

Kurland founder launches Manhattan's "only true 100 percent commission firm"

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By Candace Taylor



Kevin Kurland, founder of Spire Group

Kurland Realty's founder, Kevin Kurland, has started a new firm, offering his take on the 100 percent commission model.

The new venture, known as Spire Group, launched this past Saturday, Jan. 1, said Kurland, who started the boutique firm Kurland Realty in 1997.

Rather than splitting their commission checks with the firm, Spire agents will keep all of their commissions, but pay "agent dues" of \$495 per month, he said. In exchange, they get access to the firm's listings, website (which operates as a virtual office website, or [VOW](#)) and other resources.

Spire will operate out of Kurland Realty's office at 20 West 23rd Street, but Spire agents can conduct nearly all of their business virtually, he said. Because Kurland Realty has deals slated to close in 2011, the entity will remain active for the foreseeable future, but all of its roughly 20 agents will now become part of Spire, Kurland said.

"I saw this as the future of my business," he explained. "Because our model is completely different than the Kurland model, I thought the best way to brand Spire and to attract agents and clients is to start out with a fresh name."

He chose Spire because it evokes the top of the Empire State Building, he said, and symbolizes his hope of attracting the top agents in the industry.

Kurland said he was prompted to make the change because competition between traditional brokerage firms has intensified in the real estate downturn.

"I'd rather swim in a blue ocean than in a red ocean, where there are 100 competitors," he explained. "Rather than going head-to-head with my growing competition base, I saw a wide-

open marketplace for this model."

Most real estate brokerages in New York City operate by taking around 50 percent of agents' commissions, using it to pay expenses, then making a profit from what's left. As agents earn more money for the company, they graduate to larger commission splits.

But in recent years, an increasing number of New York City firms have offered agents the chance to keep a bigger chunk of their commissions. At the largest of these firms, 400-agent Rutenberg Realty (formerly known as [Charles Rutenberg Realty](#)) agents pay a monthly fee of \$99, and keep their entire commission check minus a transaction fee of \$1,000 to \$2,000 for sales transactions or \$200 to \$800 for rentals. Brokerages with similar models include [Level Group](#), City Connections and Exit Realty.

These models have become increasingly popular as the real estate downturn has squeezed the profit margins of traditional firms, prompting them to reduce some agents' commission splits and charge additional fees.

In 2009, top Prudential Douglas Elliman agent Douglas Heddings left Elliman to join Rutenberg. A year later, he started his own firm, the Heddings Property Group, which offers higher-than-average commission splits and [profit-sharing](#).

Kurland said he feels it's "misleading" to call Rutenberg a 100-percent-commission firm, since its agents pay transaction fees. That's why he felt it was important for Spire agents to pay a flat fee.

"We're promoting Spire as the only true 100 percent commission firm in Manhattan," he said.

He recognizes that not all agents can afford to pay \$495 per month -- and that's okay. He said the model is intended for experienced agents who are already earning a living, not part-timers or newbies just learning the business.

"We're for producers only -- that's why we're pricing where we are," he said. For successful agents, he said "we're offering the best agent deal in town." But if an agent "only produces a deal or two now and then, [they should] go somewhere else."

Spire is facing some stiff competition in its quest to hire the industry's top earners.

Andrew Heiberger, the founder of Citi Habitats, also recently launched a new firm and is angling to lure the best brokers in the industry with perks like contributions for gym memberships and [health insurance](#).

But Kurland noted that Spire agents will get to keep more of their commissions than Heiberger agents, who have traditional splits. That means they can buy the "richest medical plan" available with the additional cash if they want to, he said.

"It's not what you make, it's what you keep," he added.