HomeSmart joins brokerages in allowing agents to shift from NAR

Arizona-based brokerage HomeSmart has announced plans to give agents the freedom to forgo National Association of Realtors membership starting in 2025

by Richelle Hammiel, Inman News Today, December 12, 2024

Arizona-based brokerage HomeSmart has announced plans to give agents the freedom to forgo National Association of Realtors (NAR) membership starting in 2025. The decision follows a similar move by Realty One Group, which announced its membership flexibility a day earlier.

In its <u>announcement</u> on social media Wednesday, HomeSmart stated, "At HomeSmart, we believe you should always have the freedom to run your business your way, and we're here to support you no matter what you prefer. Starting Jan. 1, 2025, when you join HomeSmart in Arizona, you can choose to remain a NAR Member or you can join MLS Choice."

In November, Phoenix Realtors introduced <u>MLS Choice</u>, which provides access to MLS services, MarketStats, legal forms and training at a lower cost without requiring a Realtor membership. An MLS Choice membership is priced at \$249 a year per agent.

HomeSmart has more than 26,000 agents with over 200 offices across the country. The Scottsdale brokerage has been ranked among the Top 10 brokerages in sales volume and transaction sides in RISMedia's 2024 Power Broker Report.

"We modernized our decades-old MLS Only membership into MLS Choice to meet rising demand from real estate professionals who want more options when it comes to their association membership investment," Phoenix Realtors CEO Andy Fegley informed Inman. "This allows brokers to better support the diverse needs of their agents – something that is core to our philosophy as a professional association serving one of the fastest-growing markets in the nation."

The shift by HomeSmart and Realty One Group reflects growing skepticism about NAR's three-way agreement among Realtor associations, and also aligns with the announcement of MLS Choice.

Fegley stated despite this MLS Choice alternative, "We remain committed to NAR and REALTORS. This is simply another option, which has become necessary in our changing industry environment."

NAR is facing lawsuits across several states, including <u>Texas</u> and <u>California</u>, alleging anticompetitive practices and monopolization of MLS services.

As of Oct. 31, NAR is officially set to finish the year with its <u>fourth-highest all-time membership</u> <u>count</u>, but the association forecasts an 8 percent decline next year due to a down market and membership changes.

This article has been edited to include a statement made by Phoenix Realtors CEO Andy Fegley.