

The Value of Co-Brokering

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Before hiring a Real Estate Brokerage firm to help you facilitate your next land transaction, you should consider learning about co-brokering and why it's important to you as the Seller.

What is co-brokering? Co-brokering happens when the listing broker you have hired to sell your property shares the earned commission with the broker representing a buyer. This willingness to share the commission implies that your listing broker will be advertising your property to incentivize the entire brokerage community, including exclusive back-end platforms that are only viewed by Agents, such as a multiple listing service (MLS).

Peoples Company agents' co-broker to expose listings to the maximum number of buyers and for the best interest of their client. Co-brokering is not a short-term action, it is a long-term benefit building relationships throughout the real estate industry. Sharing fees among competing brokerages is not as common as you may think and is a distinct advantage of working with Peoples Company.

It is also important for buyers performing a 1031 Exchange, as they are limited on time when reinvesting proceeds from a previous sale. Because this can be a complicated process, most buyers performing a 1031 Exchange are typically represented by a fiduciary. You do not want to deter a qualified buyer from your property, especially a 1031 Exchange buyer who is ready, willing, and able to purchase a comparable valued asset.

As a licensed agent in the State of Iowa and Minnesota, I have seen firsthand how incentivizing the real estate community through shared commission ultimately attracts more buyers and likely results in the best offer for a property. Many buyers are represented by agents, and the buyer's agent will be motivated to bring their clients to a listing that shares an earned commission. Buyers generally do not pay a fee to their broker

representing them, so the buyer's broker's livelihood is based on the listing broker sharing their commission. If a listing agent does not share a commission, a buyer's agent may not fully pursue the listing and could transition to a different property.

Why would a listing agent not want to cooperate with a buyer's agent and why should you be concerned? One reason may be the listing broker's desire to retain their entire commission. However, they are doing a massive disservice to the seller and potential buyers by not fulfilling their fiduciary responsibilities. They are single-handedly responsible for lower foot traffic to the listings. Less traffic can be, of course, detrimental to completing a successful sale of a property.

In conclusion, I recommend that you always work with brokers you trust. Whether you are buying or selling, establish strong relationships with agents that are going to best serve your interests. Avoid working with brokers who are more concerned with their bottom-line than yours. Peoples Company has been fortunate to be trusted by landowners across the country resulting in over 50,000 acres sold thus far in 2020. If you are considering selling your land, please consider contacting Peoples Company to maximize the value of your property and allow us to facilitate a successful transaction.