

7 Reasons to Work with A Flat-Fee Real Estate Broker

Are Flat-Fee Real Estate Firms Worth It?

Increasingly more home sellers are contemplating whether they should skip the standard 6% real estate agent commission and find something cheaper. For Sale by Owner (FSBO) is one option, although many want at least some support in what can be a labor-intensive process full of questions.

Home sellers rejoice! There is a relatively new alternative that is turning heads. Flat-fee brokers.

Flat-fee agents offer their services for a flat fee versus a percentage of the home sale price, but is it worth it to the home seller to go this route versus FSBO or a full-service agent paid on commission? We'll give you seven reasons why a flat-fee real estate broker might be the best way to get the most return on your home investment.

1. Lower Cost

The number one reason home sellers choose a flat-fee real estate service is that it can be significantly less expensive than a full-rate REALTOR®. While you will still be paying some sort of a fee, it is at a fraction of the 3-6% commission you would pay otherwise. Yes, going at the FSBO thing alone would save you even more in commissions, but selling your home without access to the MLS is not recommended. Unless you have a viable buyer interested in your home, the MLS is the way agents and buyers find your home. A flat-fee broker will give you access to the MLS and that's essentially what you're paying them for.

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The fee you pay a flat-rate broker will vary. We've seen them as low as \$99 for six months on the MLS to as much as \$3,500 for indefinite access to the MLS plus several additional agent services. One of the most flexible and potentially cheapest ways to go is with a pay-per-day model where you only pay dollars a day while your home is listed on the MLS. As soon as your home is sold, you stop paying. The faster your home sells, the less you pay.

2. Less Commitment

When you sign on with a full-service real estate agent, you agree to certain terms and conditions. You are locked into an agreement until your home sells, or you or your agent determine the relationship is no longer in your best interests. With a flat-fee broker, however, once you pay the fee, you are free to go whenever you want. If you go the pay-per-day route, you will likely be committed to paying only for the current month.

This is an important feature as often sellers occasionally need to fire their agent for disagreements, lack of attention, lack of results or bad advice. A fascinating article in The Balance goes through the steps it may take to get out of your contract, even saying, “If there are no workable solutions, call a real estate lawyer for termination assistance.” The thought of this alone deters many sellers from entering into a long-term contract with an agent.

3. Right-Fit Services

When you pay a real estate agent full commission, you’re paying for a comprehensive package of services. The commission you pay them goes towards:

- working with you to determine a selling price
- advice on how to stage your home to sell
- scheduling a professional photographer
- printing marketing brochures
- placing a key lockbox on your property
- listing your home on the MLS
- placing an agency sign in your yard
- marketing your home to other agents, online sites and social media
- scheduling and managing any open houses
- tracking showings
- helping you negotiate any offers
- scheduling inspections and negotiating repairs
- scheduling the closing
- walking you through the sales contract

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Flat-fee agents, on the other hand, won’t likely offer all of these services for their low fee. Essentially, you are paying less for them to do less. That may not be a bad thing. Many FSBOs and those looking for discounts realize they don’t need every service listed above. With a flat-rate broker, however, you may be able to choose the services on which you need assistance and which you believe you can tackle yourself. In this way, you are tailoring the services to your needs and not paying for things you may not want, such as an open house.

4. More Efficient Sales Process

No matter how much individual attention a REALTOR® promises you, the truth is, you are sharing that agent with others, sometimes dozens of others. You are at the mercy of their schedules. Even if you aren't sharing them with other home sellers, that's a red flag. Why don't they represent several clients?

With a flat-fee real estate service, however, you are often only paying for the MLS listing and will sell your home on your own. You can dedicate as much time to the process and you want and if done right, you can sell your home rather quickly. The negotiation process has fewer people involved, as well.

5. Latest Technology

The MLS used to be a real estate agent's golden ticket. Only agents and brokers have access to the one piece of technology most coveted by both buyers and sellers. They also will use technology to pull market data and analysis to help price your home. This is a critical service, but flat-fee real estate services now provide the same access to many of the same technologies.

FSBO and cost-conscious sellers can pay a flat fee to have access to the MLS and market data in order to list, market and sell their homes themselves. Technology is no longer a barrier to selling a home and the technology is easy to use for most people.

6. Flexible Schedule

Because selling your home with a flat-fee real estate agency means you'll be doing some or all of the home selling process yourself, you aren't tied to an agent's schedule. You can book showings, open houses and closings on your schedule. You can put as much or as little time and effort into the process as you want or can.

7. More Control

One of the best flat-fee selling points is that it gives home sellers more control over the entire selling process. From pricing your home and scheduling showings, to determining if you want an open house and negotiating a deal and inspections, when you sell your home on your own or with limited agent support, you make up your own rules. A REALTOR® adds plenty of value to the home selling process and the majority of home sellers still rely on them to sell their homes. For those who want to keep more money in their pockets, however, a flat-fee agency is a good alternative. If you only want MLS access or limited agent support, a flat-fee real estate agent is a perfect fit.