

Best of the Hotline

By James L. Goldsmith, Esquire

Q. I am listing a vacant lot, suitable for construction. The owner wants to impose limitations on how the property may be used, including restrictions on the type of construction of the improvements to be placed on the lot. How do I do this?

A. You don't. You tell the owner to obtain advice from an attorney who is experienced in land-use law. Restrictive covenants are disfavored as they limit what a person may do with his property and therefore careful attention must be given if they are to be enforced. It is doubtful you will be paid extra for helping the seller draft restrictions. Certainly your liability for attempting to do so goes way, way up.

Q. During the term of my listing agreement, the seller entered into an agreement of sale. The agreement provided for a lengthy executory period between the signing of the agreement and settlement. The settlement date is to occur long after the expiration of the listing agreement. Do I need to have the listing agreement extended?

A. No. The sale of the property occurred when the parties reached terms of sale, which was within your listing agreement. That settlement takes place after, should be of no consequence. If you seek to extend the listing contract to the date of settlement, you are inviting the seller to deny the extension. Rather than take that approach, you might wish to inform the seller that you have satisfied your listing agreement inasmuch as a ready, willing and able buyer was procured during the term of the listing and therefore you have earned your fee. Once the property is sold, there is no need to continue marketing it for sale and hence the listing is moot (unless, of course the agreement of sale is terminated and the need to market the property again arises).

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