signatures - Role of the OACIQ

In accordance with section 16.2 of RBR, this box contains an informative text presenting the mission of the OACIQ. If the real estate broker or agency provides the party with the revised BCC form containing this box, he complies with the obligation set out in section 16.2 and is not required to provide any other documentation on the role of the OACIQ.

OTHER CHANGES ARE STRUCTURAL OR TECHNICAL IN NATURE.