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Web reveals once-secret world of real-estate data

By **Elizabeth Rhodes**
Seattle Times business reporter

What a difference a decade makes.

When Dave Liniger, co-founder of the Re/Max real-estate empire, tried in the 1990s to put all U.S. real-estate listings online, it created "a firestorm in the industry," he recalled.

Agents used to having tight control of for-sale homes data actively rejected Liniger's argument that this valuable information should be made public because the public wanted it.

So Liniger backed off. But only temporarily.

By the time he tried again last year, thousands of individual real-estate firms had thriving Web sites, and far from making agents obsolete, as feared, the Internet actually has aided them by educating customers and pre-selling houses.

So this time Liniger received no complaints.

This sea of change was just the beginning of a major Internet-driven move toward transparency within the real-estate industry — a transparency that's increasingly giving buyers, sellers and renters greater ability to quickly analyze and control their housing decisions right down to the fine print.

Like how much it's going to cost to heat the house, how far it is to the nearest pizza joint, how high the neighborhood pollen count gets.

Savvy Internet entrepreneurs chasing advertising dollars are driving this fast-growing movement, perhaps the most publicized example being Seattle's own [Zillow.com](#).

Launched in February, it allows the public to research for free the current value of millions of homes nationwide. The site was so instantly popular that viewer demand caused it to crash within its first 24 hours.

When Zillow's founders, Microsoft alumni Rich Barton and Lloyd Frink, appeared at a national real-estate convention in San Francisco recently, they were greeted like rock stars.

"Consumers have a huge appetite for real-estate data," Barton said to applause from thousands of industry professionals.

Generating millions of hits a month from sellers, buyers, agents and the merely voyeuristic, "we discovered we had a tiger by the tail," Barton said.

"The impulse is to keep it proprietary," he said. "But we're setting the data free, and this

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is just the beginning."

Indeed, Zillow plans to add even more data (as yet unannounced), as other sites roll out their own options to take real estate to the next level.

Truly great Web sites "have something to offer consumers that they've never had before, or a new way to improve what's already available," Marty Frame, former chief technology officer for the national Realtor.com site, said at the San Francisco conference sponsored by Inman News.

Here are innovative examples from Seattle and elsewhere:

- Propertyshark.com has information on every commercial and residential property in King County. Viewers can enter an address and get the owner's name, the last sale price, property-tax information, permits and even foreclosure data.

- Luxuryrealtgroup.com is an example of the many location-specific sites springing up. It has photos and information on every condominium building in Las Vegas, including location, amenities, size of units and recent sales by price in each building.

- Seattle-based Judysbook.com is an Internet version of the old over-the-backyard-fence information grapevine. Viewers can post reviews and queries regarding various services, including real estate, home and garden. A recent request for help finding mid-20th century building materials generated three replies.

- Mynewplace.com is a nationwide apartment-finder site. Its Seattle section has information on 64 complexes — down to such detail as when they were built or renovated and whether they provide access for disabled people. It has lots of photos, rental rates and floor plans.

Local real-estate sites have been national leaders in innovation.

John L. Scott's site, for example, in May became the nation's first residential real-estate firm to offer Microsoft Virtual Earth aerial tours of for-sale properties.

In 2004, Windermere's site was the first in the country to allow viewers to map for-sale properties by location.

And Seattle upstart Redfin.com pioneered satellite mapping technology and, more recently, a program that allows people to buy homes over the Internet, complete with a money-saving rebate.

Also new are a growing number of "mash-ups" — sites that aggregate information from other sites and present it packaged together.

The why behind all these developments is in the numbers.

About 11 million Realtors are selling about 6 million homes a year, and surveys have shown that more than half of buyers and sellers search the Internet for real-estate information.

While that information almost always is free, its viewer appeal is pure gold for advertisers. Zillow's Frink estimates that advertisers will spend \$18 billion next year on online ads, about \$6 billion on real-estate and finance Web sites alone.

This is fueling an online evolution that's making profound changes within the industry.

In the old days, agents controlled what buyers knew, what homes they saw. And agents also were responsible for drumming up their own customers.

Now real-estate sites make all manner of property information available to almost anyone — and they also control who gets the clients generated by it.

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With that comes consequences. [HomeGain.com](#) Senior Vice President John Erickson says sites have just 7 seconds to capture a viewer's attention. Those that don't grab viewers won't realize value. Nor will those that can't convert viewer interest into viable clients.

"The new world is a lot more complex," noted Sami Inkinen, a founder of [Trulia.com](#), a San Francisco-based site that's received considerable industry buzz for innovation. Besides providing detailed neighborhood information, it calculates whether a home for sale is overpriced or underpriced.

Because of all the new companies and Web sites, Inkinen said, there are no monopolies in the real-estate business.

That's given more power and more opportunity to buyers and sellers, said Steve Ozonian, CEO of [Help-U-Sell.com](#), a company that helps owners sell their own homes.

"We've reached the tipping point with the Internet," Ozonian said. "It's changing the way real estate is bought and sold. The consumer now does more than they used to do and is better prepared. They're doing what Realtors used to do."

As a result, Ozonian thinks sellers now want to know what it really costs agents to conduct their business, and if agents can't justify their 5 or 6 percent commission, then commissions should be lower.

But the consensus among the new guys on the block, with their video home tours and interactive forums, is that Internet innovation won't make real-estate agents obsolete.

Barton said Zillow learned that quickly when the first idea — a real-estate auction — fizzled in testing.

"We learned the lesson that what Realtors do is extremely hard," said Barton, who also founded Expedia. "There will never be a 'Buy It Now' button. We learned that consumers are reliant on professionals. It's not [like] travel."

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