

Fact vs. Fiction

**10 Key Takeaways from
Bright MLS Research**



Homebuyers and sellers are hearing misleading, and in some cases, inaccurate, reporting on the real estate industry, real estate commissions, and multiple listing services in the wake of the recent class action litigation.



Bright MLS undertook research on four years of home sales transactions and found that many statements being echoed by the media are simply not supported by actual market data.



Agents prioritize the consumer's interests throughout the homebuying process.

FACT #1

Fiction

“Agents may influence buyers to prioritize homes with higher buyer agent commissions.”



“Agents only sell buyers expensive homes and do not show them homes that are more affordable.”



Data

Source: Bright MLS, Fact or Fiction

Misleading headlines suggested that agents “steer” consumers to homes with higher commissions. However, analysis of over one million home sales transactions taking place across six states and the District of Columbia between 2020 and 2023 **shows no such relationship between sales activity and commissions.**



**Home prices are
unaffected by agent
commissions.**

FACT #2

Fiction

“The presence of commissions has led to higher home prices.”



“Homes would be less expensive now if agents had different commissions.”



Data

Source: Bright MLS, Fact or Fiction

The primary drivers of home prices are supply and demand factors. This includes the properties of the home, quality of the neighborhood, inventory, mortgage rates, demographics, labor market conditions—all very much beyond agent control.



**Listing a home on the
MLS creates an open
and fair housing
marketplace.**

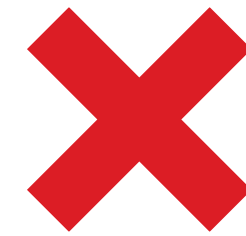
FACT #3

Fiction

“The MLS listing process creates an exclusive and biased housing marketplace.”



“The MLS listing process hinders transparency and equity in the housing market.”



Data

Source: Bright MLS, Fact or Fiction

The MLS creates an open, efficient, and fair housing marketplace. Public real estate websites and apps, where buyers and sellers browse for homes, rely on the nation's local MLSs to get their data.

When brokerages hold listings off the MLS to sell as "private" or "office exclusive" properties, they are keeping information about available homes for sale from a lot of prospective buyers.

There is evidence that homes sold outside the MLS make the housing market less fair and less efficient.



Homebuyers highly value a knowledgeable, professional buyer's agent.

FACT #4

Fiction

“Homebuyers believe buyers agents are no longer necessary.”



“Since home shoppers can now view homes online, buyers’ agents are not as important and therefore do not “earn” the compensation they receive.”



Data

Source: Bright MLS, Fact or Fiction

Consumer research has consistently shown that homebuyers value working with a real estate agent. According to the 2023 Profile of Home Buyers and Sellers, 90% of homebuyers said that they would use their real estate agent again or would recommend their agent to others.



Consumers think it is important for buyers to have representation.

FACT #5

Fiction

“Buyers feel they can adequately navigate the real estate process on their own without the need for an agent.”



“Consumers prefer a do-it-yourself approach to home buying, in order to avoid paying any additional fees associated with hiring a buyer's agent.”



Data

Source: Bright MLS, Why Buyer's Agents are Important

In a December 2023 Bright MLS study, 76% of participants agreed with the following statement:

“When you buy a home, you should definitely have someone who represents your interests during the whole process.”



**Consumers want an
open and fair housing
marketplace.**

FACT #6

Fiction

“Consumers do not understand the benefits of owning a home.”



“Renting is a popular choice for many so there’s no desire among consumers to make homeownership accessible.”



Data

Source: Bright MLS, Why Buyer's Agents are Important

In the same Bright MLS study from December 2023, **88% of participants responded "Yes"** when asked if it's important to make homeownership accessible to as many people as possible.



Consumers think real estate agents are knowledgeable, good negotiators.

FACT #7

Fiction

“Consumers do not value agents and only think of them as a hindrance in the home buying process.”



“Consumers are unable to identify the skillset agents bring to a transaction.”



Data

Source: Bright MLS, Why Buyer's Agents are Important

Top 5 Characteristics Associated with a Real Estate Agent or Broker

Knowledgeable
Negotiation Skills
Detail-Oriented
Good Communicator
Friendly



Consumers believe an agent or broker is essential during the complex homebuying process.

FACT #8

Fiction

“Consumers prioritize cost savings over the perceived benefits of buyer representation.”



“Consumers argue that having fewer parties involved in the transaction can streamline the process and reduce overall costs for both buyers and sellers.”



Data

Source: Bright MLS, Why Buyer's Agents are Important

Share of Respondents Who Agreed or Strongly Agreed with the Statement

It would be very stressful to navigate the homebuying process without a real estate agent or broker.

91%

A real estate agent or broker is an essential, trusted advisor for a homebuyer.

87%



Agents and brokers provide a range of valuable services.

FACT #9

Fiction

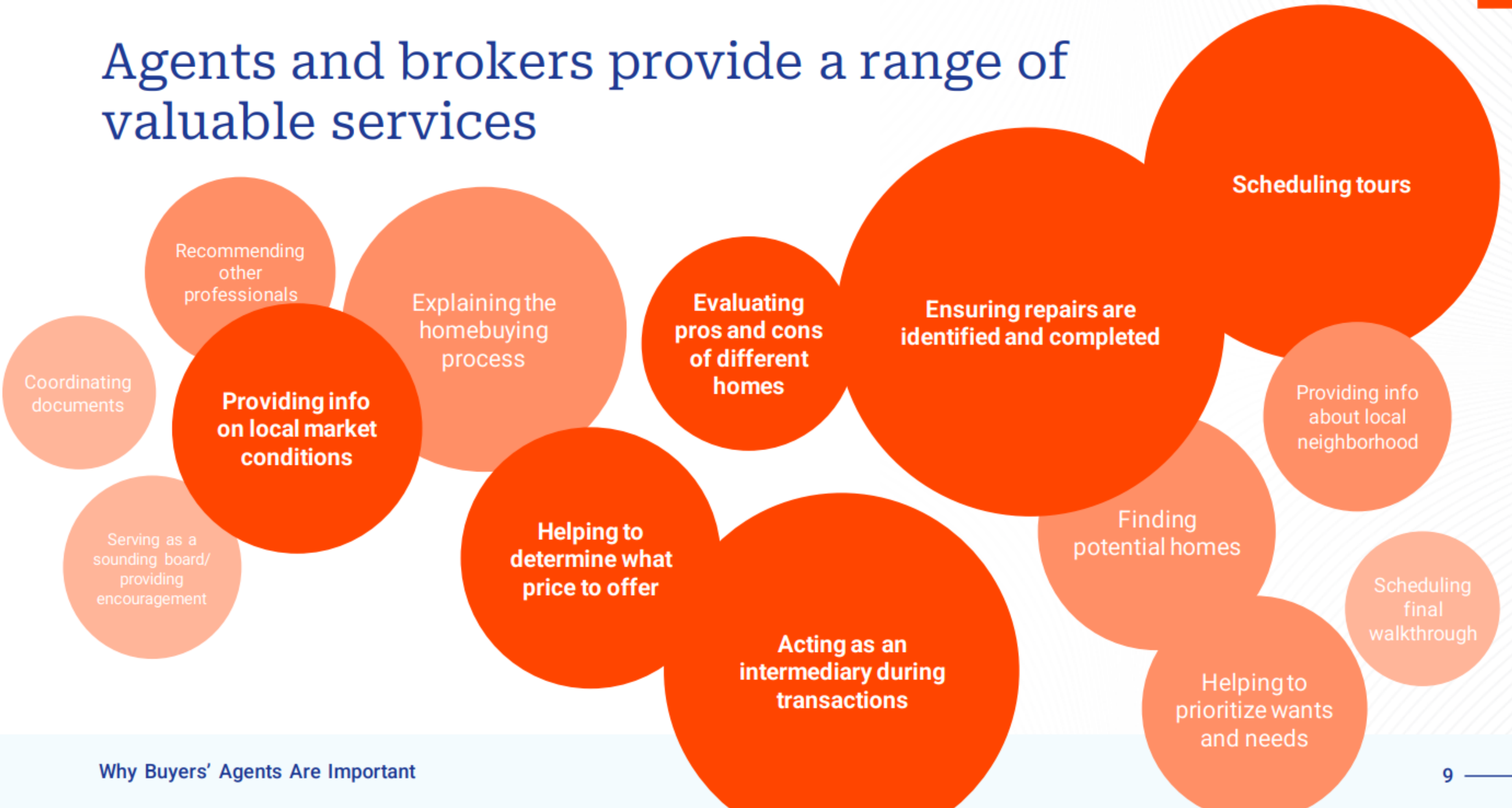
“Agents simply show clients properties and then they remain hands-off during the rest of the process.”



“There is a very limited amount of tasks an agent is able to complete for a buyer.”



Agents and brokers provide a range of valuable services





Most prospective homebuyers believe agents provide more value than an online real estate portal.

FACT #10

Fiction

“Consumers are using online portals to purchase homes and are therefore not seeking to do business with a REALTOR®.”



“The public believes that online real estate portals offer the same value as a REALTOR®.”



Data

Source: Bright MLS, Why Buyer's Agents are Important

Nearly all participants (91%) had visited an online real estate portal and value the convenience of these sites, along with the range of information available.

However, most agreed that while you can view homes online, it's still important to work with an agent, emphasizing human interaction, as well as the knowledge and expertise that is not available through an online portal.

Summary of Facts

1. Agents prioritize the consumer's interests throughout the homebuying process.
2. Home prices are unaffected by agent commissions.
3. Listing a home on the MLS creates an open and fair housing marketplace.
4. Homebuyers highly value a knowledgeable, professional buyer's agent.
5. Consumers think it is important for buyers to have representation.
6. Consumers want an open and fair housing marketplace.
7. Consumers think real estate agents are knowledgeable, good negotiators.
8. Consumers believe an agent or broker is essential during the complex homebuying process.
9. Agents and brokers provide a range of valuable services.
10. Most prospective homebuyers believe agents provide more value than an online real estate portal.

Sources

Sturtevant, Dr. L. (2024, April 12). *Fact or Fiction? Dispelling Myth About Real Estate Comissions and the MLS*. Bright MLS.

<https://www.brightmls.com/article/fact-or-fiction>

(2024, March) *Why Buyers' Agents Are Important Demonstrating Your Value in a Changing Real Estate Market*. Bright MLS



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