

Open listing versus Exclusive right to sell

AN OPEN listing is when the seller of the property has to pay a commission to the broker who made the sale, but the seller reserves the right to sell the property on his own without paying a commission.

Open listings may be given to any number of brokers on the same property.

An exclusive right-to-sell agreement is a listing agreement whereby the seller is obliged to pay a commission to the broker with exclusive right to sell a property during a stated period, even if the owner makes the sale himself.

Some owners prefer the open listing because they believe the property will be sold more quickly when several brokers rather than just one are seeking buyers.

Open listing is also favoured by owners who hope that they will be fortunate enough themselves to find buyers and thus be able to save on the commission.

Some brokers prefer the open listing because they do not want the obligation to spend time and money in trying to make a sale that is implied in an exclusive right-to-sell contract.

Such brokers prefer to build up a large file of open listings and wait for buyers to take the initiative in seeking properties they want to acquire.

They will often take a listing at any price regardless of the current market conditions.

Their policy is to wait for an offer—any offer—for consideration by the owners.

These brokers are reluctant to accept

responsibilities. They want to avoid hard work. They are content to drift and wait for buyers to turn up and make offers.

The disadvantage to the seller is that a considerable period of time may elapse before the property is sold.

The professional broker will prefer to work on exclusive listings.

The following are reasons why property sellers should consider giving brokers the exclusive right to sell.

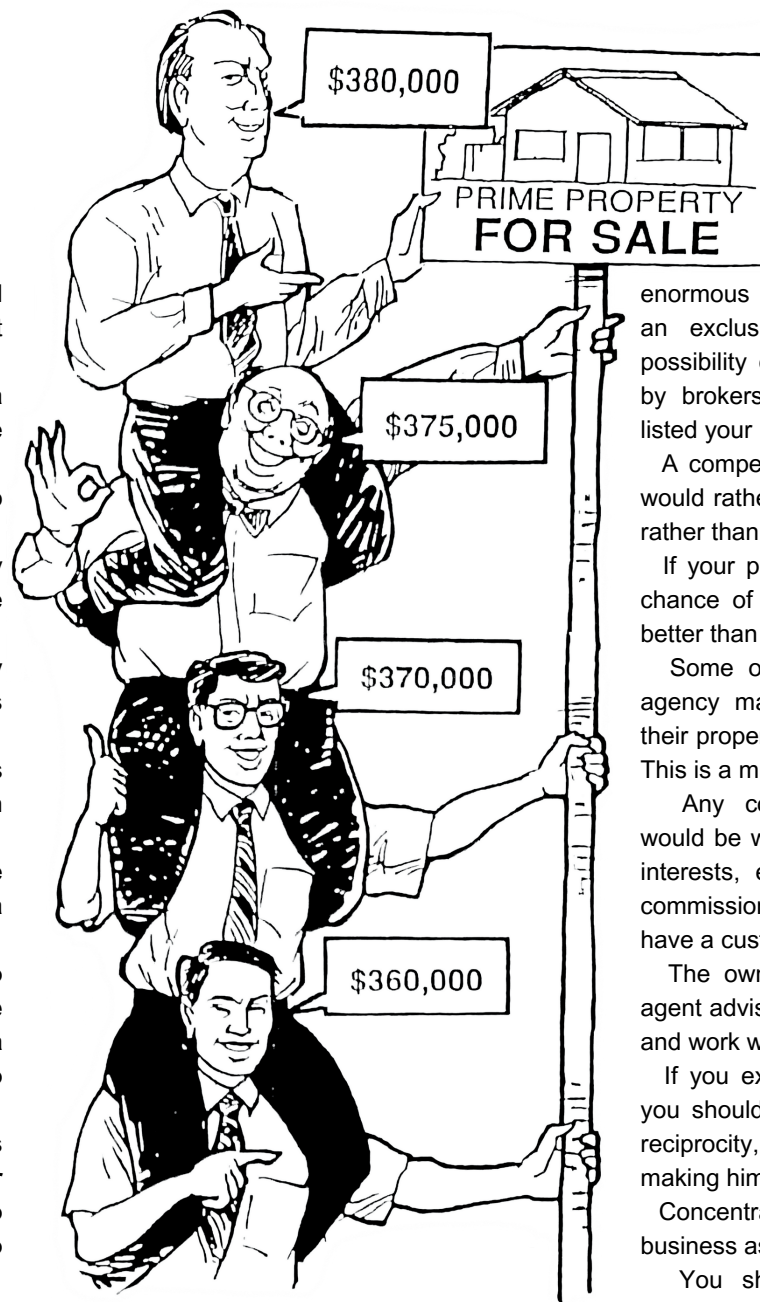
- **EXCLUSIVE agency is the only way a real estate broker can serve his client properly.**

Would you rather have 10 lawyers representing you in a law suit, each working independently of the other?

It is better to be represented by one agent than to be misrepresented by a dozen.

- **YOU would have the right to demand proper attention to the sale of your property. From a dozen brokers you have no right to expect anything.**
- **AN AGENT working on exclusives can give each property proper attention and can afford to advertise it. He is more likely to effect a sale, and at a better price.**

If you would look to one agent only, you would know that he is advertising your property properly and that he can offer it freely in the best channels and in the best way to attract buyers because you and he would be protected against piracy.



"Dangers in an open listing where the same property may be advertised for sale at different prices by different agents"

"Too many cooks spoil the broth." This is especially applicable to the sale of real estate. The present irresponsible freelance system only means an

enormous loss of time and money. With an exclusive agency, you avoid the possibility of being sued for commission by brokers you had forgotten you had listed your property with.

A competent and self-respecting agent would rather list 10 properties exclusively rather than 100 in a slipshod manner.

If your property is one of the 10, your chance of selling it, at a good price, is better than if it is one of the 100.

Some owners fear that an exclusive agency may prevent them from selling their property through some other source. This is a mistake.

Any conscientious exclusive agent would be willing to serve his client's best interests, even if it means dividing his commission with another broker who may have a customer.

The owner can and should keep his agent advised of all enquiries he may get, and work with him.

If you expect a broker to protect you, you should, as a matter of fairness and reciprocity, be willing to protect him by making him your exclusive agent.

Concentration applies to the real estate business as to any other.

You should, in your own interest, concentrate your business on one good brokerage firm, which in turn will give proper attention to your property.

The agent would also save you the annoyance of dealing with any Tom, Dick, and Harry.