



A New Residential Real Estate Model For A New Century

Paul Purcell and Kathy Braddock

“The New York residential real estate business was due for a system overhaul.” **Charles Rutenberg Realty**

As Manhattan real estate prices have continued to soar, so have most percentage-based agent commissions. Despite this gain, many real estate firms, in order to support their monstrous infrastructures, take huge portions away from the broker's commission by factoring in office overhead and administrative and marketing functions. As a result, these brokerages, in protecting the historical commissions of 6% to 7% and scrambling to secure their bottom line, often leave the sales agent out in the cold.

Enter Charles Rutenberg Realty, a real estate firm that recently opened in Manhattan and has already attracted 60 sales agents in only five months. The company's unique model is simple and attractive: the agent receives 100% of their commission, prompting prospective agents to ask—“What's the catch?”

According to Kathy Braddock, former General Sales Manager of Douglas Elliman and a co-principal of the Rutenberg New York City office, there is no catch. “Via internet listings, Rutenberg agents can effectively work from any location. In addition to the resources of a full service brokerage – office space, a listing database, etc. – Rutenberg has on hand a staff of seasoned real estate professionals available for advice and support, and plenty of desks, although many choose to work from home.” The agents, for these services, pay a monthly fee of \$99 plus applicable transaction fees when sales and rentals occur.

Launched six years ago in Florida and since expanded to Chicago, Long Island,

and now Manhattan, Charles Rutenberg Realty is recruiting people at a fast clip. The franchise plans eventually to expand to other large cities in the United States.

“The New York residential real estate business was due for a system overhaul – a way to reward the agent, not the brokerage firm, for the sales work. Rutenberg has that advantage,” commented Paul Purcell, former President of Douglas Elliman, and also co-principal of the new Manhattan office. “That's why we think we're off to such a fast start.”

Purcell and Braddock both saw a definitive need and opportunity for this business model in Manhattan and knew it could now succeed where previously the appropriate technology (internet listings) was not yet in place. Prior to Rutenberg and following their respective tenures at Douglas Elliman, they formed braddock + purcell, a Manhattan based residential real estate consultancy that helps guide consumers through the real estate process and match them to agents.

The principals' residential real estate expertise has helped them attract top New York brokers, mentor up-and-coming real estate professionals, and ensure that the clients receive quality service.

The two entrepreneurs opened the Rutenberg office with the help of Wall Street professionals and Managing Members of RFJM Partners LLC, Richard Friedman and Jeffrey Markowitz, who also invest in public equity markets and Florida and New

York real estate development projects.

“The agents get everything they need to ensure profitability in their career without having to support other agents who are non-producers or pay for things they don't need and don't use. We're overwhelmed by the positive response we've received thus far,” added Markowitz.

Designed for the self-motivated, high achiever, Purcell cautions that “Rutenberg is probably not right for those who can't make their phone ring with buyer and seller calls. They would be better served in a traditional real estate office where they can potentially learn the lead generation business - a critical skill to success at Rutenberg. On the other hand, brokers who are successfully landing multiple deals will reap financial rewards and dramatically increase their overall annual income.”

As New York City experiences a real estate broker glut with 28,315 brokers now employed in Manhattan, 4,000 more than a few years ago according to New York Department of State, chances for success are limited. And with more brokers scrambling for fewer deals, a higher commission becomes not only attractive, but essential.

Achieving success in such an over-stuffed industry is the big question. Charles Rutenberg Realty may be the answer. ■

*Paul Purcell and Kathy Braddock
Charles Rutenberg Realty
Tel: 212-688-1000 / Fax: 212-688-1919
www.rutenbergrealtyny.com*