

What Does 'Open and Transparent' Look Like in Real Estate?

For some reason I've never understood, most listing agents believe that they should not be open and transparent with buyers' agents regarding the disclosure of offers in hand when there's a bidding war for their listing.

REAL ESTATE TODAY



By **JIM SMITH**,
Realtor®

At Golden Real Estate, we believe in being open and transparent. Here's what that looks like.

Rule number one is to always tell the truth. We never mislead a colleague about offers in hand. If we don't have competing offers, we'll never represent that we do. This is a matter of ethics. The Realtor Code of Ethics, to which every Realtor swears allegiance, requires no misrepresentation about anything, whether it's how successful we are or whether we have competing offers.

Agents from other brokerages, however, typically won't disclose the price or nature of the offers they have for their listings. At Golden Real Estate, we not only disclose the price and terms of offers received, but we will let each agent know if their offer is surpassed by a better offer. We don't want any buyer or their agent to have the experience of being blindsided.

This is good for both buyer and seller, and buyers' agents invariably thank me when I explain this policy. After all, how would you as a buyer like to learn later that if you had only offered \$2,000 more (which you were willing to do), you would have won that bidding war?

Similarly, how would you as a seller, like to learn that you could have gotten \$2,000 more for your house?

Although this process essentially operates like an auction, where everyone in the room knows what they're bidding against and chooses on their own when to drop out of the bidding, it doesn't mean that we let the bidding go on forever.

After the buyers have raised their bids twice, it's time to ask for a final bid, without offering to return if it's not the winning bid. While this is our policy, the seller, of course, is the final authority on how long to continue the back and forth. By that time, however, they tend to be quite happy with the highest bid and agree to cut it off. To do otherwise risks antagonizing the buyers and their agents.

It's important to us as professionals that we leave each party in a bidding war happy that we

No More Politics Here....

Readers know that I often have something to say about politics and especially the 2020 election, but I have promised our broker associates (and Rita) that I won't use this space again for that purpose. Instead, I've purchased the bottom half of page two twice a month, starting this week, for that purpose and will post those columns at www.JimSmithBlog.com instead of on the company's blog, www.GoldenREblog.com.

were transparent enough that they felt they had a fair chance to win a coveted listing.

This approach takes more work on our part than doing what other agents typically do when multiple offer situations arise, which is to inform agents that they have multiple offers and ask buyers' agents to submit their "highest and best." Then the seller accepts the best offer and other buyers are upset and angry that they weren't allowed to raise their offer.

We feel, however, that our approach is not only fairer to buyers' agents but also produces the best price for our sellers. We wish that other listing agents would adopt this practice.

Transparency, however, does not extend to disclosing the price at which a home is under contract prior to closing. The reason for that is that if the contract falls, we don't want the next buyer to know what the seller was willing to ac-

cept. That's because we have an ethical and legal obligation to work in our seller's best interest.

The only time I would disclose the price at which one of my listings is under contract is when an appraiser needing comps calls me. If we are cleared to close — past inspection, appraisal and other contingencies — I'm willing to help that appraiser know the price so he can do his or her job in appraising a comparable listing for a different seller.

Thanks to this practice, Golden Real Estate has a better-than-average track record when it comes to closing price vs. listing price. In some cases this has resulted in our sellers netting their full listing price even after subtracting commissions and the other costs of selling.

Call me or one of our broker associates below if you like how we operate and would like a no-obligation market analysis of your home.

3-BR Ranch Home Backs to South Table Mountain

Classic brick ranches in Golden proper which back to open space are not often for sale, so this one will sell quickly. The address is **301 Lookout View Drive**. It has a fully finished basement, freshly refinished hardwood floors and an updated kitchen with granite countertops and newer stainless steel appliances. The bathrooms have also been updated and, like the kitchen, have ceramic tile floors. Outside, it has a new roof, gutters and French drain to the street. There is mature landscaping front and back, with a 4-zone sprinkler system. The large private patio in the backyard has open space views and is part covered and part pergola. Take a narrated video tour at www.SouthGoldenHome.com, then come to an **open house on Saturday, March 14, 11am - 2pm**. Or call **Jim Smith** at **303-525-1851** for a private showing.



Build Your Dream Home on This 10-Acre Conifer Lot



Don't miss this opportunity to build your custom home in the exclusive Rancho Mirage community. Enjoy captivating snow capped panoramic views of Rampart Range, Pikes Peak, Mt. Evans, Mt. Rosalie, & Lion's Head from this 10.33-acre corner lot. Enjoy the sense of seclusion and privacy in this very quiet neighborhood only 3 miles from Highway 285 (no road noise). A boundary pin survey was completed in December 2018 and the building envelope is marked. This lot sits at about 8600 feet elevation with conifer, pine and aspen trees on gently sloping terrain and has an exceptional building site. Only 45 minutes to downtown Denver, 75 minutes to DIA. Highly rated Jeffco schools, shopping, and other amenities are nearby. Popular hiking, fishing, biking, horse-back riding, Staunton State Park, Reynolds Open Space and more are within minutes. Easy flat and level access by privately maintained road. Gas, electric, and internet are available. You can view a narrated video tour, including drone footage, at www.ConiferLand.info, then call listing agent **Carrie Lovingier** at **303-907-1278** for a private showing!

Jim Smith

Broker/Owner, 303-525-1851

Jim@GoldenRealEstate.com

Broker Associates:

JIM SWANSON — 303-929-2727

CARRIE LOVINGIER — 303-907-1278

KRISTI BRUNEL — 303-525-2520

CHUCK BROWN — 303-885-7855

DAVID DLUGASCH — 303-908-4835

ANDREW LESKO — 720-710-1000

CAROL MILAN — 720-982-4941



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