



Powering the Region's Real Estate Industry

NORTHWEST
MULTIPLE LISTING SERVICE®

For Immediate Release

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**NORTHWEST MLS'S MEMBERS PROVIDE BUYERS AND SELLERS WITH CHOICES, CONTROL,
AND COMPLETE TRANSPARENCY**

KIRKLAND, Washington – November 3, 2023 – The nearly \$1.8 billion jury verdict in a home seller's class action lawsuit in Missouri against the National Association of Realtors and large brokerage franchisors has consumers and brokers in Washington state asking questions about residential real estate brokerage. The jury found that the defendants conspired to artificially inflate commissions paid to real estate brokers based on a mandatory National Association of Realtors' rule that requires the seller, via the listing broker, to offer compensation to the buyer's broker.

Since 2019, Northwest MLS (NWMLS) has spearheaded initiatives that afford buyers and sellers more information about broker compensation in their transaction and clear opportunities to negotiate their broker's compensation. Those initiatives also serve to promote innovation and competition among brokers.

NWMLS, which serves the vast majority of Washington state including the greater Puget Sound region, is owned by its member real estate firms and not affiliated with the National Association of Realtors. Unlike other MLSs, NWMLS's system provides buyers and sellers with choice, negotiation opportunities and transparency of broker compensation.

In 2019, NWMLS eliminated the requirement imposed by other MLSs that a seller, via the listing broker, offer compensation to the buyer's broker. At the same time, NWMLS was the first listing service in the country to publish the amount of compensation offered to the buyer's broker. These changes were NWMLS's first steps toward providing buyers and sellers with increased understanding, choice and control of how they compensate their real estate broker.

In 2022, NWMLS again led the industry by providing even [more transparency and flexibility](#) for buyers, sellers, and brokers. The most notable changes included:

- "De-coupling" broker compensation, meaning that any compensation the seller chooses to offer the buyer broker is set and paid by the seller — not the listing broker; and
- Any compensation the seller chooses to offer to the buyer broker is prominently stated on the first page of the purchase and sale agreement, with an opportunity for the compensation to be accepted by the buyer and the buyer's broker or separately negotiated by the parties.



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NWMLS's most recent efforts to promote choice, negotiation opportunities and transparency are revisions to the Washington state "[Agency Law](#)" that will go into effect on January 1, 2024. The new law will require brokers to enter into a written services agreement to represent either a buyer or a seller. All agreements must comprehensively address the broker's compensation, the scope of representation and all related terms. With the revised Agency Law and NWMLS's system, buyers will agree on how much to pay their own brokers, and buyers can then negotiate for the seller to help cover that cost as part of the purchase.

"Due to the changes that Northwest MLS and its members have made, sellers and buyers are, with ever increasing frequency, availing themselves of the opportunity to negotiate compensation with their brokers," said Justin Haag, NWMLS general counsel. "The upcoming revisions to the Agency Law will enhance these efforts by requiring compensation be negotiated by the parties as soon as the broker begins to provide services to a buyer or seller and also serve to further promote innovation and competition."

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About Northwest MLS

As the leading resource for the region's residential real estate industry, Northwest MLS provides valuable products and services, superior member support, and the most trusted, current residential property and listing information for real estate professionals. Northwest MLS is a member-owned, not-for-profit organization with more than 2,500 member offices and 30,000+ real estate brokers throughout Washington state. With extensive knowledge of the region, Northwest MLS operates 20 service centers and serves 26 counties, providing dedicated support to its members and fostering a robust, cooperative brokerage environment. Northwest MLS now offers a home listing search and comprehensive broker database at nwmls.com.