

Home Sellers Win \$1.8 Billion After Jury Finds Conspiracy Among Realtors

The influential National Association of Realtors and several brokerages were ordered to pay damages to home sellers who said they were forced to pay excessive fees to real estate agents.



By Debra Kamin

Oct. 31, 2023

A federal jury ruled on Tuesday that the powerful National Association of Realtors and several large brokerages had conspired to artificially inflate the commissions paid to real estate agents, a decision that could radically alter the home-buying process in the United States.

The realtors' group and brokerages were ordered to pay damages of nearly \$1.8 billion. The verdict allows the court to issue treble damages, which means they could swell to more than \$5 billion.

It's a decision that has the potential to rewrite the entire structure of the real estate industry in the United States, lowering the cost of moving homes by reducing commissions. Under a N.A.R. rule, a home seller is required to pay commissions to the agent representing the buyer, which sellers claimed forced them to pay excessive fees to the agents. The home sellers said the brokerages collaborated with N.A.R. to enforce what is called the "cooperative compensation rule."

But under the verdict, the sellers would no longer be required to pay their buyers' agents, and agents would be free to set their own commission rates, which could be slashed in half or less. For example, a home seller with a \$1 million home can now

BUSINESS NEWS

U.S. jury finds Realtors liable for inflating commissions, awards \$1.78B in damages

The verdict could upend decades-old practices that have allowed real estate agents to boost commissions as home prices and mortgage rates rise.



— A "Home For Sale" sign. Luke Sharrett / Bloomberg via Getty Images file

Nov. 1, 2023, 10:18 AM GMT-4 / Source: Reuters

By Reuters

Carl Gotts

From: Katie Johnson, NAR Chief Legal Officer <NAR@info.nar.realtor>
Sent: Monday, April 29, 2024 3:02 PM
To: carl@insurancevi.com
Subject: FAQ Update re: Written Buyer Agreements

[View in Browser](#)



Hello,

We are writing to share that we have updated our FAQ to include additional information and clarity about written buyer agreements. As you know, as a part of our settlement, we have agreed to require MLS participants working with buyers to enter into written agreements with their buyers before touring a home.

We've included the latest questions we've answered below for your use. These have also been added to our resource hub on www.facts.realtor and are listed as questions 46 through 62 in our regularly updated [FAQ page](#).

We will be releasing additional guidance about the timing of the practice changes required under the settlement in the coming days.

As a reminder, we received [preliminary approval](#) of the settlement on April 24, but it is still subject to final court approval. The final approval hearing is scheduled for November 26, 2024. As always, if you have any questions, please don't hesitate to reach out to me or my team.

Thank you,

Katie

The following Q&A has been developed for NAR Members. Please direct any media inquiries about this to NAR's communications team.

The practice change requiring written agreements with buyers is triggered by two conditions: it only applies to MLS participants "working with" buyers and is triggered by "touring a home." What does it mean to be "working with" a buyer?

BUSINESS

Court clears path for reopening antitrust probe of Realtors group

A federal appeals panel reversed a lower-court decision that the Justice Department was barred from restarting its investigation into the National Association of Realtors

By [Julian Mark](#) and [Aaron Gregg](#)

Updated April 5, 2024 at 6:43 p.m. EDT | Published April 5, 2024 at 1:40 p.m. EDT

A federal court cleared the way Friday for the Justice Department to reopen an antitrust probe into the National Association of Realtors and its rules regarding home sale commissions.

In a 21-page opinion, a panel of the U.S. Court of Appeals for the District of Columbia Circuit reversed a lower-court decision that the Justice Department was barred from reopening its investigation because of complications arising out of a 2020 settlement the government eventually withdrew from. The appeals court sent the matter back to the lower court, where Realtors could appeal to the full D.C. Circuit or attempt to find a new angle to challenge the investigation.

The decision represents the latest blow for the powerful real estate group, which agreed in March to pay \$418 million to resolve several class-action lawsuits alleging it conspired to inflate commissions. The NAR, which denies any wrongdoing, also said it would revise a compensation structure that typically carves out 5 to 6 percent of a home's sale price for agents.

While lawyers for the plaintiffs expect the lawsuit settlement — if approved in federal court — to lower commissions, it would not preclude the Justice Department from further investigating the Realtors association, which counts 1.5 million members.

The Justice Department, which often does not publicly confirm ongoing investigations, did not specifically say it would restart the probe of the Realtors group. But Justice officials went out of their way to note the implications of Friday's ruling.

“Real-estate commissions in the United States greatly exceed those in any other developed economy, and this decision restores the Antitrust Division’s ability to investigate potentially unlawful conduct by NAR that may be contributing to this problem,” said Assistant Attorney General Jonathan Kanter of the Justice Department’s Antitrust Division.

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Welcome, Carl ▾



Legal

Real Estate

DOJ will intervene in NAR's commission lawsuit settlement: KBW analysts

The analysts believe the DOJ will take issue with the off-MLS compensation workaround created by the terms of NAR's settlement agreement

April 8, 2024, 1:57 pm *By Brooklee Han*

Analysts at investment bank **Keefe, Bruyette & Woods** believe that the **Department of Justice** will intervene in Sitzer/Burnett commission lawsuit after receiving the green light to reopen its investigation into the **National Association of Realtors**.



NEWS

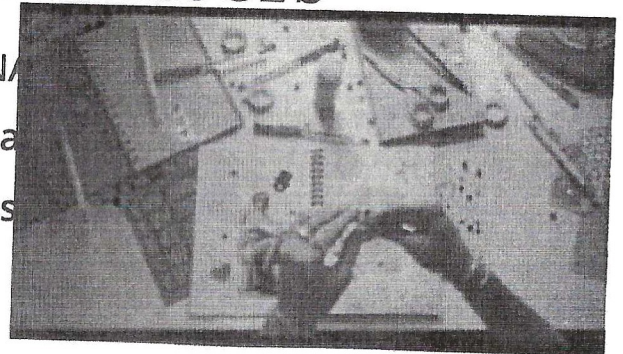
Real Estate Agents Are Dropping Like Flies: Record Number Of Agents Are Leaving The Industry

POSTED ON JANUARY 4, 2024 BY TONY BONNANI

As reported by Real Estate News, the National Association of Realtors (NAR) experienced a staggering decline in membership, losing 26,000 members in 2023. This marked the first annual decrease since 2012, raising questions about the challenges faced by the organization in what was obviously a tumultuous year.

The Large Decline In Numbers

Closing the year with 1,554,604 members, the NAR reported a loss of 17,489 members from November to December and a total loss of 26,367 members indicates a trend that is causing concern in the real estate industry.



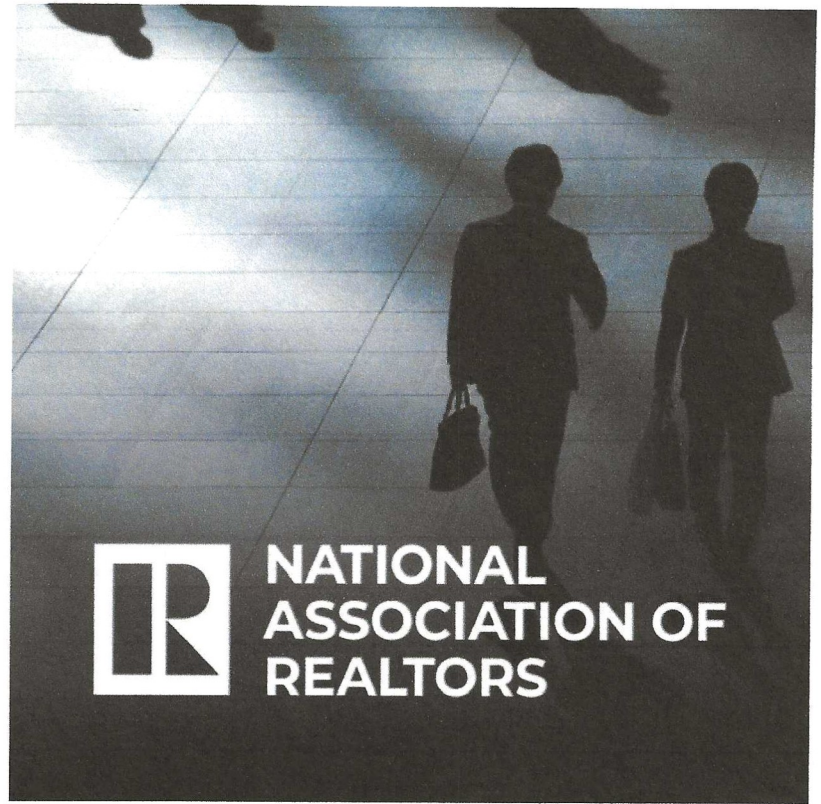


Illustration by Lanette Behiry/Real Estate News

MLS/ASSN

NAR lost 26,000 members in 2023

Membership fell by more than 17,000 from November to December, and the association posted its first annual decline in more than a decade.

 **Dave Gallagher**

January 3, 2024 ⌚ 3 minutes

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The National Association of Realtors saw a significant decrease in membership between November and December — and reported its first year-over-year decline since 2012.

A look at the numbers: NAR ended 2023 with 1,554,604 members, according to data from the trade organization. That's down 17,489 from November and a drop of 26,367 compared to a year ago.



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Illustration by Lanette Behiry/Real Estate News; Shutterstock

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Will NAR 'become a shadow of its current self' in 2 years?

The association reported a fourth month of membership declines, with membership falling below 1.5 million for the first time in nearly three years.



AJ LaTrace

March 12, 2024 ⌚ 4 minutes



Key points:

- Membership dropped by 19,000 in February to end the month at 1.496 million, with a net decline of 81,000 members since October.
- NAR chief economist Lawrence Yun said membership has remained resilient year-over-year, but "further membership declines should be anticipated."