

## **Types of agency agreements when selling your property**

There are several different kinds of agency agreements for the sale of residential property. It is important to be aware of the kind of agreement you sign, because it affects your rights and the amount of commission you may have to pay. You should discuss the agreement with a legal adviser if you are not sure about your rights. The following is an overview of the different types of agreements.

### **1. Exclusive agency agreements**

Exclusive agency agreements are commonly used for the sale of residential property. In this kind of agreement, you give exclusive rights to one agent to sell your property. This may entitle the agent to be paid commission if the property is sold during the fixed term of the agreement, even if the property is sold by you or by another agent. The agent may also be entitled to commission if the property later sells to a person who started negotiating for the property with the original agent.

### **2. Sole agency agreements**

This is similar to an exclusive agency agreement. You give rights to one agent to sell the property but you may find a buyer yourself. If you find a buyer who has not been introduced by the agent, then no commission is payable to the agent.

### **3. General listing / Open agency agreement**

This lets you list your property with a number of agents. You pay a commission to the agent who finds the buyer.

### **4. Multiple listing**

This occurs when you deal with an agent who is part of a network of agents working together to sell your home. It covers both auction and private treaty. You pay a commission to the agent you signed up with.

### **5. Auction agency agreement**

This is effectively an exclusive agency agreement where the property is listed for auction

Source: Department of Fair Trading NSW