

## REAL ESTATE COMMISSION CHANGES

### *What the NAR Settlement Means for Buyers & Sellers in the High Desert*

Practice Changes Effective: August 17, 2024 • Final Court Approval Granted: November 26, 2024

### The Bottom Line — What Changed and Why It Matters

Let me be straight with you — there's been a lot of noise around this. Headlines calling it a revolution, others saying nothing actually changed. In reality, the truth sits somewhere in the middle, and the High Desert market has its own story to tell.

In March 2024, the National Association of Realtors (NAR) agreed to a \$418 million settlement resolving a federal antitrust lawsuit — *Burnett v. NAR* — in which a jury found the industry had artificially propped up buyer-agent commissions through MLS compensation-advertising rules. New business practices rolled out August 17, 2024, with final court approval granted November 26, 2024.

Here's what actually shifted — and what it means if you're buying or selling a home in Hesperia, Victorville, Apple Valley, Oak Hills, or Adelanto right now.

### TOP CHANGES FROM THE SETTLEMENT

- **No more buyer-agent compensation on MLS listings.** As of August 17, 2024, listing agents can no longer advertise buyer-agent compensation on the MLS. That field is gone from listings entirely.
- **Mandatory written buyer representation agreements.** Before touring any home — in person or virtually — a buyer's agent must have a signed written agreement in place that clearly states the buyer's agent's compensation and who is paying it. No agreement, no tour.
- **Buyer-agent compensation is now a direct negotiation.** Buyers and their agents agree on compensation terms upfront in writing. If a seller wants to contribute toward buyer-agent fees, that conversation happens off-MLS — through direct negotiation or seller concessions structured into the offer.
- **Seller concession fields replace commission fields on MLS.** Most MLSs now offer a voluntary seller concession field. Sellers can indicate a willingness to offer a credit — which a buyer can apply toward their agent's compensation. This is the practical path most transactions are using today.
- **Agents can no longer filter or rank MLS listings by commission.** The ability to sort listings by what a seller was offering buyer's agents is eliminated. Agents must work the full inventory — critics argued this filter steered buyers toward higher-commission properties.

- **Commission negotiability disclosures are now required upfront.** Pre-closing disclosure forms must include a clear, conspicuous notice that commissions are negotiable. Best practice before — now it's the rule.
  - **\$418 million in settlement damages.** NAR agreed to pay \$418 million to a class of home sellers who sold through certain MLS systems between 2015 and 2022. Several major brokerages — including Anywhere and RE/MAX — settled separately before trial. Keller Williams also reached a separate pre-trial settlement.
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## What Actually Happened in California

California was ahead of the curve. The California Association of Realtors (C.A.R.) moved proactively — pulling the offer-of-compensation field from its standard forms before the August 17 deadline, releasing updated forms in ZipForm in July 2024, and training members on new practices. Separately, California enacted its own state law requiring written buyer agreements — which means the DOJ's objections to certain national settlement terms had minimal impact here. California was already there.

### The real-world impact on California transactions:

- **Sellers still cover buyer-agent fees in most transactions.** Especially in a competitive or buyer-friendly market, a seller who offers nothing toward buyer-agent compensation is narrowing their buyer pool. Most sellers in the High Desert continue to include a concession or credit to keep their listing accessible.
- **Buyer agreements are now table stakes.** Every buyer I work with signs a Buyer Representation and Broker Compensation Agreement before we tour a single home. This protects them and it protects my team. No surprises, no confusion — just a clear understanding of what my value is and what they're agreeing to.
- **The paperwork stack got taller.** More forms, more disclosures, more upfront conversations. Honestly? That's a good thing. Clients deserve to know exactly what they're paying for before they're knee-deep in a transaction.
- **Commission rates have not meaningfully dropped.** Despite predictions of a collapse in agent fees, national data shows buyer-agent commissions actually ticked up after the settlement — from approximately 2.34% in August 2024 to 2.40% by Q1 2025. For homes under \$500K, the average rose even further. Agents who demonstrate clear value are still being compensated for it.
- **Dual agency questions are increasing.** Some buyers are going directly through the listing agent to save on fees. To be fair, that creates real conflicts of interest — one agent can't fully represent both sides. Buyers without independent representation frequently leave money on the table in negotiation.
- **Off-MLS compensation communication is now standard practice.** Instead of a field in the listing, agents coordinate compensation through calls, emails, and offer terms. It's a slightly different workflow — same practical outcome in most deals.

*"In reality, the biggest change isn't in your wallet — it's in the conversation. Buyers now know upfront what their agent costs. Sellers have more flexibility in how they structure it. And agents who can't explain their value clearly... well, the market will sort that out."*

## Quick-Reference: Before vs. After

Area	Before August 17, 2024	After August 17, 2024
<b>MLS Commission Advertising</b>	Seller's agent listed buyer-agent split directly on MLS	Prohibited — no compensation fields allowed on MLS
<b>Written Buyer Agreements</b>	Often optional or informal; many buyers never signed one	Required before any home tour, in-person or virtual
<b>Who Pays the Buyer's Agent</b>	Typically seller, pre-agreed in MLS listing	Negotiated — seller may still pay via concessions off-MLS
<b>Agent Listing Filters</b>	Agents could filter/rank MLS listings by commission offered	Banned — full inventory must be presented equally
<b>Commission Disclosure</b>	Often disclosed late; many buyers didn't know agent costs	Required upfront in buyer agreement and pre-closing disclosures
<b>Avg. Buyer-Agent Rate (National)</b>	~2.35–2.38% (2023–2024 pre-change)	~2.40–2.43% (Q1–Q2 2025 — slightly higher)

### What This Means If You're Buying or Selling Right Now

If you're a **seller** in Hesperia, Apple Valley, or anywhere in the High Desert, my recommendation hasn't changed: offering a buyer-agent credit or concession is still smart strategy. You're not legally required to — but limiting your buyer pool in a market where affordability is already stretched rarely plays in your favor.

If you're a **buyer**, this is actually a win — even if it doesn't feel like it yet. You now know exactly what your agent costs before you step foot in a single house. You can negotiate. You can shop around. And if you work with me, you'll have a clear written agreement that spells out every dollar before we ever open a front door together.

Bottom line — the fundamentals of buying and selling a home haven't changed. Good agents still earn their keep. The paperwork got more transparent. And the families I've helped across the High Desert are still making smart, confident moves. If you've got questions about how any of this applies to your specific situation, let's just have that conversation.

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