

## Flat-fee brokerage Purplebricks reports growth in the US

Flat-fee brokerage Purplebricks reported Tuesday that its business in the U.S. is growing, and that overall the company is on track to meet its revenue goals.

In a Tuesday [earnings report](#), the company touted growth on multiple fronts. In the U.S., it now has 140 sales consultants and local real estate experts working across seven states. Additional staff members are currently being recruited and trained.

The company also said that in California, where it first entered the U.S. market in September 2017, brand awareness in October had reached 44 percent, “which is ahead of the UK equivalent at the same time in its development.” The company initially ventured [into the Los Angeles area](#), followed by other parts of California, the [New York metro area](#), and [Las Vegas and Phoenix](#).

In the UK, the company experienced year-over-year revenue growth of approximately 20 percent, according to the earning report. Purplebricks executives also said Tuesday that it “continues to win market share against a challenging market backdrop in the U.K.”

In addition, [business in Canada](#) “is performing strongly, in line with our high expectations.” In Australia, Purplebricks faced a slowdown over the summer, but saw growth in October and “significant strengthening of the team over the last few months.”

The company also reported that its “balance sheet remains strong” and it “remains on course to meet the previously provided guidance for full year revenue of between £165m and £185m,” or between \$216 million and \$242 million.



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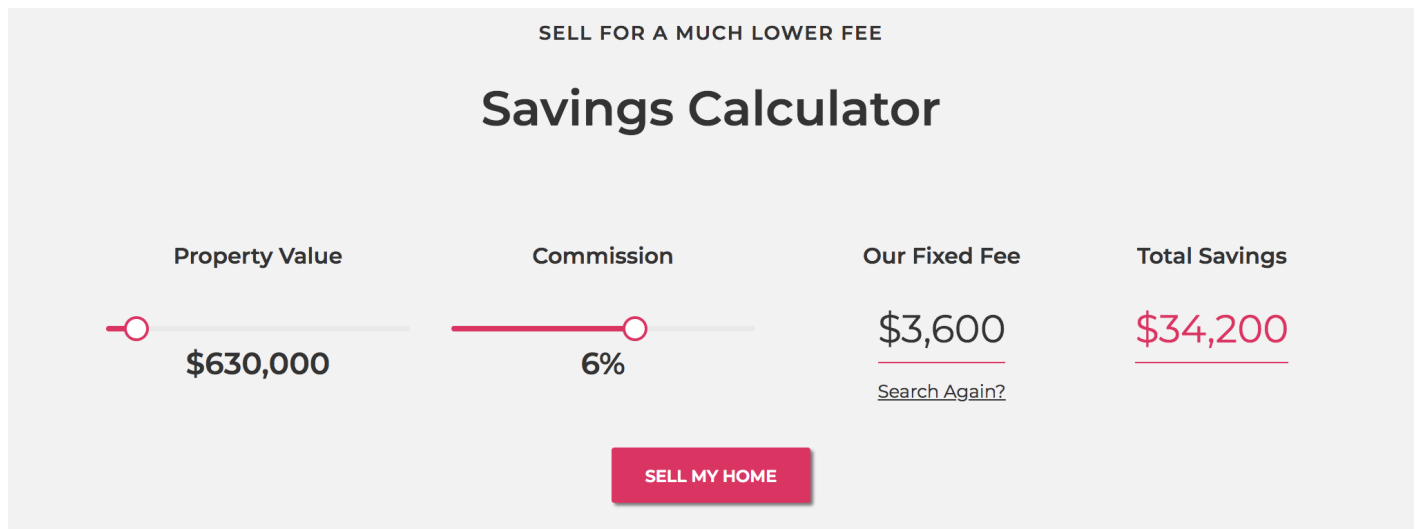
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Purplebricks is publicly traded on the London Stock Exchange and its share price rose about 2 percent Tuesday afternoon.

Despite the positive numbers, Purplebricks did not provide specific revenue numbers or a detailed breakdown of its profit and losses — as it has [done in the past](#). The company also did not immediately respond to Inman’s request for comment on its earnings.

Earlier this year, Purplebricks [announced](#) that it had earned \$2.6 million in revenue during its first seven months in the U.S. That added up to \$1.7 million profit after taking into account the cost of selling homes.

The company also incurred \$21.8 million in losses in the U.S. from operating costs and sales and marketing.



Credit: Purplebricks

Purplebricks is one of several companies swarming the real estate world right now that want to whittle down home sales commissions, which traditionally run about 6 percent in the U.S. In Purplebricks case, clients pay a flat fee around \$3,600 to sell their home. The company’s website

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prominently displays a calculator that shows would-be clients how much that fee will save them.

However, the rise of the flat-fee model has not come without controversy. In addition to prompting some anxiety from agents and brokers, Purplebricks was specifically [singled out for criticism](#) earlier this year by Steve Games, CEO of Pacific Sotheby's International Realty.

At the time, Purplebricks' U.S. CEO Eric Eckardt said consumers wanted lower fees, adding that the company's platform exists "because there is a need and strong demand among consumers for an alternative way to buy and sell homes."

[Email Jim Dalrymple II](#)

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