



Trading in Real Estate Outside of Your Area

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Information is power, and technology is giving licensees access to incredible amounts of information which helps them better meet their clients' needs. Pillar9™ allows licensees to trade outside of their area and bring properties to clients from any jurisdiction in the province. But the question is, should you?

REIX recommends that you should NOT.

Your client is relying on your expertise and knowledge to help sell or purchase a property and the law imposes that duty on you.

Clients expect that you as their representative have awareness of any unique features of both the property and the area in which it is located. If you are hundreds of kilometres away and haven't seen the property for yourself, these features can go unnoticed. Given that, being part of that listing's transaction could risk your reputation and invite potential liability.

You have a fiduciary duty to your client and taking a listing or writing an offer on a property you've never seen or a residence you have not stepped foot in leaves you open to a claim and or litigation.

If a claim or lawsuit arises from a transaction where you have either listed or sold outside your area, a Court will most likely find that you failed in your fiduciary duties to your client and may assess liability and damages against you. Both you and your broker may be financially liable and responsible for payment of that Judgement.

Trading outside your area is risky, so what should you do if you find yourself in this position? Your best course of action is to refer the buyer or seller to a qualified agent in the area. To do otherwise just isn't worth the risk.

If you have any questions, concerns or have been served with a lawsuit/demand letter contact REIX immediately at admin@reix.ca.