CONSUMER POLICY CENTER

NEWS RELEASE

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Contact: Stephen Brobeck
sbrobeck@consumerpolicy.org

Contact: Wendy Gilch
wgilch@consumerpolicy.org

MOST HOME BUYERS AND SELLERS ARE ROUTINELY CHARGED "JUNK" FEES THAT SOMETIMES EXCEED $1,000

The Most Outspoken Critics of These Fees Are Real Estate Agents Who Think The Fees Are Unethical and Can't Justify Them to Clients

Washington, D.C. – A new report issued by the Consumer Policy Center today – "Junk" Fees Charged to Both Home Sellers and Buyers: An Overview – found that "junk" fees are routinely charged home buyers and sellers, sometimes without proper disclosures. The fees are called many different names but most commonly are referred to as administrative or admin fees.

Consumer advocates have complained about these fees for many years, but their most outspoken critics have been real estate agents. The report cites dozens of complaints from agents, who have called the fees "bullshit," "unethical," "greedy," "bottom-feeding," "garbage," "money grab," "absolute crap," "smelly," "robbery," and "shocking" among other critical terms. Some agents have refused to pass these fees on to their clients, and a few were so disgusted that they left their brokerage.

The fees, typically charged both the seller and the buyer, are usually in the range of $400 and $600, but sometimes exceed $1,000 and have been reported as high as $2,500. "It is difficult for brokers to justify charging a buyer or seller an admin fee when they are also charging them a three percent commission," noted Stephen Brobeck, a CPC senior fellow. "Because the fees are regressive, sometimes effectively increasing the commission rate by over half a percentage point, they hit first-time homebuyers especially hard," he added.

The CPC cites agents who have observed that these admin fees are sometimes not disclosed until closing or shortly before. This failure to disclose is one basis of a recent lawsuit filed in Florida against Compass Realty. "It appears that in the early stages of the sale, a number of agents are not informing, either verbally or in writing, the imposition of these junk fees," said Wendy Gilch, a CPC fellow. "When a consumer learns about the junk fee at a closing, they are under great pressure to approve it," she added.

The report found that the fees usually were imposed by real estate brokers on agents who then passed them on to clients. However, it also reported that some agents increased the broker fee, pocketing the difference, or even charged a fee when it was not required by their broker. Moreover, the report cited evidence that the fees have increased in frequency and amount. It roughly estimates that the fees charged buyers and sellers approach $2 billion a year.

The report urged federal and state regulators to investigate these fees, especially those that are not properly disclosed. It also urged buyers and sellers to question the fees and, if only disclosed at the closing, contact a consumer attorney for advice before signing off on the sale.

The main source of evidence for the report is hundreds of comments made by real estate agents, brokers, and mortgage brokers to the authors or posted on social media sources such as Facebook, TikTok, Reddit, and Quora. Dozens of these comments are included in the appendix to this investigative report.

The Consumer Policy Center (CPC), launched in early 2025, is a think tank whose experts undertake research and commentary to advance the consumer interest. Many of these experts have led consumer or government organizations, held university appointments, and published scholarly research. The CPC does not take positions on policy issues; the analysis and views in CPC publications are those of their authors.