

# Selling Your Multifamily Property? New Commission Rules Could Save You A Fortune

A Critical Wake-Up Call for Sellers



**Washington, D.C, District of Columbia Aug 18, 2024** ([Issuewire.com](https://www.Issuewire.com)) - [The Small Multifamily Group](#) The real estate industry is undergoing a major transformation following a landmark settlement between the National Association of Realtors (NAR) and a group of home sellers. This settlement, finalized earlier this year, is expected to dramatically alter how real estate agents are compensated, with significant implications for multifamily commercial property transactions. This development serves as a crucial wake-up call for sellers across the industry.

## The Settlement and Its Impact

The Sitzer-Burnett lawsuit, filed by a group of home sellers, challenged NAR's long-standing commission structures, arguing that they resulted in inflated fees—particularly the standard 6% commission split between the buyer's and seller's agents. As a result of the settlement, NAR has agreed to pay \$418 million in damages and to eliminate its rules on commissions.

Starting August 17, 2024, real estate agents are required to have written agreements with buyers before showing properties. Also, the Multiple Listing Services (MLS) will no longer display any commission offers for buyer's agents.

While this settlement primarily targets residential transactions, its effects could potentially influence the multifamily commercial property market, especially in smaller markets where MLS is sometimes used for commercial listings.

## Implications for Multifamily Property Sellers

Dean Hunter, a real estate broker and Manager of The Small Multifamily Group (SMG), a boutique brokerage specializing in small multifamily properties, emphasizes the importance of this settlement as a wake-up call for property sellers. "This is a pivotal moment for sellers to realize they have the power to negotiate fees and secure better deals," Hunter said. "There's a misconception that large national firms hold an advantage, but in reality, most transactions involving small multifamily properties are driven by local buyers. Working with a local, independent broker like SMG can offer significant advantages, especially in today's market where property prices are down."

Hunter, who is also the Founder and CEO of The Small Multifamily Owners Association, highlights the potential savings from negotiating commission fees. "At SMG, we offer commission rates as low as 2%, which can save sellers hundreds of thousands of dollars. In a market where property values have declined, these savings are crucial in maximizing the seller's return on investment (ROI)."

## Navigating the New Commercial Real Estate Landscape

While the settlement is focused on residential transactions, its principles could influence the commercial real estate sector, particularly in markets where MLS is used for commercial listings. However, Hunter believes that the negotiable nature of commercial real estate commissions will continue to benefit sellers who choose the right broker.

"These changes allow sellers to take control, negotiate better deals, and retain more of their profits," Hunter added. "At SMG, our focus is on the client, not the commission. We are committed to ensuring sellers get the best value for their property, especially in a market where every dollar counts."

For more information about how The Small Multifamily Group can help you maximize the value of your multifamily property sale, please visit [SmallMultifamily.com](http://SmallMultifamily.com).

## About The Small Multifamily Group

The Small Multifamily Group (SMG) is a boutique real estate brokerage based in Washington, D.C., specializing in small multifamily properties. SMG is dedicated to providing exceptional service with a client-first approach, offering competitive commission rates that save sellers money while maximizing their property's value. Dean Hunter, the Manager of SMG, is also the Founder and CEO of The Small Multifamily Owners Association, a trade group representing small landlords in the D.C. area.

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