

20 October 2023

PRACTICAL TIPS ON AVOIDING A COMMISSION DISPUTE

No seller or agent wants to be in the situation where there is a dispute about who is entitled to commission.

Agents can take practical steps to avoid such disputes:

- 1) Educate the seller. Homeowners are not in the business of selling property and are not knowledgeable about agent's mandates. The seller should ask agents for a list of the potential purchasers who wants to view the property. Should the same client want to revisit the property with another agent, the seller should not consent.
- 2) Enlighten the client that a sole and exclusive mandate means that no other agent may market the property and with an exclusive mandate that only the agent with exclusion of the owner may sell the property during the mandate period.
- 3) Educate the purchaser that he or she should not view the same property with more than one agent.
- 4) Agents should confirm whether the potential purchaser has visited the property with another agent before taking clients to view a property.
- 5) Keep a record of the date and time on which clients viewed the property.
- 6) Keep in contact with potential purchasers. Often purchasers aver that they viewed the property through another agent because the agent never followed up after the initial viewing. Keep record of such follow up conversations.

There may be situations where a commission dispute is inevitable. The agents can then choose to negotiate a commission split or proceed to litigate for payment of the commission.