

The Power of Choice.



ACCEPT COUNTER REJECT

A Seller's Guide to Paying **or Not Paying** the Buyer's Agent Commission

By Jeff Robinson, Real Estate Broker

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Introduction

Selling a home involves making smart financial decisions that protect your bottom line. Among the most significant choices you'll face is whether—and how much—to pay a buyer's agent commission. Once a routine, almost automatic cost for most home sellers, paying the buyer's agent now represents a strategic decision shaped by changing industry rules and consumer expectations.

Today, home sellers have the freedom to keep commission structures private, question conventional practices, or even decline to pay an agent who doesn't represent their interests.

Deciding to pay—or not to pay—a buyer's agent commission could have an impact on how quickly your home sells, the kind of offers you receive, and your net proceeds at the end of the deal. Understanding these nuances can turn what was once seen as a fixed cost into a carefully weighed element of your selling strategy.

Equipped with this knowledge, you'll feel confident making a decision that fits your unique goals and circumstances—whether that means offering a competitive commission, standing firm at zero, or crafting a tailored middle ground that benefits all parties involved.

In the end, you'll make the decision that best aligns with your goals.

Chapter One

The Changing Rules: Old vs. New

1.1 The Traditional Approach to Buyer's Agent Commissions

For many years, MLS rules mandated that sellers offer and pay the buyer's agent a commission. Brokers and agents were able to view the commission amount offered, effectively making the seller's willingness to pay a buyer's agent commission public information.

1.2 The Lawsuits and Settlements That Challenged MLS Policies

High-profile legal challenges argued that the existing structure was anti-competitive, forcing sellers to pay for a service they may not value.

1.3 How the New Rules Reshape Seller Disclosure Requirements

Following the settlements, MLS boards revised their policies. Today, sellers don't have to disclose if they are—or aren't—offering compensation to a buyer's agent.

1.4 Key Takeaways

- Old MLS rules required the seller to pay the buyer's agent commission.
- Legal challenges led to changes in how commissions are paid.
- Sellers are no longer obligated to disclose whether they're offering compensation.

Chapter Two

What Exactly Is a Buyer's Agent Commission?

2.1 Definition and Purpose of Buyer's Agent Compensation

A buyer's agent commission is typically a percentage of the final sale price offered to the agent who represents the buyer. This commission compensates the buyer's agent for services such as property tours, contract negotiation, and transaction management.

2.2 Common Commission Structures and Rates

While often seen as 2-3% of the sale price (depending on the market), commission structures are not legally fixed. They can be negotiated based on factors like market conditions, the home's price, and levels of competition.

2.3 Why It Matters to Both Buyers and Sellers

For buyers, having their agent's fees covered can incentivize them to consider your property. For sellers, paying the commission can expand your pool of interested buyers but also reduce your net proceeds from the sale.

2.4 Key Takeaways

- Buyer's agents typically get paid through a percentage of the sale price.
- Commission rates are not "set in stone" and can vary widely.
- Understanding how commissions work helps sellers decide whether to offer them.

Chapter Three

Sellers' Rights—Accept, Reject, or Counter

3.1 Understanding the Three Main Options

- **Accept:** Agree to pay the buyer's agent commission as requested.
- **Reject:** Decline to pay or offer no compensation at all.
- **Counter:** Propose an alternative arrangement, such as a lower percentage or a flat fee.

3.2 When Accepting the Request Might Benefit You

Paying a buyer's agent commission can make your listing more attractive to buyers' agents who may steer clients toward properties with guaranteed compensation.

3.3 When Rejecting (or Minimizing) the Offer Makes Sense

In a sellers market with high demand, you might find that buyers are willing to cover their agent's fees.

3.4 The Art of Countering—Negotiation in Action

Negotiation doesn't have to mean refusing outright. Suggest alternative options or split the difference to find a comfortable middle ground.

3.5 Key Takeaways

- You have the right to pay or not pay the buyer's agent commission.
- Paying the buyer's agent commission may broaden your buyer pool but reduce your net proceeds.

Chapter Four

Pros and Cons of Paying the Buyer's Agent Commission

4.1 Pros

- **Speed & Convenience:** Attract more buyers, potentially speeding up the sale.
- **Reduced Negotiation Hurdles:** Buyer's agents may be more inclined to show your property and advocate for your listing.

4.2 Disadvantages

- **Reduced Net Proceeds:** You lose a percentage of your final sale price in commissions.
- **Perception of Paying for Someone Else's Service:** Some sellers feel they shouldn't have to pay an agent who represents the buyer's interests.
- **Market Dependency:** If the market slows, the benefits of paying a commission might diminish.

4.3 Balancing Financial Outcomes with Market Realities

Your decision depends on how competitive your property is and how quickly you need to sell it.

4.4 Key Takeaways

- Paying a buyer's agent commission can be advantageous for attracting interest.
- Sellers must weigh the potential loss in net proceeds against the property's marketability.
- Market conditions play a role in determining whether paying a commission is worthwhile.

Chapter Five

Strategies for Negotiation

5.1 Setting Clear Expectations from the Start

Communicate your stance on commission early in the listing process. If the buyer's agent knows your position, they can factor it into their negotiation strategy.

5.2 Leveraging Market Conditions in Your Favor

- **Seller's Market:** You have more bargaining power with a high demand for your property.
- **Buyer's Market:** Supply outweighs demand; offering a commission might be more important to entice agents.

5.3 Working with Your Listing Agent for a Unified Strategy

Your listing agent can provide critical insights into local conditions and typical commission rates. Develop a plan together to handle potential buyer's agent requests.

5.4 Handling Multiple Offers with Flexible Commission Structures

You can counter each buyer's agent and see if they're willing to absorb part or all of their fees.

5.5 Key Takeaways

- Early communication about commission expectations prevents misunderstandings.
- Tailor your strategy to current market conditions for optimal results.
- Collaborate closely with your listing agent to negotiate effectively.

Chapter Six

Marketing Your Listing Without a Buyer's Agent Commission

6.1 Standing Out on the MLS and Beyond

Even if you're not offering a buyer's agent commission, you can still emphasize your home's value. High-quality photos, compelling property descriptions, and virtual tours can help you stand out online.

6.2 Online Visibility

Leverage online platforms (Zillow, Realtor.com, social media) to reach buyers directly, bypassing agents.

6.3 Ensuring Transparency with Potential Buyers

Make it clear from the beginning whether you're willing to discuss a commission or if you expect the buyer to cover their own agent's fees. Transparency can foster good faith among prospective buyers.

6.4 Key Takeaways

- A strong listing presentation can compensate for the absence of a buyer's agent commission.
- Non-commission incentives (closing costs, rate buydown, etc.) can still encourage buyers.
- Be upfront about your stance so buyers and agents know what to expect.

Chapter Seven

Legal Considerations and Common Pitfalls

7.1 Why Proper Disclosure Still Matters

While the MLS no longer mandates public commission disclosures, you must still comply with local and federal regulations regarding transparency and fair dealing.

7.2 Possible Repercussions of Misrepresentation

Failing to disclose relevant information or changing terms late in the game could lead to legal disputes or even the collapse of a sale.

7.3 The Importance of Aligning with Legal Counsel

Because laws vary by state (and sometimes by county), it's wise to consult an attorney or qualified real estate professional before finalizing any commission arrangements.

7.4 Key Takeaways

- Always confirm you're following the law, even if MLS requirements have changed.
- Misrepresentation can lead to serious legal and financial consequences.
- Seek professional guidance to stay compliant and protect your interests.

Chapter Eight

Frequently Asked Questions (FAQ)

8.1 Will My Home Still Be Visible on the MLS?

Yes. Your listing remains visible.

8.2 What If I Offer a Smaller-Than-Usual Commission?

You can offer any amount; the agent may not like the amount offered, but it's up to the buyer who is buying the house.

8.3 How Might My Decision Affect the Buyer Pool?

Offering a commission can motivate buyer's agents to show your home, but it can still attract enough interest when your home is priced right.

8.4 Can I Change My Approach Mid-Listing?

Yes, any changes may require updating the MLS and communicating the new terms to interested parties.

8.5 Key Takeaways

- Your home remains on the MLS regardless of whether the commission is offered or not offered.
- Commission amounts influence how aggressively some agents will promote your property.
- You can adjust your strategy mid-listing, but do so carefully to avoid confusion.

Conclusion

The buyer's agent commission landscape has shifted—and that's a good thing for sellers. You now have the power to decide if and how much you're willing to pay. Armed with this knowledge of the pros and cons, negotiation strategies, and best practices for marketing your listing, you can confidently make the choice that aligns with your financial goals and the realities of your local market.

Remember that professional advice—from your listing broker/agent to a real estate attorney—can help you navigate any complexities. Ultimately, the key is knowing that you are in control of the commission conversation.

About the Author

With years of experience navigating the ever-changing real estate market, **Jeff** is a dedicated real estate broker and industry expert committed to guiding homeowners to successful sales.



With a focus on empathy, transparent communication, and data-driven strategies, Jeff ensures every client knows exactly what to expect at the closing table. Whether you're selling a rental home or a luxury estate, Jeff believes that clarity and preparation are the keys to maximizing your net proceeds and ensuring a smooth transaction.

His straightforward approach and deep market knowledge make him a trusted advisor for buyers, sellers, and investors looking to make confident real estate moves.

☎ Have questions? For a personalized consultation contact Jeff at:

📞 (925) 325-2007

✉ jeff@jeffdoesrealestate.com

Follow Jeff for more real estate insights and updates:

📌 **Instagram:** [@JeffTheeBroker](https://www.instagram.com/JeffTheeBroker)