

PERSPECTIVE

President's Message



Roy Fritz, CCIM

2024 Southern Nevada
CCIM Chapter President

Dear Sponsors, Members, and Friends of SNCCIM,

With the holiday season in full swing, the full court press is on to close those last couple deals before the end of the year, get out the Christmas cards, client gifts and personal shopping completed all while managing all the holiday travel and parties. It is the best time of the year but also one of the most stressful times of the year. When you do have a moment or two of free time I encourage you step back, take a breath and appreciate all of the blessings we have in our lives.

Holiday Luncheon at Four Seasons: It was an absolute honor to conduct the 2024 CCIM Holiday luncheon. Charity is one of my main drivers in my involvement within CCIM. To be a part of an organization that does so much good within the community is truly an honor and blessing. I would like to take a moment to thank Terry Farr for leading the community service committee and all of the members for contributing the hundreds of hours of community service. All of this is in addition to the ten's of thousands of dollars we raise each year from our various events. Thank you Terry!

27th Annual CCIM Wine Event: Speaking of events I would like to thank Carol Browning and the entire wine committee for the fantastic wine event that helped raise a large portion of the funds we are able to donate to our great charities. Thank you Carol!

6th Annual Andy Hantges Poker Event: The poker tournament came back at a new venue and a new winner that went from short stacked at the final to the eventual champion, Brett Bottenberg. I want to give a huge thanks to Devin Lee spearheading the effort to make sure this great event always finds a place within CCIM. This event raises thousands of dollars that directly benefits our charities and serves as a living memory to Andy. Thank you Devin!

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Navigating New Territory: *The Implications of the National Association of Realtors' Lawsuit*

Tabetha J. Steinberg, Esq., Marquis Aurbach

In 2019, a group of home sellers from Missouri filed a class action lawsuit against the National Association of Realtors (“NAR”), alleging that NAR had anti-competitive rules that violated antitrust law because those rules required home sellers to pay commission to the home buyer’s broker, which inflated realtor commissions. The jury sided with the plaintiffs and awarded a whopping \$1.8 billion verdict against NAR. However, in March 2024, NAR denied any wrongdoing, but agreed to settle the case and other related lawsuits by (1) agreeing to pay \$418 million to these home sellers; and (2) making some changes to two of NAR’s most controversial rules.


The two major rule changes were that (1) agents were no longer able to list a buyer agent’s compensation on the Multiple Listing Services (“MLS”) database, allowing buyers to negotiate their agent’s pay and formalize that commission in a written contract, known as the Buyer Broker Agreement; and (2) agents must provide the Buyer Broker Agreement prior to showing a buyer a home, which includes a clear disclosure of the agent’s compensation.

Under the new rules, agents are still allowed to discuss and advertise commissions; however, they are no longer able to do so via the MLS because the MLS is a platform that is largely unseen by buyers and sellers. These changes went into effect on August 17, 2024, which caused a major disruption in the real estate industry across the nation. While these new rules caused many brokers and buyers’ agents to be fearful of how they were going to make a living in the future, others welcomed the change.

Residential Impact


Real estate experts in the residential sphere have indicated that the Buyer Broker Agreement is ultimately a formalization of the relationship between the buyer and the buyer’s agent that provides a transparent disclosure of the terms. Nevertheless, the Buyer Broker

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(David Lehman and Lance Cain - not pictured)

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Agreement terrified many real estate professionals across the nation due to the potentially harmful impact that it would have on the buyer's agent.

However, real estate experts with years of experience in the business have been empowered to adapt to the change without issue because in their eyes, change is inevitable. In 2007, the Great Recession caused the housing market to crash, which forced many real estate professionals to pivot into various different business models throughout the years, including but not limited to short sales, real estate owned listings ("REO"), traditional sales, appraisal gaps, and more. Thereafter, the COVID-19 pandemic shocked the world in 2020, causing another major disruption in the real estate market. Now, with inflation on the rise in a post-pandemic world, proponents of the Buyer Broker Agreement believed that such an arrangement would lead to lower home prices.

However, residential real estate professionals believe that in reality, the Buyer Broker Agreement may actually be more detrimental to the average consumer and the market as a whole for a few reasons. First, real estate agents provide significant value to buyers by offering their expertise and experience in the transaction. Second, because agents are the biggest advocates for home ownership, wiping out these agents will inadvertently transform the country into a renter's nation, which would make it that much more difficult for people to purchase their own homes. Finally, home sellers that are programmed by the media that they do not have to pay commissions will price lower to medium income buyers out of the market because those individuals do not have the funds to pay the down payment, closing costs, and also the buyer's agent's commission.

Commercial Impact

Some commercial real estate experts believe that the NAR settlement will not significantly impact commercial transactions because of its heavy focus on residential real estate commissions. This may be true in larger markets, where commercial listings appear in commercial information exchanges ("CIE") instead of the MLS. However, in smaller markets, many commercial listings are still listed on the MLS because there is not enough data for the CIE in that area.

On the other hand, other commercial real estate experts believe that the lawsuit could have unintended implications that will eventually extend into commercial real estate transactions because there will be an overarching, increased level of scrutiny for all real estate transactions moving forward, including commercial. In today's age, with the rise of technological innovation and social media, the NAR settlement only further exposed the nation's need and desire to have the utmost transparency on all sides of a real estate transaction, which indirectly puts both residential and commercial dealings under a magnifying glass moving forward.

Notwithstanding the foregoing, this is just another change that will soon become the norm, just like the many other disruptions that have occurred over the years. Therefore, agents, brokers, entrepreneurs, and investors on both the residential and commercial side of real estate transactions who can adapt, pivot, and embrace these ever-evolving changes will only become even stronger real estate professionals in the future.



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