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## With Real Estate Commission Rules Changing, Should I Wait to Buy a House?

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### “I want to buy a house soon, but I read that real estate commissions are going down. Should I wait until the new rules are in place?”

You're right to step back and re-strategize your home purchase after the National Association of Realtors' recent legal settlement. If it's approved by the court, the real-estate industry is on the precipice of change that could impact [the home buying process](#) and [what you pay for it](#). Whether it's best to act now or to wait, though, will depend on your budget, how much work you want to put into the process and your need for certainty.

Here's the gist of what's happening: Lawsuits were filed against NAR, a trade group representing 1.5 million real-estate agents, questioning its cooperative-compensation rule. Under this rule, sellers cover the commissions for both their agent and the buyer's, with the cut offered to buyer's agents advertised in an agent-facing database known as a multiple listing service, or MLS. Critics say the practice reduces competition and inflates commissions and home prices.

In March, plaintiffs accepted [a settlement proposed by NAR](#), which would remove offers of compensation from the MLS and require agents to sign contracts with buyers. The rules are expected to ultimately lower costs, however, buyers may need to pay agents out of pocket. If approved by the court, the changes are set to go into effect in August.

With this all in mind, there is no hard-and-fast answer as to whether you should buy now or wait until those changes roll around. There are, however, cases for both paths.

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### The case for buying now

If you want a full-service agent and assurance that the seller will foot the bill—then buying before July is probably best.

“The NAR settlement is creating lots of uncertainty, and if there’s anything people don’t like when making major life decisions and purchases, it’s that,” says Dana Bull, a real-estate agent and consultant in Massachusetts. “If you buy right now, you’ll have a greater sense of what to expect.”

By buying now, you’ll likely fall under the [existing agent commission model](#) where the seller pays. The total is usually 5% to 6% of the home price—with 2.5% to 3% going to each agent. In exchange for that cut, your agent will usually suggest listings, tour properties with you and negotiate on your behalf. Depending on what state you live in, they may also draw up contracts and attend your closing.

“The home buying journey will not be altered—at least for the next few months,” says Alyssa Brody, co-founder of Development Marketing Team, a real-estate brokerage with branches in New York City and Miami.

### The case for waiting

If you’re comfortable negotiating and willing to handle some of the home-search process on your own, waiting to buy could pay off. “If you’re more focused on maximizing your investment and minimizing costs, waiting until the new rules come into play could be beneficial,” Brody says.

Starting in mid-August, buyers will sign a separate contract with their agent, opening the door for negotiation. Some agents may charge an hourly rate or offer a la carte services. This would allow buyers to choose which services they want to do themselves (browsing listings and touring homes, perhaps) and which they want to pay for (maybe negotiating and drawing up the contract).

Additional savings could come from lower home prices. With sellers no longer footing the bill for buyer agents, some experts believe they will sell their homes for less.

This all depends on market conditions, though, and agents broadly agree that prices are unlikely to drop much in the short-term. By summer, the Federal Reserve is expected to start cutting interest rates, which means [lower mortgage rates and higher demand](#). “With our limited inventory, competition will be fierce,” says Bret Weinstein, founder of Guide Real Estate in Englewood, Colo.

If you choose to wait, be ready for a bumpy ride. “It will cause a shake-up, and no one knows exactly how the open market will react,” Bull says. “There will be lots of confusion, and as a buyer, you could be stuck in the crosshairs while the entire industry adjusts to the change.”

### To sell or not to sell

The considerations are similar if you're on the fence about selling. If you are comfortable with the existing model, sell now. For the lowest costs, you might want to wait until August.

Take note, though: Not everyone is convinced things will change once the new rules are in place. "I believe sellers will continue to pay buyer agents in big markets like Los Angeles, because it's in their best interests," says Michael Nourmand, president of real-estate firm Nourmand & Associates in Beverly Hills, Calif. "It's best for buyer affordability, they don't want to limit their buyer pool, and negotiating a commission is another variable that could derail the transaction."

Talk to a few real-estate agents about the pros and cons of skipping the buyer-agent commission in your area. They can advise you on what it might mean for your sale, given current market conditions.

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