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Commission Structure Serves Public, NAR President Says

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Charlie Oppler, president of the National Association of REALTORS®, issued the following statement on Thursday to help clarify misinformation circulating regarding the real estate commission structure.

Class action attorneys looking for a payout and those illegitimately trying to position themselves in the real estate market are trying to mislead people with misinformation and glaring omissions about the real estate agent commission structure. I want to set the record straight about how this structure works and how it gives everyday Americans and small businesses critical advantages.

This structure makes the dream of homeownership within reach for more Americans.

The commission structure where the listing broker offers to share his or her commission with the buyer broker ensures greater equity and equality for first-time, low-income, and many other home buyers who otherwise couldn't afford a home and professional representation. If buyers had to pay an out-of-pocket commission to their agent at closing in addition to the price of the home, it would increase their costs and freeze many out of the market.

The associated Multiple Listing Service (MLS) database and system is also designed to incentivize cooperation between brokers who share all their information in one place, providing the best and greatest number of options for buyers as efficiently and transparently as possible. In turn, sellers get access to the largest possible pool of buyers within a market.

There is real value in a structure that levels the playing field for buyers and pays everyday Americans for a critical service. A home is the single largest, most complex purchase most people make in a lifetime. Consumers know they don't want to go this alone. Even as internet research about a home purchase reached an all-time high of 97% in 2020, nine in 10 people still choose to work with a real estate agent to buy a home. Real estate agents help people navigate complex, data-heavy, and voluminous information, details, and decisions. That includes everything from coordinating with lenders, managing attorney reviews, and advising on zoning to arranging appraisals, serving as a professional negotiator in a highly competitive market, and advising on the latest trends in the local housing market. All that for a median gross income of \$49,700 for REALTORS®.

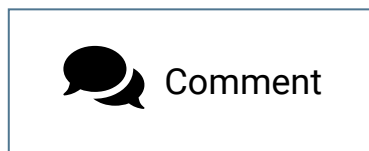
Small businesses participate and thrive because of the cooperative MLS structure. The cooperative broker MLS system makes it possible for smaller brokerages to compete with larger ones through instant exposure and access to the largest, centralized database of residential real estate listings in your market. Because of MLSs, we're at a point in the market where we're seeing unprecedented competition among brokers,

especially when it comes to service and commission options. That gives consumers many different choices including which customer service approach and broker and commission model they prefer.

This structure is enabled by REALTORS® who go above and beyond to give back to their local communities. In 2020, 79% of broker-owners volunteered their time on a monthly basis and 92% made monetary donations. Meanwhile, 82% of REALTORS® made charitable donations, and 91% of REALTOR® associations conducted a fundraiser for their community in 2020. Over the past 18 years, the REALTORS® Relief Foundation has collected and distributed more than \$32 million in relief aid for victims of more than 80 disasters in 39 states and territories, helping more than 13,000 families.

So, beware of the alternative reality being advanced by big money plaintiff's attorneys looking for a payout and those illegitimately trying to position themselves in the real estate market. What's real are the everyday real estate agents living and serving in our communities across the country who are helping their fellow, everyday Americans achieve the ultimate American dream.

Source: National Association of REALTORS®



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