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Real Estate Agents See Windfall as Housing Crisis Worsens

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As everyday Australians grapple with soaring home prices and dwindling affordability, real estate agents are cashing in, earning record commissions amid an ongoing housing crisis. The growing divide between average earners and top industry players has reignited calls to review agent fee structures and consider new regulations to ensure fairness in an overheated market.

Across major Australian cities, property values have surged over the past five years. According to bRight Agent, a property comparison platform, a home in Perth valued at 1 million Australian dollars in 2020 could now command roughly 1.7 million Australian dollars. For agents charging a two percent commission, this translates to a jump in earnings from 20,000 to 35,200 Australian dollars without any increase in workload. While Perth may be an outlier, the trend is mirrored across most urban centers.

Aaron Scott, co-founder of bRight Agent, told Daily Mail Australia that these inflated commissions are a “kick in the guts” to struggling families. “The extravagance often seen in the real estate industry, designer suits, luxury cars, yachts, is funded by hardworking Aussies trying to make ends meet,” he said. Scott questioned why Australians should be expected to pay thousands more in fees simply because their home value has risen, arguing that this added cost is not proportionate to the agent’s effort.

The debate has prompted calls for renewed regulation of agent commissions. Scott suggested that if state governments can cap rent increases, they should also consider limits on what agents can charge for selling a home. He pointed out that most people accumulate home equity over many years of hard work, and escalating agent fees erode that equity unfairly.

Historically, state and territory governments did impose caps on agent commissions. Queensland was the last to abandon this practice, removing its 2.5 percent cap in 2014. Since then, the Real Estate Institute of Australia (REIA) has argued that deregulation has increased competition and brought down commission rates in many areas. A spokesperson for REIA claimed that agents now operate in highly competitive markets, with some charging below one percent in metro regions.

However, critics like former agent Neil Jenman strongly disagree. Jenman claims that deregulation has only driven commissions higher. “When commissions were fixed, governments were told deregulation would lower fees. That didn’t happen. Commissions have soared,” he told Daily Mail Australia. Jenman says that in parts of western Sydney, fees have risen tenfold since the 1990s from 3,500 Australian dollars per sale to around 35,000 Australian dollars today.

Simon Murphy, a former agent and now founder of Melbourne Property Advocate, labeled the commission model “broken.” He argued that many agents perform minimal tasks, listing properties online, hosting a few open houses, yet walk away with tens of thousands in commissions. “They’re not really selling anymore. They’re just listing,” Murphy said, calling for a system that better aligns compensation with actual effort and expertise.

While real estate remains a lucrative profession for some, especially in high-demand markets, critics say it's time to reassess how agents are paid. The current system, they argue, benefits a few at the top while burdening everyday Australians trying to hold onto their piece of the property ladder. With calls growing louder for regulatory reform, the industry may soon face tougher scrutiny over how it profits from a national housing crisis.