

Q&A FOR HOME SELLERS

IMPORTANT REAL ESTATE INDUSTRY CHANGES NOW IN EFFECT

1. I heard that sellers no longer have to pay a fee to a buyer's broker?

Broker fees have always been and remains fully negotiable and is not set by law. As a seller, you have the choice of offering or agreeing to pay a fee to a buyer's broker as a way of making your listing more attractive to buyers. But ultimately, it is up to you to determine if paying compensation to a buyer's broker is the best approach for selling your property.

2. There's been a lot of media coverage about changes to real estate commissions; what has changed?

If a seller is willing to pay a buyer's broker a fee, that fee cannot be indicated on a REALTOR® owned Multiple Listing Service (MLS), the local REALTOR® databases where the most reliable and accurate data and listings appear. Offers of compensation can still be made and discussed between the parties – just not advertised on the MLS.

Sellers may still offer buyer concessions on an MLS (for example, concessions for buyer closing costs). OneKey® MLS, which features listings, includes a section for seller concessions where a seller can advertise a willingness to offer a certain amount towards a buyer's closing costs. It is up to the buyer to decide for what purpose a seller concession will be used.

3. If paying a buyer's broker is optional, why would a seller choose to do that?

Sellers often want to sell their property quickly and, of course, at the best price. That can mean attracting a certain volume of qualified buyers. Offering an incentive to buyers can be one way to generate interest in a property.

Offering to pay a buyer's broker helps reduce a prospective buyer's out-of-pocket costs, which, in turn, may bring more potential buyers for the

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transaction. These costs can be especially significant for first-time buyers, lower- to middle-income buyers, or those from underserved communities. To reduce their out-of-pocket costs, buyers may request, as part of their offer, that a seller pay their broker's fee from the sale proceeds.

It is up to you to determine if agreeing to pay a buyer's broker is the best approach for selling your property. When looking for a listing agent, ask questions about compensation and talk through if and when it makes sense to offer to pay a buyer's broker or provide a concession. This is a critical conversation to have at the outset of any real estate representation relationship.

4. Are there changes to the way I would pay my agent to list my property for sale?

No. It's always been a requirement that a seller enter into a contract with a REALTOR® who will list their property. This is for the protection of both parties. Long Island Board of REALTORS® provides our member REALTORS® with an updated [Exclusive Right to Sell Agreement](#) that provides a space to indicate compensation for the listing broker's services only, and states that the fee is not subject to sharing, splitting, or otherwise paying to a buyer's broker or agent. Carefully review the Exclusive Right to Sell Agreement with your REALTOR®.

5. Where can I go to learn more about this?

Some good resources are available on the website facts.realtor published by the National Association of REALTORS® (NAR).

Of course, you can also speak to a REALTOR®. Agents who are REALTORS® are ethically obligated to work in their client's best interest. If you do not currently have a REALTOR®, you can find one who specializes in Queens, Nassau or Suffolk County by visiting the Long Island Board of REALTORS'® [Find a REALTOR®](#) webpage.