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Documenting Communications

*"a key to being prepared is to document **everything**"*

Real Estate Brief

No real estate professional ever expects to get sued. And if you're lucky, you won't find yourself sitting across the aisle from an angry homeowner. But the unexpected does happen, so it's important to be prepared. And a key to being prepared is to document everything.

1 Put client marching orders in writing.

Each client has certain instructions, whether he or she wants a two-bedroom, two-bath condominium with a balcony that faces east or a four-bedroom house with a 3-foot fence around the yard. The buyer's "purchase criteria" are your marching orders, so you should document your client's major concerns. That way you'll have fewer problems later when someone complains that you should have warned him about the lack of afternoon sun or the fact that his fence isn't tall enough to stop the neighborhood kids from climbing into the yard.

2 Make a note of every conversation.

If you talked with a client about anything related to the purchase or sale of a property, then it's critical that you take a couple of minutes to jot down some notes about the conversation. Perhaps your buyer said, "I don't need to pay for an inspection. My uncle Jack's a contractor, and he can look over the place for me." That's fine—but make sure you put it in writing that your client opted out of a home inspection.

Or perhaps you have a buyer who wants a property with a well that has potable water and pumps a certain volume of water per minute. When you find a property for him to look at, don't say the well meets his requirements unless you are certain. Either way, write a note in your file that documents exactly what you told him and whether or not you recommended that he hire an expert to check out the well and test the water quality.

3 Be objective, timely and comprehensive.

With 24/7 accessibility, it's more important than ever for real estate professionals to be objective, timely and comprehensive.

Be objective—Write down facts in clear, concise language. Start with the date, time and location of the conversation. Note if the discussion was by phone or email. Include the names of the participants. Write down the question that was posed and the response you gave. Leave your opinions out of your file and avoid the temptation to speculate or draw conclusions. These are your business records—and you want them to exude credibility so they will be admissible if you end up in court.

Be timely—Make a record of your conversation as events occur or as soon afterwards as possible. Get in the habit of keeping good records as a normal course of business. Each file is your business record for that client or property. Every file will have more credibility for a judge and/or a jury if you're not going back a week or a month after the fact to jot something down.

Be comprehensive—If you think something might be important, document it. Note specifically if you provided any recommendations for your client to follow up, such as investigating zoning laws, obtaining a survey or some legal advice, hiring a mold inspector or getting estimates for installing a new boiler or hot water heater.