

BOARD OF REGISTRATION OF REAL ESTATE BROKERS AND SALESPERSONS GUIDANCE

Massachusetts law provides that no person shall engage in the business of finding dwelling accommodations for prospective tenants for a fee unless such person is a licensed broker or salesman. M.G.L. c. 112, s. 87DDD½ (the “Broker Licensing Law”).

Effective on August 1, 2025, amendments to the Broker Licensing Law will go into effect. The amended law provides that:

A licensed broker or salesperson may solely contract with a prospective tenant to find rental residential real property for a tenant and present an offer to lease to the landlord or landlord’s agent and negotiate on behalf of the tenant or may solely contract with a landlord or landlord’s agent to find a tenant for a property. Any fee shall only be paid by the party, lessor or tenant who originally engaged and entered into a contract with the licensed broker or salesperson.

In response to outreach and questions surrounding this change to the Broker Licensing Law, the Board of Registration of Real Estate Brokers and Salespersons issues the following guidance to licensed brokers and salespersons:

- On and after August 1, a prospective tenant may continue to engage a licensed broker or affiliated salesperson to assist with finding an apartment, and the licensed broker or affiliated salesperson may collect a fee from the tenant in connection with such an engagement, provided that the contract is solely between the tenant and the broker or affiliated salesperson, and the broker or affiliated salesperson has not contracted with the landlord or the landlord’s agent.
- A licensed broker or affiliated salesperson may lawfully collect a fee from a tenant for rental brokerage services provided prior to August 1, 2025, even if the broker or affiliated salesperson was engaged by the landlord, provided that the tenant and landlord have executed a lease for the rental property before August 1, 2025.
- Multiple licensed brokers or salespersons often work in a single brokerage firm. A licensed broker or affiliated salesperson may enter into a contract to represent a prospective tenant looking to rent a residential property, and collect the negotiated fee when a lease is signed, even if a broker or affiliated salesperson from the same brokerage firm represents the landlord in that transaction.