

# REAL ESTATE ETHICS

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HOME  
FOR  
SALE

TRUE LIFE  
HIRING THE  
LISTING AGENT  
A CASE OF DECEIT?

Q&A ACTIVITY  
ASSESSMENT & DISCUSSIONS



PATTY ANN

# REAL ESTATE ETHICS ①

## TRUE LIFE HIRING THE LISTING AGENT A CASE OF DECEIT?

### Q&A ACTIVITY ASSESSMENT & DISCUSSIONS

By PATTY ANN

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# REAL ESTATE ETHICS

## Teacher Lesson Planning Ideas

Welcome! Offered below are ideas for using this lesson plan.

### Intentionally Designed

- Pages are in large size type styles for visibility to use on overheads.
- Progressive scenarios are presented in several steps with Q&As.
- Targeted Q&A discussions are connected with associated parts 1, 2 & 3.
- Individual pages allow for Parts (1, 2 & 3) to be presented separately.
- Use on the overhead or as handouts; or a combo of both.

### Intentionally Created

- Q&A encourages thoughtful and purposeful solution oriented answers!
- Use Q&A to encourage discussion and exploration of possibilities!
- Information is based on real life situations and is stated as it happened.
- Supports comprehensive ethical practices in the real estate profession.

### For Individual Assignments

- Use pages for small group- or class activity discussions.
- Use pages as independent study, reflection, and assessment.
- All pages are in black/white to conserve ink.
- Assessment of Ethical Practices and the Code of Conduct pages can be used for more discussion and/or as a summary, or a quiz.

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## A Case of Deceit?

### SITUATION (Part 1):

Seller Pam had listed her home to sell through the MLS herself. Her listing expired and she decided to take a break before trying to sell her property again.

Since real estate agents have access to expired listings they often contact the seller to solicit selling their home through them. So Pam received many calls. One evening Pam got a call from a Realtor, who asked politely if he could send her his information. Pam said yes.

Pam received a big manila envelope with testimonials to this husband and wife team's abilities. A week went by and Jerry called Pam to see if she reviewed his envelope. Pam responded to Jerry in an email and asked what his listing fees were as they were not stated in his info.

Jerry sent this email back stating:

*If you decide to come to us to list your home with us, we will not charge you the 5% most agencies charge. Our total fee will be 4%. We pay the Seller's Agents 2.5% and we take 1.5% (even though we did all the marketing & advertising.)*

*Most agents like to sell their own listings because they take both sides of the sale, which is typically 5%! But, I think 5% to one agent is not fair. We care about you, so if we list AND sell your home ourselves, our fee is only 2% total. We still make a nice check and you save quite a bit of money. Sound fair?*

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## A Case of Deceit?

### Situation (Part 1)

#### Questions for Discussion:

1) If you were in Pam's position what would you have done? Would you have signed the listing agreement as she did or refused to do so?

2) Do you think Pam felt obligated to list with Jerry after he invested a lot of time in procuring a relationship that led up to this listing?

3) Do you believe Jerry always had intended to show Pam with a 4% listing upfront, and then switch to 5% at the signing?

4) All along, Jerry chatted about his impending out of state buyer to keep the real estate theme alive. Do you believe Jerry was lying about this buyer, so that he could keep Pam engaged?

5) How could Jerry have approached Pam from the onset to obtain and get her to sign his listing easily?

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## A Case of Deceit?

### Final Outcome (Part 3):

After Jerry's last note, Pam simply responded with:

*Thank you for your response. After careful consideration it is clear this is not a good fit for both of us. I was very clear I could cancel our listing agreement at any time. As such please remit a cancellation of our agreement today.*

Jerry then responded back with this email:

*I am speechless, what you reached is the cancellation of listing. I am personally devastated that your opinion of me changed from this great professional relationship to "I am a scoundrel and a liar and tried to cheat you on my fee" That is the most MISTAKEN description I have EVER! I told you I am a busy guy and I offer all different fees to people. I completely forgot the email I sent you about what I would charge you, but obviously you didn't read it. I am sorry I lied to you. But I'm not going there because I know who I am.*

Pam never responded back, or talked to Jerry again.

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## A Case of Deceit?

### Final Outcome (Part 3)

#### Followup Thoughts:

1) Do you think Pam's final response was appropriate? Would you have considered Pam's final email in another manner?

2) Would you have wanted to point out Jerry's misconducts to him? Or use this opportunity as a teaching moment on ethical conduct? Why or why not?

3) Do you believe Jerry understood or cared about Pam's concerns? Do you think Jerry ever listened or wanted to heed Pam's requests as his client?

4) If Pam had continued with her MLS listing, even at the 4% agreement, what potential issues could this have caused both Pam and Jerry?

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## A Case of Deceit?

### Assessment of Ethical Practices

List 5 inappropriate behaviors Jerry, the Listing Agent, displayed in this situation. Then write what you believe would be more appropriate conduct that could have been employed to gain Pam's trust and listing agreement.

<b>Behavior Displayed</b>	<b>Correct Conduct</b>

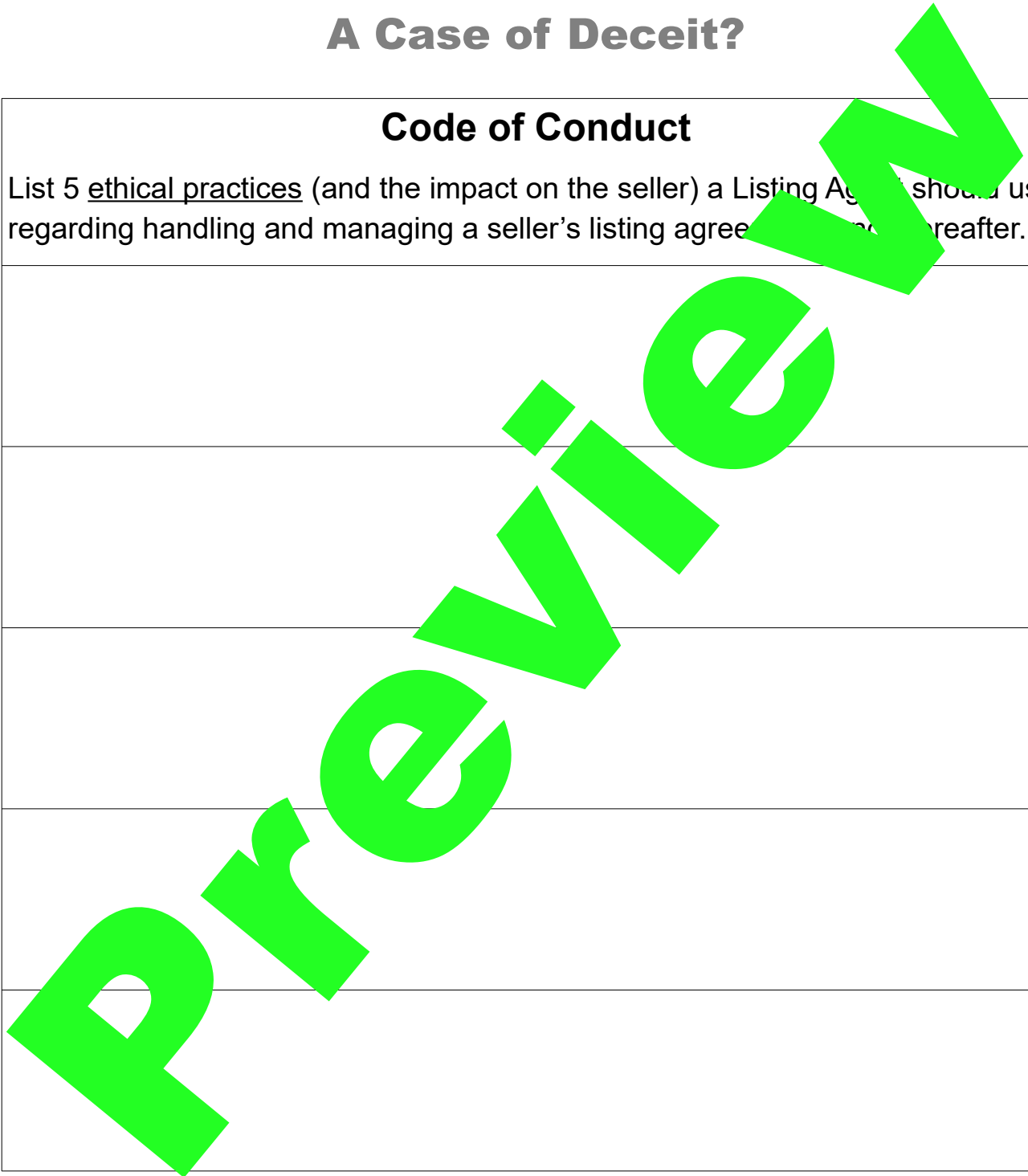


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## A Case of Deceit?

### Code of Conduct

List 5 ethical practices (and the impact on the seller) a Listing Agent should use regarding handling and managing a seller's listing agreement thereafter.

# THANK YOU!

*Please consider leaving a Positive Rating where this product is sold.*

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**PATTY ANN.NET  
PET PROJECT**



We owe animals ~ All of them.  
For their immeasurable qualities of  
Healing & unconditional love & acceptance.  
By care-taking animals, humanity will continue to  
*Ascend to a higher place alongside our furry friends.*

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**Real Estate Ethics 1 ~ A Case of Deceit?**

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