

REAL ESTATE FEES EXPLAINED

Professional Real Estate Fees Are Negotiable: There is no specific “set fee” or common commission structure amongst brokers in our area. Different offices charge different fees. It is up to each company’s broker to set the fees their office requires as payment for their marketing & real estate services.

Listing / Seller Representation

Our Fees. Our office typically charges 10, 5, or 3% of the sales price to ‘list’, market, and sell your property depending on level of service the seller desires... That amount is paid from seller proceeds at closing, if the home is successfully sold. When we list your home for sale, we personally invest all of the costs for digital photography, target marketing, online and offline exposure and more. Seller does not need to reimburse us for those charges; and if the property is not sold* under the agreement, sellers are not required to pay for those items, unless negotiated special conditions exist between the seller and our Brokerage.

*In some cases, we may require reimbursement of staging, drone, or other expenses or in the event the listing is prematurely terminated or cancelled prior to sale or expiration. Those conditions will be detailed in our listing contract documents.

- **Compensating a Buyer’s Agent.** Offering concessions or compensation is not mandatory but may create a desirable condition to attract more buyers. The total fee negotiated in our listing contract is paid to Bruce W Carr the broker, You may be open to negotiating with the buyer for additional considerations, or pay us a larger percentage and then- from our earned commission- the agent / brokerage that brought and represented a buyer, will be compensated from that percentage or dollar value.

Here is how we typically allocate our earned commission

Scenario 1 - Preferred Example

- 3%-10% of the sales price paid to Bruce W Carr as the listing broker upon sale of the property
 - Or to one of our dba- Lone Star Land Brokers / BWCarr Realty
 - I pay for all of your property’s marketing, photography, brokerage transaction fees from my earnings
 - Cleaning, Staging or additional other potential fees are the expense of the home owner
 - Clean Staged homes sell for 5%-10% more \$\$ and 30-50% faster than dated and unkempt homes
- The buyer negotiates their broker/agent fees into a contract offer for your property;
 - You / we have no obligation nor commitment to pay any portion of the buyer agent fees
 - This may be a point of buyer & seller negotiation in a sales contract or addenda regarding seller contributions or closing costs to the buyer; which I help negotiate on your behalf
 - As with other negotiated seller contributions, this would reduce your net proceeds from the ‘sales price’, and we would consider every offer individually regarding your best financial interest.
 - They determine what funds allocate to closing costs, down payment, their broker, etc.

Scenario 2 -not preferred, but optional – this is the ‘old way’ that got many brokers in trouble

- 10% of the sales price paid to Bruce W Carr as the listing broker upon sale of the property
 - Or to one of our dba- Lone Star Land Brokers / BWCarr Realty
- 30 - 50% of that may be directed to the buyer’s broker-if they have one
 - often at closing, allocated via the title/escrow office from our broker proceeds.
 - This may be negotiated between brokers separately or you commit to a specific dollar amount or percentage of the total ‘sales price’
 - If the buyer does not have a broker, or we represent them also, our brokerage retains the full sales commission for additional work and liability involved with representing, and or consulting, assisting both sides of the transaction.
- **Can I Offer Less?** You can offer less or more – proportionately that may affect the compensation paid to a buyer’s broker. You can offer the buyer’s broker any amount you want and can even offer zero dollars. If you choose to not negotiate, the buyer must determine how to pay their own agent separately. While this may seem reasonable, know that this may limit the buyers who can afford your home. Some buyers have enough money to close with these funds built into a mortgage but may not have the money to pay their agent additionally. These buyers may decide not to make an offer on your home due to the additional expense. Sadly, many agents are unethical and will refuse to even show your property under those circumstances. We recommend being open to negotiation depending on the contract offerings. but the choice is ultimately up to you.
- **Seller’s Net Proceeds Sheet.** When we bring you an offer, our brokerage will also explain your closing costs with that offer and will show you an *approximate net proceeds* number for consideration.
- Title, surveys, lender fees and other costs are often negotiated (with our assistance) between seller and buyer.

Buyer Representation

- **Without a Representation agreement** between the Broker (us) and the Buyer, the buyer is treated as a '**customer**' with honesty and integrity. Brokers / Agents / realtors are not allowed to show any homes to any buyer without a Representation agreement (2024 law). Brokers/agents are not allowed to provide opinion or advice in this capacity. Due to many factors, in this aspect we typically will only provide resources and data. We cannot visit homes with you, and do not provide opinion on pricing, location, quality of property, etc. The regulations also prescribe that the broker/agent in this case is technically a 'subagent' and represents the interest of the seller even if we are assisting with submitting offers to a seller or their broker. This is odd and nonsensical, but such is government regulation.
- **When engaging in a broker-buyer representation agreement**, you the buyer then become a '**client**' and our position then legally becomes a fiduciary duty with your best financial interest. The agreement outlines expectations of both parties and how we-the brokerage- are to be compensated. Our standard fees are set by the broker Bruce W Carr, are negotiable, and are not determined by an association, trade organization, agreement between brokerages, or government entity.
- **How does the buyer broker get paid ?**
Many sellers may offer concessions, contributions, or part of their sale proceeds to pay a buyer broker for bringing a qualified buyer. This is typically paid through the escrow / title agency at closing and funding. Such is not required, and some sellers do not offer or allocate contribution to this. This is often part of negotiations between buyers and sellers for a property sale contract.
Many brokers of listings may offer to share / pay a portion of their earned commission from a listing sale, to a broker representing a buyer in that transaction. Such is not required, and some do not offer this; it may be part of their listing contract with the seller.
If the seller or listing broker do not cover any or the full amount in our Broker-buyer agreement, the buyer is responsible for any remaining amount up to the amount negotiated in our broker-buyer agreement- representation contract.
- **How much does a buyer broker charge ?** Our fees are negotiable; depending on the type of service, we typically earn at least 2% if you have done all the scouting, research, and need us to represent you in confirming necessary documents, filing offers, and communicating negotiations.
We typically earn 3-5% for most land and residential buyers; including introduction and communication with lenders when needed, scheduling and showings, property research data and resources, mapping of select properties, determining and arranging contractors and utilities if needed, and assistance after the deal to help you file property tax or rural Ag related documents.
We typically earn 5-10% for full service buyer representation, consulting and construction projects (often for out of town-out of state clients).
Often in liaison roles, project management, design, and development consulting.
- **What if a buyer doesn't want to pay a Broker / agent ?**
Great, many folks who have extra time in their schedule are competent, self-sufficient, and capable; but DIY real estate is not for everyone; Do you know what forms are required, where to find them, how to choose a title / escrow agent and or real estate attorney to protect your interest ?
Realize if you go straight to the sellers' agent or a builder, they represent the seller; they represent the seller's best financial interest; they have an agreement for what they are being paid by the seller; and you don't just save a % because you don't have representation- it doesn't work that way. The seller still has a \$# to meet, and their agreement with the listing broker is a separate contractual obligation apart from a sales contract with a buyer.
Many sellers will not allow unrepresented or 'unapproved' buyers to even view their property. Brokers and agents in Tx and most states have undergone background checks and offer a higher level of security to scrutinizing sellers. Even experienced investors with dozens or hundreds of properties under their portfolio, rely on the professionalism, expertise, and time saving value of contracting with a competent broker.