

REAL ESTATE



Agents put off by reduced commissions

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By Paul Owers, Sun Sentinel

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Even though South Florida homesellers still carry most of the negotiating power, they are still making mistakes that can ruin or delay deals.

One of the most common, real estate agents say, is skimping on the standard 6 percent commission.

In booming or recovering housing markets, sellers often try to pocket more money by selling the homes themselves or working with brokers who agree to cut the commissions.

While reducing the agent's take sounds good to the seller, the strategy can backfire, industry observers say. Some agents may be less motivated — or have a smaller budget — to market the house, while others won't show a property that comes with a lower commission.

"At the end of the day, I don't think many sellers have had much success reducing their costs and increasing the net sales gain on the home," said Guy Cecala, publisher of the Inside Mortgage Finance newsletter.

Carlos Martin, broker of Good People Realty in [Broward County](#), found a four-bedroom Miramar house that was perfect for his client — but Martin's share of the commission would be a below-market 2 percent.

Martin, who still showed the house, said he believes it sat on the market only because of the lower payout.

Michael Citron, an agent in Broward and Palm Beach counties, said a reduced commission is a red flag that a homeowner may not be financially ready to sell.

Other sellers reduce commissions out of necessity. Rising home prices are restoring lost equity to "underwater" borrowers who finally can think about selling, but it's still a close call. And the first place they'll look to save is on the commission.

"By law, I'm supposed to show all the properties that meet my client's criteria," Citron said. "But do I have to show the house with the lower commission first? No."

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