



President's Column Central Hill Country Board of REALTORS®



by Sarah Wanek, 2024 President



HAVE YOU HUGGED YOUR REALTOR® LATELY?

You may have seen recent news reports about the BIG class action lawsuits against the National Association of REALTORS®. A proposed settlement is currently in play, and the media has taken the opportunity to get your attention. Unfortunately, the reality isn't as exciting as many of the news reports.

Did you work with a REALTOR® the last time you bought or sold real estate? According to multiple surveys, about 90% of you did. According to Texas REALTORS®, 89% of Texas buyers would use their agent again and 91% of buyers were satisfied with the buying process. These statistics speak to the value of a good REALTOR®. After all, if you have a bad experience or see no value in working with a real estate agent, you wouldn't consult with one the next time you engaged in a real estate transaction.

If approved, the settlement would require most real estate licensees who represent buyers to secure written agreements with their clients before they show any property. For Texans, in most instances, this doesn't change much. Many REALTORS® have been using these agreements with their buyers for decades.

The most substantial change to come out of the settlement is that compensation between brokers will no longer be permitted within the Multiple Listing Service (MLS). Historically, seller's agents have offered compensation to attract more buyers. In other words, "If an agent finds a buyer for my house, I'll pay \$X or %X to that buyer's broker." This was handled between the brokers and made transparent through the MLS system. It worked well, as the expense was placed on the seller side of the closing disclosure and lenders had no objection.

In many cases, compensation to buyer's agents will still be handled this way though that information will no longer be permitted within the MLS. Once you find a property you are interested in, your buyer's agent will likely communicate directly with the listing broker and secure a written agreement for the payment of any offered compensation. Then, you will likely consider how much cash you have and if you'll be spending any of it to complete your compensation obligation to your agent when you determine the details of your offer. By the way, this is not new. The only difference here is the additional step your buyer's agent will take to secure the written agreement from the seller's broker.

Another possible scenario may be that the seller doesn't offer any incentive through the brokers. As a buyer, you may ask for concessions in your purchase offer to help cover the costs associated with your purchase, including your agent's compensation. Not all REALTORS® charge the same fees. Fees have always been negotiable and will continue to be so. My advice is to discuss fees and services with your REALTOR®. If you can't agree on a price for the value they provide, there are thousands of other REALTORS® in our market. In my experience, it's like most other consumer services: You get what you pay for.

Why did I ask if you've hugged your REALTOR®? Because REALTORS®, like most people, are grappling with a lot right now. In addition to going the extra mile for our clients, national media outlets have been saying things that are not only misleading but, in many cases, flat out wrong. While all of this has been happening, REALTORS® have been communicating with members of Congress, the Department of Housing and Urban Development, FannieMae, FreddieMac, and the Department of Veterans' Affairs, lobbying for the buyer's right to have their own representation without additional fees.

Ask REALTORS® what scares them about the lawsuits and settlements. Most will tell you they are worried about how changes will affect consumers. We will adapt by continuing to provide excellent service and value to our clients. The true concerns and fears are based on what this may mean for you.

The Central Hill Country Board of REALTORS® has always provided excellent education for its members and has recently been offering additional opportunities to help REALTORS® in our local market navigate these changes.

The current environment has been stressful for REALTORS®. If you've had a great experience with a REALTOR®, reach out and remind them you appreciate them.