

The New Commission Rules

What the NAR Settlement Means for You as a Home Seller

Matt Warbet

Keller Williams Realty

mattwarbet@kw.com | 917-834-0159

In 2024, the National Association of Realtors settled a major lawsuit that changed how real estate commissions work. If you're selling your home, these changes affect you directly. Here's what actually changed and what it means in plain English.

The Old Way vs The New Way

OLD WAY	NEW WAY
Before August 2024	After August 2024
Sellers typically paid the full commission for both agents (yours and the buyer's), usually 5-6% total	Sellers still pay their own agent's commission (that part hasn't changed)
The listing agent offered a commission split to buyer's agents through the MLS	Sellers are NO LONGER required to offer to pay the buyer's agent
Buyers didn't usually sign anything with their agent upfront	Buyer's agents must have a signed agreement with their buyer BEFORE showing homes
The commission was baked into the listing agreement	Offers of compensation to buyer agents can no longer be listed on the MLS

So What Does This Mean If You're Selling FSBO?

Do I have to pay a buyer's agent commission?

No. You were never legally required to, but before the settlement, it was standard practice and hard to avoid. Now it's clearly optional. You can offer it, negotiate it, or decline it entirely.

Will buyers still bring agents to my house?

Yes. Most buyers still use agents. The difference is that buyers now sign an agreement with their agent that spells out how much the agent gets paid. If you're not offering to pay the buyer's agent, the buyer either pays their own agent or their agent tries to negotiate it into the deal.

Should I offer to pay the buyer's agent anyway?

Maybe. Here's the trade-off. If you don't offer anything, some buyer's agents may steer their clients away from your listing (they're not supposed to, but it happens). If you do offer something, you may attract more buyers. A lot of sellers are offering 2-2.5% as a middle ground.

What if a buyer asks me to pay their agent's commission as part of the offer?

You'll see this more often now. Buyers may include it as a term in their offer, just like they ask for closing cost credits. You can accept it, counter it, or reject it. It's a negotiation point like everything else.

Does this help me save money as a FSBO seller?

Potentially, yes. Before the settlement, most buyers expected the seller to cover their agent's fee. Now there's more flexibility. You have more room to negotiate, and you're not automatically on the hook for 5-6% in commissions.

What Hasn't Changed

- You still need to price your home correctly
- Buyers still get inspections, appraisals, and attorney review
- The closing process works the same way
- You still need a real estate attorney in New York
- Buyer's agents still exist and most buyers use them

The Bottom Line

The settlement gives sellers more control over commissions. You're no longer expected to automatically pay 5-6%. But commissions are still negotiable, and offering something to buyer's agents can help your home sell faster. The key is knowing your options so you can make the call that makes sense for your situation.

Questions?

How the new rules affect your sale? I can walk you through the specifics for your situation.



Matt Warbet

Keller Williams Realty

mattwarbet@kw.com | 917-834-0159