



The Voice of Real Estate in North Carolina

May I exclude another broker from selling my listing?

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QUESTION: I have a seller whose home I am about to list in MLS. She had previously rented the home to another REALTOR® who she says did some damage to it. The seller has asked that he not be allowed to show the property. The other REALTOR® is a member of my local association and participates in its MLS.

May I exclude another REALTOR® and MLS member from showing the house? If the answer is yes, how do I go about it?

ANSWER: As a REALTOR®, you are ethically obligated to cooperate with other brokers except when it isn't in the best interest of your client. See Article 3 of the REALTOR® Code of Ethics. You should have a frank discussion with your client about the impact that excluding the other REALTOR® could have on the sale of her home. If, for example, the other REALTOR® is a top producer, excluding him could negatively affect the number of showings. However, as long as your client understands the implications of her decision, you should honor it or else not take the listing.

Article 3 of the Code specifically does not address *compensation* of another broker. Compensation issues on properties listed in MLS are addressed by the MLS rules. When you put a listing in MLS, you are making a blanket offer of compensation to all other MLS participants in the amount specified, expressed as a percentage of the selling price or a definite dollar amount. However, the MLS rules also permit an MLS participant to offer another participant compensation other than the amount specified in the listing.

In this situation, we recommend that you inform the other broker and his broker-in-charge in writing at the time you submit the listing to MLS that the other broker is not invited to come onto the property or otherwise cooperate in its sale, and that your firm will not offer him or his firm any compensation for selling the property as a result of any alleged efforts on his part to sell the property. You should not indicate in the MLS remarks section or elsewhere that the other broker is excluded from cooperating in the sale of the property.

Although our answer to your first question is yes, you must always keep in mind that the law and the Code of Ethics require you to protect and promote the best interest of your client, not your own personal interest. Don't ever manipulate the Code or the MLS rules to further some personal agenda you may have with another broker or brokerage firm. Doing so is wrong and it could get you into some serious trouble to boot!

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