

Changes Coming to the Buying and Selling of Real Estate

A recent agreement involving the National Association of REALTORS® (NAR) and the courts takes effect August 17, 2024. The changes will impact buyers and sellers of residential real estate who use a REALTOR®.

For Sellers:

- Commissions remain completely negotiable, although agents and brokers may have required minimums for the services they provide.
- You retain the right to compensate buyer brokers.
- Your offer of compensation will no longer appear in the multiple listing service.
- You must approve in writing any payment or offer of payment a listing broker makes to a broker acting for buyers.

For Buyers:

- Agreements to be represented by a broker (or their agent) must be in writing and signed before touring any home (live or virtual).
- The agreement must reflect the terms you have negotiated with your agent.
- The representation agreement:
 - Must have a specific and conspicuous disclosure of amount or rate.
 - Must state specific compensation.
 - Prohibits a buyer broker from receiving more than is agreed to.
 - Must clearly state all compensation is fully negotiable, although agents and brokers may have required minimums for the services they provide.
- You do not need an agreement to visit an Open House or simply want to have a conversation about services.

What this means for consumers:

- Marketing, finding homes, and looking at them will change little.
- Each party to the transaction will be responsible for paying who they hire to help them.
- Payment of buyer agent compensation can still come out of the transaction as it always has.
- As always, commissions, or fees for service are fully negotiable, and will remain part of your selection process.
- If you want to see a house and do not want to sign a representation contract, you do not need to do so. However, if you decide to buy a home without representation “Buyer Beware” will prevail.

Recommendation:

- Hire a REALTOR® because, for the typical home buyer or seller, the home at the center of a real estate transaction is more than dollars and cents. Who represents you in that transaction is as important as the surgeon you select for even the simplest procedure.

The Grosse Pointe Board of REALTORS® is a 2000 member association of real estate professionals across southeast Michigan headquartered in the City of Grosse Pointe. It is an industry leader in providing hyper-local content for its members and the communities it serves. Inquiries should be sent to Bob@GPBR.com