

## San Luis Obispo County Market Update

Most Recent Trends At A Glance Reported: **July 2024**

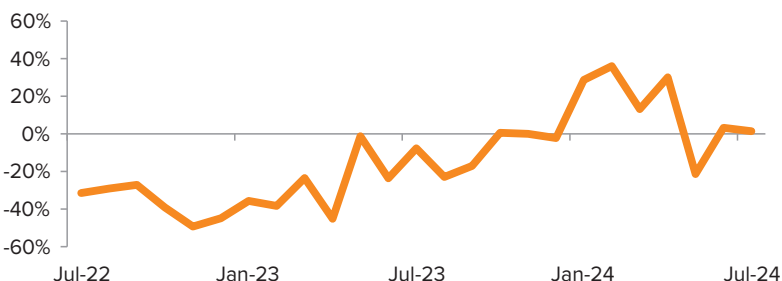
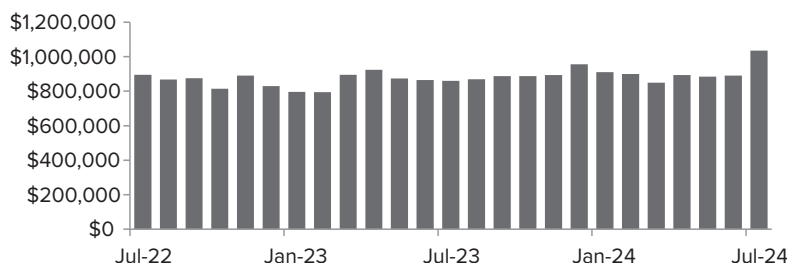
### MEDIAN PRICE

For SF Detached Homes

**\$1,035,000**

16.3 % MTM

20.3% YTY



### HOME SALES

For SF Detached Homes

**+1.5% YTY**

8.4% MTM

8.0% YTD



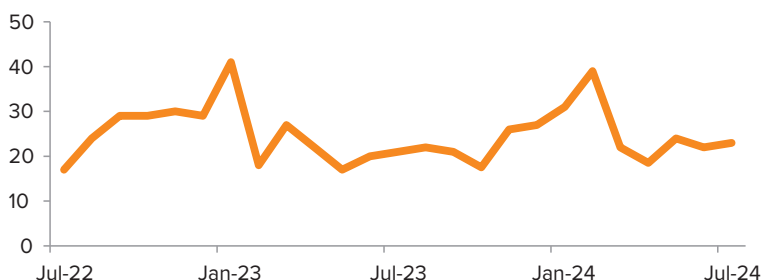
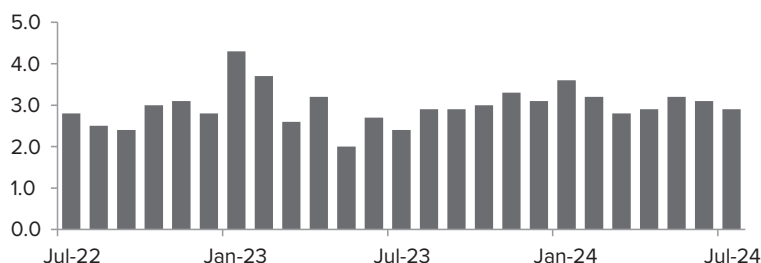
### UNSOLD INVENTORY

For SF Detached Homes

**2.9 Months**

-6.5% MTM

20.8% YTY



### MEDIAN TIME ON MARKET

For SF Detached Homes

**23 Days**

4.5% MTM / 9.5% YTY



### INTERESTING FACT



According to U.S. Census data, about **44% of Californians are renters. 30% of those renters are considered severely cost-burdened, meaning they spend at least half of their income on housing.**

### MOST EXPENSIVE HOME SOLD IN SLO COUNTY THIS PAST MONTH



5404 Shooting Star Ln.  
Avila Beach, 93424

**Selling Price:**  
**\$3,550,000**

4 BED / 3 BATH  
3,753 square feet

PRICE PER SQ-FT:  
\$945.91

## New Rules - What You Need to Know

**The National Association of Realtors' (NAR's)** recently settled class-action lawsuit has changed the process of buying a home in California. New rules went into effect last month with the intention to enhance transparency and fairness in real estate transactions. Although an agent's commission has always been negotiable, now buyers and sellers can also negotiate who pays those commissions.

### WHERE WE CAME FROM

**To understand what exactly has changed**, it's helpful to remember how transactions were conducted before the new rules were put in place. Traditionally, sellers paid the commissions of both agents and the amount the seller was willing to pay the buyer's agent was advertised on the MLS. Buyers were able to negotiate the price of the property as well as other seller concessions, like repair fees or closing costs.

### BUYER REPRESENTATION AGREEMENTS

**With the new rules in place**, buyers must now sign a buyer's representation agreement before an agent can work with them. Buyers are required to negotiate their own broker's fees with their own agent. This agreement outlines what services the agent will provide and the compensation they will receive. Compensation can be either a flat-fee or a percentage of the sales price but cannot be open-ended. These agreements provide transparency and give both the buyer and agent a mutual understanding of the services to be provided and the compensation involved, before they begin working together.

### SELLER CONCESSIONS

**While negotiating with the seller**, the buyer can request that the seller pay the buyer's broker fees. Sellers can decide if they want to pay the buyer's fees or a portion thereof. The amount a seller is willing to pay towards a buyer's representation is called a "seller concession".

Sellers can use concessions to their advantage. Offering a concession can incentivize buyers, while opting not to pay the fees might deter them. If a home is priced competitively and is in a strong seller's market, the seller might want to refuse to pay the buyer's broker fees. However, buyers also might be more likely to offer a higher purchase price if they don't have to come up with the commission in addition to a down payment. Regardless of what a seller decides, it is always in the best interest of the seller to work with a buyer that is fairly represented in order to avoid risks and ensure a smooth transaction process.

### MULTIPLE LISTING SERVICE

**With the latest changes**, the MLS is no longer allowed to indicate how much compensation a seller is willing to offer a buyer's agent for a particular property. This ensures that all factors can be negotiated between parties instead of being predetermined on the MLS listing.

### TRANSPARENCY

**Buying or selling a home** can be the biggest financial decision of a person's life. Although the new rules come with more paperwork and a learning curve for those involved, they also provide clarity and are designed to offer both parties greater control over their transaction and the information they need in order to procure fair representation.

### REALTOR® EXPERTISE

**A real estate agent's job is to** stay informed and understand the rules in regards to buying and selling property. None of the changes made after the NAR settlement alter the fundamental responsibilities of an agent. They have always been (and still are) required to work for their client's best interest. They're obligated to follow the REALTOR® Code of Ethics and compensation has always been negotiable.

Your trusted agent will describe the process, help you make informed decisions, explain state and local policies, negotiate on your behalf and ensure all lender requirements are met. It's true, the new rules have added complexity to a notoriously complicated process. But with a knowledgeable REALTOR® by your side, you'll have expert guidance as you navigate your transaction, every step of the way.

### WE'RE HERE TO HELP!

**If you have questions or need assistance**, please don't hesitate to call our office. Our agents are committed to ensuring your home buying or selling experience goes as seamlessly as possible.