

GUIDELINES FOR DETERMINING BRANCH OFFICES

Designated brokers often open “satellite” offices, kiosks, permanent model home offices and full-service type offices at a location away from the main place of business. North Dakota’s Administrative Code requires that “branch offices” each be licensed and have a qualified broker or salesperson for supervision. In determining whether or not a business location is or is not a **branch office** that needs licensure, the North Dakota Real Estate Commission looks at all the facts surrounding the actual type and scope of business being conducted there.

1. Is the location permanently staffed by the same licensees, identified as an office, and open for business during regular business hours?
2. Is the location advertised by the brokerage as an office for conducting real estate business?
3. Are the originals of transaction records and files maintained at the location?
4. Does this location have a trust account separate and apart from the trust account in the broker’s main office?
5. Is there a sign in front of the business indicating it is an office location?
6. Is the location intended to be used as an office for a long period of time?

If the answer to any of these questions is “**yes**”, the business location must be licensed as a branch office and must be supervised by a qualified branch manager according to the law.

If the location is simply an office within a subdivision (construction trailer, converted garages, etc.) for the purpose of marketing only properties within that subdivision, and meets none of the above factors it is probably not a branch office needing licensure.

If the major reason for the location is simply to advertise the services available from the brokerage, it is probably not a branch office needing licensure.

Examples of locations that probably do not require licensure include: airport or retail displays, kiosks, locations primarily designed for advertising, “meet and greet” locations for initiating public contact, and fair booths.

The Commission is not limited to making a determination on these factors alone, and has the right to reach a decision about the need for branch office licensing on the facts on a case-by-case basis. However, this offers guidance for practitioners. Although these locations probably do not require a license, branch office licensure is not prohibited in these locations if a broker requested license recognition.