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Redfin Leaving National Association Of Realtors

By [Andrew McIntyre](#)

Redfin is leaving the [National Association of Realtors](#) over concerns about fees and alleged sexual harassment patterns, the brokerage firm said Monday.

The company in June resigned its national board seat from the association prior to reports surfacing about retribution and intimidation at the company, and now will require most of its agents and brokers to leave NAR, Redfin said Monday.

"We'd already been uncomfortable with the NAR's positions on commissions when we read reports of sexist behavior and sexual harassment, by the NAR's president and others, based on interviews with 29 former NAR employees," Redfin said in a statement Monday.

On the fee question, Seattle-based Redfin opposes NAR's policy that requires every listing to have buyer's agent fees.

Experts say doing away with that rule would shake up the real estate brokerage space.

"If buyers have to pay out of pocket for their agents, they might choose to not hire agents, or might pay by the hour," Carol Caprio, a broker at [Douglas Elliman Real Estate](#) and vice president of Monarch Estate Services LLC, said. "Potentially, the commissions will go down. ... The glut of agents would probably become more glaring, and you'd probably see a mass exodus from the industry."

NAR "needs to be upheld to a certain level, because it's a nonprofit and it has such a large influence." Caprio added.

Redfin's decision to leave NAR comes on the heels of allegations of sexual harassment there.

[The New York Times](#) in August reported stories from three women who claimed then-NAR President Kenny Parcell sexually harassed them, and Parcell resigned in late August amidst the paper's investigation.

"When someone like Redfin comes in and creates this bit of commotion, we're taking a look. There could be a ... shift in the industry. I think it's time," Caprio said.

A statement to Law360 on Monday from Mantill Williams, NAR's vice president of communications, said "agent compensation is set between brokers and their clients and has always been negotiable at any point in the transaction."

"Redfin told us in June they were planning to separate from NAR, and we respect their choice to do so. The U.S. model of local MLS broker marketplaces has long been — and still is — considered the best value in the world. NAR stands by its pro-consumer, pro-competitive guidance for affiliated local broker marketplaces that ensure equity, efficiency, transparency and market-driven pricing options for home buyers and sellers," Williams said in a statement sent to Law360 on Monday.

The Redfin departure from NAR also shines a renewed spotlight on the question of buyer commissions.

NAR is currently being sued in federal court on allegations that the industry-wide rule that sellers pay the buyer's commission keeps commissions artificially high.

"This news is really another example of the worry in the national real estate market concerning the NAR lawsuit changing the game as to how brokerage commissions are made," Michael Romer, managing partner at [Romer Debbas LLP](#), said. "This is another ripple effect of that pending litigation, and time will tell how it will impact the rest of the market."

Multiple brokerage firms recently reached [settlements](#) in commission fee [litigation](#).

And just what exactly that model will look like following Redfin's departure from NAR and the NAR litigation remains to be seen.

"It's kind of becoming outdated, that model," said Aaron Rafferty, CEO of tech company StandardDAO, which recently released an AI-driven platform CRE Hawk, on the NAR brokerage fee model. "I would say [Redfin is] at the front of this and there are going to be more groups that are smart that are probably going to do the same. I would see this trend continuing."

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