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Redfin Reports Commissions Have Risen Slightly For Affordable Homes, Fallen Slightly For Expensive Homes, Since NAR Settlement Took Effect

Overall, buyer's agents are earning an average of 2.37% in commission—essentially unchanged since the new NAR rules took effect in August, but down slightly since the rules were announced last March

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — The average buyer's agent commission was 2.37% for homes sold in the fourth quarter, according to a [new report](#) from Redfin (www.redfin.com), the technology-powered real estate brokerage. That's essentially unchanged from 2.36% in the third quarter, during which the new National Association of Realtors (NAR) commission rules went into effect, but down slightly from 2.45% a year earlier, before the new rules were announced.

The report is based on an analysis of Redfin's data on buyer's agent commissions for closed home sales. The commission data was sourced from national, aggregated information from sales of Redfin agents' listings, deals referred by Redfin and closed by Redfin partner agents, or where a buyer used Redfin-owned [Buy Equity Home Loans](#).

On a more granular level, overall commissions declined slightly the month the new rules went into effect. The average buyer's agent commission in July was 2.38%, then declined to 2.35% in August (the rules went into effect on August 17). But the average monthly commission ended the year at 2.38% in December, exactly where it was before the rules took effect.

The new commission rules stem from a legal settlement: In March, NAR agreed to settle a series of class-action lawsuits in part by creating new rules about the way commissions offered to buyer's agents are communicated. Under the new rules, listing agents may no longer include a unilateral offer for sellers to pay the buyer's agent commission in NAR-affiliated MLS's. Redfin agents report that most sellers are still choosing to pay the buyer's agent commission, though there are some exceptions.

Broadly speaking, agents tend to agree with the data showing commissions have declined only marginally. Roughly half (48%) of U.S. real estate agents say the average agent commission in their area has remained about the same since the NAR settlement took effect, according to a Redfin-commissioned survey of 500 U.S. real estate agents from a variety of brokerages fielded by Ipsos from December 13, 2024 to January 8, 2025. More than two in five (43%) say commissions have declined, while 4% say they have increased.

Agents also report homebuyers and sellers are negotiating over commissions more; more

than half (54%) of agents said their clients are putting more effort into negotiations following the NAR settlement. One-third (34%) said negotiation efforts have remained about the same, and 6% report less negotiation.

“Buyers and sellers are still asking about commissions, and sellers are still navigating what the new rules mean for how much they should offer or agree to pay the buyer’s agent,” said [Desiree Bourgeois](#), a Redfin [Premier](#) agent in the Detroit area. “When news of the settlement first came out, some sellers thought they were going to pay nothing to the buyer’s agent. That’s not happening; sellers are realizing most buyers are requesting the seller pay for their agent as part of the offer. It’s an ongoing conversation, but people are starting to understand and asking more pointed questions.”

Commission rates had started to [fall gradually](#) in the decade prior to the NAR settlement. But in dollar terms, buyer’s agents earn more money because home prices have risen significantly.

Commissions Are Falling For \$1 Million-Plus Homes, Increasing for Homes Under \$500,000

When the commission data is broken down by price tier, a different trend emerges. Buyer’s agents are earning a slightly smaller commission percentage for luxury homes than before the NAR settlement, and a slightly bigger percentage for more affordable homes.

- For homes that sold for **\$1 million or more** in the fourth quarter, the average buyer’s agent commission was 2.17%. That’s down from 2.22% in the third quarter, and down from 2.33% a year earlier.
- For homes that sold for **\$500,000 to \$999,999**, the average buyer’s agent commission was 2.26%, essentially flat from 2.27% the prior quarter and down from 2.36% a year earlier.
- For homes that sold for **less than \$500,000**, the average buyer’s agent commission was 2.46%, up from 2.42% the prior quarter but down from 2.5% a year earlier.

Commissions are falling a bit for high-priced homes because agents [have more room](#) to reduce their fees and still earn a healthy paycheck.

“Luxury sellers typically expect buyers will want them to cover 2% in buyer’s agent commission. That’s different from what we’re seeing for more affordable homes; buyers of those homes are often asking sellers to cover a 2.5% or 2.7% commission,” said [Stayce Mayfield](#), a Redfin [Premier](#) agent in St. Louis. “Buyer’s agents expect a lower commission for luxury homes, and they’re mostly okay with it. They’re still earning more money; 2% of a million-dollar home sale is a lot more than 2.7% of a \$300,000 sale.”

Redfin agents are reporting more negotiation over buyer’s agent commission in competitive housing markets, and/or for a particularly desirable home. If a seller gets multiple offers, they may be more likely to negotiate about who pays the buyer’s agent, and how much.

Most real estate agents expect commissions will fall

Three quarters (75%) of real estate agents said declining commissions are a concern for the next five years of their career, according to the Redfin-commissioned agent survey. Just

under one quarter said they're not concerned about declining commissions.

More than half (51%) of agents believe commissions will decline in the next 12 months, 38% believe they'll stay the same, and 5% believe they'll increase.

To read the full report, including charts and methodology, please visit:
<https://www.redfin.com/news/agent-commissions-expensive-affordable-q4-2024/>

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