



## **Effects of recent legislation on real estate commissions and marketing strategies**

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### **Abstract**

This article addresses two interrelated areas of contemporary real estate research: emerging industry trends and the transformative impact of artificial intelligence (AI). The first component analyzes commission structures, marketing, and lead generation strategies, as well as the National Association of Realtors (NAR) lawsuits and settlements. While commissions remain steady overall, pressures are most evident in high-value transactions. Marketing innovations emphasize immersive digital tools and multi-channel outreach, while policy changes reshape how the disclosure and negotiation of broker compensation. This article synthesizes recent commentary and evidence on U.S. residential real estate commissions, the NAR's settlement rule changes, and current seller-lead and marketing tactics. The second component examines how AI is reshaping these same dynamics. AI tools are improving lead generation, enhancing property marketing, and enabling predictive pricing, while also introducing new compliance and fair housing challenges. As NAR settlement rules mandate written buyer-broker agreements and off-MLS compensation disclosures, AI provides opportunities to automate documentation and establish audit trails. At the same time, risks such as algorithmic bias, misleading marketing, and regulatory oversight highlight the need for ethical frameworks. Together, these projects provide a roadmap for agents, brokers, and consumers navigating both structural industry shifts and the technological transformation underway.

**Keywords:** Real estate; artificial intelligence; commissions; NAR; MLS; marketing



## 1. Summary of Recent Impactful Litigation

Moehrl v. National Association of Realtors, et al., 2023, examined allegations that NAR's cooperative compensation rules inflated broker commissions. The court granted class certification, allowing sellers to challenge buyer-broker fees. (United States District Court, 2023). Burnett v. National Association of Realtors, et al., 2024, resulted in a jury finding NAR liable for conspiring to inflate commissions. The verdict triggered significant settlements and policy changes (United States District Court, 2024a). Batton I and Batton II v. National Association of Realtors, et al., 2024, alleged collusion to inflate buyer-broker commissions. NAR settled for \$418 million, mandating structural (United States District Court, 2024b).

Effective August 17, 2024, MLSs can no longer display broker compensation. Compensation can still be shared off-MLS via websites, flyers, or email. Buyer-broker agreements must be written before tours. Agents must formalize client intake early. MLS banned broker compensation display, mandatory buyer-broker agreements, and liability releases for most NAR members. This reshapes industry norms, leading to greater transparency.

## 2. Industry Implications

Between late 2024 and 2025, multiple trade and consumer outlets reported that average buyer-agent commissions have held steady rather than falling broadly, with variations by price tier (HousingWire, 2024; Yahoo Finance, 2024). Reports note a modest decline in the \$1M-plus segment, compared to relative stability in sub-\$500k homes, and a slight dip in the \$500k-\$1M band. Forbes Advisor (2024) also emphasizes muted changes in fees after settlement and the softening at the high end. Consumer outlets have observed that commissions have not fallen dramatically despite new rules, as many sellers still agree to cover buyer-broker compensation to keep deals together (Kiplinger, 2025; The Washington Post, 2025).

### 2.1 Implications for buyers and sellers

There are significant industry standards that were and were not impacted by the recent litigation. First, the "Off-MLS," mandatory buyer agreements, and Code of Ethics guardrails took effect on August 17, 2024. These new mandates may no longer offer broker compensation as a means of communication via the MLS; however, cooperative compensation remains legally permissible through off-MLS channels, such as websites, emails, signs, and flyers (NAR, 2024a). A second shift requires MLS participants working with buyers to have a written representation agreement in place before touring homes, which must include a conspicuous statement stating that commissions are negotiable (NAR, 2024b). NAR's "Window to the Law" and other resources underscore that while MLS display rules changed, parties may still negotiate compensation terms off-MLS, and buyer concessions can still be listed on the MLS if not contingent upon paying a buyer's broker (NAR, 2024c). The Code of Ethics continues to prohibit buyer-brokers from attempting to alter a listing agreement's terms, reinforcing that compensation must be explicit (NAR, 2025).



News and legal practice explainers emphasize the benefits of transparency but caution that average commission levels may take time to recalibrate as participants adjust to new negotiation venues and documentation requirements (Reuters, 2024). Consumer-facing NAR pages guide buyers through the new written-agreement requirement, noting that offers of compensation remain a choice that can be pursued outside of the MLS (Dulles Area Association of Realtors, 2024; NC Realtors, 2024).

## 2.2 Commission trends

Commissions remain steady overall, with slight declines since August 2024. High-end homes show sharper commission drops due to seller pressure. Agents should anticipate increased negotiation and defend value with data. Redfin reports that agent commissions have remained steady across most housing segments, with slight decreases noted in higher-value markets. Despite the NAR settlement, the overall structure of commissions has not undergone significant changes, indicating market inertia and seller willingness to cover buyer-agent costs (Redfin, 2024). Redfin's analysis reveals minimal change in commission levels months after the NAR settlement. The findings suggest that structural industry practices and seller behaviors continue to maintain traditional commission norms (Redfin, 2025a). This research indicates that buyer-agent commissions have rebounded to pre-settlement levels, highlighting the resilience of traditional commission structures (Redfin, 2025b).

## 2.3 Marketing & seller leads

The pressure is on real estate professionals to increase marketing with measurable lift, utilizing tools such as immersive media and social video. Matterport's marketing ideas emphasize virtual tours, floor plans, and immersive 3D as conversion assets (Matterport, 2025). Broader lists stress local SEO, consistent short-form video, email campaigns, and market updates (HighNote, 2025). HubSpot's lead-gen guidance aligns with real estate practices, which include defining ideal clients, segmenting content, and utilizing inbound capture to convert attention into booked appointments (HubSpot, 2023–2025).

Current evidence suggests that commissions have not collapsed system-wide; compensation discussions have shifted location (off-MLS) and format (written buyer agreements), rather than legality; and marketing leaders are doubling down on credibility signals, immersive property media, and targeted capture to win listings in a more transparent, paperwork-heavy process. Lead generation is critical. Generating seller leads in this unfamiliar environment requires relationship flywheels, authority content, and targeted ads. A relationship flywheel is the idea that small, consistent actions in building and nurturing client relationships create compounding momentum over time. (Robert, 2024). The Close's 11 Proven Strategies (2024) accentuates referral cultivation, community presence, niche authority content, and paid ads with capture funnels (The

Close, 2024). Housing Wire's playbook adds tooling suggestions and emphasizes multi-channel consistency to stabilize a seller-lead pipeline (HousingWire, 2025). Strategies include referrals, video marketing, community events, 3D tours, gamification, SEO, webinars, and influencer collaborations. A balanced digital + traditional marketing mix is most effective. Smith (2024) provides eleven strategies for generating seller leads, including referrals, digital marketing, and niche expertise. These include building referral networks, hosting community events, optimizing online presence, leveraging digital ads, offering home valuation reports, creating market reports, developing niche specialization, utilizing email campaigns, networking, producing video content, and delivering exceptional customer service (Smith, 2024). Taylor (2024) offers twenty-five tactical approaches, such as SEO optimization, video marketing, community engagement, and more advanced methods, including professional photography, virtual tours, podcasting, partnerships, retargeting ads, and hyperlocal SEO. These strategies stress the importance of visibility, authority building, and consistent engagement across multiple channels (Taylor, 2024). Matterport (2024) outlines innovative marketing tactics, including immersive 3D tours, virtual staging, and interactive floor plans. These tools allow buyers to visualize properties remotely, create engaging marketing campaigns, and highlight neighborhood features. The emphasis is on enhancing buyer engagement through immersive media (Matterport, 2024).

A comparative overview of marketing strategies and ideas for real estate professionals, based on Smith (2024), Taylor (2024), and Matterport (2024), highlights several key aspects of real estate marketing, but their recommendations overlap in several areas. All three sources highlight the importance of leveraging digital tools and multimedia to attract and engage clients. Smith (2024) and Taylor (2024) both advocate for referrals and networking, emphasizing that relationships with past clients, local businesses, and professional partners are crucial for generating new leads. Similarly, Taylor (2024) and Matterport (2024) converge on the use of video and interactive media—Taylor through video tours and testimonials, and Matterport through immersive 3D tours and virtual staging—to enhance property visibility and buyer engagement. Both Smith (2024) and Taylor (2024) also emphasize the importance of digital advertising and SEO optimization in enhancing online reach, aligning with Matterport's (2024) focus on leveraging advanced technology tools for increased visibility. Collectively, these sources demonstrate that effective marketing necessitates a combination of relationship-driven outreach, consistent digital presence, and engaging multimedia strategies that cater to evolving consumer expectations.

### **3. Impact of Artificial Intelligence on Real Estate**

Any marketing strategies should align with platform innovations, such as Zillow's AI-driven search and Showcase which enhance the buyer experience while raising concerns about affordability and bias Showcase (The Verge, 2024; Zillow Group, 2024a, 2024b; Zillow Tech, 2025). AI adoption is accelerating. Deloitte forecasts integration of generative AI for property valuation, marketing automation, and portfolio management, while noting risks of bias (Deloitte,

2023, 2024). Matterport's platform updates demonstrate how AI automates property intelligence and listings (Matterport, 2024a, 2024b, 2024c). NAR encourages AI-use policies, while the National Fair Housing Alliance stresses the alignment of AI innovation with fair housing protections (National Association of REALTORS, 2024c, 2025; National Fair Housing Alliance, 2025).

Kandipati (2025) investigated the current application and challenges of artificial intelligence in the real estate industry to synthesize research on AI in real estate and identify knowledge gaps (Kandipati, 2025). AI applications encompass valuation, automation, predictive analytics, and decision support, ensuring consistent adoption and mitigating challenges related to data quality and standardization issues. AI enhances valuation accuracy and efficiency, but it also faces ethical concerns, such as bias and transparency issues (Kandipati, 2025). Algorithmic bias and lack of explainability may disadvantage certain groups of buyers and renters (Kandipati, 2025). Compliance with fair housing laws and consumer protection regulations is essential (National Fair Housing Alliance, 2025). The development of standardized data frameworks to incorporate fairness testing and establish clear disclosure practices for AI-assisted valuations (Kandipati, 2025). Jafary et al. (2025) discuss how Building Information Modeling (BIM) can be integrated with AI and machine learning to improve property valuation (Jafary et al., 2025). They evaluate the potential of combining BIM with AI to improve valuation processes. Integration reduces manual work, improves accuracy, and increases efficiency (Jafary et al., 2025). The approach offers value but is limited by interoperability issues, costs, and skills shortages (Jafary et al., 2025). Dependence on algorithmic outputs may reduce human oversight and professional judgment. However, potential liability issues arise if AI-generated valuations are inaccurate or discriminatory (Jafary et al., 2025). The development of professional training standards requires human-in-the-loop oversight and alignment of AI valuation with regulatory guidelines (Jafary et al., 2025). Emerald (2025) examines the factors that influence the adoption of AI technologies in property management, exploring how AI is applied in this context and the related barriers to adoption (Emerald, 2025). AI is utilized for predictive maintenance, tenant services, and energy efficiency, resulting in improved workflows and cost savings (Emerald, 2025). AI offers significant benefits, but financial, organizational, and privacy barriers slow adoption, and there is the risk of surveillance over tenants, privacy breaches, and inequitable service delivery (Emerald, 2025). Real estate professionals must comply with tenant rights, data privacy laws, and landlord-tenant regulations (Emerald, 2025; National Fair Housing Alliance, 2025). Professionals must implement transparent tenant consent policies, conduct regular audits to ensure compliance, and establish ethical guidelines for AI adoption (Emerald, 2025; National Fair Housing Alliance, 2025).

Al-Haimi et al. (2025) examine how AI is influencing digital transformation strategies in the real estate industry, analyzing AI's role in real estate digital transformation and its broader impacts (Al-Haimi et al., 2025). The authors find that AI streamlines analytics, enhances customer

engagement, and supports automation, but faces challenges of bias and regulatory lag. Furthermore, they note that governance frameworks are necessary to balance innovation with accountability (Al-haimi et al., 2025). Ethical implications suggest potential bias in algorithms could reinforce housing inequalities; lack of transparency undermines consumer trust (Al-haimi et al., 2025). . Therefore, regulators must ensure that AI systems meet fair housing standards and avoid deceptive practices by adopting ethical AI policies, increasing regulatory clarity, and promoting workforce training in the responsible use of AI (Al-Haimi et al., 2025).

Wu et al., 2024 investigate how big data and AI can be leveraged to improve realty management capabilities (Wu et al., 2024). The authors designed and tested a framework combining AI with big data for real estate management (Wu et al., 2024). The research results indicate that such forecasting with AI with big data improves forecasting and operational efficiency but faces risks of unreliable data and overfitting but if used correctly can provide firms with a competitive advantage but requires careful data governance (Wu et al., 2024). The risk of reinforcing inequities in tenant selection and creditworthiness assessment is an earnest consideration, and industry professionals must align with data protection laws and anti-discrimination statutes by establishing robust data validation processes, strengthening compliance mechanisms, and monitoring fairness outcomes.

### **3.1 Implications for practice**

The literature reveals a complex environment where commission structures are under scrutiny, while marketing practices evolve through the integration of AI. For real estate professionals, success depends on transparency in compensation, adoption of tech-enabled marketing, and proactive compliance with antitrust and fair housing regulations. The convergence of consumer protection, legal oversight, and innovation suggests that real estate practice will continue to evolve, requiring adaptability and ethical leadership. AI reduces operational inefficiencies and accelerates transaction workflows, which could compress commission margins, especially in high-value markets. However, agents who deploy AI tools to enhance data-driven pricing and improve client experience can justify premium fees.

AI enables hyper-personalized campaigns, predictive lead scoring, and the creation of immersive content. Zillow and Matterport have introduced AI-driven search and property intelligence tools. Agents leveraging these technologies can improve reach and differentiate their services. AI-powered automated valuation models (AVMs) and predictive analytics provide real-time comps, price bands, and neighborhood trends. These tools support more accurate listing presentations and strategic adjustments, but must be used with disclosure of limitations. New rules prohibit displaying offers of compensation on MLSs and require written buyer-broker agreements. AI can streamline compliance by automating drafting, facilitating digital signatures, maintaining audit trails, and enabling monitoring. However, generative AI outputs must align with regulations to avoid ethical breaches.

### 3.2 Fair housing and ai risks legal and ethical oversight

Federal and legal bodies are monitoring the application of AI in housing and marketing. The FTC (2024) launched “Operation AI Comply” to combat deceptive AI claims, while Holland & Knight (2025) noted ongoing evaluations (FTC, 2024; Holland & Knight, 2025). HUD has issued warnings on AI-driven housing discrimination (Cohn Reznick, 2024; Nextgov, 2024). These developments highlight the convergence of antitrust enforcement and AI regulation, pressuring firms to adopt compliance-focused strategies. AI-based tenant screening and targeted advertising risk reinforce discrimination. HUD has warned about the potential for AI-driven bias in housing. Brokers and agents must adopt AI use policies and implement bias testing to comply with fair housing laws.

### 4. Key Takeaways

The National Association of Realtors', May 23 article, *Window to the Law: Understanding new rules on offers of compensation* explains NAR policy changes that prohibit MLS systems from displaying offers of compensation. Compensation must be negotiated off-MLS (National Association of Realtors, 2024a). The National Association of Realtors, May 24 article, *What the NAR Settlement Means for Home Buyers and Sellers* outlines consumer implications of the settlement, including mandatory buyer-broker agreements and negotiable commissions. (National Association of Realtors, 2024b). Both articles suggest that Agents should emphasize written value propositions, brokers must train their teams on compliance, and clients need education on the new realities of commissions. Transparency and adaptability are essential.

Currently, commission rates are steady but pressured at the high end; however, practical marketing innovation remains vital. The recent legal settlements have reshaped compensation rules and relationships, and the future success of the industry depends on proactive client education and transparency. Sellers have more flexibility in offering concessions; buyers may face direct costs for broker services. Agents must comply with new disclosure and agreement rules, while emphasizing the value they bring. Therefore, real estate agents must emphasize written value propositions. Artificial intelligence is here to stay, so real estate agents and brokers must be initiative-taking and responsible. Professionals should consider adopting predictive analytics for lead generation, combining AI-driven content with human oversight, utilizing contract automation for compliance, and implementing ethical AI guidelines with an emphasis on transparency, client education, and accountability. There exist four themes recurring themes across research: (1) the need for data foundations (clean, labeled, privacy-compliant data); (2) model governance (bias testing, explainability, version control); (3) workflow integration (clear handoffs between AI and human review); and (4) measurable outcomes (accuracy, time-to-listing, cost-to-serve). A minimal playbook for brokerages and property managers should include a data inventory and retention policy, vendor due-diligence checklists (security, bias, and performance attestations), pilot metrics



(valuation error bands, vacancy-day reduction, lead-to-appointment conversion, etc.), and training modules on fair housing compliance in AI-assisted workflows.

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