

# How Does the Idea of 'For-Sale-By-Owner' Change Under the NAR Settlement?

Even before the NAR settlement, which will have the effect of cutting in half the commission charged by listing agents by removing the co-op commission for buyers' agents, the number of sellers opting to sell without a listing agent was surprisingly low.

The National Association of Realtors (NAR) has reported that only 7% of homes sold during 2023 were sold without the services of a listing agent. Another 4% started out without an agent but gave up and hired an agent in the end.

The biggest selling point for going FSBO (for-sale-by-owner) is to avoid paying the typical 5 to 6 percent listing commission. But that commission included the 2.5 to 3 percent commission shared with the agent representing the buyer. Under the NAR settlement (if approved by the courts), the listing commission cannot include the offer of compensation to a

buyer's agent, so listing commissions will henceforth be 2.5% to 2.8%, seriously reducing the appeal of trying to sell one's house without professional assistance.

In my real estate classes as a new agent at Coldwell Banker back in 2002, it was drummed into us that "listors last," so we should focus on working with sellers instead of buyers. The NAR settlement has struck a serious blow to anyone who specializes in working with buyers.

In light of this, agents are being offered a free "Accredited Buyer's Representative" (ABR) course by NAR, and, even though Golden Real Estate specializes in working with sellers, all of us have signed up for this free course so we can receive the advice which it will offer when representing buyers in the changed landscape of real estate transactions.

Of course, I will share with you some of what I learn from that course, which I'm not taking until June 17th. Hopefully, the court will have confirmed or rejected the NAR settlement by then, so we'll know for sure what's ahead.

As I wrote last week, the inevitable effect of the NAR settlement will be that many or even most

buyers will call listing agents directly instead of hiring an agent to represent them as a buyer. Only time will tell how that process will shake out. If I worked solely as an exclusive buyer's agent, I would be very nervous about what lies ahead for me.

Buyer's agents will still be able to earn a commission by selling new homes. Because the new home market is so competitive, builders are unlikely to reduce the commissions they currently offer to agents. Most builders, I have found, offer a 3% commission to agents who bring them a buyer, although that commission is applied to the base price, not to the

price after adding upgrades of appliances, flooring, counters, etc.

The challenge for real estate agents is getting buyers to call them *before registering at a builder's sales trailer*, because most builders will not pay agents who did not register along with their buyer. We tell buyers to visit as many new home communities as they wish but not give their names until they are serious and want us to represent them. Then we go with them on a return visit where they and we register together. That way, the buyer has the advantage of professional representation, and we are compensated for being their agent.

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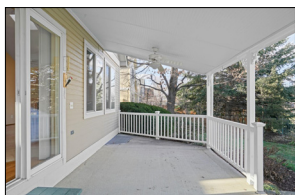


By JIM SMITH Realtor®

*Today, April 11, is Family Promise National Giving Day. Golden Real Estate actively supports this charity which serves homeless families, providing temporary shelter in participating churches plus employment and housing counseling. I have posted a giving link at <http://RealEstateToday.substack.com>.*

## 4-BR Arvada Home Just Listed by David Dlugasch

This property at 6512 Nile Circle is in the desirable Meadows at Westwoods Ranch subdivision and is one of the best lots in the neighborhood, backing to open space. There is new carpeting in the living room with a large bay window. The kitchen has quartz countertops, an island and stainless steel appliances. The family room, right off the kitchen, has a gas fireplace, skylights, and doors leading out to a large, covered deck (below), which overlooks the backyard. There is a bedroom on the first floor which can be used as an office, and a 3/4 bathroom. The upstairs boasts a large primary bedroom with lots of light, a laundry chute, an ensuite bathroom with a built-in vanity table, and a walk-in closet. One of the upstairs guest bedrooms has a walk-in closet. The other has a double closet. The upstairs full bathroom has a tiled bathtub/shower. The loft overlooks the family room and has large windows letting in lots of natural light.



The basement has a large play/family area with a 15'x6' nook area. Another great feature is the utility/workroom, it's huge! The location is terrific, near the mountains and close to Westwoods golf course. Find more details and videos at [www.ArvidaHome.info](http://www.ArvidaHome.info). Then call David at 303-908-4835, or come to his open house on April 13, from 11 to 3 to see it in person.

## Renovating? Consider Adding a 'Back Kitchen'

I can't take credit for this idea. Last year *Pro Builder* magazine had an article in its May/June issue about new ideas in kitchen design, and one in particular caught my attention: adding a "back/messy" kitchen.

Nowadays, especially with open floor plans, the kitchen has become a center of entertaining. Guests gather around the host or hostess as they prepare and deliver various courses of food.

A back kitchen allows for dirty dishes to be out of sight immediately. This keeps the kitchen area clean and attractive — and quiet — throughout the evening. There could even be a second dishwasher in the back kitchen.

The back kitchen could also be where prepared courses are staged for bringing out during the party. Think of it as a "butler's pantry"

that is off the kitchen instead of between the kitchen and the dining room.

Most people nowadays have both a walk-in pantry and what's being called a "Costco closet" for those bulk purchases so many of us are making these days. A larger pantry big enough to satisfy both needs could be attached to the back kitchen instead of the main kitchen, cleaning and simplifying the main kitchen design.

Another feature which makes a lot of sense is to have seating on two sides (adjoining, not opposite) of the kitchen island instead of just one. This facilitates guests talking to each other, while still including whoever is at work on the business side of the island.

Open floor plans typically show the kitchen open to the family room, but not the formal dining room. How about an L-shaped open floor plan in which the dining room is open to the kitchen on the side, with the family room is open to it at a 90-degree angle?

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"Concentrate on giving, and the getting will take care of itself." —Anonymous