



MEDIA RELEASE

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AGENT COMMISSIONS TREND LOWER IN EAST BUT SOAR IN WA

Unexpected new findings reveal that real estate agent commission rates on the eastern seaboard have fallen or remained flat over the past 12 months while rates in Western Australia increased by a remarkable 6.3 per cent.

The LocalAgentFinder Commissions Report analysed real time commission rate data for a \$500,000 property sale from over 5,000 registered real estate agents in May 2018 and compared that to commission rate data from May 2017.

Australia's highest average commission rate can be found in Tasmania (2.96 per cent) and lowest in South Australia (1.99 per cent). On a \$500,000 property sale, Tasmanians are paying an incredible \$4850 more in commission than the average vendor in South Australia.

A full copy of the report can be found [here](#).

EASTERN SEABOARD RATES REMAIN STABLE OR DROP

Tasmania's nation leading commission rate is followed by Queensland (2.62 per cent), Western Australia (2.45 per cent), the Northern Territory (2.43 per cent), the Australian Capital Territory (2.18 per cent) and an almost identical Victoria (2.05 per cent) and New South Wales (2.03 per cent).

Tasmania (-1.5 per cent), the Australian Capital Territory (- 1.3 per cent), the Northern Territory (- 5 per cent), South Australia (- 0.6 per cent) and New South Wales (- 1 per cent) recorded commission rate declines over the period, while Queensland and Victoria were the only states where commissions were unchanged.

Matt McCann, CEO of LocalAgentFinder, said that New South Wales' small decrease in commission rates is a trend to watch over the coming 6-12 months.

"Lower transaction volumes compared to a year ago are seemingly starting to put pressure on agents' commission rates. Vendors could benefit from increased competition between agents if transaction volumes continue to fall.

"Akin to New South Wales, we believe that Victoria's low commission rate can be attributed to the fierce competition between agents across metro areas, namely the suburbs surrounding Melbourne's Central Business District (CBD)," said Matt McCann.

Unlike its southern neighbours, Queensland has some of the highest commission rates in the country, with the report finding that Gold Coast agents have higher commissions than their Brisbane counterparts.

With Hobart leading the nation in terms of property price growth over the last year, LocalAgentFinder believes that this may have put downward pressure on commissions due to increased competition between agents.

"In most cases, the more expensive the property, the lower the commission rate and particularly when we reach the \$1,000,000 mark," said Matt McCann.

LocalAgentFinder found that South Australia's highest commission rates can be found in the state's Far North region, followed by the Yorke Peninsula.

The lowest commission rate in the Australian Capital Territory was recorded at 1.1 per cent and the highest at 3.3 per cent. Interestingly, the report found that regions further away from the Canberra CBD have lower commission rates, which goes against trends in all other areas.

WESTERN AUSTRALIA'S COMMISSION RATES SOAR

Western Australia bucked the trend and recorded a large increase in its average commission rate (+6.3 per cent). The highest commission rates in Western Australia can be found in regional areas while those living in the CBD and surrounds, where competition is more pronounced, enjoy more favourable rates.

Matt McCann, CEO of LocalAgentFinder, said of the findings: "The average vendor in Western Australia is paying \$722 more in commission than they were over a year ago and this might be a sign that agents are having to work harder to find buyers and are lifting their commissions to protect their businesses, following a period of extremely challenging market conditions.

Matt McCann said that while commission rates do influence who Australian vendors choose to sell their property with, commission rates may not be as influential as many people think.

"A recent survey that LocalAgentFinder undertook suggested that vendors want comfort that an agent's commission rate is reasonably within the mid-range for a particular market. Once they've established that, they'll move on to more important factors like the agent's sales history, marketing fees and independent homeowner reviews.

"This is one of the reasons that we feel agent comparison websites are growing in popularity so quickly. All of that information is at a vendor's fingertips – free of charge and easily accessible online," said Matt McCann.

Average Commission & % Variance YoY by State

State	Av Commission Rate May 2018	% VAR
<i>ACT</i>	2.18%	-1.30%
<i>NSW</i>	2.03%	-1.00%
<i>NT</i>	2.43%	-5.00%
<i>QLD</i>	2.62%	0.00%
<i>SA</i>	1.99%	-0.60%
<i>TAS</i>	2.96%	-1.50%
<i>VIC</i>	2.05%	0.00%
<i>WA</i>	2.45%	6.30%

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