

THE CASE

By now EVERYONE has read about the lawsuit in Kansas City Missouri, whereby an 8-person jury made a landmark decision on Halloween, that NAR and several National Real Estate firms conspired and colluded to inflate commissions and acted in an anti-competitive manner. Several national firms settled -- 2 before the ruling, others after, with more following. This ruling then created a snowball effect for copycat lawsuits across the country.

Let's peel back the onion and get to the heart of the matter.

There exists a Code of Ethics and Real Estate Property Laws that govern our industry. That's in addition to the myriad of disclosures and forms required by State and local governments. If a licensee follows the laws and rules that govern our industry, they provide a very valuable service to buyers and sellers.

Real Estate closings are on the Stress Charts for good reason. Real Estate is usually one's most valuable asset. Having a licensed professional help you navigate this process can make all the difference. Their knowledge and experience and expertise saves you time, energy and money... not to mention peace of mind.

Thirty-eight years ago, when I began my career in real estate, everything was an open listing. Brokers took open listings and kept the full commission when they brought about a sale. Then corporate brokerages came in and the push was to sign up exclusives.

Now in this exclusive marketplace, Brokers agree to give half their commission away to the Broker who brings a buyer to the table, and successfully negotiates price, terms, conditions and closing date. Did I mention NEGOTIATE... yes, everything is negotiable -- always has been-- but no one works for free, and do make sure the Broker you select brings the same value to the table.

Here, THERE'S NO SUCH THING AS PRICE FIXING! In this highly competitive business there are Brokerage firms that take listings for flat fees, there are discount brokerages, franchises, national firms, individual agencies, and multi office firms. All creating their own listing agreement terms.

Let's get to the heart of the matter ... MONEY!

There will always be some who will work for less, so be it.

But to take aim at a business model that, when done right, is fair, equitable and transparent to all parties, enshrouding it in alarming buzz words like anti-trust, collusion and price-fixing, claiming the public will be better served and save money, is quite an assumption and potentially misleading. They claim there should be Brokers for the buyer, paid by the buyer and Brokers for the seller paid by the seller. It sounds wonderful at first glance, as everyone is interested in saving money. But is that what's really going to happen. Take a look at the current closing costs are on the East End at <https://www.townandcountryhamptons.com/brand/closing-costs/>. Are buyers willing to increase their costs at closing? Will that disincentive buyers?

In all my years and all the changes I've seen, this one has set off more chaos and confusion for EVERYONE with no sight of saving anyone money but in fact causing more stress for the general public.

I'm not sure what happened in Kansas City Missouri.

Were there a few bad actors who didn't follow the laws and rules that govern our industry, who need to lose their license?

I hope for everyone's sake, Brokers, Sellers and Buyers are given guidance on how to conduct business moving forward. As always, the good ones will follow the rules.

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