



Dispelling Myths About Real Estate Commissions

An Analysis of the MLS Now Housing Market

Recent industry-wide litigation has spawned misinformation about how real estate professionals work with clients and how the MLS supports an efficient housing market. Mining data from four years of home sales transactions, this study reveals the truth behind the misperceptions.

<p>MYTH #1</p> <p>Real estate agents have fixed commission rates.</p>	<p>FACT #1</p> <p>The amount offered to a buyer's agency varies substantially across listings, and offers of buyer agency compensation have declined over time in response to an increasingly competitive housing market.</p>
<p>MYTH #2</p> <p>Real estate commissions drive up home prices.</p>	<p>FACT #2</p> <p>There is no relationship between the offer of buyer agency compensation and home prices. In fact, the offer of buyer agent compensation, as a percent of home price, declines for higher-priced homes.</p>
<p>MYTH #3</p> <p>Agents "steer" buyers to homes with higher offers of buyer agency commissions.</p>	<p>FACT #3</p> <p>There is no evidence to suggest that properties with a lower offer of compensation to the buyer's agency take longer to sell, as we would expect to find if buyers were being steered away from these homes.</p>