

# NAVIGATING NAR RULE CHANGES:

**WHAT BUYERS AND  
SELLERS MUST KNOW  
ABOUT REAL ESTATE  
COMMISSIONS**



# THE NEW HOME EXPERTS

LAS VEGAS



## INTRODUCTION

Recent changes to **National Association of REALTORS® (NAR)** rules, effective **August 17, 2024**, will impact how real estate transactions are conducted. This guide provides factual information for buyers and sellers navigating these changes, with a focus on the importance of commissions in maintaining a robust real estate marketplace.



## KEY CHANGES

1. **written Buyer-Agent Agreements:** Buyers must sign a written agreement with their agent before touring homes.
2. **Compensation Disclosure:** Agents must disclose their compensation sources to clients.
3. **Removal of MLS Commission Information:** Compensation offers will no longer appear in Multiple Listing Services (MLS).
4. **Negotiable Fees:** All real estate fees remain negotiable and are not set by law.

A couple is seen from behind, standing in a bright, modern home. The man is wearing a dark striped shirt and light-colored pants, and the woman is wearing a light-colored top and jeans. They are looking towards a staircase with white railings. The text "BUYER WHO PAY COMMISSIONS" is overlaid in large white letters on a dark blue background.

# BUYER WHO PAY COMMISSIONS

While traditionally sellers have often covered buyer agent commissions, there are significant considerations for buyers regarding agent compensation:

**1. Negotiation Leverage:** You may have more room to negotiate the purchase price if the seller isn't covering the buyer agent commission.

**2. Tax Considerations:** In some cases, buyer-paid commissions may be tax-deductible (consult a tax professional).

**3. Potential for Reduced Out-of-Pocket Costs:**

Importantly, your agreement with your agent will typically state that you're responsible for paying only up to what the seller offers in buyer agent commission. This means:

- If you buy a home where the seller is offering to pay a buyer's agent commission, your out-of-pocket costs could be reduced or even eliminated.
- You get the benefit of professional representation, often at little to no direct cost to you.
- This structure allows you to work with a top-tier agent without necessarily bearing the full cost of their services.

**4. Flexibility:** This arrangement provides flexibility in your home search, allowing you to consider properties regardless of whether the seller is offering a commission, while still potentially benefiting from seller-paid commissions when available

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UNDERSTANDING  
THIS COMMISSION  
STRUCTURE IS  
CRUCIAL:

- It ensures you have professional representation throughout the buying process.
- It aligns your agent's interests with yours, as they are working directly for you.
- It potentially saves you money when sellers offer to pay buyer agent commissions.
- It gives you access to a wider range of properties, including those where sellers may not be offering commissions.

When entering into a buyer's agent agreement, be sure to discuss this commission structure with your agent. Understand how they will be compensated in various scenarios, ensuring you're comfortable with the terms before proceeding with your home search.





# SELLER WHO PAY BUYER BROKERS

Offering to pay buyer broker commissions can provide several advantages to sellers:

1. **Increased Exposure:** More buyer agents may show your property, potentially leading to more offers.
2. **Qualified Buyers:** Buyer agents often pre-qualify their clients, bringing you more serious prospects.
3. **Smoother Transactions:** Professional representation on both sides can lead to more efficient deals.
4. **Potential for Higher Sale Prices:** Increased competition among buyers could drive up the final sale price.
5. **Market Norm:** In many areas, this practice is still expected and can make your listing more competitive.
6. **Potential to Pay Full Commission:** It's important to note that as a seller, you may end up paying the entire commission for both the listing agent and the buyer's agent. This typically happens when:
  - You agree to offer a buyer's agent commission as part of your listing agreement.
  - The buyer's agent agreement stipulates that the buyer only pays what the seller doesn't cover.
  - In such cases, if you've offered to pay a competitive buyer's agent commission, you may effectively be covering the full cost of both agents' commissions.



This arrangement can be beneficial as it may attract more potential buyers to your property, but it's crucial to factor this into your overall selling strategy and pricing decisions.

# WHY COMMISSIONS ARE IMPORTANT: CREATING A LARGE MARKETPLACE



## **1** Market Liquidity:

Commissions incentivize agents to actively match buyers with sellers, increasing overall market activity.

## **2** Professional Expertise:

Commissions support a network of skilled professionals who facilitate complex transactions.

## **3** Information Flow:

Agents compensated through commissions contribute to better information sharing across the market.

## **4** Accessibility:

Commission structures can make professional representation more accessible, especially for first-time buyers.

## **5** Market Stability:

A consistent commission structure helps stabilize the market by providing clear expectations for all parties.

## Implications for Both Parties

- Increased Transparency: Clearer disclosure of agent compensation and roles.
- More Direct Negotiations: Potential for more discussions about agent compensation as part of the transaction.
- Importance of Clear Communication: Both buyers and sellers should have open discussions with their agents about compensation and services





# THE NEW HOME EXPERTS

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## CONCLUSION

In navigating these changes and making decisions about commissions, working with an experienced, knowledgeable team is crucial. The New Home Experts offers:

- **Extensive Market Knowledge:** Deep understanding of Las Vegas real estate landscape.
- **Proven Track Record:** History of record-breaking sales and exceptional client service.
- **Expertise in Luxury and Gated Communities:** Specialized knowledge in high-end properties and exclusive neighborhoods. Comprehensive Service: Full-service support for both buyers and sellers throughout the transaction process.
- **Adaptability:** Up-to-date knowledge of market changes and ability to navigate new regulations effectively.

The recent NAR rule changes aim to increase transparency and consumer choice in real estate transactions. Understanding the role of commissions in creating a vibrant, efficient marketplace is crucial for both buyers and sellers. Whether you're looking to buy or sell in Las Vegas dynamic real estate market, The New Home Experts is equipped to guide you through these changes and help you make informed decisions. For personalized advice and expert guidance in Las Vegas real estate, contact The New Home Experts.

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