

REAL ESTATE WEEKLY

Corcoran alumni pioneer SIMPLE fee structure

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Two former Corcoran brokers have launched their own firm with a hybrid fee structure they are betting will have sellers knocking down their door.

Louisa Gillen and Chris Palminteri said their SIMPLE Real Estate Co. provides “a modern and honest approach to the sales process.”

SIMPLE’s fee structure combines a capped \$50,000 fee to SIMPLE (sellside) and a 2.5 percent sales commission to the buyer’s agent (buyside). In the event there is no buyer’s agent, the total commission will not exceed \$50,000.

The brokers said the fee structure could save sellers up to \$190,000 when selling a \$4 million home.

Their website explains, “With a traditional brokerage, the cost of selling \$4 million home would be \$240,000 with or without a buyer’s agent. With SIMPLE, it would be \$150,000 if there is a buyer’s agent and \$50,000 if there is no buyer’s agent.”

“We looked at the big brokerage firm models, whereby sellers are paying unnecessarily high commission fees, and agreed there needed to be a more modern approach. This is what brought us to launch SIMPLE,” said Gillen. “Sellers deserve an approach that is transparent and financially smart, and one that provides unrivaled expertise, targeted marketing, expert negotiating and personal attention during every step of the sales process to create maximum value.”

In a press release announcing their new firm, Gillen and Palminteri said they had their “Aha” moment while being recruited by Compass almost three years ago. “They realized while Compass was newer and shinier, it was not different; and like all big brokerages, it still operated under the traditional, agent centric model with the standard six percent commission structure.

“The standard commission fee used to make sense due to the high cost of marketing, but today third-party real estate websites such as StreetEasy provide worldwide exposure for essentially no cost. Ultimately, the brokerage industry does not want this secret exposed since it will significantly eat into profits. SIMPLE is the solution and is designed to protect sellers from being gouged by big brokerages.”

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