

Fact or Fiction?

Dispelling Myths About Real Estate Commissions and the MLS



There is a lot of misinformation swirling around about the residential real estate industry, real estate agent compensation, and multiple listing services. Our research uses actual data from home sales transactions and survey data from recent homebuyers and renters to provide context about how the housing market works.

MYTH #1 Agents “steer” buyers to homes with higher buyer agent commissions.	FACT #1 There is no correlation between buyer’s agent compensation and length of time to sell a home, contrary to some comments being made by the media and prosecutors.
MYTH #2 Commissions drive up home prices.	FACT #2 Agent commissions have not been driving up home prices; rather, property and neighborhood characteristics and mortgage rates have fueled home price appreciation.
MYTH #3 Listing a home on the MLS creates an unfair housing marketplace.	FACT #3 Listing a home on the MLS provides tremendous value both to buyers and to sellers. When homes are listed on the MLS, all homebuyers have an opportunity to see all homes available for sale. Sellers get more “eyes” on their property, which brings them the best offer.
MYTH #4 Homebuyers don’t value a knowledgeable, professional buyer’s agent.	FACT #4 When recent homebuyers are asked about real estate agents, there is widespread consensus that it is important for a homebuyer to have their own representation during the complex and sometimes stressful homebuying experience.