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## Advice for Working with Buyer Agents

If a real estate agent has a potential buyer for your home, they'll typically call or email you with a message that goes something like this, "I'm John Smith with XYZ realty. I have a potential buyer for your home and was contacting you to see if you're willing to work with agents." What they're asking is if you're willing to pay a buyer side commission which is typically 2.5 to 3.5% of the sale price. This equates to between \$7,500 to \$10,500 on a \$300,000 home.

Whether or not you decide to work with a buyer side agent is 100% up to you as a home seller depending on how fast you need to sell and what your financial situation allows. Historically, 85% of FSBOHOMES transactions occur with no buyer side agent. Lately, due to the low inventory of homes on the market, the number of transactions with buyer agents have risen. If you absolutely do not want to entertain buyers accompanied with a buyer side commission, simply inform the agent. If you are willing to pay a buyer agent commission, perhaps because selling fast is more important than optimizing the amount of money you're willing to walk away with, than we have a few pointers for you.

Understand that if you don't make your intentions clear at the beginning, then a buyer agent may likely offer you less than your asking price. If this happens, then you're looking at an offer that is less than your asking price AND you're faced with a 2.5%-3.5% commission. Keep in mind that it's difficult for the agent to go back to their client and tell them you're unwilling to lower the purchase price because you have to pay their agent commission.

It's best to inform the agent of your goals early, typically when they contact you to inquire about your willingness to work with a buyer side agent. This is important because the agent has not yet discussed an offer with their client. You might suggest you're willing to pay their commission if they bring full asking price or that you're willing to pay their commission as long as you walk away from the transaction with X dollars after their commissions and all other fees are paid. These are just ideas, but we encourage you to communicate your intentions with the buyer agent early, prior to them working up an offer with their client.

You also need to be aware that agents sometimes claim to have a buyer, but are really only trying to get in the door so they can attempt to list your home. Read, "Why do listing agents keep contacting me?"