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BULLETIN NO. 22-07

TO: REAL ESTATE LICENSEES AND OTHER INTERESTED PARTIES
FROM: MARLENE CARIDE, COMMISSIONER
RE: REAL ESTATE TEAMS

The purpose of this bulletin is to remind real estate licensees, particularly those on “teams,” and the brokers of record who are responsible for managing and supervising, to comply with the Real Estate Broker and Salesperson Act, N.J.S.A. 45:15-1 to -42 (“Act”) and regulations, N.J.A.C. 11:5-1.1 to -12.18 (“regulations”).

Real estate “teams” are a growing trend in the real estate industry. Real estate teams operate within a brokerage and are generally comprised of two or more real estate salespersons, or broker-salespersons, who cooperate on transactions and pool resources on marketing and administrative staff, and may share commissions and recognition (“team”). Teams are typically led by a salesperson or broker-salesperson as a team leader.

In some cases, a team can appear to operate independent of the brokerage firm through which they are licensed, which may confuse the public. In order to make clear to the public that the team is not a separate brokerage, teams, their team leaders, team members, and their supervising brokers must comply with the Act and regulations.

Licensees are reminded that the employing broker of record is responsible for the supervision of all licensees, regardless of whether a team leader acts as the leader of a team.

N.J.A.C. 11:5-4.2, N.J.A.C. 11:5-4.4. Licensees can only accept compensation, including commissions, from their employing broker, and not a member of their team or their team leader. N.J.S.A. 45:15-16, N.J.S.A. 45:15-17(m).

Further, teams may not operate out of a separate, satellite office, unless such location is properly licensed with the New Jersey Real Estate Commission (“Commission”), and maintained and supervised in accordance with the Act and regulations. Specifically, all office locations must be licensed with the Commission, be properly supervised by a broker of record or a broker-salesperson, maintain normal business hours, and comply with the Act and regulations. N.J.A.C. 11:5-4.4, N.J.A.C. 11:5-4.5, and N.J.S.A. 45:15-12.

In addition, all advertising including all publications, radio or television broadcasts, all electronic media, business stationery, business cards, business and legal forms and documents, and signs and billboards must comply with N.J.A.C. 11:5-6.1. All advertising shall include the name of the individual, partnership, firm or corporation that is on record with the Commission as doing business as a real estate broker. In all advertisements which contain the name of a salesperson or a broker-salesperson, the regular business name of the individual, partnership, firm or corporate broker through whom that person is licensed shall appear in larger print or be displayed in a more prominent manner than the name of the salesperson or broker-salesperson. N.J.A.C. 11:5-6.1

The Commission rules do not prohibit the establishment of webpages by teams. The webpage, however, must comply with the Act and regulations. For example, if the team’s webpage is not linked electronically to the webpage of the broker through whom team members are licensed, the webpage shall display the telephone number and may display the street address of the licensed brokerage office from which the individual or team members operate as real estate licensees. That

information shall appear in wording as large as the predominant size wording on the webpage.
N.J.A.C. 11:5-6.1.

Finally, licensees are reminded that if a team does not comply with the Act and regulations, the team members may be subject to fines and potential license suspension or revocation. Further, brokers may be subject to fines and license suspension or revocation for failing to appropriately supervise their licensees, including those individuals that are a member of a team.

7/12/2022
Date



Marlene Caride
Commissioner

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