

## **No. 2025.03 Guidance for Real Estate Teams**

This substantive policy statement is advisory only. A substantive policy statement does not include internal procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona Administrative Procedure Act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties, you may petition the agency under ARS 41-1033 for a review of the statement.

### **STATEMENT OF PURPOSE AND SCOPE**

This Substantive Policy Statement is to inform the real estate industry of the relevant statutes and rules that govern real estate licensees and are applicable to real estate “Teams”. Although not officially recognized entities in Arizona real estate law, Teams are impacted through statutes and rules that address activities within a real estate brokerage.

### **Definitions**

“Team” is not a defined term under Arizona law. For purposes of this Substantive Policy Statement, a Team refers to an established business relationship of more than one Arizona real estate licensee, all of whom must be licensed with the same Arizona licensed real estate brokerage.

### **Broker Policy and Procedure Manual**

Employing Brokers are strongly encouraged to address Teams in their Broker Policy and Procedure Manual. Topics to address could include, but are not limited to:

- Responsibility of a Team Leader to manage the team in accordance with the broker’s Policy and Procedures
- Responsibility of a Team Leader to update the designated broker of any violations by team members of the broker’s Policy and Procedures.
- Team formation and dissolution
- Compensation and agreements with Team Members, including any required Broker approval
- Retention of records with regard to broker approval of team and team compensation
- Conflicts and Disputes
- Use of unlicensed assistants, if any, including the party responsible for hiring and compensation, whether employed by the Employing Broker or the Team. It is recommended that the Employing Broker emphasize that unlicensed assistants are not to engage in any activity for which a real estate license is required.
- Changes in license status
- Clear and prominent signage and advertising, A.A.C. R4-28-502(E)
  - The brokerage name or “doing business as” (DBA) as registered with the Department of Real Estate needs to be larger in size than the team name and must appear everywhere the team name appears in any advertisements.
- Team names
- [Click here](#) to view the Model ADRE Policy and Procedures Manual

### **Advertising**

All advertising must clearly and prominently display the legal name of the Employing Broker, or the “doing-business as” (or “DBA”) name as licensed with the Department, A.A.C. R4-28-502(E). It should be clear that the Team is not an independent entity, but is working under the supervision of the Employing Broker.

### **Compensation**

Each licensee shall accept employment and compensation only from the legally licensed broker to whom the licensee is licensed or employer other than the legally licensed broker as described in A.R.S. § 32-2155(A); A.R.S. § 32-2153(A)(7).

**Authority:** Pursuant to A.R.S. § 32-2107, the Commissioner has charge of the Department and authority to administer the laws and rules adopted pursuant to Arizona Revised Statutes, Title 32, Chapter 20. A.R.S. § 32-2153(A)(7) and A.R.S. § 32-2155(A) regulate employment status and compensation requirements for licensees. A.A.C. R4-28-1103 provides for broker oversight and control of all employees of the brokerage. A.A.C. R4-28-502 (E) provides advertising requirements.

**Policy Program:** Compliance

**Effective Date:** Established March 11, 2020; Revised on September 28, 2022 to reflect Amendments made in Ariz. Laws Ch. 126 § 3 (2022), Revised on February 7, 2025