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# **REDUCING REAL ESTATE COMMISSIONS: ARE LOW-FEE BROKERS A VIABLE ALTERNATIVE FOR HOME SELLERS?**

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## Introduction

Most sellers pay 5-6 percent commissions to sell their home. On a \$400,000 property, that cost is \$20,000-\$24,000. Further, this expense is usually the same regardless of the experience, competence, and efforts of the agent. These two factors have persuaded some sellers to consider non-traditional options.<sup>1</sup> One such option is low-commission and flat fee brokers that offer their services at a cost lower than a 5-6 percent commission, sometimes much lower.<sup>2</sup>

These alternative service providers have faced substantial challenges. In the past, traditional agents, in an effort to preserve 5-6 percent commissions, have often been reluctant, or even refused, to work with lower-fee agents.<sup>3</sup> State minimum service and anti-rebate laws, advocated by traditional realtors, further limited opportunities for alternative service providers.<sup>4</sup> Perhaps just as important, consumers feared that low-priced brokers would provide inadequate services. A national survey of 588 representative homeowners found that, when asked the question – “How concerned would you be that [a] discount broker would not provide all the services that you need to successfully sell your home?” – 82 percent of respondents expressed concern, with 36 percent indicating they would be “extremely” or “very” concerned.<sup>5</sup>

Early in this century, tech experts saw opportunities to reduce selling costs and fees through the application of digital technologies. They founded companies supported by investors who envisioned these brokerages as revolutionizing the residential real estate

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<sup>1</sup> There has also been press interest. See: Laurel Wamsley, “Homebuyers and sellers say agents’ cuts are too big. Flat-fee brokers offer an alternative” (NPR, May 21, 2025). Jordan Pandey, “4 people who bought and sold homes without a traditional real-estate agent break down how and why they did it” (yahoo.com, December 7, 2024). Taylor Getler, “What Is a Discount Real Estate Broker?” (nerdwallet, August 16, 2024). Leah Thomsen, “Should You Use A Flat Fee Real Estate Agent to Sell Your Home?” (House Digest, April 11, 2024). Erik J. Martin, “Do you need a real estate agent to sell a house?” (Bankrate, February 21, 2024).

<sup>2</sup> Low-commission brokers are sometimes also called discount brokers. Many of these brokers object to the term “discount” because they view their fees as fair and reasonable, not as a deduction from the typical cost of broker services.

<sup>3</sup> For a summary of this issue, see: Lew Sichelman, “Is your Realtor ‘steering’ buyers away from your home? This might be the reason” (Miami Herald, November 24, 2023). For a more detailed discussion, see: U.S. Department of Justice, Statement of Interest of the United States in the Nosalek v. MLS PIN case submitted on February 15, 2024 to the U.S. District Court for the District of Massachusetts.

<sup>4</sup> Matthew Magura, How Rebate Bans, Discriminatory MLS Listing Policies, And Minimum Service Requirements Can Reduce Price Competition For Real Estate Brokerage Services And Why It Matters (Economic Analysis Group Discussion Paper, U.S. Department of Justice, May 2007).

<sup>5</sup> Big Village Study, Online Caravan commissioned by Consumer Policy Center. Big Village, formerly Opinion Research Corp, surveyed a representative sample of 1,006 adult Americans, 588 of whom were current homeowners, on April 18-20, 2025.

marketplace just as tech entrepreneurs had transformed other consumer marketplaces.<sup>6</sup> In 2005, former Microsoft executives created Zillow, which assisted consumers by pricing their homes and making available information about homes for sale. Shortly before that, investors supported the creation of Redfin, which used salaried agents and initially charged total commission rates of about three percent.<sup>7</sup> In the next decade, tech-oriented brokerages including Trelora (2011), 1% Lists (2015), Houwzer (2015), Clever (2016), Ideal Agent (2016), Prevu (2017), Houzeo (2017), Simple Showing (2018), and Beycome (2020) also began offering lower-priced services to consumers either regionally or nationally.

The 2024 settlement of class action litigation and new industry rules created fresh opportunities for non-traditional brokerage services.<sup>8</sup> These changes weakened state minimum service and anti-rebate statutes. More importantly, by focusing public attention on 5-6 percent commissions through news coverage, the changes persuaded some consumers to question traditional real estate brokerage services. Also, the recent decision by Zillow to make no distinction in their listings between FSBOS (for-sale-by-owners) and brokered properties increased opportunities for consumers wishing to sell their own homes.<sup>9</sup>

The survey of homeowners cited above also found that a significant percentage of homeowners would consider employing a low-fee broker if they sold their home. In response to the question – “If you sold your home, would you consider hiring a discount broker who charged one or one-and-a-half percent instead of the typical two-and-a-half or three percent”? -- 42 percent of the entire sample and 54 percent of 18-34 year olds responded “definitely” or “probably.”<sup>10</sup> Another recent survey, which researched the actual selling preferences of those who had sold a home in the past five years, had a not inconsistent finding. In response to the question – “What is the best overall way to sell a home?” – only 67 percent selected traditional real estate agent, and 24 percent chose either FSBO, discount broker [low-commission broker], or flat fee broker.<sup>11</sup>

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<sup>6</sup> Ryan Lundquist, “The invasion of tech companies in real estate” (Sacramento Appraisal Blog, July 30, 2019). Valley Voices, “The Future of Real Estate Tech: How We got Here and What’s Next In An Exploding New Ecosystem” (Forbes, February 13, 2018).

<sup>7</sup> Elizabeth Rhodes, “Redfin revolution: In competitive real-estate industry, Redfin model is working” (Seattle Times, February 24, 2007).

<sup>8</sup> Debra Kamin, “4 Ways a Settlement Could Change the Housing Industry” (New York Times, March 15, 2024). Stephen Brobeck, “Opinion: The 6% real estate commission is doomed” (CNN, November 15, 2023).

<sup>9</sup> Taylor Anderson, “Listings are quietly ‘commingling’ on Zillow again after 4-year hiatus” (Inman, April 22, 2025).

<sup>10</sup> Big Village Study, loc. cit.

<sup>11</sup> Clever Real Estate Best and Worst Ways to Sell Survey, October 2024, 1,000 recent home sellers.

It appears likely that there are at least 2,000 agents that exclusively offer sellers low-commission or flat fee brokerage services.<sup>12</sup> There are also many thousands of agents who sometimes offer these lower-cost services to sellers but rarely advertise this fact.<sup>13</sup>

Nevertheless, a large majority of residential real estate services continue to be provided by traditional brokers.<sup>14</sup> The purpose of this report is to describe and assess alternative real estate services to home sellers focused on the question – are low-commission and flat fee brokers a viable alternative for home sellers? Specifically: What are the different types of low-fee brokers? What is their current role in the real estate marketplace? Do they provide valuable options for home sellers? Which firms appear to offer consumers the best value?

This report is organized into the following sections:

- Ways for Sellers to Reduce Commissions
- An Overview of Low-Fee Brokers
- Information About Specific Low-Fee Brokerages
- Flat Fee Brokers
- Low-Commission Brokers
- Summary and Conclusions

## **Ways for Sellers to Reduce Commissions**

There are several ways for home sellers to reduce traditional 5-6 percent commission levels – typically 2.5-3.0 percent charged by both the listing agent and the buyer agent but in most cases, ostensibly paid by the seller.

- Sellers can negotiate down their own agent’s compensation and also that of the buyer’s agent. Listing agents will sometimes be willing to reduce their fees if they double-end a sale (i.e., work with both seller and buyer) or help a consumer sell one home and purchase another. Now that mandatory buyer agent compensation offers have ended, while most buyer agents continue to be compensated by sellers, these agents may be more willing to reduce their commissions.

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<sup>12</sup> Redfin itself employs more than 1,500 agents.

<sup>13</sup> Clever alone has recruited over 15,000 partner agents to whom they refer potential clients. Even though Clever charges the agents for this referral, home sellers are charged only a 1.5% commission.

<sup>14</sup> National Association of Realtors, 2024 Profile of Home Buyers and Sellers (November 2024). The annual survey found that 90% sold with the assistance of an agent, with 6% of the total sample selling on their own (FSBO).

- Sellers who find buyers themselves, often because of personal relationships with friends or family members, can ask a real estate attorney or title company to facilitate the sale, often at a total cost of several thousand dollars or less in fees.
- Sellers can try to sell their own homes – for sale by owners (FSBOs). Sellers have many opportunities to list properties for sale, including Craigs List and Zillow.<sup>15</sup> Several real estate companies offer opportunities to list properties on their own or a broker’s website, but not on the local MLSs or major portals (such as Zillow, Redfin, Homes.com, and Realtor.com). ForSaleByOwner.com, which appears to be the largest, will list properties on their own website. However, to list homes on a local multiple listing service or major portal, a company must be associated with a brokerage. As many as 20 percent of sellers initially try to sell their home by themselves. Some of these sellers are under no pressure to sell their property but are interested in learning whether it is marketable at a certain price. However, most serious sellers end up working with an agent, sometimes one representing the buyer.<sup>16</sup>
- An increasing number of attorneys who also hold residential real estate licenses are offering lower-cost services to home sellers (and buyers). For most, their service emphasizes handling paperwork and giving advice, but at least one attorney-broker provides full service.<sup>17</sup> Doug Miller offers discount services to Minneapolis-area sellers – 1.5 percent even when he also deals with a buyer – as a fiduciary agent.<sup>18</sup>
- Sellers can also hire flat fee or low-commission brokers, the subject of this report.

## An Overview of Low-Fee Brokers

The focus of this report is listing brokers who provide services to sellers for less than 2.5 to 3.0 percent commissions.<sup>19</sup> These brokers offer a range of specific services – from very limited ones to all those offered by traditional brokers -- at various fees. These services

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<sup>15</sup> See: Seth Williams, “50 Websites to Post Your Real Estate Listings for Free” (tipster.com, no date).

<sup>16</sup> Kristina Morales, “2025 For Sale By Owner (FSBO) Statistics By State” (House Cashin, April 8, 2025). Nick Pisano, “How to Sell Your House in 2024: Recent Sellers Weigh In” (Clever Real Estate, November 18, 2024).

<sup>17</sup> Clarissa Garza, “Lawyer-Led Startups Aim to Serve Buyers and Sellers—Without Agents” (RISMedia, May 5, 2025).

<sup>18</sup> Miller is a unique broker in that he is also an attorney and a consumer advocate. For many years, through an organization he created -- Consumer Advocates in American Real Estate -- he has sought to expose unfair brokerage practices and seek reforms. He was instrumental in persuading Cohen Milstein to file a class action lawsuit (Moehrl v. NAR) whose settlement provided consumers more opportunities to negotiate agent compensation.

<sup>19</sup> A number of low-commission brokers also offer rebates to home buyers. For example, Trelora and Houwzer offer half of the buyer agent’s normal commission as a rebate; Simple Showing and Prevu offer about one percent of the sale price; and Clever offers \$250-\$500.

range in price from less than \$100, to percentage commissions that are only one-half or one percent below traditional 5-6 percent levels. Those charging a dollar fee are usually referred to as “flat fee brokers” while those charging a percentage commission are often called “low-commission brokers.” In general, the more extensive the services the higher the fees.

**Services:** Low-commission and flat fee brokers offer a range of services from listing a property on the MLS to full, personal representation. The full-service representation of low-commission brokers can be provided by an individual agent or by a team of agents. Agents can be employed by the brokerage or receive referrals from the brokerage. If the latter, the broker recruitment and monitoring practices are especially important and can vary.

Services may include general information or specific advice about some or all of the following tasks, delivered by email, text, phone call, or in person:

- Evaluating the property including valuation.
- Preparing a listing.
- Posting the listing on the local MLS and major portals and other marketing of the property.
- Showing the property individually and at open houses.
- Receiving and evaluating bids.
- Negotiating the sale.
- Closing the sale.

Specific products may include the following:

- Signs: lawn, remote posts
- Photos: number and quality
- Video
- Brochures
- Lockbox rental
- State forms

**Fees:** The form and level of fees charged by low-fee brokers is highly correlated to the extent of services. Those firms offering in-person representation usually charge a listing fee of one to two percent of the sale price. Those companies who do not offer this personal representation usually charge a (“flat”) dollar fee. These fees, especially for comprehensive online broker services, can be as high as \$5,000. However, the typical charges range from under \$100 – for minimal services – to \$1,000 for a wide range of online individual assistance. In addition, there may be additional fees for products, such as signs, and enhanced services, such as a video. On the sale of a \$400,000 home with a typical

listing fee of \$9,600 (2.5%) to \$12,000 (3%), sellers working with a low-fee broker can reduce their broker costs by several thousand to more than ten thousand dollars.

Some industry sources have suggested that traditional brokers are more likely than low-commission brokers to obtain higher home prices for seller clients, thus offsetting lower discount broker commissions.<sup>20</sup> The data most often cited to support this argument is that FSBO homes sell for much lower prices than those sold by traditional agents. These figures, however, do not take into account differences between FSBO sellers and those using traditional agents. FSBO sellers have lower average incomes and less expensive homes so are more likely to try avoiding brokerage costs. More importantly, there has been academic research on the issue of whether traditional listing agents secure higher sale prices than do low-fee agents, and the finding is that they do not. To quote one study: “We find no evidence that the use of a broker leads to higher average selling prices, or that it significantly alters average initial sale prices.”<sup>21</sup> A couple studies, though, found that use of a traditional broker reduces the time to sell by several days.<sup>22</sup>

### Information About Specific Low-Fee Brokerages

This section discusses and evaluates the services of select low-commission and flat fee brokers who are especially active, generally well-regarded, and often innovative. Forty-five brokers were initially identified and studied. Fifteen of these 45 were identified as deserving special attention because of their visibility and success. Nine of 15 are low-commission brokers while six are flat fee brokers.

This assessment of individual brokers is based largely on information provided by the brokers themselves,<sup>23</sup> by the assessments of other discount brokers, by third party reviews, and by data on customer satisfaction related to customer comments and complaints. Particularly valuable were detailed and seemingly objective evaluations by large low-commission brokers, especially Clever and Houzeo, of other low-fee brokers.<sup>24</sup> Also helpful

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<sup>20</sup> Melissa Dittmann Tracey, “FSBOs Reach All-Time Low, More Sellers Rely on Agents” (Realtor Magazine Media, November 4, 2024).

<sup>21</sup> Douglas Bernheim, Jonathan Meer, “How Much Do Real Estate Brokers Add? A Case Study” (Working Paper, Stanford Institute for Economic Policy Research, July 2007). See also: Abdullah Yavas, Ronald C. Rutherford, “Discount Brokerage in Residential Real Estate Markets” (Real Estate Economics, April 2011). Marcus T. Allen, Mushfiq Swaleheen, “Using MLS Data for Hedonic Price Modeling: An Experiential Learning Activity” (Journal of Real Estate Practices and Education, 2016).

<sup>22</sup> Ibid.

<sup>23</sup> Through their websites or personal communications by email or phone.

<sup>24</sup> See especially: Ashley Simon, “The Best Low Commission Realtors and Brokers” (Clever, November 12, 2024). Each of the low-commission brokers listed in Table 1 has been reviewed by at least two of the following sources: Clever, Houzeo, Real Estate Witch, Upnest, and Anytime Estimate.



were comments and ratings on consumer review websites such as Google, Trustpilot, Yelp, Pissed Consumers, Consumer Affairs, and the Better Business Bureau.

It is easier to learn about and evaluate the largest low-fee brokerages than it is to assess the largest traditional brokerages. Low-commission and flat fee brokers typically provide extensive information about their specific services and related fees. Almost all low-fee companies studied clearly disclosed their fees online. Traditional companies rarely do.<sup>25</sup> A call to these companies, even those that have set or recommended fee levels for agents, almost always elicits the response that the caller must talk to an individual agent. Yet, these agents usually will not discuss fees except in relation to a specific listing and then often reluctantly.<sup>26</sup>

### Flat Fee Brokers

**Availability:** As noted above, this report focuses on six flat fee brokers. They are Beycome, Circle One Realty, Cottage Street Realty, Flat Fee Group, FSBO.com, and Houzeo (which also offers low-commission services). Flat Fee Group, FSBO.com, and Houzeo offer their services throughout most or all of the nation. Beycome operates in 13 states. Cottage Street provides services in Maryland, Virginia, and the District of Columbia. Circle One serves 44 counties in Illinois.

**Services:** The six companies offered between two and four different service plans. Each brokerage had a basic plan emphasizing the preparation of a property listing that would be included in listings of the local MLS and major portals such as Zillow and Realtor.com. Other plans offered by each brokerage included a mix of specific services and products identified in the previous section. As an example, Appendix A includes a list of specific services that Cottage Street offers in its four types. There are many specific services – 10 for Basic (\$299), an additional three for Showcase (\$399), an additional two for Premium (\$799), and an additional three for Full Service (\$999). The principal difference between the Basic and Full Service is that the latter provide personalized services including market analysis, contract review, and handling negotiations.

An important difference among companies is whether and to what extent their services include specific advice and assistance, how it is provided, and by whom. For example, despite the detail of the most expensive Beycome plan (\$599), which promises much personal advice and assistance, its website does not adequately answer the question:

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<sup>25</sup> Stephen Brobeck, Hidden Real Estate Commissions: Consumer Costs and Improved Transparency (Consumer Federation of America, October 2019).

<sup>26</sup> Ibid., 4-6.



What are the specific roles and qualifications of the “dedicated 7/7 experienced personnel,” including those of the “dedicated closing coordinators”?

We were unable to get in touch with Beycome – unlike most other flat fee brokers, they do not list a phone number. But we were able to talk to the two flat fee brokers offering services costing a little under \$1,000. Flat Fee Group services, available in most states, is operated by franchisees with similar pricing structures. The most expensive option offered by the North Carolina Flat Fee Group, for example, entitles sellers to a wide range of services for \$995. According to a company representative, these services are mainly provided through emails, not texts or phone calls, by employees who are not licensed agents.<sup>27</sup> On the other hand, Alex Hodges, the broker/owner for Cottage Street Realty, has extensive experience as a broker (e.g., over 800 sales and listings on Zillow). In a phone call, she explained that, for a fee of \$999, she and her team would provide personal service to a seller but would never go to the property. Her brokerage will not personally inspect the quality of a property, personally review its staging, or meet potential buyers at the property.

**Fees:** As noted above, each of the six flat fee brokerages offers between two and four levels of service. The price of the basic plan usually varies between \$99 and \$295. The price of the plans offering individualized, personal service usually ranges from \$499 to \$999. Flat Rate Group, provided by franchised brokers in different states, offers varying charges. In one state (NC), the fees vary from \$199 to \$995 while in another (TX), they run from \$499 to \$1,399.

It is difficult to compare in detail the service types and their fees because the specific services listed in the published plans of each brokerage varied and because these services were not always fully described. However, it should be noted that in the sale of a \$400,000 home, fee differences of hundreds of dollars between flat fee brokers are less than the \$4,000 fee charged by a one percent low-commission broker and much less than the \$12,000 charged by a three percent listing broker. There is, though, one characteristic of flat fee plans that should be noted. Their fees are charged whether or not there is a sale.

**Customer Satisfaction:** There is insufficient information about flat fee brokers to make reliable judgments about individual companies. For example, complaint and review sites rarely contain more than five evaluations of individual companies. One can, though, note frequent observations and criticisms made by customers of all these companies. While some customers have complained about technical glitches or poor service by customer representatives, most customers who have commented appear to be satisfied with the service they have received. In part, this satisfaction may reflect the understanding of

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<sup>27</sup> Providing personal advice without a license would violate state statutes, which suggests that the information supplied is generic.

sellers that for a small fraction of the cost of a typical commission, they cannot expect to receive the full, personalized service of a licensed agent. With some exceptions, flat fee services rarely include personal service by experts on the more challenging parts of a sale including valuing the property, evaluating bids, and negotiating a sale price. To receive this assistance, customers must work with a licensed real estate agent or real estate attorney.

Overall Evaluation: Flat fee companies offer the potential of huge cost savings – a very large portion of the listing agent’s commission. These companies offer limited services that are usually not personal. There are exceptions, though, such as Cottage Street Realty, in which an experienced agent provides personal service without leaving their office.

In general, sellers who might find their services most attractive include:

- Those under no time pressure to sell who want to learn what their property is worth and perhaps find an unrepresented buyer, allowing a real estate attorney or realtor to facilitate the sale at a cost well below 5-6 percent of the sale price.
- Those knowledgeable about residential real estate sales who, with the assistance of an attorney or title company, can manage the sale themselves.
- Sellers and buyers who know each other and can negotiate the details of the sale themselves, then close the sale with the assistance of an attorney or title company.

Caution: Sellers who list properties themselves are likely to receive many phone calls and emails from agents who want to represent them, from buyer agents with clients, and from potential buyers who may not be willing or prepared to make a purchase in the near future.<sup>28</sup> Still, among these calls and emails may be a buyer who purchases the property, significantly reducing the seller’s brokerage costs.

### **Low-Commission Brokers**

Low-commission brokers we studied charge commissions less than 5-6 percent, and almost all offer full agent services. However, there are some differences among these brokers related to the availability, nature, and cost of these services and who provides them, as revealed in Appendix B.

Availability: Clever, Redfin, and Ideal Agent provide service throughout most of the nation. Each company has available at least 2,000 agents. Houzeo also offers service nationwide but has a limited number of agents to provide this service. The remaining five companies serve regions in the country, often with greater availability in urban areas:

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<sup>28</sup> Comments on Redditt, Quora, City-Data.com, Talk of the Villages (NYC).

- Houwzer in six Mid-Atlantic states and Florida;
- Trelora (now merged with Houwzer but offering somewhat different services under their own name) in AZ, CA, CO, GA, NC, SC, and WA;
- Prevu in 12 states which include the four largest (CA, TX, FL, NY);
- Simple Showing in certain cities in TX, FL, and GA; and
- 1% Lists in limited areas in 20 states.

Agents: The relationships between low-commission brokers and their agents is diverse. Houwzer, Trelora, and Prevu employ salaried agents. But Houwzer also works with independent agents who earn commissions, and salaried Prevu agents also earn commissions from sales. Redfin employs their own agents (over 1,500 on salary and commission) and also works with independent agents (over 5,000 on commission). The franchised brokers associated with 1% lists work on a commission basis. Clever (over 15,000 partner agents), Ideal Agent (over 2,000 partner agents), and Houzeo sell properties through independent agents. Simple Showing agents are employed by their company but we could not determine how they are compensated.<sup>29</sup>

Fees: Listing agents for these companies charge commissions between one and two percent. But almost all of them also charge a minimum fee ranging from \$2,500 to \$10,000. Consequently, a high minimum could hike the commission considerably on a low-priced home. For example, to pay a one percent commission with a \$5,000 minimum, a property would have to sell for at least \$500,000. It should be noted, though, that even on the sale of a \$300,000 home, the fees are much lower -- \$5,000 compared to the \$9,000 on a traditional 3 percent commission. The table below indicates potential savings offered by the nine low-commission brokers. With several of these companies, there may be some variation in rates or minimums among local brokers.<sup>30</sup>

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<sup>29</sup> Low-commission brokers who use independent brokers and agents can be viewed as referral agencies. In general referral agencies have received criticism for overcharging for their services, placing upward pressure on commissions, and also for working with inexperienced and often incompetent agents. See: Stephen Brobeck, Real Estate Referral Fees: Do They Harm Consumers? (Consumer Federation of America, September 2020). For us, though, the key question here is – do the low-commission brokers offer consumers superior value to traditional agents? If they charge less and offer good service, then they usually do.

<sup>30</sup> We noted some of this variation but did not attempt extensive research to learn about all local differences. However, all of our numbers are consistent with the pricing information on the company websites.

Potential Savings for Sellers Using Select Low-Commission Brokers				
			Fee Savings with no 3% commission	
Company	Fee (%)	Minimum (\$)	\$300k Home	\$600k Home
Clever	1.5%	\$3,000	\$4,500	\$9,000
Redfin*	1.5%	\$5,000	\$4,000	\$9,000
Houwzer	1.0%	\$2,500	\$6,000	\$12,000
Trelora	1.0%	\$0	\$6,000	\$12,000
Prevu	2.0%	\$10,000	\$-1,000	\$6,000
Ideal Agent	2.0%	\$3,000	\$3,000	\$6,000
Houzeo**	1.0%	\$1,000	\$6,000	\$12,000
Simple Showing	1.0%	\$5,000	\$4,000	\$12,000
1% Lists***	1.0%	\$3,000	\$6,000	\$12,000

\*Redfin's standard rate is 1.5% but some of its agents charge 2%. Minimums vary from \$2,000 to \$8,500.

\*\*1.0% for the Gold plan, 1.25% for the Platinum.

\*\*\*An estimated average minimum. These minimums are set by individual franchisees. Most range between \$2,000 and \$4,000 according to the company.

Quality of Service: We relied most heavily on Trustpilot and Yelp reviews. These reviews were much more numerous than the number of reviews, mainly complaints, reported by the Better Business Bureau, Pissed Consumer, and Consumer Affairs. While Trustpilot has been criticized for including fake reviews, they do confirm purchases and appear to make a greater effort to eliminate fake reviews than does Google.<sup>31</sup> Not surprisingly then, their customer ratings tend to be lower.<sup>32</sup> As well as Trustpilot and Yelp reviews, we relied most heavily on apparently well-researched reviews from several industry groups, especially Clever, Real Estate Witch (related to Clever), and Houzeo.

Three companies – Clever, Ideal Agent, and Houzeo – had many positive reviews and high ratings. Clever received a Trustpilot rating of 4.9 on a five-point scale based on 3,558 reviews. Ideal Agent received a Trustpilot rating of 5.0 based on 6,386 reviews. Houzeo received a Trustpilot rating of 4.9 based on 2,811 reviews, though many of these were

<sup>31</sup> For more information about Trustpilot, see their Wiki entry and also the article, "Top Website Review Sites: Unbiased Ratings & Insights" (Testimonial Donut, April 24, 2025).

<sup>32</sup> Redfin received a Google rating of 4.3 based on 93 reviews but a Trustpilot rating of only 2.8 with 84 reviews.

probably for its flat rate service. Redfin, on the other hand, was reviewed more critically. Its Trustpilot rating was 2.7 with 22 reviews, and its Yelp rating was 3.5 out of five with 1,025 reviews.

The other companies – Houwzer, Trelora, Prevu, Simple Showing, and 1% Lists -- all employed a limited number of their own agents, so had far fewer customers to provide reviews and ratings. Since Houwzer, Trelora, Simple Showing, and 1% Lists identified their agents online, we were able to examine the number of recent sales and customer reviews.

Agent Evaluation: Low-commission brokers offer personal services that are considered to be “full” by the traditional industry’s definition, though often add fees for extras such as staging. At all companies, sellers are assisted personally by licensed agents. We believe that the most important factor, apart from cost, that sellers should consider in deciding whether to use a low-commission agent is the quality of the agent.

At six of the companies we requested an agent to help us sell a property and received a recommendation who, as a potential home seller, we then called. Most of the recommended agents were active – with at least 10 sales the previous year – were positively reviewed by clients on Zillow and/or Realtor.com, and in a phone conversation, convinced us they were a viable option.

- Clever stood out because they recommended more than one agent – three in the Washington DC area and two in the Pittsburgh area – and all five had much recent experience.
- In DC, Redfin recommended an experienced agent and, when we asked whether there were other agent options, they provided a dozen. In Pittsburgh, Redfin recommended an agent with 45 sales in the past year and 20 recent Redfin reviews.
- Houwzer arranged a phone call with an experienced agent who never called, then called us back to recommend another agent, who had considerable experience and seven customer reviews.<sup>33</sup>
- In DC, Prevu referred us to an agent with little recent sales experience and no recent customer reviews. In Pittsburgh, the recommended agent sold ten homes in the past year and had 10 5.0 customer reviews on Zillow but lived in the Philadelphia area.
- In both DC and Pittsburgh, Ideal Agent referred us to one experienced agent.

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<sup>33</sup> We suspect that the agent did not call back because she googled us and realized we were not real home sellers.

- Houzeo recommended an experienced agent who did not have a DC license then referred us to a broker-owner whom Zillow reported as having three sales in the past year and three customer reviews.

Trelora, 1% Lists, and Simple Showing offer services in limited areas provided by a limited number of agents. Seven of the ten Trelora agents sold at least 17 homes in the past year; one sold six; one sold many up until 2021; and one lacked sales information. Of 46 1% List brokers, 18 sold at least 25 properties in the past year, 18 sold between 10 and 25, eight sold one to nine, and a record of the sales experience of two brokers could not be found. It appears that there are nine or ten licensed agents employed by Simple Showing. It also appears that only six sold homes in the past year, with only two exceeding five sales – 16 and 21 in Georgia.

Recommendation: Low-commission brokers are a viable option for home sellers who are prepared to comparison shop. These brokers may charge different fees, receive varying reviews from clients, and often limit the choice of agent. Several limit the availability of their services to specific regions. Clever, however, does stand out for:

- nationwide availability of services,
- a 1.5 percent commission with a low minimum,
- a choice of experienced, full-time agents, and
- consistently good client reviews.<sup>34</sup>

No other low-commission broker shares these characteristics. Trelora, Houwser, 1% Lists, and Simple Showing all charge lower commissions but limit their services to certain local areas.

A portion of the 1.5% commission is paid by the agent to Clever yet that fact has not stopped more than 15,000 independent agents from signing up with the company. One could question whether an agent receiving a referral from Clever would work as hard for a one percent net commission as for a 1.5 or 2.0 net commission. Three considerations -- there is intense competition for clients, agents depend on referrals from satisfied clients, and Clever monitors the performance of its partner agents -- suggest that this risk is worth taking when the savings is usually considerable.

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<sup>34</sup> Clever was unique among low-commission firms we examined for explicitly defining strong criteria for potential agents on their website. These criteria included “professional full-time agent with over five years’ experience,” “great reviews from past sellers,” and “extensive local market knowledge.” A large majority of licensed agents would not meet these criteria. Newly licensed and part-time agents would not qualify.

## Summary and Conclusions

In the past decade, two major changes took place that now provide home sellers with greater opportunities to reduce traditional 5-6 percent commissions. The first, occurring mainly between 2015 and 2020, was the founding of tech-oriented brokerages that sought to develop new and more efficient service models that charged lower fees, often considerably lower. The second change, occurring mainly over the next five years, was successful class action litigation. In 2019, two major lawsuits alleging industry-wide price-fixing, were filed. The 2024 settlement of this litigation provided new opportunities for lower-priced brokers by challenging price-fixing, weakening state restrictions on alternative brokerage, and lowering FSBO barriers. It also generated substantial press coverage that increased consumer understanding of industry rate-setting and ways to lower these fees. Consequently, lower-cost options are now available to almost all home sellers. These options offer cost savings that frequently amount to several thousand dollars and, on higher-priced homes, often exceed \$10,000. And the options include full, in-person representation by licensed agents.

Two different types of low-fee brokers now offer their services throughout the country. Flat fee brokers ensure that homes are listed on local MLSs and major portals such as Zillow and Realtor.com. They also provide materials and general advice that can assist sellers in a sale but never provide full in-person service. These brokers usually charge between \$100 and \$1,000 upfront depending largely on the extent of assistance provided on-line and by phone, usually by customer service representatives who do not hold real estate licenses. Low-commission brokers, though, always offer full service by a licensed agent that is usually in-person. Some of these brokers employ their own agents, others recruit and work with partner agents, and some do both. They usually charge commissions ranging between one and two percent, which are below the two-and-a-half to three percent commissions of traditional listing agents.

To best utilize these lower-cost options, sellers must decide how much of the home pricing, listing, posting, showing, bidding, negotiating, and closing they wish to take on as responsibilities. In most cases, at minimum they will need some assistance from an attorney or title company. If they decide to delegate these responsibilities to a licensed agent, they should carefully consider the qualifications, track record, and reputation of the candidates they consider. Sellers under no pressure to sell, those with some knowledge of brokerage practices, and those who themselves find a buyer will be most likely to find low-cost flat fee services to be attractive. Sellers under pressure to sell (and often to also buy), those unfamiliar with brokerage practices, and those who want to minimize their involvement in the sale are most likely to prefer their own loyal, fiduciary agent. The latter group constitutes a large majority of all sellers.



In selecting a low-commission broker with licensed agents, sellers should look for the following characteristics:

- Availability for full, in-person service including an initial meeting, home inspection, home showings, and the closing. Companies with agents within ten miles of the seller are preferable to those living 50 miles away.
- Agents who have been hired because of their experience and good client reviews.
- Agents whose performance is evaluated by their company using customer reviews.
- Commissions that are 1.5 percent or lower with low minimums.
- Good evaluations by sellers and by independent reviewers.

The one low-commission broker that appears to meet all of these criteria is Clever, in part because they have more than 15,000 partner agents who are full-time and have over five years' experience. They also give sellers a choice of agents. Ideal Agent seems to meet all of the criteria except cost – the typical fee is a two-percent commission. And Houwzer, Trelora, Simple Showing, and 1% Lists, which charge one percent commissions with low minimums, appear to meet all of the criteria except wide availability. All of these four companies employ a small number of experienced agents and brokers who serve limited areas. We would add, however, that all low-commission brokers employ at least some competent, experienced agents, which emphasizes the importance of sellers doing their own assessment of recommended agents. That assessment should include not only recent selling experience and client reviews, but also information about how well agents explain the sales process and how involved they will be in the sale. With this in mind, low-fee brokers do represent a viable alternative for home sellers.

## APPENDIX A: Cottage Street Flat Fee Service Plans

Basic <small>LISTING ONLY</small>	Showcase <small>LISTING ONLY</small>	Premium <small>CONTRACT REVIEW &amp; MORE</small>	Full Service <small>FULL REALTOR® SUPPORT</small>
\$299.00 <a href="#">More Info</a>	\$399.00 <a href="#">More Info</a>	\$799.00 <a href="#">More Info</a>	\$999.00 <a href="#">More Info</a>
<a href="#">Sale or Rent</a>	<a href="#">Sale or Rent</a>	<a href="#">Sale only</a>	<a href="#">Sale only</a>
<a href="#">Listing Term, Six Months</a>	<a href="#">Listing Term, Six Months</a>	<a href="#">Listing Term, One Year</a>	<a href="#">Listing Term, Until Sold</a>
<a href="#">Up to 50 Photos</a>	<a href="#">Max # Photos Allowed</a>	<a href="#">Max # Photos Allowed</a>	<a href="#">Max # Photos Allowed</a>
<a href="#">Listing on local REALTOR® MLS</a>	<a href="#">Listing on local REALTOR® MLS</a>	<a href="#">Listing on local REALTOR® MLS</a>	<a href="#">Listing on local REALTOR® MLS</a>
<a href="#">Listing on REALTOR.COM</a>	<a href="#">Listing on REALTOR.COM</a>	<a href="#">Listing on REALTOR.COM</a>	<a href="#">Listing on REALTOR.COM</a>
<a href="#">Local REALTOR® Sites</a>	<a href="#">Local REALTOR® Sites</a>	<a href="#">Local REALTOR® Sites</a>	<a href="#">Local REALTOR® Sites</a>
<a href="#">Zillow, Trulia &amp; many more</a>	<a href="#">Zillow, Trulia &amp; many more</a>	<a href="#">Zillow, Trulia &amp; many more</a>	<a href="#">Zillow, Trulia &amp; many more</a>
<a href="#">Contracts, Addendums &amp; Disclosures</a>	<a href="#">Contracts, Addendums &amp; Disclosures</a>	<a href="#">Contracts, Addendums &amp; Disclosures</a>	<a href="#">Contracts, Addendums &amp; Disclosures</a>
<a href="#">Buyer Lead Forwarding</a>	<a href="#">Buyer Lead Forwarding</a>	<a href="#">Buyer Lead Forwarding</a>	<a href="#">Buyer Lead Forwarding</a>
<a href="#">Printable Color Flyer</a>	<a href="#">Printable Color Flyer</a>	<a href="#">Printable Color Flyer</a>	<a href="#">Printable Color Flyer</a>
<a href="#">Combo Key Box (upon request)</a>	<a href="#">Combo Key Box (upon request)</a>	<a href="#">Combo Key Box</a>	<a href="#">Sentrilock Electronic Key Box</a>
<a href="#">Yard Sign (upon request)</a>	<a href="#">Yard Sign (upon request)</a>	<a href="#">Yard Sign (upon request)</a>	<a href="#">Yard Sign (wood post)</a>
<a href="#">Showing Service &amp; Feedback</a>	<a href="#">Showing Service &amp; Feedback</a>	<a href="#">Showing Service &amp; Feedback</a>	<a href="#">Showing Service &amp; Feedback</a>
<a href="#">Market Analysis (upon request)</a>	<a href="#">Market Analysis (upon request)</a>	<a href="#">Market Analysis (upon request)</a>	<a href="#">Market Analysis (upon request)</a>
<a href="#">Contract review, guide to settlement</a>	<a href="#">Contract review, guide to settlement</a>	<a href="#">Contract review, guide to settlement</a>	<a href="#">Contract review, guide to settlement</a>
<a href="#">Professionally Installed Sign Post</a>	<a href="#">Professionally Installed Sign Post</a>	<a href="#">Professionally Installed Sign Post</a>	<a href="#">Professionally Installed Sign Post</a>
<a href="#">Handle negotiations</a>	<a href="#">Handle negotiations</a>	<a href="#">Handle negotiations</a>	<a href="#">Handle negotiations</a>
<a href="#">Docu-sign contracts</a>	<a href="#">Docu-sign contracts</a>	<a href="#">Docu-sign contracts</a>	<a href="#">Docu-sign contracts</a>

## APPENDIX B: SELECT DISCOUNT BROKERS

### CLEVER

#### Area Served

Nation with more than 15,000 partner agents

#### Service

Full provided by own agent

#### Agent Affiliation

Independent partnering with Clever

#### Fees

1.5 percent with \$3,000 minimum

#### Client Evaluation

Trustpilot rating of 4.9/5 with 3,558 reviews.

#### Personal Experience

In response to our requests for recommended agents, Clever provided three for the District of Columbia and two for Pittsburgh. All five were associated with firms ranging from national ones (Keller Williams, Coldwell Banker, ReMax) to a local one. All five were very active with sales in the past year ranging from 12 to 32, and all had client reviews. We talked to two of the three DC agents and thought both competent. One said they charged all clients, not just those referred by Clever, 1.5 percent.

**REDFIN**

## Area Served

Nation with more than 1,500 Redfin agents and more than 5,000 partner agents

## Services

Full provided by own agent.

## Agent Affiliation

Redfin agents on salary/commission

## Fees

1.5-2.0 percent with \$2,000-\$8,500 minimum. Fee reduced if you also buy with Redfin.

## Client Evaluation

Mixed: Yelp rating of 3.5/5 with 1025 reviews. Trustpilot rating of 2.7/5 with 22 reviews (earlier rating of 2.8/5 with 84 reviews). Lower ratings from complaint websites Better Business Bureau and Consumer Affairs.

## Personal Experience

In DC, the company recommended a local agent who had 11 years experience and 49 sales in the past year with 15 Redfin reviews for 2024 sales. In a phone call, agent provided helpful information in response to questions. In Pittsburgh, the company recommended an agent with 45 sales in the past year with 20 Redfin reviews in the past year.

**HOUWZER**

Merged with Trelora in 2022 under brand name Newfound but the two companies maintain largely separate identities publicly.

#### Area Served

Some major cities in Mid-Atlantic states (DE, MD, NJ, PA, VA, DC) and Florida with ten salaried agents and an indeterminate number of partner agents.

#### Services

Full provided by own agent.

#### Agent Affiliation

Houwzer

#### Fees

1 percent with \$2,500 minimum.

#### Client Evaluation

Yelp rating of 4/5 with 43 reviews. Sales by individual agents in the past year ranged widely – three agents with no reported sales and the other agents with sales from 16 to 54.

#### Personal Experience

In DC, company recommended an agent with six years experience and one customer review in Zillow and Realtor.com. Zillow listed 25 sales in the last year, usually as listing agent. When agent did not follow through, company referred us to another agent. They had 14 years experience, 18 sales in the past year, and seven 5.0 reviews on Zillow. In a call, agent noted that, though working in a large service area, they provide in-person service.

#### **TRELORA**

Merged with Houwzer in 2022 but two companies still maintain largely separate public identities.

#### Area Served

Twelve agents serving seven states (AZ, CA, CO, GA, NC, SC, WA).

#### Services

Full

#### Agent Identification

Trelora

#### Fees

Website states 1 percent with no minimum, though recently the company had offered a flat fee option of \$3,000-\$4,000.

#### Client Evaluation

Yelp rating of 4.3 with 136 reviews. Sales by individual agents in the last year reported to Zillow or Realtor.com ranged from 0 to 43.

#### Personal Experience

Services are not available in DC or Pittsburgh.

### **PREVU**

#### Area Served

West (CA, WA, CO, TX), New England/Mid-Atlantic (MA, CT, NY, NJ, PA, MD, VA), and FL

#### Service

Full

#### Agent Identification

Prevu, compensated through salary and sales

#### Fees

2 percent with \$10,000 minimum according to one broker. The website did not list a minimum.

#### Client Evaluation

Yelp rating of 4.1 with 14 reviews.

#### Personal Experience

In DC, Prevu referred us to a local agent affiliated with ReMax. Licensed for 22 years, the agent has not been very active recently. The only portal listing is on Realtor.com, and it includes one listing, no sales, and one client recommendation since 2016. The agent offered to list for a 1.5 percent commission with a \$10,000 minimum. In Pittsburgh, the company referred us to an experienced agent who lives in the Philadelphia area.

### **IDEAL AGENT**

#### Area Served

Nation with over 2,000 partner agents

#### Service

Full provided by own agent

#### Agent Identification

Independent referred by Ideal Agent



#### Fees

2 percent with \$3,000 minimum

#### Client Evaluation

Trustpilot rating of 5/5 with 6,386 reviews

#### Personal Experience

Ideal Agent referred us to the head of a local firm who in turn referred us to one of their agents. That agent, self-described as “not typically a discount agent,” had ten years experience, 24 sales in the past year, and a Zillow rating of 5.0 based on 62 reviews.

### **HOUZEO**

Houzeo advertises itself as a flat rate firm but has a limited network of independent agents that provide full service.

#### Area Served

Nation with limited number of independent agents

#### Service/Fees

Offers flat rate service in three plans, silver (\$199), gold (\$249), and platinum (\$299). For full service, in addition to these upfront flat rate fees, there is a fee at closing – 0.5 percent for silver, 1.0 percent for gold, and 1.25 percent for platinum. There is a \$999 minimum commission on sales.

#### Agent Identification

Independent in partnership with Houzeo

#### Client Evaluation

Trustpilot rating of 4.9 with 2,811 reviews. One company review of Houzeo suggested that the rating was mainly for the onboarding experience with Houzeo service staff.

### Personal Experience

Houzeo referred us to an active agent in a distant DC suburb who did not have a DC license. When we provided this information to Houzeo, they referred us to a broker-owner who also works as a “host and curator.” This broker has been active for five years, sold three homes in the past year, and has five Zillow reviews.

## **SIMPLE SHOWING**

### Area Served

TX, GA, FL, especially Atlanta, Tampa, Orlando, Miami, Fort Lauderdale, Dallas

### Service

Limited full service. Sellers must, for example, find a house and manage a lock box to show it.

### Agent Identification

#### Simple Showing

### Fees

1 percent with \$5,000 minimum

### Client Evaluation

Trustpilot rating of 4.6 with 18 reviews

### Personal Evaluation

We received no agent recommendation for DC or Pittsburgh because Simple Showing does not offer services in these areas.

## **1% LISTS**

### Area Served

Nearly 50 franchised brokers serving 20 states, mainly in the Eastern half of the U.S., with a concentration in Southern Alabama, Southern Mississippi, Louisiana, and Florida.

### Service

Full

### Agent Identification

1% Lists

### Fees

1% with minimums usually \$3,000-\$4,000

### Client Evaluation

Almost all brokers receive 5.0 Zillow ratings from clients.

### Personal Experience

While 1% Lists does not offer service in the DC area, it does serve the Pittsburgh area through two brokers. Both are experienced with at least 20 sales in the past year. We talked to one and were impressed by his knowledge of the current marketplace.