

What **IS**
Listing Broker Advantage
and
What **IS NOT**

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WHEN IT APPLIES:

NOTE: Remember: Listing agreement is between listing broker and seller. Co-op broker/MLS participant is paid pursuant to what is published in the MLS.

- ❑ Seller agrees to pay a specified commission if the property is sold by the listing broker (Listing broker has "both sides".) and a different commission if there is a cooperating "selling broker". (e.g. 5% both sides; 6% co-op)
- ❑ Seller agrees to pay a specified commission to the listing broker with or without a cooperating broker (If there is a cooperating broker, the listing broker commission is shared.) and a different commission if the seller sells through his own efforts (For example, seller sells to someone identified as one of his or her "exclusions".). (e.g. 6% and 0%)

There is a requirement that the listing broker, in response to inquires from potential cooperating brokers, **disclose** the differential that would result in a transaction with a cooperating broker versus listing broker only, or one resulting from the seller's efforts. Therefore, there is a field in the MLS called "LBA". A broker reading this code would then know to ask about the differing commissions. (e.g. Broker with offer **asks**: "What is your advantage if you sell it yourself?"
Sample Answer: "If I sell it myself, I get 5%; if you bring me a buyer you get 3%. My seller has a list of exclusions; if one of them buys in the next 2 weeks, I get nothing."

WHEN IT DOES NOT APPLY:

- ❑ When there is a question regarding how, for example, a 6% commission is being split between the listing and cooperating agent. The MLS does not fix nor police commissions, nor their division between participants, and the listing agent has no duty, under the rules, to disclose the split with the cooperating agent.
- ❑ When a broker gives a higher "split" to agents who sell a listing "in house (both sides to the same agent/broker)".