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Press release

Searching for real estate in the border region - Who pays the real estate agent's commission?

Are you looking for a property to buy or rent and would like to contact an estate agent?

The inquiries received by the European Consumer Centre Luxembourg (CEC Luxembourg) show that it is advisable to know your rights and to have the most important information: What should one pay attention to when hiring an estate agent? Who pays the real estate agent's commission? Are there any differences between Germany and Luxembourg?

Who pays the broker's commission for rental contracts?

In Luxembourg it is common and possible that the tenant pays the commission. In Germany, the so-called "Bestellerprinzip" applies. This means that the commission is to be paid by the party who commissioned the broker. So the landlord pays if he has commissioned the broker. The tenant pays if he has commissioned the broker, whereby the broker's commission is then limited to 2 months' rent plus VAT.

And with the purchase?

In Germany, the basic rule is that the party who has commissioned the broker must also pay him. However, it is possible to share the costs with the other party. This so-called commission sharing stipulates that, as a rule, at least 50% of the commission must be paid by the client. The rest can be transferred to the other party.

In Luxembourg, on the other hand, these costs are to be borne by the party who commissioned the broker. Sharing these costs is only possible in rare cases.

What about cross-border situations?

If an agency from Luxembourg markets a property in Germany (for rent or for sale), in our opinion, German law applies and thus also the buyer principle applicable there. In the case of rental apartments in Germany, for example, which are marketed by an agent based in Luxembourg on behalf of the landlord, the commission is to be paid by the landlord. This is also the opinion of the Chambre immobilière du Grand-Duché de Luxembourg.

Our advice as CEC Luxembourg: Stand up for your rights when hiring an agent to buy or rent a property and contact the CEC Luxembourg if you need additional information or advice.

The CEC Luxembourg is part of a network of 29 European Consumer Centres in the European Union, Iceland and Norway (European Consumer Centres Network - ECC-Net). Our services are free of charge.

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