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Edina Realty still sending listings to Realtor.com

Minnesota brokerage has pulled feeds from other national portals

BY MATT CARTER

Five months after announcing it would pull listings represented by its agents from national property search portals, Edina Realty Inc. remains in negotiations with the operators of the only national website the brokerage is still providing listings to: Realtor.com.

Minnesota-based Edina Realty made waves in November when it announced that it would [stop syndicating listings](#) to Realtor.com, Trulia and other national, third-party listing portals.

The HomeServices of America Inc. subsidiary -- the [dominant brokerage](#) in the Twin Cities market -- cited concerns about the advertisements and lead forms for other broker's agents that sometimes appear next to listings on national listing sites.

Bob Peltier, president and CEO of Edina Realty Home Services, said that depending on the outcome of a March 22 meeting with executives with Realtor.com's operator, Move Inc., there's still a possibility that the brokerage will continue to send a full set of listings to the site.

"Based on what I know today, probably not," Peltier said of the likelihood that Realtor.com will address issues raised by Edina Realty to his satisfaction.

"If the questions I asked two weeks ago are answered differently (than they were at the meeting), it's possible I could change my mind," Peltier said of the decision to cut off the flow of listings to the site.

Last year, following in the footsteps of national sites like Zillow and Trulia, Realtor.com [began placing lead forms](#) for buyer's agents alongside of some listings. Move operates Realtor.com under the terms of an agreement with the National Association of Realtors, which [approved an amendment](#) to the Realtor.com operating agreement allowing the "Connection for Co-Brokerage" lead forms.

Listing brokers who don't want the unbranded lead forms to appear next to their listings can opt out of the program, and the lead forms don't appear when agents pay Realtor.com to have their listings "enhanced" with additional photos, branding and contact information.

In a message Edina Realty sent to agents in November [explaining the decision](#) to stop syndicating listings to third-party sites, the brokerage said it was responding to "the changing business models of third party aggregators."

Third-party aggregators "get listings for free from brokers around the country and then display them online, collecting and distributing leads for profit," Edina Realty explained to its agents.

The brokerage said it would stop providing a broker feed of listings to Trulia starting Nov. 30, and intended to "discontinue sending our listings to Realtor.com by the end of the year."

The move, Edina Realty said at the time, was needed to ensure that "agents don't lose future business opportunities because a nonlisting competitor pays to present themselves as the contact for your listing" or pay "directly or indirectly ... for leads on their own listings."

"I haven't changed in my thought to that at all," Peltier told Inman News this month. But Edina Realty continues to discuss issues surrounding listing syndication with Realtor.com, "in fairness to my agents," he said.

Trulia allows agents to upload individual listings, and some Edina Realty agents continue to publicize their listings on the site. Peltier would like Realtor.com to provide the same option.

"Out of 2,300 agents, I have 82 agents, who I care about, who have signed one-year contracts with Realtor.com" in which the agents pay for "enhanced" listings, Peltier said. "My question (for Realtor.com) is: What are you going to do for them? Are you going to let them out of their contracts, or let them 'one upload' listings? I need to know the answers before I go in and unplug."

"If they are going to say, 'We want the MLS feed all or nothing,' I'd say we have to go back to where we were last fall or last summer. I have to stick to what I believe in," and pull listings from Realtor.com, Peltier said.

"It's an online ad is all it is," Peltier said of "enhanced" listings. "To have them sit there and tell the broker, 'It's all or nothing,' just doesn't make any sense to me."

After Edina Realty announced it planned to stop syndicating listings to Realtor.com, the site stopped running "Connection for Co-Brokerage" lead forms next to the brokerage's listings. Realtor.com allows any broker to opt out of the program, but provides incentives to those who allow the lead forms to appear next to unenhanced listings, such as the ability to upload extra photos of listings.

Peltier said Edina Realty did not request to opt out of the "Connection for Co-Brokerage" program, and thought it "was odd" that Realtor.com opted the company out (Realtor.com acknowledged that it stopped running the lead forms after it became aware of the brokerage's concerns about them, but said Edina Realty subsequently put in a formal request to be excluded from the program).

Although the lead forms no longer appear next to Edina Realty listings on Realtor.com, Peltier said he'd still like the site's users to have an easy way to contact the listing agent -- without having to pay for it.

Realtor.com identifies the listing broker on listing detail pages, and also provides a phone number, regardless of whether listings are "enhanced" or not. But Peltier said most consumers would rather send an email or click on a link than pick up the phone.

"Give me a click back, or something a motivated buyer can use to reach us," Peltier said.

Lost opportunities

Some industry observers have speculated that brokerages that object to ads and lead forms for other companies' agents appearing next to their listings on third-party listing sites are mostly worried about losing opportunities to sign up buyers as clients -- or better yet, represent both sides of a transaction, doubling their commissions.

"That's kind of real estate 101," Peltier said of such observations. "Certainly we want the business."

But Peltier said Edina Realty's ultimate objective is not to "double-end" more transactions.

"We share our listings with everybody in our local market -- we're not trying to grab and hide them," he said.

Although Edina Realty has stopped syndicating listings to most third-party sites, it continues to provide Internet Data Exchange (IDX) listings data to other brokers in its local market, and publicize listings represented by those brokers on its own website, EdinaRealty.com.

"In the 34 years I've been in this business, the listing has always been the key," Peltier said. "I'll share it with anybody in my market who works here. We'll never stop that -- if we get the call, great, if somebody else does, that's fine too if we get it (the client's house) sold."

Edina Realty belongs to 13 multiple listing services (MLSs). Like others around the country, the MLSs pool IDX listings that brokers have agreed to publicize on each other's websites. Depending on local MLS rules, IDX listings can typically only be displayed on MLS, broker or agent sites. Sites that publish IDX listings must identify the listing broker, and are generally prohibited from running advertisements or lead forms on listing detail pages.

"We want to market to the market here, in the Twin Cities. I'm not willing to have outside companies from California get the listings, and call us up for a referral. They did no work. That's what I'm trying to stop. The margins in this business are tight enough."

Edina Realty has invested in capabilities like a customer service center that's open seven days a week, he said.

"We will take calls, answer questions, provide help with financing, get them to an agent, set up a showing any time pretty much," Peltier said. "We're spending our money internally rather than externally."

Questions about the properties the company represents are best answered by Edina Realty, he said.

"More 'hoggers,' as we call them, is not really what I'm looking for," Peltier said. "I'm looking to represent the seller in the best possible light. I don't think anybody can do that better than the listing company. They are going to have worked with the seller, know the improvements (to the home), and know the schools."

Although Edina Realty [has also cited](#) inaccuracies in listing data published on national third-party sites as another "cause for alarm," Peltier said that's not a big issue with Realtor.com, which gets listings directly from MLSs.

"I will give Realtor.com credit -- they are probably the most accurate of the websites out there, and I appreciate that," he said. "But they are not working in the agent's or broker's best interests."

No rush for the exits

Realtor.com President Errol Samuelson, who attended the meeting with Edina Realty executives last month in Minnesota, declined to discuss specific issues raised at the meeting, which he said were confidential.

But in general, he said, "We had a really good meeting. They are smart businesspeople, and they have clear business objectives. We want them to continue sending their listings to Realtor.com, and we understand that it's not an entitlement. It has to make business sense to them."

He said Realtor.com provided Edina Realty executives with "metrics and data to make an intelligent decision."

"We believe it makes a lot of sense for them to have listings on Realtor.com," Samuelson said. "It's important to note that there's tremendous value to having listings on Realtor.com, even if they don't buy any of our advertising products."

According to Realtor.com, in a recent 12-month period, visitors to the website viewed 2.8 million listing detail pages of homes represented by Edina Realty agents.

Unlike some competing sites, he noted, Realtor.com does not place paid, or "featured," listings ahead of unpaid listings in natural search results by default, although users can sort them that way if they choose. Instead, Realtor.com places a ["carousel" of paid featured homes](#) in boxes at the top and bottom of natural search results.

The listing broker is always identified and a phone number provided, Samuelson said, regardless of whether the listing is "enhanced" or not. But Realtor.com needs to charge extra for ["showcase listings"](#) with agent lead forms and link-backs in order to generate revenue, he said.

"It's a function of our business model," Samuelson said. "The way we choose to support the site is through advertising. We give you the listing detail page for free, but the piece we charge for is if you want to have that link to your website, or an email sent to you, or a video or virtual tour -- that's how we monetize the site, in a fair and balanced way."

A small San Diego-based brokerage, ARG Abbott Realty Group, followed Edina Realty's lead and [announced in January](#) that it would pull listings from third-party websites including Realtor.com. Asked if other brokers have threatened to do the same, Samuelson said, "It has not been a big issue for us."

In February, the nation's fourth-largest real estate brokerage, Howard Hanna Real Estate Services, announced it was [making a "seven-figure" investment](#) (\$1 million or more) to promote its listings on Realtor.com and Zillow. The company said its research showed exposure on national listing portals complements the brokerage's own website and other marketing efforts.

Peltier said Howard Hanna's circumstances are different than Edina Realty's, because "they are in a couple of markets they are trying to grow in."

"I know Hoddy, and Hoby, and Helen well enough," Peltier said of the family-owned brokerage's leaders. "If they are paying for (exposure on Realtor.com and Zillow) and not getting the leads they need or want, they are not going to be there."

Samuelson said that while syndication to third-party listing sites has been a "big conversation this year" among brokers, "I think it's a healthy conversation" that will benefit Realtor.com as brokers look at which sites provide the most benefits.

"In, our case, I believe it's a fair value exchange," Samuelson said of the exposure agents and brokers get for their listings on Realtor.com. "I think its good brokers are discussing this -- I think you'll see more discrimination in distribution of listings."

Peltier said that when Edina Realty began to re-evaluate the value of syndicating listings to third-party, national portals, he was amazed to discover how many websites the company was feeding through its listing syndicator, ListHub.

"Everything is opting out, so you are automatically in," Peltier said of the process by which brokers choose which sites to send their listings to. "I don't think most brokers -- I will say me, anyway -- know most of the places where their listings are going. The 'all in' choice on ListHub sends listings to hundreds of disparate sites. That's irresponsible of me, as a company, to not know where (listings are) going."

Luke Glass, vice president and general manager of ListHub, said brokers can access information about all of the sites they are syndicating listings to through ListHub, and obtain metrics about the traffic and exposure the sites generate for their listings.

But Glass acknowledged that brokers can opt in with a single click without familiarizing themselves with all of the sites. ListHub works with more than 50 national companies brokers can choose to send listings to, and the ListHub network includes more than 500 websites.

"When we first launched, 'list all' wasn't part of the program, but a lot of brokers said 'I don't want to read (about) all of these,'" so ListHub began

providing a one-click opt-in function to syndicate listings to the entire network, he said.

Glass said ListHub is about to roll out a new criteria-based selection tool that will allow MLSs and brokerages to choose which sites they want to send listings to based on the features they offer. MLSs and brokers might choose to only send listings to sites that do not re-syndicate listing data, he said, or which provide detailed metrics reports, or promise timely removal of expired listings.

"We're changing the paradigm, so instead of picking publishers, you pick the rules you believe in," Glass said of the new selection tool the company plans to introduce this month.

After choosing sites to syndicate listings to based on selection criteria, MLSs and brokers will still have the ability to select additional sites that may not fit those rules.

"They may get down to seven or eight sites (using the selection criteria), and say, there are a few others that don't meet my criteria. They can override and add sites that don't fit."

Because features like the look and feel of a site and how well leads convert are more subjective, ListHub will also allow users to rate listing portals, using a five-star rating system. Users will have the ability to sort listing portals by ratings.

ListHub will also allow MLSs to award an "MLS preferred" designation to listing portals that they feel have adopted "best practices" for their members.

Glass said the new selection tools will help make publishers aware of what's important to MLSs, brokers and agents.

"My view is that the exchange of value is listings for exposure," Glass said. "The listings are the fuel in that equation. I think that any publisher that sees their fuel decrease will have a much stronger impetus to fill the holes where they are not fitting a certain criteria."

Like Realtor.com's Samuelson, Glass said the debate over listing syndication has not had an impact on ListHub's business.

ListHub is adding 600 to 700 brokers a month, he said, a rate that's unchanged in the last 18 months. Only a tiny fraction of ListHub's 43,000-plus broker clients have "turned things off" in the last three to four months.

"We're talking less than 10," Glass said. "There has not been a watershed behind the scenes. The only ones (to stop syndicating) are the same ones that everyone has read about."