



CALIFORNIA ASSOCIATION OF REALTORS®

Dear Californians,

If you've been reading about real estate lately, you've no doubt heard about antitrust lawsuits and settlements by real estate brokerages and the National Association of REALTORS®. You've also heard about the settlements resulting in certain changes in how agents will be compensated for their work. Recent coverage by media entities, industry insiders and anyone with an opinion and a smartphone have offered up a mix of fact and fiction. All this noise has caused confusion, fear and, in some instances, panic about the process of buying and selling a home.

We thought it time to speak directly to you. We're California REALTORS®, and we know a thing or two about real estate. In fact, it's precisely because of our knowledge about the complexities of what is arguably the most important purchase people make in their lives that we want to say this first: It'll be okay. Yes, some real estate practices will change as a result of these settlements, but California REALTORS® know how to adapt to changing market realities. We always have. And, while we understand that uncertainty can be deeply unsettling, especially when there are few answers and many opinions, we know we'll figure it out together, as an industry and with our clients.

Here's the bottom line: The two major changes resulting from this litigation are 1. Properties listed in databases known as the multiple listing service (MLS) will no longer be allowed to include an offer of compensation to buyer's agents and 2. Homebuyers who want to work with an agent will need to sign a written agreement with that agent prior to touring a home. This means before you start your home search, you'll need to discuss and agree with your agent what the agent will do on your behalf, and you'll need to decide how much and how to pay that agent.

Of course, it's not that simple. How consumers work with agents in this new environment will need to work itself out, and there will be differing approaches between agents and their clients. Many in the industry, and we at the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.), are currently working on sorting through and articulating those new practices as quickly as possible. Moreover, in California, we have supported transparency with respect to how buyer's agents get compensated for more than two decades, since C.A.R. introduced its first buyer representation agreement in 1999. So, while the implementation of practice changes resulting from this settlement may be new, the spirit behind them is not — at least not in California. We're all for transparency because we believe it's in our clients' best interests and we know the value we bring to the transaction.

We're in this business because we believe in putting people not just in houses, but in homes. You may regard us as the organization that fights to protect homeowners' rights. That's true. But more likely, you know us because we're your neighbors. We live in the same communities as you. We volunteer alongside you at our kids' schools, we show up to serve at local civic and charitable organizations, and we sit on city councils to make our communities better. And while we're known as the neighborhood experts, we're also trained in all facets of a real estate transaction, meaning we know what it takes to successfully conduct a home purchase or sale. Our jobs are far more involved — and far less glamorous — than what you see on real estate "reality" shows. The truth is that real estate transactions are complicated. That's why we have to be well-versed in myriad financial and legal requirements in order to guide you through such a complex process. We negotiate on our buyers' behalf to get them the right home at the right price, and we help sellers determine the best listing price based on market and neighborhood fundamentals. We guide our clients through the nitty-gritty of home inspections and innumerable other details, and we support our clients through what can be a stressful time. We come to this job because we love putting people in homes. We stay in this job because we love working with our clients, who become our friends and neighbors.

As we've done for decades, through up markets and down markets, through periods of industry change, we will stand by our clients, serve our communities, and continue to do what we do best — work to create a future that enables homeownership for all who want it.

Sincerely,

Melanie Barker
2024 President
California Association of REALTORS®

