

## Real Estate Commission Basics

For many years now, the real estate industry has followed a certain way to calculate the real estate commission. This remained unchanged for many years, until certain companies offered different ways of calculating their real estate commission. This brought about a significant step up in the industry, and was reflective of the changing times at the same time.

In order to understand how a real estate commission is paid and by who, it would be helpful to know how real estate agents are share in the cooperating commissions. All real estate agents essentially work for a real estate broker. All the fees that a real estate agent collects will first go through the broker. It is also the brokers job to pay agents the real estate commission and to enter an contract with the seller.

A real estate agent who is new to the business may receive only a small percentage of the real estate commission. This amount may even be decreased after various fees and expenses are deducted. On the other hand, some of the best performing real estate agents of a firm may get 100% of the real estate commission and merely pay fee to the broker. There are also various other arrangements in between these two examples.

In most listing agreements signed by a seller and an agent, the broker is essentially given the sole right to place the home on the market. For the work of pulling in the buyers, the property seller pays the broker a real estate commission. This amount is a pre agreed percentage of the propertys selling price, and is shared by the listing broker and the real estate agent who closed the deal.

In a sense, it can be said that it is actually the buyer who pays the real estate commission. The final selling price of the property already includes this real estate commission. If the seller does not agree to pay the real estate commission, the sales price would probably be significantly lower. Because the real estate commission is already included in the selling price, buying through a broker will likely cost you more than if bought the same property directly.

Now, some companies have begun offering flat or hourly rates for their services. This is only one of the many changes in the factoring of the real estate commission, and is probably a sign of even more changes to come. Similar content [Fee for service real estate ... No commission real estate virginia ...](#) [No commission real estate virginia ...](#)

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