HUDSON VIEW REALTY

Paula M. Brown
Licensed Real Estate Broker

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NEW REAL ESTATE PRACTICES IN NEW JERSEY:
What Buyers Need To Know

Why Did the Rules Change?

In August 2024, both National Association of Realtors® and many state laws – including in New Jersey – updated how real estate professionals are compensated. These rules ensure transparency and require clear written agreements before any property tours or in-depth real estate discussions occur.

Key Changes for Buyers

1. Buyer Representation Agreement Required

To tour most homes, buyers must sign a **Buyer Representation Agreement** outlining:

- The services your agent provides
- How your agent will be compensated
- Your mutual responsibilities

Exception:
You may attend an **Open House** without a signed agreement, but cannot discuss confidential matters, receive advice, or negotiate without either:

- Hiring a buyer's agent, or
- Signing a Dual Agency disclosure and Buyer Representation Agreement with the listing agent.

2. Who Pays the Buyer's Agent?

- Buyers are **not obligated** to pay sellers' agents.
- Sellers are **not obligated** to pay buyers' agents.

Your agreement will specify your agent's compensation.
Often, it states: **"unless the seller agrees to pay it."**
This makes compensation a **negotiable part of the offer.**

Many sellers still offer buyer-agent compensation to attract more showings and remain competitive—but they are not required to. Note that if the seller offers to pay some but not all of the amount your agreement specifies, you may be obligated to pay the difference and can factor that into your purchase offer.

3. Will This Increase My Costs?

Not necessarily. Buyers and sellers will continue negotiating:

- Price
- Fees
- Credits and concessions
- Net costs for each side

4. What Should You Review with Your Agent?

✓ Agent's services
✓ Compensation terms
✓ Whether they will first seek seller-paid compensation
✓ How fees may be handled during offers
✓ Options for financing or negotiation

Have Questions?

Your licensed real estate agent or attorney can explain how these changes apply to your specific situation and help you navigate the process with confidence. For detailed information about broker representation in New Jersey, please read the following Consumer Information Statement from New Jersey Real Estate Commission.

If you have further questions, please feel free to contact Hudson View Realty for a confidential, candid conversation.

Sincerely,

Paula M. Brown
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