

## Buyer agent fee of 3% — no more, no less — most effective

Seattle-based discount broker Redfin looked at buyer agent commissions in its market and concluded that precisely 3 percent is the most effective bounty.

| <b>Buyers' Agent Commissions &amp; Days on Market</b> |                                   |                                 |                                     |
|---|-----------------------------------|---------------------------------|-------------------------------------|
| Residential Homes, Kings County, 2007                 |                                   |                                 |                                     |
|   | <b>Commission lower than 3.0%</b> | <b>Commission equal to 3.0%</b> | <b>Commission greater than 3.0%</b> |
| <b>Sale-to-List Price</b>                             | 99.9%                             | 99.3%                           | 98.5%                               |
| <b>Days on Market</b>                                 | 89                                | 68                              | 129                                 |

Sellers who offered exactly 3 percent sold their homes in an average of 68 days, Redfin says. Sellers who offered less than 3 percent sold in 89 days, while sellers who offered more than 3 percent needed 129 days to sell. The bottom line: A higher buyer's agent commission doesn't yield better results for the seller.

Redfin studied nearly 23,000 home sales that took place in 2007 in Washington's King County. The average buyer agent commission was 2.88 percent.

