

Real Estate Brokers vs. Agents: Which Should You Use?

[Dori Zinn](#) September 5, 2023

Buying or selling a home is a major financial step. Whether you're about to invest a lot of money in a property or make a lot of money from selling one, having the right real estate expert in your corner is a must. But there are different kinds of professionals to work with and it's not always easy to decide if you should use a real estate broker or a real estate agent. Here are the similarities and differences between the two, so you can make a decision that's best for you. You may also want to work with a [financial advisor](#) if you're planning a large financial purchase, such as a house, to get your finances adequately prepared.

What Is a Real Estate Agent?

A real estate agent is someone who has passed a real estate license exam and can help you buy and sell a property. Exams cover federal and state laws. Agents will have completed a certain number of pre-licensing training hours. The number of hours varies by state and jurisdiction, which means some agents might need more training hours than others.

[Real estate agents](#) can help you list a property for sale, browse through potential properties to buy and handle the buying or selling of a property on your behalf.

After agents have passed their exam, they have the opportunity to join a real estate brokerage. Agents can't work for themselves; they have to work for an agency or brokerage.

What Is a Real Estate Broker?

[Real estate brokers](#) have to demonstrate more knowledge than agents and often have more experience than agents. Brokers also own or manage a brokerage. A broker has passed a broker license exam that tends to be more specific and in-depth compared to a real estate agent's exam.

Before taking their exam, brokers need to have more experience than prospective agents, usually a couple years of being an agent first. Beyond that, different brokers have different specialties, like a principal broker versus a managing broker.

Brokers can also help you buy or sell a property, just like an agent. Agents work at brokerages, while brokers run their own businesses. Brokers can be agents, but not all agents can be brokers.

What Is a Realtor?

A realtor can be a real estate agent or a real estate broker, but it is someone who is a member of the National Association of Realtors (NAR). It is also a slang term used by people looking to buy or sell a house when referring to their real estate agent that is representing them, regardless of whether they are a broker or not. The official designation for realtor is typically provided to residential agents and brokers, commercial agents and brokers, property managers, appraisers and more.

How to Become a Realtor

There are four requirements to officially becoming a realtor. These include:

- Have an active real estate license.
- Be actively engaged in the real estate industry.
- Can't have any record of misconduct violations.
- Can't have "recently" filed for bankruptcy.

Once the requirements are met then the individual can join local NAR

associations and pay the annual fee. They will then be asked to abide by the NAR code of ethics. Once all of that is complete then the individual is made an official realtor.

Brokers vs. Agents: Which Should You Use?

Working with a licensed professional is one of the most important steps you can take when buying or selling a home. In most cases, either a broker or an agent can handle your transaction.

There's a chance you'll work with both [a broker and an agent](#) as your buying or selling process moves forward. While an agent could have less experience, it doesn't mean all agents are less qualified to handle your property. Some agents stay agents, while others become brokers.

You can meet a real estate agent with decades of experience and a newly minted broker with less overall experience.

As you're going through potential agents and brokers, ask them a few questions, like:

- **Are you licensed?** Checking a license should be one of your first steps in verifying an agent or broker. You can check a license through [Arello](#). Also, checking [Find a Realtor](#) will give you a list of agents who belong to the [National Association of Realtors](#).
- **How long have you been in real estate?** Whether an agent or broker, this person should be able to answer anything about their professional history to show they're qualified to handle your business.
- **How well do you know this market?** What matters, whether you're buying or selling, is a potential agent's or broker's knowledge of your city and neighborhood — not the housing market in general. See if this person has handled other properties in the area to gauge if they know average selling prices and how to prepare you for going through with a sale.

The Bottom Line

While real estate brokers may have an additional level of experience and knowledge compared to agents, that doesn't mean an agent isn't qualified to handle your real estate needs. More than anything, it's important to vet your real estate professional about their experience, check to see if they're legitimate and see if they are successful at what they claim to do.

If you ever have questions, [brokers and agents alike](#) should be able to answer them. If someone becomes defensive or refuses to answer your questions about their level of expertise, you may want to keep looking for the right agent or broker.

Tips for Buying and Selling Real Estate

- Consider talking to a financial advisor about how best to buy or sell a property. Finding the right financial advisor who fits your needs doesn't have to be hard. [SmartAsset's free tool](#) matches you with up to three vetted financial advisors who serve your area, and you can interview your advisor matches at no cost to decide which one is right for you. If you're ready to find an advisor who can help you achieve your financial goals, [get started now](#).
- SmartAsset has several easy-to-use calculators that can quickly help you sort through your options and make the right decision. One of them indicates [how much home you can afford](#). Another one analyzes whether, given your situation, it's wiser [to rent or buy](#). If you'd like to [estimate your monthly mortgage payments](#), including taxes, fees and insurance, to buy a certain residence this calculator can give you the answer.

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Dori Zinn has been covering personal finance for nearly a decade. Her

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