



HIGH COUNTRY HOMESTEADS

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Changes coming to the Real Estate Industry



Time to do your Wildfire Mitigation. Arborists trimming trees and cutting down standing dead. It is an interesting process to watch! I bet they enjoyed climbing trees as kids!



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Special points of interest:

- Upcoming Changes in the Real Estate Industry
- Time to do your Tree Trimming. Chipping Program starts June 3rd.
- Make your plans for June events and the 4th of July. Come visit Summit County! Pg. 2.



High Country Highlights

If you have been following the press, you may have read or heard about the anti-trust lawsuits being issued against larger Real Estate Brokerages.

The settlements have been large and now the copycat lawsuits are starting. You may even have received a notice about a Class Action suit hinting to large sums of money being paid out. Usually those Class Action Lawsuits line the lawyers pockets and not the claimants unfortunately.

So what are the issues being addressed by these Anti-Trust lawsuits.

The first issue is that there "appears" to be common co-operative commission (called the Co-Op) rates in some markets. A Co-Op is the commission rate a Buyers Agent or Transaction Agent receives for bringing a buyer to a seller for the purchase of their home. Each Realtor or Real Estate Agent sets their rate within their Brokerage's guidelines. It is negotiated with the Seller when the Listing Agreement is signed. The Commission negotiated with the Seller is split between the Listing

Agent and the Buyers Agent through the Listing Agent's brokerage.

The second issue is related to some Agents not communicating to Sellers that the commission is split between the Listing Agent and the Buyer's Agent. The Seller is paying the commission for both agents. Sellers are claiming they didn't know they were paying the real estate professional on both sides of the transaction.

Some Buyers didn't know that their real estate professional representing them was being paid by the Seller thinking their services were free when they were actually paying for the services in the purchase price offered. (Note: Not all real estate professionals are clear communicators. Every industry has their poorer performers.)

Some Sellers have also claimed that real estate professionals don't show their property if the co-op is too low. The Buyer's professional shop the rates that best suit them. (I hope not!)

There are two types of Real

Estate professions: Realtors and Real Estate Agents. Realtors are members of the National Association of Realtors (NAR) and must take and comply with Ethics training. Real Estate Agents are independent Real Estate professionals and do not belong to NAR.

The third issue being addressed is that the Real Estate Agents feel that they are being limited in their ability to sell Real Estate because they can't be members of the local Multiple Listing Service (MLS) which requires membership in the local Realtor Associations and NAR. The current commissions are listed in the MLS and are viewed as a contract between Realtors as to what Co-Op will be paid.

NAR has entered into negotiations with the Justice department and have come up with a Settlement agreement.

From the beginning of this litigation, NAR had two goals:

Implications of Changes Coming to the Real Estate Industry

- Secure a release of liability for as many of their members, associations, and MLSs as they could; and
- Preserve the choices consumers have regarding real estate services and compensation.

The changes in the Settlement Agreement go into effect August 17, 2024. Here are the changes you will see.

Compensation offers moved off MLS

The MLS will no longer be used between Realtors as a contract for compensation. Real Estate Professionals will negotiate offers for compensation outside of the MLS. This may slow down the offer making process as Buyer's Agents and Transaction Brokers negotiate payment for their services.

Written agreements for MLS Participants acting for buyers

While NAR has been advocating for the use of written agreements with Buyers for years, in this settlement they have agreed to require MLS Participants working with Buyers to enter into written agreements

with their Buyers before touring a home (both in person and virtually).

This means that Buyers working with a real estate professional can no longer see a property without first signing an agreement. In Colorado, we have a Buyer's Agency agreement which defines the relationship between the Buyer and their Real Estate Professional: Buyer's Exclusive Agent or Transaction Broker and as well as the Real Estate professional's fee.

The Colorado Real Estate Commission may develop a new shorter form to be used by Realtors which can be used to define the type of properties the Buyer is looking for and the professional is showing as well as the Real Estate professional's compensation.

Sellers can opt out of paying the buying side Real Estate Commission

It will be up to the Seller whether they will pay the buying side commission. This has always been the case in Colorado but typically the

Seller has agreed to pay. We may now see more Sellers saying, "No!"

In section 7 of the Buyers Agency Agreement, the Real Estate Professional provides their Success Fee which is the amount they are paid. In Section 7.3, it defines Who will pay the Brokerage Firm's Success Fee. Option 7.3.1 reads Listing Brokerage Firm or Seller MAY pay. Buyer is obligated to pay.

Realtors has always been expected to be transparent with Buyers on compensation. Now the NAR Settlement is forcing the compliance.

With the potential for more Buyers being responsible for paying their real estate professional's success fee, this could impact affordability for some Buyers.

Buyers can request Sellers to pay buying side success fee in their offer or ask for a Seller Concession.

Often first time home buyers have difficulty saving money for their down payment and are unable to also pay their agent. Lenders often have a limit on the amount of Seller Concessions they will allow.

It will be interesting to see how this all plays out.

Upcoming Summit County Events

| Date | Event |
|--------------------------------------|---|
| Mondays starting June 17, 2024 | Dillon- Mountain Music Mondays - Free Concerts-Lake Dillon Amphitheater-6:30 PM to 10:00 PM |
| Tuesdays starting June 18, 2024 | Dillon-Country Dancng at the AMP with Summit Country Dancing-6 to 7 PM-Dance Lessons-Open Dance to 8:30 PM-Lake Dillon Amphitheater-Admission \$10-No experiance necessary-No Partner necessary |
| Wednesdays starting June 19, 2024 | Dillon-Yoga at the Amp with Summit Sol Wellness-Lake Dillon Amphitheater-6:30 to 7:30 PM-Happy Hour follows-\$20 |
| Thursdays starting June 13, 2024 | Frisco-Concert in the Park-Frisco Historic Park-5:30 PM to 7:30 PM |
| Every Friday through September | Dillon-Farmers Market-Town Park at Buffalo & LaBonte-9 AM to 2 PM Keystone-Keystone Concert Series-Live Music in River Run Village-4 PM to 6 PM-FREE |
| June 6, 2024 | Frisco-"Rock the Dock" Party-Summer Kickoff-Frisco Bay Marina-4 pm to 8 PM-Free |
| June 7, 2024 | Silverthorne-First Friday-Concert on Performing Arts Center Lawn-5:30 PM to 8:30 PM-FREE |
| June 8-9, 2024 | Dillon-LAPS Fundraiser-Let's Go Boating-Dillon Marina 9 AM to 4 PM-Purchase a 45 Minute Boat Ride |
| June 13-15, 2024 | Breckenridge-10 Mile Pride-Multiple events |
| June 15, 2024 | Dillon - Lake Dillon Beer Festival-Lake Dillon Amphitheater 1 Pm to 4 PM-Admission \$40 |
| June 22 & 23, 2024 | Keystone-Bacon & Bourbon Festival-River Run Village-1 PM to 5 PM-\$75 |
| June 23, 2024 | Silverthorne-Sunday Art Stroll-Silverthorne Pavilion & along the River-11 AM to 3 PM-FREE |
| June 28-30 , 2024 | Breckenridge-Breckenridge Agave Festival- Tacos , Mezcal & Tequilla-Main Street Station |
| June 29, 2024 | Keystone-Stars & Guitars-Patriotic Celebration-River Run Village-12:30 PM |
| June 30, 2024 | Dillon-Movies on the Water-Lake Dillon Amphitheater-7 to 9 PM-FREE |
| July 1, 2024 | Dillon-NRO Concert- Lake Dillon Amphitheater-6:30 PM to 9:00 PM-FREE |
| July 4, 2024 | Silverthorne-Fourth of July Celebration-NRO Patriotic Concert-Rainbow Park-10 AM to 12 PM-FREE Dillon-US Airforce Academy Band-Lake Dillon Amphitheater-6:30 PM to 9:00 PM-FREE Copper Mtn-Red, White, Brews & tunes-3:30 PM to 7PM-Center Village-FREE |
| July 5, 2024 | Silverthorne-First Friday-Rainbow Park Concert-Blitzen Trapper-6:00 PM to 9:00 PM-FREE Copper Mtn-Red, White, Brews & tunes-3:30 PM to 8:30 PM-Center Village-FREE |