



YOUR TRUSTED

SELLER'S RESOURCE

SKILLFULLY MANAGING THE
MARKETING OF YOUR HOME





In August 17, 2024, following the National Association of Realtors (NAR) settlement affecting residential real estate transactions, sellers should be aware of the following industry changes as a result of the Multiple Listing Service (MLS) no longer requiring an offer of compensation to list your home.

- Seller may wish to offer compensation to Buyer's agent when marketing their property. Such offers of compensation should be discussed with your Listing agent as part of your marketing strategy.
- Sellers will be asked to sign a Compensation Agreement allowing the Listing Broker to Offer Compensation to a Buyer's Broker and their agent.
- Before showing your property, Buyers and agents must sign a Buyer Broker Agreement that specifies compensation terms.

ABOUT BUYER'S AGENT **COMPENSATION**

Selling your home is a significant decision, both emotionally and financially. Along with considering your real estate objectives, you may have come across news about substantial changes in the real estate industry. At Berkshire Hathaway HomeServices EWM Realty (BHHS EWM Realty), our commitment is to empower you to move confidently. We want to discuss how these developments may impact you.

In our current market, when listing your home, many Sellers choose to include Buyer's agent compensation as part of their listing agreement with their broker. This compensation, known as "cooperative compensation," is entirely at your discretion regarding the amount offered.

This decision forms just one aspect of the comprehensive marketing strategy you and your agent will develop for the sale of your home. Other crucial elements include pricing, timing of listing activation, staging, photography, broker outreach, digital advertising, and scheduling open houses. Your BHHS EWM Realty agent will provide valuable insights and expertise throughout this process to help you achieve your selling goals.

ANSWERING YOUR QUESTIONS

Why would a Seller want to offer compensation to the Buyer's agent?

There are several reasons why a Seller might want to offer compensation:

1. **Appeal to a Larger Pool of Buyers:** By offering compensation to the Buyer's agent, your home becomes attractive to a wider range of potential Buyers. This increases the likelihood of receiving more offers and potentially selling your home quicker.
2. **Maximize Exposure:** Properties with Buyer's agent compensation are more likely to be shown by agents to their clients. This exposure can lead to increased interest and competition among Buyers, potentially driving up the final sales price.
3. **Manage Buyer Closing Costs:** Many Buyers factor in the compensation offered to the Buyer's agent when considering homes. If compensation is not offered, Buyers may perceive higher out-of-pocket costs, which could deter them from considering your home.
4. **Facilitate Financing Considerations:** In some cases, Buyer's agent compensation cannot be financed as part of the mortgage. Buyers would need to have these funds available at closing, which may restrict their ability to afford your home if they do not have additional available funds.
5. **Competitive Advantage:** Offering compensation can give your listing a competitive edge over similar properties that do not provide compensation, potentially leading to quicker sales and smoother transactions.

In essence, offering compensation to the Buyer's agent can enhance your home's marketability, broaden its appeal to Buyers, and streamline the selling process by reducing financial barriers for potential Buyers.

Are Sellers still allowed to offer compensation to the Buyer's agent or other Buyer concessions?

Yes, Sellers are still permitted to offer cooperative compensation to the Buyer's agent. In fact, Sellers will be asked to enter into compensation agreements. Additionally, Sellers can provide financial concessions to Buyers, which can be used for various expenses, including Buyer closing costs and other fees associated with closing. This flexibility allows Sellers to tailor their offers to attract potential Buyers and facilitate smoother transactions.

If Sellers do not offer Buyer agent compensation, can the Buyers ask for this later?

Yes, Buyers can include a request for Buyer agent compensation or other financial concessions from the Seller when making their purchase offer. Alongside details like the purchase price, closing timeframe, and contingencies, Buyers can specify their preferences regarding compensation for their agent and other financial considerations they seek from the Seller.

Your BHHS EWM Realty agent will ensure that all offers are presented to you with comprehensive information. This allows you to compare offers and make an informed decision that aligns with your priorities and goals as a Seller.

