

# Room to Grow...

## The Real Estate World has Changed

I enjoy sharing current market conditions, personal stories about helping clients and trends for the future of real estate. This month, I will mix information that enlightens readers about all three categories. Let me encourage you to review this so that you will be an informed consumer.

At a national level the National Association of Realtors signed a settlement agreement to resolve a series of lawsuits against the organization. The key issue in the lawsuits was the practice of “tying,” whereby NAR members required that commissions paid to **Buyer** agents be set by the seller’s agent when a home was listed. These NAR practices dominated the realty market in the US since 90% of homes are listed via various multiple listing services (MLS). The settlement has upended the entire realty market and meaningfully changed how Americans buy and sell homes. Nationally, Americans have paid around \$100 Billion in real estate commissions. The agreement also has the potential to impact the U.S. economy more broadly.



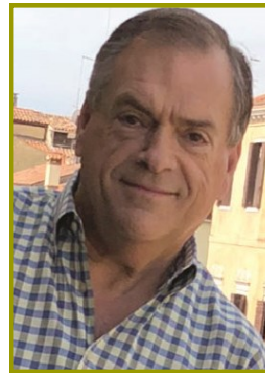
Previously, most MLS mandated that **Buyers’** agents be offered a commission which was typically paid by the seller at closing. This model was shown to inhibit competition and drive up fees. Under tying arrangements, the compensation of a **Buyer’s** agent is established before the buyer can be sure of the quantity or quality of the services buyer agents will provide. The courts found that this arrangement made it harder for buyers to negotiate fees. This “tying” of fees paid also made sellers offer higher commissions to maximize the chance they sell their home. Research showed that sellers offering less than a 2.5% commission had a 5% less chance of being sold, and those that did sell would spend an average of eight additional days on the market.

Exactly how these changes will be implemented is evolving as we all adapt to the new model. A few early observations and possible outcomes that are being discussed include:

1. **Sellers** may still offer seller paid compensation to buyer agents, but the system will evolve to a model currently used in the commercial real estate world. Prior to showing a listing the **Buyer** agent will reach out directly to the **Seller** agent to learn what, if any, concession the seller is willing make for bringing the buyer, since this information will not be widely distributed as before. And typically, the amount of seller made commission is related to the “adequacy” of the offer.
2. Prior to engaging in any active work for a potential buyer, the agent will need to make clear in a written document what compensation will be expected from the potential buyer. This includes showing a potential buyer a home in person or virtually via FaceTime or any other manner.
3. A “fee for service” arrangement may be the wave of the future for buyer agents. For example, an agent could charge a flat fee for showing any home or for conducting showings of multiple homes along with additional fees for tasks such as scheduling and facilitating inspections, appraisal and details of closings, if the property actually goes under contract.
4. It is anticipated that the number of realtors may decline by at least 20% as a result of these changes.

Use of internet search capabilities has had a significant impact upon the real estate industry, and it is believed this recent court decision will be even more impactful. These changes are still awaiting final approval from the Department of Justice.

**Give Sam a call @615.210.6057 or email to [slc.samcoleman@gmail.com](mailto:slc.samcoleman@gmail.com) about anything “real estate,” I love hearing from you.**



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## Aging Gracefully

### Insights About Growing Older

- *Getting older is no problem. You just have to live long enough.*  
~Groucho Marx
- *Getting old is like climbing a mountain; you get a little out of breath, but the view is much better.* ~Ingrid Bergman
- *Cherish all your happy moments; they make a fine cushion for old age.*  
~Christopher Morley
- *Wrinkles will only go where the smiles have been.* ~Jimmy Buffet
- *Growing up is mandatory, but growing old is optional.* ~Walt Disney
- *Age is something that doesn't matter unless you are a cheese.* ~Billy Burke
- *It's not how old you are. It's how you are old.* ~Jules Renard
- *We are always the same age inside.*  
~Gertrude Stein
- *Getting old is like climbing a mountain. You get a little out of breath, but the view is much better.* ~Ingrid Bergman
- *It matters not how long we live but how.*  
~Philip James Bailey
- *The best tunes are played on the oldest fiddles.* ~Ralph Waldo Emerson.
- *Laughter is timeless. Imagination has no age. And dreams are forever.*  
~Walt Disney
- *Age is simply the number of years the world has been enjoying you.*  
~Unknown
- *Nice to be here? At my age it's nice to be anywhere.* ~George Burns

## June Home Sale Breakdown

Total June Closings	3,038
Residential	2,431
Condo	435
Multi-family	19
Farm/Land/Lots	153
June - Days on Market	44
Pending Sales	2,703
Median Price Residential	\$505,000
Median Price Condo	\$345,000

## More About Upcoming Changes in the “Realtor World”



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Beginning August 17th, any MLS participant “working with a buyer” will be required to enter into a written agreement with the buyer prior to touring a home, including both in-person and live virtual tours. This is pursuant to the NAR settlement and should include the following:

1. Specific and conspicuous disclosure of the amount or rate of compensation the realtor will receive or how this amount will be determined, to the extent that the realtor will receive compensation from any source.
2. The amount of compensation in a manner that is objectively ascertainable and not open-ended.
3. A term that prohibits the realtor from receiving compensation for brokerage service from any source that exceeds the amount or rate agreed in the agreement with the buyer.
4. A conspicuous statement that broker fees and commissions are not set by law and are fully negotiable.

Before touring any home a potential buyer should be asked to sign a written agreement. This includes in-person and live virtual home tours. Such a form is not required prior to speaking with a potential buyer at an open house or answering questions about services you might provide. A seller may agree to offer compensation to an agent, but this cannot be shared on the multiple listing service which is used to share information about properties for sale. Practically speaking, a good portion of my business is touring homes with candidates for positions with larger employers who ask me to ‘show the candidate/family member around town.’ However, some are suggesting the system will convert to a “fee for service” arrangement whereby an agent will be able to charge for conducting such tours, actually showing a home or connecting potential clients with lenders, inspectors, school resource, etc. This is a seismic shift in how the real estate industry is being forced to change. All firms are working diligently to move to this new model, but the industry is also awaiting final approval from the Department of Justice of these planned changes.

**Stay tuned to learn the latest as further developments may occur.**

## The Silver Surge - How Tennessee Seniors are Shaping the Housing Market

Tennessee is experiencing a significant demographic shift, marked by a rapid increase in our senior population. Between 2000 and 2025, the 65 and up demographic in Nashville alone grew by 13%, outpacing all other age groups. The trend is not isolated to Nashville; it reflects a broader statewide pattern. There has been a noticeable increase in the proportion of seniors moving to Tennessee from other states. In 2021, 1.8% of the Volunteer state seniors had relocated from another state, up from 1.5% in 2019. A 2023 analysis by the University of Tennessee highlights that the state’s retirement age is expanding nearly three times faster than the 25-54 age bracket. State projections suggest that the number of Tennesseans aged 50 and older will increase by over 300,000 in the next decade.

The implications for the housing market are multifaceted. First, there is a growing demand for age-friendly housing options, including single-story homes, accessible apartments and retirement communities. Builders and developers will need to prioritize features such as wider doorways, step-free entrances, and other accessibility modifications to cater to this demographic. Moreover, the increase in the senior population will likely boost demand for amenities for aging in place. This includes proximity to healthcare facilities, recreational opportunities and community centers. Neighborhoods that offer a blend of these elements will become increasingly desirable. The absence of a state income tax and the relative affordability of housing make Tennessee an attractive destination for both working and retirement age households.

## Sam’s Nibbles & Bits - It’s Summertime - Time to keep it Easy and Good

*A nice morning is having a good coffee cake served warm with your favorite coffee!*

### Cowboy Coffee Cake

- |                        |                           |
|------------------------|---------------------------|
| 2 1/2 cups plain flour | 2 cups dark brown sugar   |
| 1/2 teaspoon salt      | 2 teaspoons baking powder |
| 1/2 teaspoon soda      | 1/2 teaspoon cinnamon     |
| 1/2 teaspoon nutmeg    | 1 cup buttermilk          |
| 2 well beaten eggs     | 2/3 cup melted butter     |

Combine flour, sugar, salt and butter, mix until crumbly. Reserve 1/2 cup of mixture to sprinkle over batter once in pan. To the remaining crumbs add soda, baking powder and spices; mix well. Mix eggs and milk in a separate bowl until smooth. Add this mixture to the flour mixture. Pour into an 8 inch square pan that has been buttered and floured. Sprinkle crumbs over. Bake at 375° for 25-30 minutes. Do not overbake.

### Limoncello Champagne Cocktail with Mint

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|---|-------------------------------|
| 1/2 cup fresh mint leaves                               | 1/4 cup Limoncello            |
| 2 tablespoons sugar                                     | 4 teaspoons fresh lemon juice |
| 1 cup (approximate) chilled Champagne or sparkling wine |                               |

Place limoncello, sugar and lemon peel strips in blender; blend until mint is finely chopped (lemon peel will be coarsely chopped). Strain mixture into small cup. Discard solids. Dip glass or flutes in lemon juice and roll into sugar. Divide strained mixture into 4 glasses. Top w/ champagne.

