

Your Real Estate Expert

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THIS WEEK:

LOWER COMMISSIONS AFTER BURNETT V NAR

If you talk to anyone and they tell you that the world of how you have to pay for real estate services isn't changing drastically, then all I have to say is "Run Forest Run". This is the first in a series of articles about how consumers can save thousands if not tens of thousands of dollars in buying, selling and mortgaging residential real estate.

Folks, you are not going to hear this shouted from the rooftops of real estate agents who want to continue to only offer the age old full commission model and not adapt to offer other options. Burnett vs National Association of Realtors (NAR) resulted in a 418 Million Dollar settlement by NAR and most importantly changes in the rules on how consumers pay for services.

Sellers no longer will be required to pay a "PRESET" commission for Buyer's agents (or for that matter any commission at all, and why would they agree to such a thing up front? A buyer can always request that, just like requesting a credit for closing costs). Agents will now have to have buyers sign a contract up front before the agent takes them to see any homes and disclose the amount that they are charging them. This new TRANSPARENCY will finally help the buyers understand how many thousands, if not tens of thousands, of dollars are being added to the sale price and buyers will get to decide how much they want to pay the agent. While the Seller may still agree to help the buyer "finance" the amount into the purchase price, that amount, if any, will be masked from agents in the multi-list information. This will make it harder for agents to steer buyers to homes where sellers may be offering to build in tens of thousands of dollars to pay the Buyer's agent.

While it may cost consumers several thousands of dollars for the process, the days of tens of thousands of dollars are coming to an end. Ask yourselves, what in the world does the price of the house have to do with paying for the process? The process for a \$300,000 is basically the same as a \$600,000 home.



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you want at lower costs.

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