

Paying Agent More Can Speed Up a Sale

By **JAMES THORNER**
St. Petersburg Times

Posted: Nov. 10, 2007

"I want to pay a higher real estate commission."

By the look of disbelief on my Realtor's face, those were words she hadn't heard often in the housing downturn.

I could almost read her mind: You're asking \$20,000 less than you want for the house and you're sacrificing more money?

We agreed to a 6.5% commission, a full percentage point above the national average. How did I fare with my home sale? More on that later.

The story ties in to the federal government's antitrust campaign against the National Association of Realtors.

Among the bones of contention are real estate commissions that have barely budged from 5.5% despite a surge in home prices.

In real money, the typical payout for agents is \$11,203, up 23% since 1998.

The government thinks it should be lower.

I'm not defending high commissions.

During the housing boom, it was grotesque to watch a Realtor hammer the For Sale sign into the lawn at 8 a.m. and have an offer by noon.

The agent barely had time to light the aromatic candles on the sunken tub before she was pocketing thousands.

Local realty companies like Home Discovery tapped into this discontent and charged starting commissions of 2%. It worked for a while. Then came the housing bust.

With home sales less than half of what they were during the 2005 peak, you'd think commissions would shrink.

Underemployed agents are chasing a dwindling number of sales.

But just because you can bargain hard on commissions doesn't mean you always should.

Think of it this way: A commission is prize money. All things being equal, a buyer's agent will show a home paying a 6.5% commission before showing one paying 4%.

That's why I sweetened the pot by offering an extra half a percentage point for the buyer's agent.

Compared to other homes for sale in my neighborhood, my commission was the highest.

Less than two weeks after my Realtor and I signed the contract for 6.5%, we had a deal on my house.

An acquaintance living nearby who offered 4% hasn't sold his house in a year.

Call it luck if you must.

I priced my house toward the lower end and left it spic and span. But you can't go wrong playing to an agent's self-interest.

From the Nov. 11, 2007 editions of the Milwaukee Journal Sentinel