

Gut check for brokerages after Zillow, Realogy cut deal

Corcoran, Citi Habitats and Sotheby's agents won't pay to post rental listings on StreetEasy

By [E.B. Solomont](#) | September 07, 2017 08:30AM



For weeks, the Corcoran Group's CEO Pam Liebman slammed StreetEasy's new daily rental fee — both in private conversations and in public. "It's not a good move," she said of the \$3 per listing charge in July, when the firm [stopped](#) feeding rental listings directly to the site.

So it came as something of a surprise this week when Realogy — the parent company of Corcoran, Citi Habitats and Sotheby's International Realty — announced that it had inked a [deal](#) with Zillow, paving the way for agents at

those firms to again post rental listings on StreetEasy. Realogy will pay the rental fee for agents under terms of a “long-term, multi-year” deal, according to an email sent to agents. Doing so, Liebman said, is in “the best interest of our clients and agents.”

But the move was seen as a blow to the fragile, weeks-old alliance between residential brokerages that were trying to set aside decades of differences to muscle out StreetEasy, syndicating listings through the Real Estate Board of New York.

“We needed a critical mass to make a difference,” said Jordan Sachs, co-founder of Bold New York, which had been in the process of suspending its automatic feed to StreetEasy.

Now, Sachs said, syndicating with the RLS alone isn’t a viable option. “I thought if Realogy went offline, we really had the leverage,” he said. “It’s all about being unified. Realogy proved it’s an individual effort.”

Despite Bold’s reversal, many of the firms that initially backed REBNY’s residential listing service (RLS) said they would continue to do so.

“We are disappointed with Corcoran’s position, but that’s up to them,” said Brown Harris Stevens’ Bess Freedman, who added that BHS was “100 percent” committed to syndication. “We think it’s the right thing to do for the industry and we recognize and believe strongly that having integrity is about doing the right thing — even when it’s not so convenient,” she said. Still, she acknowledged that the RLS’ power was weakened without Corcoran and Douglas Elliman, which has said it would feed listings to both StreetEasy and the RLS.

“It would be more powerful, more effective if we had Douglas Elliman or Corcoran, of course. It would be game over, sooner,” she said. But Freedman estimated that firms who’ve shut off their automatic feeds represent nearly 30 percent of the market. “They’re no longer the place to go find everything,” she said.

The about-face between Corcoran and Zillow represents the second major reversal in recent months. Several firms, including the Corcoran Group, initially trashed and tried to kill StreetEasy's "Premier Agent" ad program, but ultimately [backed off](#) and cut a deal with StreetEasy.

Outside of New York, the Realogy-Zillow rekindling was seen as inevitable. "This sort of boycott of Zillow always fails," said Rob Hahn, a management analyst who tracks the industry. "Zillow's got the buyer and renter eyeballs. Sellers and landlords don't care about [agents and their issues](#)."

Hahn questioned the viability of the RLS going forward. "They are trying to put the spilled milk back in the bottle," he said.

In a statement, REBNY president John Banks said syndication still provides the most accurate and up-to-date information for consumers. "As we continue to increase the number of listings [and] sign more contracts with consumer-facing websites," he said, "it will become clear that our feed is the single most trusted point of residential listing data for the real estate industry in NYC."

For their part, Sotheby's, Corcoran and Citi Habitats reiterated their support for the RLS in emails circulated to agents on Tuesday. "Our primary concern has always been to make sure that our customers receive the best possible service in the industry, and that you get the same from us," Liebman wrote in an email to agents. "We, of course, will still be supporting the RLS feed and will continue to send our listings through the RLS to the hundreds of aggregation sites that have signed on to it."

However, skeptics said the deal was clearly a financial play. "They cut a deal. It's dollars and cents," said one brokerage executive. Some said the deal boxed out small- and mid-sized firms. "If it was offered, we would have taken it," said Zachary Elias, rental manager at DJK Residential.

Like BHS, several firms that threw their weight behind [syndication](#) said they'd continue to feed listings exclusively to the RLS. [StreetEasy](#) has refused to accept the RLS, stating that doing so would compromise data integrity. "Stribling stands by its decision to participate in the REBNY RLS, and the mission to provide the industry and our clients with clean, consistent and transparent data," said Elizabeth Ann Stribling-Kivlan, the firm's president.

Andrew Heiberger, CEO of Town Residential, said his firm "is and always was" willing to feed listings to StreetEasy — provided listings go through the RLS, which Town "fully supports." (Town clients and agents who want to use StreetEasy may also do so directly.) "Like Corcoran, we always want what's best for our clients, customers and representatives," he said. "For anyone to imply that we are compromising their needs by insisting on a direct feed to StreetEasy from the RLS (which is the cleanest and most robust data) is simply inaccurate."

Meanwhile, Scott Durkin, Elliman's COO, said both StreetEasy and the RLS are key tools. "You can't just put your eggs in one basket. Any large firm — like them or like us — would be foolish not to have these kinds of agreements in place," Durkin said. "We didn't think twice. We never turned the lights off. It was completely based on keeping our agents and our customers happy and in business."
