

Colorado's COVID-19 Stay-At-Home Order Applies to Broker Showings and Open Houses

- ✓ This past week, the <u>Colorado Attorney General's office issued a cease and desist letter to</u> <u>a real estate broker in Lone Tree, Colorado.</u>
- ✓ The letter was in response to a complaint received by the Colorado Department of Law that the broker was "requiring residents to leave their home to facilitate showings of the property. Specifically, the complaint alleges that [the broker was] requiring these residents to leave their dwelling so that [the broker could] market the real property through public showings and open houses."
- ✓ This letter makes the legal conclusion, in part, that the ". . .Second Updated Public Health Order 20-24 which was issued pursuant to Executive Order D 2020 017 does not define real estate marketing services such as showings and open houses to be a critical service, a critical business or a necessary activity that would be exempted from these Orders' requirements."
- ✓ Although showings are, in fact, an integral part of a real estate transaction (which is a "critical business" under the Executive Order), this letter suggests that the Attorney General believes otherwise.
- ✓ The Colorado Association of Realtor's legal counsel reached out to the Attorney General for clarification.
- ✓ Although it does not resolve the question, the Colorado Real Estate Commission's Position Statement on Minimum Service Requirements (CP-36) states that showings and hosting open houses are "additional duties" that a broker may perform in addition to the minimum duties required of a listing broker.
- ✓ Until the Colorado Attorney General's office clarifies whether showings and open houses constitute a "necessary activity" of a real estate transaction and thus excluded from the Executive Order, brokers that require residents of the dwelling to vacate, even temporarily, for showing a property or an open house while the Stay-At-Home Order is in effect are taking a risk that the Attorney General may find them in violation of the Executive Order and assess a penalty (likely a \$1000 fine for the first offense).

- ✓ All real estate brokers and professionals are reminded to honor the intent and the spirit of the Colorado Governor's Stay-At-Home Order and not abuse the privilege of being able to carry out real estate transactions as a "critical business". Brokers must avoid putting anyone in harm's way by forcing them to leave the safety of their home or compromising that safety while Executive Order D 2020 017 and Public Health Order 20-24 are in effect. Any broker giving the appearance of putting a resident or the community at risk can expect to receive a similar cease and desist letter, a fine and, possibly, more severe sanctions, not to mention the negative publicity.
- ✓ Please continue to check back on the <u>CRES website</u> for an update on this development and other relevant COVID-19 news for Colorado brokers.

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DISCLAIMER: This article is a brief overview and survey of COVID-19 issues facing real estate professionals in general. The article is designed and its purpose is to serve only as a general discussion of these issues. This article does not constitute legal advice. The reader should consult with a licensed, experienced attorney on any specific or general matter in the reader's particular jurisdiction. We hope that all real estate practitioners find this article to be a useful and practical tool in identifying COVID-19 issues.