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Redfin Survey: Over One-Quarter of Recent Homebuyers Have No Idea How Much Their Agent Was Paid

Nearly 20% of recent buyers have no idea who paid their agent and how the amount was determined

39% of homeowners with plans to sell think a 3% buyer's agent commission seems high, but nearly the same share think it seems just about right

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — More than one-quarter of recent homebuyers (28%) have no idea how much their agent was paid, and 17% have no idea how the amount was determined, according to a [new report](https://www.redfin.com) from Redfin (www.redfin.com). A similar share—19%—have no idea *who* paid their agent.

The report is based on a Redfin-commissioned survey conducted by Qualtrics in February 2024. The nationally representative survey was fielded to 2,995 U.S. homeowners and renters. This report focuses on the roughly 120 respondents who indicated they bought a home in the last year and used an agent.

Just over one-third of recent homebuyers know *exactly* how much their agent was paid (37%) and who paid them (38%), and a slightly lower share have a full understanding of how the amount was determined (33%).

These commissions have always been negotiable, but it has been commonplace for the home seller to cover payment for both their agent and the buyer's agent, with a commission equal to 2.5%-3% of the home sale price typically going to their agent and another 2.5%-3% typically going to the buyer's agent.

"Many Americans make the biggest purchase of their life without knowing precisely how the professional they hired to guide them through the transaction is getting paid," said Redfin Chief Economist Daryl Fairweather. "Home sellers often have a candid conversation about fees with their agent before signing an agreement to work together. Buyers would benefit from doing the same. People feel awkward talking about money, but it's important to understand what your agent is charging and have a discussion about whether you will need to ask the seller to cover your agent's fee as part of your offer negotiation or pay for it out of pocket."

Real estate agent commissions have been in the news recently because the National Association of Realtors (NAR) in March agreed to [pay](#) \$418 million to settle a series of class action lawsuits regarding agent pay. As part of the settlement, NAR agreed agents will be required to enter into written agreements with buyers before they tour any home. These agreements must specify the compensation that agents will receive.

Roughly 40% of Homeowners Planning to Sell Soon Think Agent Pay Is Too High... And Roughly 40% Think It Seems Just About Right

About two of every five (39%) homeowners who plan to sell their house in the next year think a 3% commission for a buyer's agent seems "a little" or "very" high. But a similar share (36%) of likely sellers said it seems "just about right" and 26% said it seems "a little" or "very" low.

Redfin asked likely sellers (and likely buyers) to provide their thoughts on both a 3% commission for buyers' agents and a 3% commission for sellers' agents. This data covers the 260 respondents to this question who plan to sell a home in the coming year.

The response rates were similar when Redfin asked about pay for *sellers' agents*. Roughly two of every five (39%) homeowners who plan to sell their house in the next year think a 3% commission for a seller's agent seems "a little" or "very" high. But almost exactly the same share (40%) said it seems "just about right" and 21% said it seems "a little" or "very" low.

Redfin charges customers a listing fee as low as 1% and lets sellers decide how much, if any, commission to offer an agent who brings a buyer. For its entire history, the company has advocated for lower fees, transparency and more choices for real estate consumers.

To read the full report, including charts, visit: <https://www.redfin.com/news/real-estate-commissions-survey-2024>

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Redfin's subsidiaries and affiliated brands include: Bay Equity Home Loans®, Rent.™, Apartment Guide®, Title Forward® and WalkScore®.

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