



# Buyer Broker Compensation

## Strategy Sheet

In the past, buyer broker compensation was often handled automatically through the listing side of the transaction. Today, it is increasingly being negotiated—and in some states, cooperative compensation is no longer included in listing agreements at all.

This sheet assumes a common real-world scenario: the buyer is asking the seller to cover their agent's compensation as part of the offer, often by building it into the price so it can be financed (while weighing appraisal and structuring considerations). Use this tool to think through how to structure, explain, and negotiate that approach.

### 1. START HERE: WHAT STAGE ARE YOU IN?

- Buyer Consultation – Prepare the buyer for how compensation will be requested and structured in offers
- Listing Appointment – Set expectations that offers may include compensation as part of the overall structure
- Writing an Offer – Build compensation into the offer in a way that aligns with financing, price, and terms

### 2. CLIENT PRIORITY CHECK (Before You Structure)

Buyer Priorities: Minimize cash out of pocket; Keep offer competitive; Finance as much as possible

Seller Priorities: Net proceeds; Clean, easy-to-understand offer; Strong likelihood of closing

👉 Strategy Note: When compensation is built into the offer, it must support both the buyer's financing goals and the seller's net and deal clarity.

### 3. CORE STRATEGY: BUILDING COMPENSATION INTO THE OFFER

Primary Approach: Buyer requests seller-paid compensation as part of the offer structure.

Why this approach is common: Allows buyer to finance compensation; Reduces upfront cash burden; Keeps more buyers competitive; Creates more potential buyers for the listing

Key Considerations: Purchase price may be adjusted; Appraisal must support the price; Seller evaluates net, not just top-line price.



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### 4. OFFER STRUCTURE CHECK (Before Submitting)

- Does the price support the full structure (including compensation)?
- Will the appraisal likely support the price?
- Does the seller's net align with their expectations?
- Does the structure stay within financing guidelines?
- Is compensation clearly addressed in the offer terms?

### 5. CONVERSATION FRAMEWORK (USE THESE IN REAL TIME)

With Buyers: "In many transactions now, my agent's compensation is requested as part of the offer."

"One option is to structure it so it's included in the overall deal and financed, depending on the numbers."


"We'll structure this in a way that keeps your offer strong while managing your cash requirements."

With Sellers: "Offers today may include requests for buyer broker compensation as part of the overall structure."

"Buyers often do this to finance costs rather than pay them upfront."

"The key is to evaluate each offer based on your net and the strength of the terms—not how the compensation is labeled."

### 6. RED FLAGS / PAUSE POINTS

- Price is pushed beyond likely appraised value
- Seller net is unclear or lower than expected
- Compensation is not clearly addressed in writing
-  If checked: pause, clarify, and restructure.



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### 7. FINAL DECISION CHECK

Does this structure help the buyer achieve their financial goal?

Does it still meet the seller's net expectations?

Is it clean, clear, and easy to evaluate?

Can all parties understand how compensation is being handled?

**⚠️ REALsmart Reminder:** Compensation is now part of the negotiation. Structuring it effectively means balancing financing, appraisal, and seller expectations within the contract. Use this sheet to guide your approach, and coordinate with your broker when needed.



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