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Technology

As battle rages over online listings, two big brokers pull properties from sites

For years, brokers have complained about lead aggregators such as Zillow and Trulia. And for years, brokers have set aside their concerns and continued to post listings on the sites.

Now, though, a handful of brokers are doing more than gripe about lead aggregators — they're yanking their listings. In recent months, several brokers have made high-profile decisions to deny property information to Zillow, Trulia, and even Realtor.com.

The brokers accuse the aggregators of posting shoddy information, misleading consumers, and taking advantage of listing agents. Proponents counter that the brokers are depriving sellers of valuable exposure on sites that bring millions of visitors.

The largest broker to take its listings and go home is 2,100-agent Edina Realty of Minnesota. In November, it stopped offering listings to Trulia. And, as of January, Edina Realty was in the process of pulling its listings from Realtor.com.

"It's a stance somebody's got to take," says Bob Peltier, president and chief executive officer of Edina Realty Home Services. "Edina, having the number one site in our market, can do this."

With most consumers starting their home searches online, pulling listings from online sites is a bold move. But Edina isn't the only company to test the aggregator-free waters. Shorewest Realtors in Milwaukee never has used Zillow, and it stopped posting listings on Trulia in 2010.

Shorewest president Joe Horning says listing sites are pushing too hard to take money from agents' and brokers' pockets.

"It's really just another middle man," Horning says. "It's crazy. They're increasing the cost of the transaction."

Aggregators scoff

Listing aggregators have spent the past half-decade positioning themselves as a go-to place for property information. Realtor.com president Errol Samuelson scoffs at the notion that brokers would be wise to keep their listings off Realtor.com.

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"If they turn us off, they're going to lose a significant number of users who are clicking on their listings and calling their agents," Samuelson says. "It's a huge audience they're going to be turning off."

Zillow chief executive Spencer Rascoff agrees with that analysis, and he adds that the aggregators are especially important for reaching buyers who shop with iPhones, Android devices, and other smart phones.

"Not putting listings on Zillow, Realtor.com, and Trulia is tantamount to abandoning any hope of finding a buyer who is using a mobile device," Rascoff writes on Zillow's website.

Both Edina and Shorewest say they're doing just fine without the aggregators. They've focused on driving traffic to their own sites, both through strategies such as search engine marketing — having their sites show up high on Google — and by old-fashioned means such as printing their URLs on yard signs. Both brokers have hired Chicago technology firm VHT to help boost visits from home shoppers.

"Everybody and their brother is watching those two to see how it goes," says VHT chairman Brian Balduf.

Edina and Shorewest have an advantage that most brokers don't — both are so large and well-known in their markets that consumers seek out their sites. And both have invested in online marketing.

Smaller companies might not feel secure enough to pull out of Zillow and Trulia.

"Their agents would revolt, or their competitors would pounce on them," Balduf says.

But Edina's Peltier says he has felt little resistance from his agents.

"Once they really understand what's going on with the syndicators and aggregators, they're overwhelmingly supportive," Peltier says.

"These sites are really nothing more than slick advertising platforms."

A small broker joins the fight

Meanwhile, one smaller broker, ARG Abbott Realty Group of San Diego, has also stopped using the listing sites.

"These sites are really nothing more than slick advertising platforms," ARG Abbott Realty Group broker and president Jim Abbott says in a YouTube video. "They often use fear and peer pressure to induce agents and brokers to sign costly long-term contracts for their lead-generation services."

Among Abbott's complaints: Leads go to agents who might not be familiar with the area where the listing is located.

Peltier has several gripes of his own with online listing sites. One complaint is the inaccuracy of Zillow's Zestimates. He said his company never has shared listings with Zillow.

Another complaint is about the accuracy of the data. Peltier thinks the listing sites are posting duplicate listings and expired listings so that search engines see more content on their sites and, in turn, send more traffic to them.

Peltier points to this discrepancy in active listings as of one day in December:

- The Minneapolis multiple listing service showed 1,179 active listings.
- Edina's website showed 1,177 active listings.
- Trulia listed 1,832 properties.
- Realtor.com had 3,415 active listings.
- Zillow posted 2,084 active listings.

Peltier says the "bogus data" is merely an SEO ploy. Abbott agrees. He says thousands of homes that aren't on the market are posted on Trulia, Zillow, and Realtor.com.

"They purposely make it nearly impossible for home shoppers to find out who the listing agent is on a specific property by forcing them to sift through thousands upon thousands of bogus listings and redundant advertising," Abbott says.

Enhanced listings under file

The latest outrage, according to Peltier and Horning, is Realtor.com's "enhanced listing" strategy. Realtor.com gives a listing agent the choice to buy an ad on the right side of the page. The ads cost $35 to $250 a month.

If the agent doesn't advertise next to her own listing, Realtor.com offers the space to competing agents, Peltier says.

"If I don't pay the fee, they'll sell it to my competitor. I think that's truly broker-unfriendly," Peltier says. "I'm just not interested in supporting their business model."

Horning is similarly unimpressed.

"We opted out of their latest scam," Horning says. "They haven't found a business model yet that makes them viable."

But Realtor.com's Samuelson downplays the opportunity for a listing agent's competitor to advertise next to a home. That ad space is available only on so-called enhanced listings, Samuelson says.

"Each broker needs to make their own decisions, but I think it would be a mistake for them to pull their listings off Realtor.com," he says. "It would be bad for their sellers, and it would be bad for their agents."

Edina has told Realtor.com that it no longer will share listings, but the two were haggling over an arrangement.

Edina had yet to remove a small number of listings from Realtor.com as of late January because the agents wanted to continue to post them, Peltier says.

Edina's displeasure with Realtor.com is noteworthy because of the site's close ties with the real estate industry. The National Association of Realtors owns 2.5 percent of Realtor.com's parent, Move Inc., and former NAR President Catherine Whatley serves on Move's board of directors.

Some say the dispute is much ado about nothing. Philadelphia broker Fred Glick, who runs US Spaces, says the brokers who complain about aggregators are ignoring the important role the sites play in marketing properties.

"Buyers want information. They're going to find it," Glick says. "Let's give the consumers what they want, because that will bring them back to trusting real estate agents."

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Real Estate Broker's Insider is published monthly by Alexander Communications Group, Inc.