

# What is a Listing Agreement?

The listing agreement is a legal contract between a property owner who would like to sell their property for top dollar and a good, solid real estate company who would also like to sell your property for top dollar. The contract is a legally binding agreement that gives the real estate agent or broker the **right to sell your property**.

## **The Most Common Types of Listing Agreements**

**Exclusive Right to Sell Listing:** The Exclusive Right to Sell listing is the most commonly used listing agreement among property owners and real estate agents. It is a legally binding contract that allows the real estate agent (or brokerage) full and total control over the transaction and rights to the agreed upon commission once the home sells. The real estate agent is given the rights to market the property, list the property, and receive the commission if the real estate agent closes a sale within the determined time frame.

**Open Listing:** The open listing agreement offers the lowest level of commitment. Any real estate agent who brings you a buyer can land the commission AND you reserve the right to sell the property on your own (without paying a commission) if you find your own buyer. But, odds are that no real estate agent will take you on as a client because any other real estate agent could scoop their commission. So, if you choose an open listing agreement you might end up doing all the work to sell your property, and you're likely to make less money on the sale.

**What Is the Protection Period in a Listing Agreement?** The protection period in a listing agreement is specifically there to protect the real estate agent. For a certain amount of days after the contract expires, if any of the potential buyers that the seller's agent brought in actually buy the property, then you will still owe them the commission.

## **What Happens to the Listing Agreement if My Property Doesn't Sell?**

Once a listing agreement expires, the contract is terminated and the property is taken off the market. You either look for another real estate agent or broker, extend the listing agreement with your current real estate agent or broker, or take the property off the market completely.

