

## Signing a listing agreement

When you choose a Real Estate Professional, you will most likely sign a listing agreement - a contract in which you agree to allow the Real Estate Professional to sell your home during a given period. The agreement says that you will pay the Real Estate Professional a fee when you sell your home. Most Real Estate Professionals are independent contractors who work for a company operated by a licensed real estate broker. (A salesman is licensed by the state to sell real estate through a broker. A broker is licensed by the state to sell real estate to others for a fee and employ salesmen and other brokers.)

The amount of compensation you pay a broker is negotiable, but the Real Estate Professional will generally follow the company's policy regarding compensation. The amount of the fee will be spelled out in the listing agreement. Make sure you understand how the fee will be paid before signing.

### Exclusive listing

Most Real Estate Professionals will ask for an exclusive right-to-sell listing. This means that you will owe the broker a commission regardless of who finds a buyer during the listing period. In other words, if you decide to sell the house to your cousin, your broker still gets a commission. The advantage of this kind of arrangement is that the broker is motivated to work harder to sell your home.

It's possible that a Real Estate Professional from another company will find a buyer for your home. In that case, your broker is the listing broker, and the second agent is the selling or cooperating broker. Many times your listing broker will agree to pay the cooperating broker a fee from the amount you pay the listing broker. Your listing broker cooperates with other brokers who procure buyers interested in your property and offers to compensate the other brokers for procuring a buyer. Cooperating and compensating other brokers is discussed in the listing agreement you sign with the listing broker.

### Length of listing

The listing agreement will specify how long you agree to list your house with a company. Your Real Estate Professional will probably suggest an average time that homes like yours are on the market. You want a period that's long enough to motivate your Real Estate Professional to advertise your home and respond to buyers; yet short enough to allow you to change to a different company if you become unhappy with the Real Estate Professional's service. Remember that the listing agreement is a contract. You should get a copy for your records. Your Real Estate Professional is bound to the terms just as you are. You can expect the Real Estate Professional to keep appropriate information confidential and effectively market your property.