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### Discount days hit property sellers' market



Agents start up inexpensive listing-only services after Canadian industry group changes MLS rules

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Just two weeks after the [real estate](#) industry changed its controversial rules, some quick-footed agents have jumped in with markedly lower fees, drawing the wrath of competitors in the process.

These agents are operating amid what some see as confusion in the industry, created by the Canadian Real Estate Association's heated dispute with the Competition Bureau. Alleging anti-competitive practices involving the body's Multiple Listing Service (MLS), the bureau is taking the association to the Competition Tribunal even after CREA altered its MLS rules.

The new rules allow agents to post listings on the MLS without seeing a deal through to its end. Before then, anyone who wanted to list a property needed an agent to see through the entire process and pay a commission that could run into the tens of thousands of dollars.

While the new CREA rules open the industry to new forms of competition, the imminent fight at the Competition Tribunal has left many agents sitting on the sidelines until the dust settles.

But a small group of agents has decided not to wait and is charging far less to list properties, a move that's good news for consumers but threatens to split the real estate industry into two fiercely competing camps.

One such broker, Ottawa-based Joe William, said he has received angry calls from other agents who can't understand why he would place listings for just \$109, making him "the most hated Realtor in Ottawa."

Mr. William is on pace to list more than 500 houses this year, most of them coming through his website at [ihatecommssion.com](#), he said. While he's based in Ottawa, most of his new business is coming from Toronto.

"A lot of agents say I can't do it but I am doing it," he said. "The rules aren't clear, and that's the whole problem. But I'm doing it, and the volume of calls has been incredible."

He's not alone. Mayur Arora, for example, recently got out of the restaurant business and took up real estate in Surrey, B.C., launching [Oneflatfee.ca](#). The service allows those who plan to sell without the help of an agent to list on the MLS, where the bulk of Canada's real estate transactions are done.

Mr. Arora charges \$649 a listing, a cheeky reference to Lotto 6/49. He said it doesn't matter what the price is, because consumers are so used to spending tens of thousands of dollars on commissions when they use real estate agents. Those who prefer having an agent to perform open houses, negotiate prices and co-ordinate paperwork can get a full-service package for \$4,999.

"The price isn't really the problem because people are willing to pay a lot at this point for those services because they are used to paying substantial fees," said Mr. Arora, who said he is getting about 65 calls a day since launching last week. "My biggest issue is legitimacy, because a lot of people still don't believe that this service can be offered legally."

The appearance of flat-fee agents, CREA said, is a sign that the sector has opened up to innovative business models.

Selling a house is difficult for most people, and most sellers prefer to have an experienced agent handle the process, said Don Lawby, president of Century 21. Just because some business models do not succeed doesn't necessarily mean the deck is stacked against them, he said.

"This industry is and will always be pretty competitive," he said. "There are lots of models. In some cases companies have started and not been successful, and it's not always because of the rules. You can have an interesting model, but that doesn't mean it will generate a lot of business."

With the sides deadlocked, the matter appears unlikely to be settled until it gets to the Competition Tribunal this fall. Buyers and sellers are struggling to figure out what the industry will look like in the meantime.

"I have seen so much interest in this flat-fee option but I'm not willing to do it yet because nobody understands how this will happen," said Nawel Seth, a broker at Coldwell Banker Trail Blazers Realty in Markham, Ont.

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