

**NATIONAL ASSOCIATION OF REALTORS®**  
**Code of Ethics Video Series**

**From *Professionalism in Real Estate Practice* – Article 11**

(A narrative explanation of Article 11 with synthesis of related Standards of Practice and Case Interpretations)

**Article 11**

The services which REALTORS® provide to their clients and customers shall conform to the standards of practice and competence which are reasonably expected in the specific real estate disciplines in which they engage; specifically, residential real estate brokerage, real property management, commercial and industrial real estate brokerage, land brokerage, real estate appraisal, real estate counseling, real estate syndication, real estate auction, and international real estate.

REALTORS® shall not undertake to provide specialized professional services concerning a type of property or service that is outside their field of competence unless they engage the assistance of one who is competent on such types of property or service, or unless the facts are fully disclosed to the client. Any person engaged to provide such assistance shall be so identified to the client and their contribution to the assignment should be set forth.

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Article 11 is explicit in setting forth REALTORS®, responsibilities to refrain from attempting to provide service for which they are inadequately prepared.

For example, if a REALTOR® as a residential broker with no commercial experience was asked to market a complex business property, the REALTOR® would be obligated to disclose to the client that the REALTOR® did not possess the experience and expertise to provide the requested service. In certain instances, a prospective client may value the general abilities and integrity of a particular REALTOR® and may insist on engaging that REALTOR®'s services despite the REALTOR®'s lack of experience and competency needed to undertake the assignment. In such a case, the REALTOR® may undertake the assignment if, having fully disclosed his lack of experience, the REALTOR® obtains assistance from someone competent in the field. The REALTOR® must fully inform the client as to whose assistance was utilized and the degree to which that person contributed to the assignment.

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When preparing an opinion of property value or price be knowledgeable about the type of property being valued, have access to necessary information and resources to formulate an accurate opinion, and be familiar with the area where the property is located (unless you disclose to the party requesting the opinion in advance of providing your opinion your lack of knowledge about the type of property, area it is located in, or information and resources necessary to formulate an accurate opinion). When an opinion of value or price is prepared other than in pursuit of a listing or to assist a purchaser in formulating an offer, make sure you identify the property; include the date prepared; include the defined value or price; provide limiting conditions, including statements of purpose(s) and intended user(s); disclose any

present or contemplated interest, including the possibility of representing the seller/landlord or buyers/tenants; provide the basis for the opinion, including applicable market data; provide, if the opinion is not an appraisal, a statement to that effect; disclose whether and when a physical inspection of the property's interior and exterior was conducted; and disclose whether you have any conflicts of interest. The only exception to this general rule is when a client or customer requests a different type of report or data set. (Refer to Standard of Practice 11-1)

In real estate disciplines other than appraisal, REALTORS® are expected to comply with the standards of competence and practice which clients and the public reasonably require to protect their rights and interests. (Refer to Standard of Practice 11-2)

If you are providing consultive services to clients which involves advice or counsel for a fee (not a commission) be sure to provide any advice given in an objective manner and do not make the fee contingent on the substance of the information provided. A separate compensation may be paid with prior agreement between you and your client if you are providing brokerage or transaction services in addition to consultive services. (Refer to Standard of Practice 11-3)

Disclose your lack of experience to the client before accepting any appraisal assignment outside your area of competency. (Refer to Case Interpretations #11-1 and #11-4)

Identify in appraisal reports the names of any individuals or firms that provide assistance enabling you to prepare the report unless the information is general in nature. (Refer to Case Interpretations #11-2 and #11-3)

Don't accept an appraisal assignment for which you are not qualified unless you disclose your lack of experience to the client and obtain qualified assistance. (Refer to Case Interpretation #11-5)

Consider all pertinent factors when making an appraisal. (Refer to Case Interpretation #11-6)

Remember that you must avoid conflicts of interest (e.g., listing and appraising the same property in a transaction) which might prevent you from acting as a disinterested third party rendering an unbiased appraisal, review, or consulting service. (Refer to Case Interpretation #11-10)

The fact that you have previously appraised real property does not preclude you from subsequently listing it if requested to do so by the seller. (Refer to Case Interpretation #11-11)

(revised February 2014)