



Let's Talk Facts

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Beyond the headlines

Here's what buyers and sellers need to know about the recent real estate industry settlement.

You may have heard or read about a recent settlement involving the National Association of REALTORS® (NAR). The news sparked a lot of sensational headlines and claims about its impact. Is it all true? Let's take a look beyond the hype and see what this all really means to you.

Headline

The settlement eliminates the industry standard 6% commission on buying or selling a home.

IN DEPTH

Individual companies may have their minimum commission rate but there never was an “industry standard” 6% commission rate. The settlement does not set, establish, or eliminate a “standardized” commission.

What is new is that seller or buyer compensation amounts will no longer appear in Multiple Listing Service (MLS) listings.

MLS's are local/regional databases that feature information on homes available for sale. Prior to the settlement, it was common for the seller's agent to include the buyer agent compensation rate with the listing information. This will no longer occur.

Aggregator sites like Zillow, Homes.com and REALTOR.com combine listing information from many MLS's. They cannot show compensation rates, either.

Buyer/seller compensation rates can still appear in listings on individual broker websites and on marketing materials and listing agents are free to share the information directly with potential buyers agents.



Headline

Sellers no longer have to pay the buyer's agent.

IN DEPTH

Sellers were never required to pay the buyer's agent—but doing so can offer advantages.

Offering a buyers agent commission may make your property more attractive to a wider audience. It opens the door to buyers who may be unable to afford the commission in addition to the other out-of-pocket costs involved in purchasing a home.

Also, when both buyer and seller have professional representation, the complex transaction process is smoother. The buyer has someone with expertise to coordinate with lenders, appraisers, inspectors, attorney reviews, closing documents, etc. The seller has peace of mind from knowing that those items are being taken care of according to the terms of the agreement.

In our local markets, the statistics show that sellers almost always choose to pay buyer agent compensation. The seller and their agent determine the rate. It's important for both buyers and sellers to work closely with their real estate professionals to make decisions based on their individual situation, unique needs and real-time market conditions.

Headline

Sellers are prohibited from offering buyer agent compensation.

IN DEPTH

The settlement does not have any bearing on a seller's decision to offer—or not offer—buyer agent compensation. The settlement only prohibits this information from appearing on the MLS.

Headline

The NAR settlement will revolutionize home buying and selling.

IN DEPTH

Like any industry, residential real estate is constantly evolving. Since our beginnings in 1999, we have seen many changes in the way homes are bought and sold. From our perspective, a few things haven't changed:

1. Real estate transactions are complex.
2. Having professional representation is critical to protect the interests of both buyers and sellers in what is often the largest financial investment of their lifetime.
3. Buyers and sellers deserve professional representation regardless of income.



Headline

**Now it will cost less
to buy or sell a home.**

IN DEPTH

The settlement does not affect the total cost of the professional services associated with a real estate transaction. Buyers and sellers may share costs that the seller traditionally covered.

For buyers and sellers alike, real estate professionals provide specialized knowledge, manage a complex process, and protect their customers' best interests. They deliver tremendous value and deserve fair compensation for their work on their customers' behalf.

Headline

Buyer representation will become a thing of the past.

IN DEPTH

Professional representation for the home buyer is more important than ever. The settlement requires that buyers agents have a signed representation agreement, including the negotiated compensation rate, prior to showing homes. In many areas, that has long been standard practice, and we have long had procedures in place to support it. Professional representation will always be of the utmost importance to protect the buyer's interest in what is among the most—if not THE most—significant investment in their portfolio and their lives.





What's the bottom line?

The real estate landscape changes constantly, and the full implications of the NAR settlement are hard to predict. Here's what we know for sure:

- Our mission—to go above and beyond to support both buyers and sellers through one of the most important financial decisions of their lives—remains essential.
- Our commitment to integrity and transparency in all our dealings is unwavering.
- Our professionals are dedicated to representing your best interests in all your real estate transactions.



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