Real Estate Commissions

What You Need to Know Before Hiring an Agent



As a buyer or seller looking to retain the services of a licensed real estate agent, **commissions are completely negotiable by California law,** and there is no such thing as a “standard” or “fixed” rate.

A **commission** is the amount of money a buyer or seller is expected to pay to their real estate agent for their services.

State law requires buyers to sign a written Buyer Representation Agreement before an agent can show them a home. Sellers must sign a listing agreement before their agent can list their home for sale. **Both sides choose exactly how fees are structured and paid.**

There is no one-size-fits-all approach when hiring an agent. **Discuss your goals with the agent,** who can share what services they can provide for you.

Consumers can negotiate their fees with their agents.

COMMON COMMISSION FEE MODELS

1 %

Percentage of the Purchase Price:

The traditional model where the fee is a negotiated fixed percentage of the sales price.

2 $

Flat Fee:

A fixed dollar amount agreed upon upfront regardless of how high or low the final purchase price is, providing consumers cost certainty.



REMINDER:

Commissions are entirely negotiable under California state law.