

Homebuyers see NAR settlement as a big win — until they learn more

Even if the settlement brings down commissions overall, buyers grow warier the more they learn about what the policy means for them, according to the latest Inman-Dig Insights consumer poll by [Daniel Houston](#), Inman News August 15, 2024

Today's renters are still largely unaware of the National Association of Realtors settlement's true implications for their homebuying prospects.

But the more they learn about the deal, the less they like it.

Meanwhile, homeowners are broadly intrigued by what the deal could mean for their position in negotiations when it's their turn to list their current properties for sale, according to the Inman-Dig Insights consumer survey of 3,000 working U.S. adults in early July.

The survey is conducted quarterly by Inman Intel in an effort to gain a representative idea of how potential real estate clients feel about a broad range of housing topics.

One major takeaway? The NAR settlement is being broadly received as consumer-friendly, and may be actually improving public perception of real estate professionals, not harming it.

But when certain groups of consumers dive into the details, they're less likely to say they stand to benefit from the sweeping changes facing the industry.

Intel subscribers can read the complete breakdown in the full report.

In for a rude awakening?

For months now, **3 out of 4 consumers have** said that they have not heard of a settlement involving the National Association of Realtors.

This won't surprise many real estate professionals.

In the Inman Intel Index, a separate survey of real estate professionals conducted each month, agents have consistently said that most of their clients are not yet bringing up the news or asking about how they might benefit from the deal.

But one thing that does stand out: consumers who have heard of the deal but not necessarily digested its full implications believe that it's a win for them.

- **64 percent** of consumers in early July who had heard of the NAR deal said they believed it would be good for consumers or a win-win for both consumers and the real estate industry.

But the more renters in particular learned about the details, the less they liked the deal.

As part of the survey, Intel briefed non-homeowners — including renters and potential first-time buyers — on some of the details.

Renter respondents were told that proponents believed the changes could bring down overall commissions that consumers pay. Respondents were also informed that, in some cases, buyers might have to pay their agent's fee out of pocket if the seller chose not to cover it.

- Only **55 percent** of renters who were briefed on these implications said the NAR settlement would be good for consumers or a win-win for both consumers and the industry.
- **24 percent** of renters who were briefed on the details said the NAR settlement would be bad for both the consumer and the real estate industry. That's more than **three times** the share of adults who had simply heard of the NAR deal through the news or word of mouth prior to taking the survey and gave the same response.

U.S. adults who say they're likely to buy a home sometime in the next 12 months expressed a strong aversion to paying their buyer's agent fee out of their own pocket if the seller declines to cover it.

But if it were to happen, they wouldn't give up on the home right away.

- Only **10 percent** of likely buyers said they would be open to paying their agent's fee out of their own pocket.
- **32 percent** of likely buyers said they would be open to countering at a higher price, but insist that the seller cover the buyer's agent fee.
- The largest group of likely buyers — **47 percent** — said they would counter at the same price, but try to sweeten the deal with concessions such as waived contingencies or more earnest money in order to secure the seller's coverage of their agent commission.
- Only **11 percent** of likely buyers said they would remove themselves from consideration for the home if the seller initially did not want to pay the fee.

An opportunity — and a pitfall

U.S. homeowners are **broadly intrigued** by the idea of not covering the buyer's commission. But if their agent advises that not covering the fee might make their listing less attractive to buyers — as most agents [tell Intel](#) they are likely to do — most consumers either give in to buyer expectations or take a more moderate approach.

- **36 percent** of homeowners said that they would opt to offer the full 2%-3% buyer commission, if advised that declining to do so might hurt the listing.
- On the other hand, **24 percent** of homeowners said they would decline to cover the buyer commission and list it for full price — a gambit to take full advantage of the policy change, at possible risk to the sale of the home.
- The remaining **40 percent** of homeowners chose some in-between option — such as lowering the asking price below the listing's comps while declining to pay the buyer agent's commission, or offering to cover only part of the fee.

With seller clients in particular, the path forward is murky.

Real estate professionals clearly believe that sticking to a hardline refusal to cover the buyer-side fee will harm a listing. They tell Intel that they will advise their clients to [consider the impact](#) such a move could have on how long the property takes to sell, and the price it will end up going for.

And here, **3 in 4 consumers** are saying that they would heed this advice — at least in part.

At the same time, **nearly 2 in 3 consumers** might be at least willing to push the boundaries and try to leverage this new option into a negotiating tool, or a hard line in the sand.

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An unexpected boost

When asked by the Intel Index each month, brokerage owners and executives consistently say they believe the public has a negative opinion of real estate agents.

This concern is echoed by many agents who view NAR as responsible for maintaining a positive public image of real estate professionals — a task for which the trade group receives [largely negative marks](#) these days.

But so far, if anything, the NAR settlement appears to be **improving** public perception of real estate agents, not hurting it.

- **58 percent** of consumers in July had a positive opinion of real estate agents, compared to only **7 percent** who had a negative opinion, according to the Inman-Dig Insights consumer survey.

What's more, that's not just a snapshot in time. Consumers were asked how their opinions have changed over the past year, a period which included a down market for transactions in which affordability was poor and commission practices dominated the headlines in real estate circles.

- **34 percent** of employed adults said their opinion of agents had improved over the past 12 months, compared to **6 percent** who said it had worsened.
- Consumers who had already heard of the NAR settlement before taking the survey were **nearly twice as likely** to say their opinion of real estate agents had improved over the past year, with **60 percent** choosing this option.

About the Inman-Dig Insights Consumer Survey

The Inman-Dig Insights consumer survey was conducted from July 5 through July 7 to gauge the opinions and behaviors of Americans related to homebuying.

The survey sampled a diverse group of 3,000 American adults, ranging in age from 24 to 65 and employed either full-time or part-time. The participants were selected to produce a broadly representative breakdown by age, gender and region.

Statistical rigor was maintained throughout the study, and the results should be largely representative of attitudes held by U.S. adults with full- or part-time jobs. Both Inman and Dig Insights are majority-owned by Toronto-based Beringer Capital.