

Types of Listing Contracts

There are four generalized types of listing contracts. The most common one by far is “exclusive right to sell,” but the other three are seen on occasion. Let’s go over each one to explore the differences.

Open Listing

An open listing is most often used by a seller who intends to have a “sale by owner” while still being open to help from various real estate agents. The owner can give his or her listing to any agent who happens by and, if that agent produces a buyer to close the deal, the agent earns a commission. Unless the agent has a buyer looking for just that type of home, it’s unlikely that any agent would try very hard to work with a seller on this; most agents wouldn’t even put up the listing in the Multiple Listing Service (MLS).

One-Time Show

Similar to an open listing, a one-time show is most often used by real estate agents showing a buyer to a home that’s for sale by the owner. An agreement must be signed by the homeowner to guarantee the real estate agent a commission should the potential buyer actually close the deal – this prevents the buyer and seller from later working around the agent to avoid paying them. Again, agents are not likely to spend money on advertising the home, nor will they place it into the MLS.

Exclusive Agency Listing

An exclusive agency listing is only slightly more popular than the aforementioned two types of listing contracts. This type allows one agent only to list and market your home, guaranteeing them a commission if they find a buyer. The reason this isn’t as popular as you might expect is that sellers can *also* go out and attempt to find a buyer. If an agent takes this type of contract and the seller finds their own buyer, all of the funds spent in advertising cannot be recovered – so most agents will put the listing up in MLS and wait.

Exclusive Right to Sell

This type of contract is the most popular and the only way a real estate agent has to guarantee compensation for their time, efforts, and money spent in advertising. With the exclusive right to sell, your agent is your only agent – your listing agent – and will market your home to other agents, who are buyers’ agents. Your home will be placed in MLS and also heavily advertised in various venues. If you want the full attention and efforts of an agent, this is the only contract to get them – no matter who buys the house, the agent gets a commission when it’s sold, and so they go all out to perform.