

August 2, 2024



Typical Buyer's Agent Earns 2.55% in Commission, a Rate That Has Declined Since the NAR Settlement Was Announced in March, Redfin Reports

In dollar terms, the typical buyer's agent commission is \$15,377 per deal, up marginally since January due to rising home prices.

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — The typical U.S. home seller pays a 2.55% commission to the real estate agent hired by their home's buyer, according to an [analysis](#) of MLS data by [Redfin](#), the technology-powered real estate brokerage. That's down from an average of 2.62% in January.

Commissions have been gradually declining over the past decade, from an average of 2.89% in 2013 to 2.66% in 2023. It's possible that news of a legal settlement by the National Association of Realtors (NAR) in March has contributed to the recent decline by making consumers more aware they can offer any commission to a buyer's agent or none at all. Under the terms of the settlement, by August 17 listing agents may no longer advertise a unilateral offer of buyer's agent commissions in MLSs that are affiliated with NAR or in MLSs that have opted in to the NAR settlement. That has the potential to change the homebuying and selling process in various ways, and make it more likely that buyer agent commissions become part of the offer negotiation.

"Redfin agents are reporting that commissions have been top of mind for clients since the NAR settlement was announced, and some sellers are asking about what it would mean to offer no commission or a relatively low one," said Redfin Chief Economist Daryl Fairweather. "Still, even before the blitz of publicity around the class-action lawsuits and NAR settlement, commissions were coming down. That's partly because of the competitive housing market before and during the pandemic - which motivated some sellers to offer a low commission because they knew they could still attract buyers - and greater fee transparency."

In dollar terms, the average commission paid to a buyer's agent in the U.S. is \$15,377, up slightly from \$15,124 in January. The dollar amount has increased marginally even though the percentage has declined because of the rise in home prices. The national average commission is calculated as an average of actual buyers' agent commissions in the multiple listing services (MLSs) that are currently reporting on this data. This analysis looked at rolling four-week periods through July 14, 2024.

Commission percentages have declined in all but three of the most populous U.S. metros since the NAR settlement—but the decreases are small

Broken down by metro area, commission percentages paid to buyer's agents have declined

in all but three of the most populous metro areas since the NAR settlement was announced. They increased incrementally in one, and stayed flat in two. Most of the declines are small, less than one-tenth of a percent. Redfin analyzed the 50 most populous U.S. metros and included in this analysis the 49 with sufficient data.

- Commission percentages have declined most in Detroit: The average commission paid to a buyer's agent there was 2.87% during the four weeks ending July 14, down from 3.18% in January. Next come Cleveland (2.39%, down from 2.62%), and Miami (2.63%, down from 2.84%).
- Commission percentages increased incrementally in Cincinnati; the average there is 2.95%, up from 2.93% in January.
- Commission percentages are highest in Austin, TX (2.99%), Cincinnati (2.95%) and San Antonio (2.91%). They're lowest in Nassau County, NY (1.95%), Providence, RI (2.05%), and Anaheim, CA (2.11%).

Dollar-amount commissions are highest in expensive California metros

In dollars, the average amount of money buyer's agents earn in commission is highest in metros where homes are expensive. In San Francisco, the average commission was \$50,734 during the four weeks ending July 14. Next came San Jose, CA (\$43,159) and Anaheim (\$39,877).

Buyer's agents earn the least amount of money per deal in places where homes are relatively inexpensive, all in the Rust Belt: Cleveland (average of \$5,280 per deal), Detroit (\$7,054) and Pittsburgh (\$7,918).

To read the full report, which includes local data, please visit:
<https://www.redfin.com/news/buyers-agent-commission-july-2024>.

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Source: Redfin