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Settlement On Realtor Fees Hasn't Cut Costs

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The real-estate industry's landmark settlement reworked how real-estate agents get paid, raising hopes that the costs associated with home buying and selling would come down.

A year later, it hasn't happened.

The average commission paid to a buyer's agent in the second quarter of 2025 was 2.43% of the home's sale price, up from 2.38% a year earlier, according to an analysis by real-estate brokerage Redfin.

"Nothing's changed," said Jack Miller, chief executive of real-estate consulting firm T3 Sixty. "This is a very durable industry in terms of the fees that it charges. It really is."

The \$418 million settlement was reached between the National Association of Realtors and plaintiffs' attorneys to settle allegations that the system for paying agents kept their fees artificially high. The new system, which took effect in August 2024, is intended to make it easier for buyers to di-

rectly negotiate fees with their agents.

There is no comprehensive source of data on commissions, and some surveys conflict. But separate surveys of real-estate agents from tech company Clever Real Estate by real-estate media company Housing-Wire and by Rice University also found little change in agent commissions in the past year.

The settlement has had at least one benefit: It led to more transparency for home buyers, agents say. While buyers used to rarely discuss fees at all with their agents, they now have to sign agreements about how much their agent will get paid before touring any homes together.

But why hasn't the settlement moved the needle on U.S. real-estate commissions, which are some of the highest in the world?

One theory is that agents don't want to change.

Before the settlement, listings of homes for sale in industry databases included information on what the seller intended to pay the buyer's agent. Buyers rarely negotiated fees with their own agents, because the fee was essentially set by the seller.

In the new system, these databases no longer include information about fees. This is so buyers and their agents can discuss fees upfront without being swayed by what a seller is willing to pay.

But agents can still communicate about fees off the database. Some sellers say that their agents have warned them that buyers might avoid their home if they don't make an offer to cover the buyer's agent cost.

Doug Miller, a Minnesota real-estate attorney and consumer advocate, said he has received many emails from listing agents promoting 2.7% fees for buyers' agents. "They're broadcasting a message: 'This is what you should be charging,'" he said.

Sellers should have the choice of whether to offer compensation to buyers' agents, said Kevin Sears, NAR's president.

Another theory is that the housing market is in a slump.

In the year since the settlement, the housing market has swung from a seller's market to a buyer's market in many parts of the country. Sales of previously owned homes are on track for one of their slowest years in decades.

With homes sitting on the market longer, buyers have more negotiating leverage and sellers are willing to offer concessions to close a deal. That might mean that buyers are less worried about negotiating down their agent's fees, because they are confident the seller will agree to cover that cost.

"When sellers start to worry that it's going to be hard to sell the house, they're more willing to pay a higher fee," said Glenn Kelman, CEO of Redfin.

A third theory holds that buyers aren't negotiating.

Only 27% of recent home buyers negotiated with their agent about fees or tried to, according to a Redfin survey conducted this spring. And most buyers don't interview multiple agents, according to NAR research.

It is still very common for sellers to cover the cost of the buyer's agent, so buyers might not feel a need to negotiate or realize that they can. But a lower buyer's agent fee can make a buyer's offer more attractive to a seller.

Buyers are sometimes "signing quickly, under pressure of, 'I want to get out of the rain, I want to see the home,'" said Nick Aufenkamp, a real-estate agent in Vancouver, Wash

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