

Text Messages Can Be Legally Binding in MA Real Estate Transactions

In this day and age, so much is done through text. Real estate agents communicate with clients, and agents communicate with one another regarding showings and offers. No one really assumes that anything sent via text message is binding, but that is changing as laws adapt to technology. In fact, a recent court case found text messages can be legally binding in MA real estate transactions! Here's what you need to know about this precedent-setting case.

Court Case Regarding Text Messaged Offers

In the case of St. John's Holdings, LLC v. Two Electronics, LCC, two agents communicated via email and text message regarding a commercial real estate deal. The seller agent sent texts to the buyer agent confirming that the seller would sign the written contract after the buyer first signs. The buyer agent then confirmed that the buyer had signed and coordinated a time to meet to deliver the signed paperwork along with the check. The two agents then met for the exchange.

Prior to the seller signing the contract, another offer was received and accepted by the seller. The buyer sued, arguing that a binding contract was created by the written communication, including text messages. The court agreed and ruled in favor of the buyer.

What is Considered "In Writing"

The Massachusetts Statute of Frauds requires MA real estate transactions be conducted in writing (and signed by all parties). In the past, "in writing" was clearly defined as a piece of paper with the signatures of all parties. However, email and text messages are changing that definition. Email can be considered "in writing" with the name at the end of the email or the email address itself being the digital signature. The same can be true of text messages, with

the originating phone number being the digital signature.

Be Aware that Text Messages Can Be Legally Binding in MA Real Estate Transactions

Buyers, sellers, and real estate agents must all be aware that text messages can be legally binding in MA real estate transactions. It is important to be cautious about what is transmitted via email and text message. If certain communication is intended to be non-binding, it is important to specifically disclose that. For example, agents may note that their client agrees to certain terms, pending a fully signed agreement. This keeps everyone on the same page and avoids unnecessary lawsuits.