

PROS AND CONS OF SELLER NOT COMPENSATING BUYER AGENT

Let's explore the pros and cons of a seller choosing not to compensate the buyer's agent.

Pros of Not Paying Buyer's Agent Commission:

- **Cost Savings:** By not offering a commission to the buyer's agent, the seller can potentially save money. Typically, realtor commissions amount to around 5-6% of the home's sale price, so eliminating this cost might seem appealing.
- **Reduced Expenses:** Sellers may view this as a way to cut down on expenses during the home sale process.
- **Negotiation Leverage:** You might be able to negotiate other terms more favorably if the buyer is willing to cover their agent's commission.

Cons of Not Paying Buyer's Agent Commission:

- **Limited Demand:** When a seller doesn't compensate the buyer's agent, it reduces the pool of potential buyers. Many buyers work with agents, and if those agents know they won't receive a commission, they might steer their clients away from the property. So, you could miss out on potential offers.
- **Visibility Impact:** Listing your home on the Multiple Listing Service (MLS) is crucial. The MLS is a primary tool for home sales, used by about 86% of sellers. When you don't offer a buyer's agent commission, your listing becomes less attractive to real estate agents who search the MLS for properties to show their clients. Less visibility means fewer potential buyers.
- **Risk of Jeopardizing the Sale:** If you initially agree to pay a buyer's agent commission in a purchase agreement but later change your mind, you risk jeopardizing the sale. The buyer's agent may try to have their client cover the fee, but this is uncertain and could lead to complications. Real estate transactions rely on clear agreements between buyers, sellers, and their agents, including negotiated commissions.
- **Longer Time on Market:** With fewer agents motivated to show your property, it might take longer to sell.

In summary, while it's technically possible for a seller to refuse to pay the buyer's agent commission, it's essential to weigh the potential cost savings against the impact on demand, visibility, and the overall success of your home sale.