

When Choosing One Agent For Both Buying & Selling

By **JIM SMITH**
Jefferson County Realtor®

It happens all the time. When someone sells their current house, they're usually buying a replacement home. Should you use the same agent for both transactions? Absolutely, and here's why.

Almost without exception, it is the seller who pays all the commission on a transaction. He (or she/they) will pay a single commission to the listing agent, which the listing agent then splits with the agent who represents the buyer. The buyer pays no commission.

The listing commissions are no longer fixed but are completely negotiable, and as a result they have been dropping. The commission paid by the listing agent to the buyer's agent, however, has remained virtually fixed at a fairly high 2.8%.

I say "fairly high" because that 2.8% is often more than half the listing commission, which I've seen reported as averaging under 5.5%, thanks to the free-market competition by listing agents.

Like most agents, I represent both sellers and buyers, but I almost always make more money on my buyer commissions than I do on my seller commissions, even though I spend a lot of money on marketing my listings — advertising, signs, virtual tours, color brochures, custom websites, open houses, staging consultations, and more.

In fact, the buyer commissions are so much more profitable than



the listing commission (unless the listor also finds the buyer), that there's a trend toward "exclusive buyer agents," especially among new agents. I have

not chosen this path, primarily because I love working with sellers, but also because I have found it lucrative to work with sellers when they let me represent them on the purchase of their replacement home. I encourage this by reducing my already competitive listing commission by another point in return for the commission I'll earn on the purchase of their replacement home.

If the seller is purchasing their home out of state (where I can't earn a commission), I can still earn a referral fee, so I'll still reduce their listing commission in return for that opportunity.

Some sellers, however, make the mistake of doing it in reverse. They will find a house they want to buy in a distant location, then accept that agent's offer to list their current home. Don't make that mistake yourself. Your best listing agent is the one who specializes in your neighborhood. Use that agent to buy your replacement home and ask him or her to reduce your listing commission in return.

This Is My Last Column (In This Space, at Least)

If you like this column, you'll be glad to hear that it's going weekly. The bad news is that it won't be in this space. Visit www.JimSmithColumns.com, to find out where it will appear.

This Week's Featured Listing

2-Story Has Main-Floor Master

This home, listed just this week, is original owner occupied with a completely finished basement, plenty of custom tile work, and one of the most family-friendly backyards in the neighborhood! The cul-de-sac location is quiet, with homes only on one side of the street, providing unob-



structed views of Golden and the Table Mountains beyond. The main-floor master in the rear of the house opens directly onto the oversized Trex deck, where the sounds of the pond and waterfall make the back yard a wonderful environment for relaxing, away from city and highway noise. See the website for a virtual tour, floor plans, brochure, aerial photo and more! **\$475,000**



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