



NAR SETTLEMENT

UPDATE

Strategies for Success

August 1, 2024



“ We didn’t create the new rules, but we will create a path forward & navigate what has been given to us. ”





Listing Compensation vs Buyer Compensation

What Was:

Listing agents at time of listing may have negotiated total fee (listing & buy side)

What is Now

At time of listing- listing agent will only negotiate the listing side fee

- May negotiate additional fee for unrepresented buyer
- Should educate seller about potential request for concessions or compensation



Strategy 1

- Negotiate your Compensation as listing agent 1st.
- Negotiate Additional Compensation if there is an Unrepresented buyer in the deal

5. **LISTING BROKER COMPENSATION.** Broker will earn compensation (“**Listing Broker Compensation**”) when a sale of the Property has been completed, regardless of who has found the buyer (“**Buyer**”). Listing Broker Compensation shall be paid by Seller, in U.S. funds, at the time of, and as a condition of, sale completion. This Agreement shall serve as escrow instructions. Listing Broker Compensation is (*check only one*):

- Exactly \$ _____; or
- _____% of the gross purchase price of the Property, as reflected on the final settlement statement; or
- Other: _____

Unrepresented Buyer. If Buyer is not represented by a broker (“**Buyer’s Broker**”), then Broker (eXp) assumes additional liability and paperwork responsibilities. In this scenario, Broker (eXp) will not represent Buyer, but will facilitate the completion of necessary forms and ensure fair treatment of all parties. In this situation, the Listing Broker Compensation shall be exactly \$ _____; or _____% of the gross purchase price of the Property, as reflected on the final settlement statement.



Strategy 2

Seller strategy session for compensation to a buyer broker and/or concessions
- if the seller is committed and wants clarity use section 21 to offer an amount

Notice: Seller Concessions are not required or fixed by law. The amount of any Seller Concession is fully negotiable.

6. SELLER CONCESSIONS. Buyer may request a concession from Seller ("**Seller Concession**") in the form of a credit, to be given to Buyer at close of escrow. This Seller Concession may be used to reduce Buyer's loan costs, title and escrow fees, Buyer's Broker fee, Property repair costs, and/or any other allowable Buyer costs and fees. The final amount of the Seller Concession must be determined in writing, whether in the purchase contract or in other applicable documentation. All Seller Concessions are negotiable.

21. ADDITIONAL TERMS AND CONDITIONS. (Reserved for additional terms as agreed upon)



“Sometimes Buyers will need assistance financing their costs.”

The focus on the seller net sheet provides for a clear picture of the business decision in selling.

X It's ALL About NET

- Provide a net sheet with scenarios at time of listing
- Best practice will be to provide a net sheet to any seller for any/all offers received.
- Multiple offers, show the spreadsheet differential
- Concession, credit or compensation paid directly, what is the final number that makes sense to a seller?





ADVERTISING

Where to advertise offer of compensation.

No MLS - "must have 2 clicks away from the MLS"

What does your seller want?

Best practice, get seller instruction IN WRITING



Option 1
Buyer to write everything in offer

Option 2
Offer compensation via Seller Direct Pay





Direct Compensation from Seller

DIRECT COMPENSATION FROM SELLER



1. **PROPERTY ADDRESS AND/OR TAX PARCEL NUMBER(S).** _____ (the "Property").

2. **COMPENSATION AGREEMENT.** The undersigned seller ("**Seller**") agrees to compensate the undersigned real estate brokerage company ("**Buyer's Broker**") for its procurement of the buyer ("**Buyer**") of the Property. Compensation shall only become due and payable upon completion of any transaction between Seller and Buyer concerning the Property. Compensation shall be in U.S. currency and paid at the time, and as a condition, of closing. This agreement shall act as escrow instructions for Seller's payment of compensation to Buyer's Broker. This Section 2 shall survive the expiration or cancellation of this agreement. The compensation is (*check only one*):

- _____% of the gross purchase price of the Property (as reflected on the final settlement statement); or
- Exactly \$_____.

Compensation is not set by law and is fully negotiable.

3. **LENGTH OF AGREEMENT.** This agreement shall begin on the date last signed by Seller and Buyer's Broker, and will automatically end on _____ (at 11:59 p.m.), or upon the completion or termination of any then-pending transaction between Seller and Buyer concerning the Property, whichever is later.

4. **NO SELLER AGENCY.** This agreement is a compensation agreement only. Seller acknowledges that no agency relationship between Seller and Buyer's Broker is established by this agreement.

5. **ADDITIONAL TERMS.** _____



REPRESENTING A BUYER ON MY LISTING

Do you want to?

Did the seller give permission?

Buyer Broker is **NOT** required when showing your own listing or at an open house

It is **REQUIRED** if you expect to be paid for representation of the buyer





BUYER SERVICES

Best Scripts.....



Internet Search & MLS Auto send
No Buyer Broker Needed



The First Showing
Need Single Property, perhaps
non-exclusive



Non Exclusive
Set buyer for success on your
value & what you bring to the
transaction



Exclusive
Defines time period, property
type and set fee for service.



Speaking on Agency & How we work

In our state you get to choose your agent & I must outline how we work together.

Until you do, please make sure not to share anything that may be used against you in a negotiation





Giving Options for First Time, FHA or VA Buyers

We have 2 options to leverage the seller in your purchase for all fees, including my buyer broker fee.

Authorize me to contact them directly for compensation agreement

Negotiate Strategically in the Contract for Concessions



**Can I amend my
Buyer Broker?**

**YES, in
writing**

****Best Practice is prior to showing the property**



**What can
YOU
eXpect
from Us**

Localized Custom Forms

Listing Tool Kit Enhancements

Buyer Tool Kit Enhancements

Local & National Training

***We are focused to help you grow your
business, successfully transition &
provide tools thru out this process***

THANK YOU



FOR COMING