



## **Builder & REALTOR® New Construction Guidelines**

### **A Builder & REALTOR® Agreement**

The Home Builder's Association of Northwest Indiana (HBA of NWI) and Greater Northwest Indiana Association of REALTORS® (GNIAR) understand it is important for members of each association to develop cooperative guidelines to enhance the success of all the members and the home buying public. Development of generally acceptable practices for Builders and Realtors to work together in bringing prospective home buyers to the new construction market should be a continuing goal of both Associations. It is with that common goal in mind the HBA of NWI and GNIAR have compiled an agreeable foundation upon which both parties **may** utilize to develop working relationships that will be beneficial to both industries and avoid conflicts with regards to compensation.

### **Code of Conduct**

#### **Builders agree to:**

- Treat the Realtor and the Buyer(s) with professionalism and courtesy.
- Will make reasonable efforts to determine how a Buyer was referred to them or how Buyer heard of the Builder (*i.e., how did you hear about us or what led you to our model?*). If the Buyer provides the name of a Realtor as the source then reasonable efforts shall be made to determine if there was, and is, a professional working relationship between the Buyer and the Realtor prior to contacting or visiting the Builder's community, subdivision, development, model and/or office.
- Provide the Realtor who it has been determined to have a professional working relationship with the Buyer prior to any initial contact with the Builder or was directly involved in leading the Buyer to the Builder, with the Builder's program requirements for registration of the Buyer and the procedures required to receive compensation and what the compensation is if a home is purchased.

#### **REALTORS® agree to:**

- Treat the Builder and any representatives of the Builder with professionalism and courtesy.
- Follow the Builder's guidelines for registering Buyers, provide all necessary information required in a timely manner, accompany the Buyer when meeting with the Builder as required and determine what the specific compensation policy is for that Builder.
- Make reasonable efforts to know what product and services the Builder offers and keep the Buyer fully informed.
- Make reasonable efforts to understand the expectations of the Builder as it relates to the Realtor from registration through closing.



## **Registration Guidelines, Compensation Factors, & Responsibilities**

- 1) It is agreed there are **no predetermined rules, regulations, or guidelines** that determine when a Realtor is entitled to compensation or how much that compensation may be (unless listed in the MLS) from a Builder.
- 2) Builders may have policies in place, or may utilize these guidelines, for determining **when a Realtor maybe compensated** for bringing a Buyer to them. Builders should have those policies in writing and readily available for Realtors review.
- 3) Builders may have **specific guidelines for allowing Realtors to register** their Buyers or opt to use the guidelines suggested here (see attached registration & compensation forms). This registration format may involve completion of documentation online, at the Builder's community, subdivision, development, model and/or office, or other methods that are clearly defined and acceptable to both the Builder and the Realtor.
- 4) The **timing of the Builder registration process** will have clearly defined guidelines and shall be made available to Buyers upon their first visit to any sales center or model home.

### **The Realtor should:**

- a) Accompany the Buyer on the initial visit to the Builder's community, subdivision, development, model and/or office to register their Buyer.
  - b) Notify the Builder's office or sales center of the Buyer's pending initial visit to the model or sales center and complete the required registration process and receive documentation to confirm that registration was completed (e.g., email, fax, etc.).
  - c) Should the Buyer visit the Builder's community, subdivision, development, model and/or office without their Realtor the Buyer must advise the Builder, or their representative, of their association with the Realtor. This may be accomplished by providing the Realtor's business card or completing the registration with the Realtor's name and company to validate the relationship with the Realtor.
- 5) Realtors should determine and confirm what a Builder's policies are prior to taking or sending a client to the Builder regarding the purchase of an existing model or building a new home. They should follow those guidelines to ensure there is a reasonable form of proof they have a relationship with that Buyer.
  - 6) Realtors should make reasonable efforts to keep their Buyer's informed regarding their options when considering new construction and recommending specific Builders. This should include knowledge of the Builder's products and services. They should also emphasize the importance of the Buyer letting Builders know they have a working relationship with a Realtor if they have contact with the Builder when the Realtor is not present.
  - 7) All transactions between Builders and Realtor may have various characteristics that may or may not, be used as a basis for a future transaction. It is understood by both sides that each transaction between a Realtor and Builder is a unique event.



**THE FOLLOWING ARE A LIST OF BUILDERS IN GOOD STANDING WITH THE HOME BUILDERS ASSOCIATION OF NORTHWEST INDIANA WHO ENDORSE THESE GUIDELINES:**

**Accent Homes, Frank Morin**

**Cook Builders, Rich Cook**

**Eenigenburg Builders, Kurt Eenigenburg**

**Fisher Construction, Glen Fisher**

**Heartland Builders of NWI, Rick Mossell**

**Henderlong Construction, Tim Henderlong**

**Homes of Distinction, Brandon Smith**

**Kelly Construction, Ed Kelly**

**Luxor Homes II, Randy Hall**

**O'Donnell Homes, Michael O'Donnell**

**Olthof Homes, Todd Olthof**

**Mirar Construction, Dean Jones**

**Phillippe Builders, Bob Phillippe**

**Signature Corp. of Indiana, Ben Houser**

**Sommers Construction, Alan Sommers**

**Steiner Homes, Dan Steiner**

**Sublime Homes, Michael Graniczny**

**Van Prooyen Builders, Craig Van Prooyen**

*Note: These listed builders, as well as those not listed, may have their own guidelines and agreement contracts. It is best to contact the builder company directly and discuss, then document an agreement.*

**Forms available to download at: [www.HBANWI.com](http://www.HBANWI.com)**