

Broker Open House Responsibility Resource

What do brokers do during an open house to remain compliant while representing seller and consumer interests?

As a new REALTOR®, you'll be looking to grow your sphere and open houses are a great way to do that. As you mature in your career, and open houses are less about business development, it's important to know your responsibilities.

AT AN OPEN HOUSE

Your listing agreement and seller may request you host an open house. Your role is to represent the seller. Those that walk through the door are considered 'unrepresented' buyers. Your sign-in sheet will help determine which of these potential buyers are working with a broker.

- Those that are require no additional action
- Those that aren't may require some discussion and clarity about home affordability or about other homes on the market

If a potential buyer is interested in working with you, the listing agent, the law requires several things:

- Prior to hosting an open house, your seller must give explicit approval that you may also represent this potential buyer. This approval must be captured in your listing agreement
- If agreeable to your seller, you must now discuss dual agency with the potential buyer. You may work with the potential buyer to enter into a designated agency and dual agency agreement
- You may – though this is not required – consider and discuss entering into an exclusive agreement. Exclusivity must be in writing and has potential commission stipulations that you and the buyer will need to discuss and understand

If the potential buyer doesn't want to work with you, or if your seller doesn't allow dual agency, remember that you work for the seller. They may continue through the open house and you may answer questions related to the property.

It is important to have copies of a notice of no agency on hand, as you may find it necessary to make it clear that you do not represent the buyer. Transparency in this situation is extremely important.

Failure to have these conversations or forms in place could result in a procuring cause situation down the line, or worse, confusion as to whom you represent.

REMEMBER

You should characterize or address every potential buyer that comes into an open house. This can be done by confirming the potential buyer is represented or determining if explicit forms regarding representation or no agency are necessary.

TIP

Have all of these forms with you in your open house folder, along with your sign-in sheet.

NOTE

Listing agreements, agency forms, and other forms for listing residential property for sale can be found on Mainstreet's website by hovering over Career Resources in the navigation, clicking on Contracts & Forms, and selecting **Forms for Listing Residential Property**.