

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 <u>only</u> negotiate the listing side fee

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



X 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; or% of the gross
	purchase price of the Property, as reflected on the final settlement statement.



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. <u>SELLER CONCESSIONS</u>. 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 TERM	IS AND CONDITIONS	8. (Reserved for additi	onal terms as agreed up	oon)
-					
-					



"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.

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?





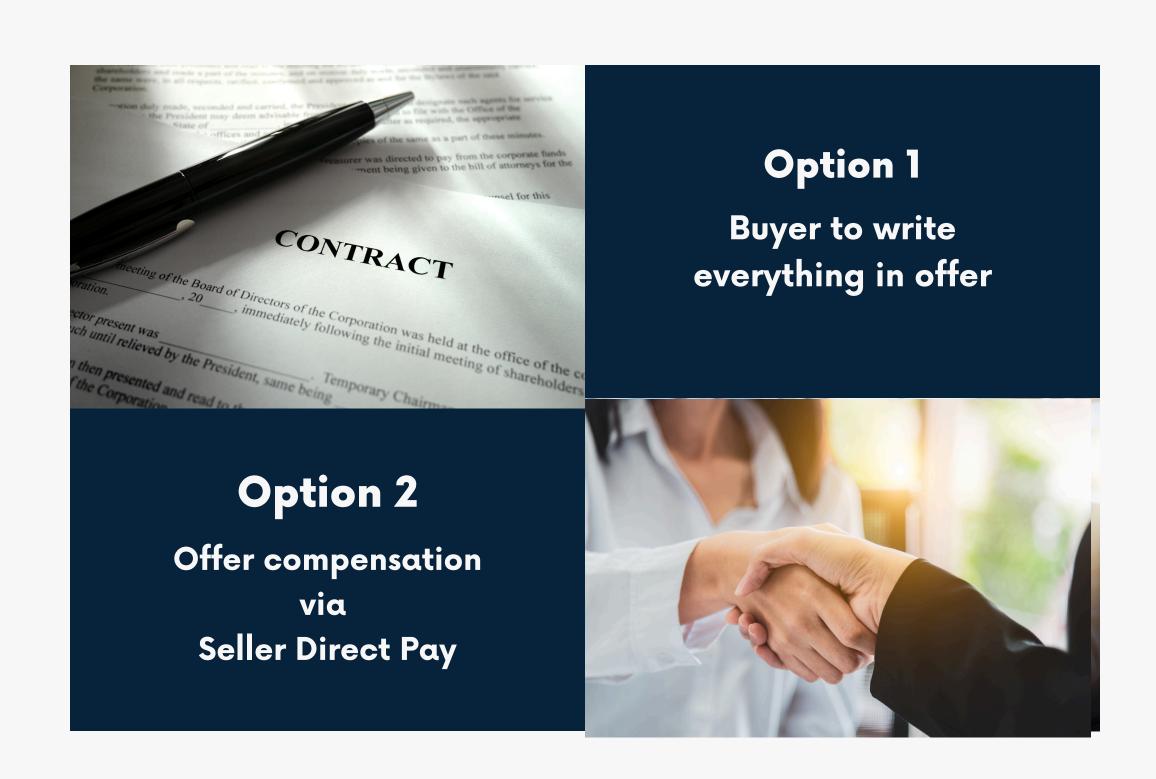
ADVERTISING

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



Direct Compensation from Seller

DIRECT COMPENSATION FROM SELLER



1.	PROPERTY ADDRESS AND/OR TAX PARCEL NUMBER(S).				
		(the "Property").			
2. <u>COMPENSATION AGREEMENT</u> . The undersigned seller ("Seller") agrees to compete undersigned real estate brokerage company ("Buyer's Broker") for its procurement of ("Buyer") of the Property. Compensation shall only become due and payable upon company transaction between Seller and Buyer concerning the Property. Compensation shall currency and paid at the time, and as a condition, of closing. This agreement shall act a instructions for Seller's payment of compensation to Buyer's Broker. This <u>Section 2</u> shall 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.	ADDITIO	ONAL 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

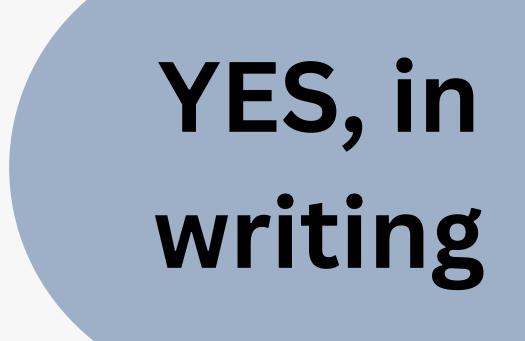
We have 2 options to leverage the seller in your purchase for all fees, including my buyer broker fee.

Authorize me to contact them directly for compensation agreement

Negotiate
Strategically in
the Contract for
Concessions



Can I amend my Buyer Broker?



**Best Practice is prior to showing the property



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

THANKYOU

FOR COMING