

# NAR settlement impact on closing costs

## Real Estate Commission Scenarios

Purchase Price \$ 417,700

### Before NAR Settlement

The negotiatble commission rate **paid by Seller** at closing can vary but typically is around 5% to 6% of the sale price, split between the seller's agent and the buyer's agent.

**Total Commission %** **5.0%**

\$ Costs

**SELLER** \$ 20,885

### After NAR Settlement

Pending court approval, sellers will no longer be required to pay the agent who represents their buyer. That could open the door to much more competition among buyer-side agents, and even more potential for fee negotiation.

**5.0%** >>>>>>> **4.0%**

\$ Costs

\$ 10,443 **2.5%** \$ 10,443

\$ Costs

**2.5%** \$ 10,443

### Scenarios

**Seller not paying Buyer agent commission**



\$ Costs or (Savings)

\$ (10,443)

**Buyer pays lower commission to agent**



\$ (4,177)

*For illustrative purposes only*

Note: Sellers may still offer concessions to buyers or compensation to buyer's agent in order to incentivize bidding and sales.

Note: Buyers and sellers may negotiate a flat-fee with realtors, instead of percent of sale price.