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# UNDERSTANDING DESIGNATED SINGLE AGENCY

By Zackery Burr, AREC Assistant General Counsel

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Act 2025-380 goes into effect on October 1, 2025, and it states when two or more licensee under the same qualifying broker are in the same transaction, the qualifying broker can designate those licensees as single agents as to the licensee's client. A designated single agent has all the fiduciary duties toward the client that any single agent has, including confidentiality.

This legislative change does away with limited consensual dual agency. **From October 1 forward, dual agency will only exist when a single licensee is an agent for both the seller and the buyer in the same transaction.** Dual agency will still require the written informed consent of all parties to the transaction.

As designated single agency is a brand-new concept to Alabama, a couple of questions have arisen:

## **How and when does a qualifying broker designate licensees as single agents?**

Alabama Administrative Code § 790-X-3-.14 will be amended effective on October 1, 2025, to state that that the designation of the licensees as single agents must be in writing and done as soon as possible. By statute, designated single agency does not occur until the licensees within the same company represent both sides of the transaction. Thus, when a licensee of the listing company is representing a potential buyer as an agent and that buyer expresses interest in purchasing a property the company has listed, the buyer's agent should notify the qualifying broker, and the qualifying broker should designate, in writing, the listing agent and the buyer's agent as single agents as soon as possible.

The form of writing is not specified by law. The designation can be done within another form or agreement, or it can also be a stand-alone document like an email from the qualifying broker to the two licensees being designated. The company should be certain to keep record of the designation in the file for the transaction as it is something the Commission's auditors will inspect when conducting an audit.

## **Can a qualifying broker designate him/herself as a single agent?**

The law does not state whether a qualifying broker can be one of the licensees that he/she designates as a single agent. Code of Alabama, 1975 § 34-27-34 states that qualifying broker "shall be in a position to actually supervise the real estate activities of the associate broker or salesperson on a full-time basis." If the qualifying broker designates him/herself as a single agent, then that prohibits the other single agent, whom the qualifying broker has a full-time duty to supervise, from sharing confidential information regarding the transaction with the qualifying broker. If the other single agent commits a license law violation in that transaction and the Commission believes that the single agent designation was an impediment to supervision, then the qualifying broker would be charged with improper supervision. Thus, while the qualifying broker is not strictly forbidden from designating him/herself as a single agent, the practice should be approached with caution.

## **Who designates licensees at branch offices?**

If a company has a branch office and two licensees at that branch have clients on opposite sides of the transaction, then either the branch qualifying broker or the company qualifying broker can designate the agents as single agents. If licensees at separate branches within the same company have clients on opposite side of the transaction, then the company qualifying broker is the only person that designate the agents as single agents.

