

Too Many Sellers Are Being Conned Into the 'Advantages' of a Private Listing Network

Some big brokerages — most notably Compass — have done surprisingly well in convincing sellers that by keeping their listing off the Multiple Listing Service (MLS), they can get more money for their homes by sharing it only within their brokerage.

This is counter-intuitive. How can you get more for your home by hiding it from the vast majority of real estate agents representing buyers and by keeping it off Zillow, Redfin, and all the other consumer websites which get their listings from the MLS?

Zillow has taken the lead in drawing attention to this anti-competitive and anti-consumer scheme, which they have calculated costs sellers billions of dollars.

Back in February, Zillow released the results of a survey it commissioned which puts numbers to this unfortunate trend. Here are some excerpts from the email they sent to Zillow Premier Agents like myself:

With the increasing use of private listing networks (PLNs) or "private exclusives" by some brokerages, it's critical to understand the implications for consumers and the industry as a whole. Here's what the data says and why it matters for you, your team, and your business.

While the term "multiple listing service" (MLS) is familiar to many Americans, [less than half of consumers] can confidently say they know exactly what it means. Familiarity with private listing networks and dual agency is even lower across all age groups...

This lack of clarity can leave sellers uninformed about the potential benefits and tradeoffs of their listing choices. Given the seller agent's fiduciary responsibility to their clients, this is concerning.

Consumers aren't the only ones experiencing a knowledge gap when it comes to

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the importance of listing access. A recent Zillow survey highlighted that agents are misinformed about the negative impacts of private listing networks. A similar share of agents believe off-market listings benefit buyers (61%), benefit sellers (64%) and benefit agents (64%) — despite data proving otherwise. Even more concerning, the majority of agents surveyed (56%) said that they believed PLNs increased the sales price of a home — though research shows sellers leave money on the table when they sell off the MLS.

The survey found that 63% of recent home sellers (within the last five years) reported their agents recommended using a private listing network, compared to just 18% of those who sold more than five years ago. This shift raises important questions around the beneficiaries of private networks.

Complicating the issue is the disparity among different demographic groups. Hispanic and Black sellers are significantly more likely to have been recommended by a real estate agent to list on private networks (74% and 73%, respectively) than white sellers (24%). This trend warrants careful consideration, as limiting access to MLS listings could exacerbate inequalities in the housing market — whether intentionally or not.

The survey highlights that 81% of Americans believe it is important for their home to be listed publicly and for free on platforms like Zillow, Redfin and Realtor.com. This sentiment underscores a core consumer expectation: visibility drives value.

Additionally, 86% of respondents agreed that viewing all for-sale home listings should be free for buyers. Furthermore, 81% believe that greater visibility increases the likelihood

of a bidding war, potentially driving higher sale prices. *These preferences reinforce the critical role that MLS platforms play in promoting open, equitable, competitive markets.*

New Zillow research shows sellers left more than \$1 billion on the table in 2023 and 2024 by selling their homes off the MLS. In California, a typical off-market seller walked away from an extra \$30,075; in New York state, it was \$13,749 per home sold.

In Zillow's survey, 44% of consumers initially preferring private networks changed their preference after learning off-MLS homes typically sold for less money. Younger sellers (ages 18-34) were particularly influenced, with 74% revising their preference.

For agents, these findings present a powerful opportunity and obligation to educate clients about the tangible financial benefits of listing on the MLS. Clear communication about how MLS exposure can impact sale price will build trust and align with clients' best interests....

The real estate industry is built on trust, transparency, and delivering value to clients.

As private listing networks become more common, it's vital to align our practices with consumer preferences for open access and fairness. By prioritizing education, visibility, and equity, real estate professionals can meet these expectations and drive better outcomes for their clients — and the industry as a whole.

Zillow Removes Climate Risk From Listings; Redfin Does Not

On November 14th, Zillow quietly removed climate risk details from its listings. Risks shown included flood, wildfire, heat, wind and air quality from FirstStreet.org. To obtain that information, Zillow visitors now have to click on a link to that website, where the ratings from 1 to 10 are shown for each risk.

For example, a condo listing near Evergreen High School shows a "7" rating for wildfire risk, but "1" or "2" for the other risks. For more detail, First Street offers a \$39.99/month subscription service.

Redfin reacted to the Zillow action by saying that it will continue to display those climate risk ratings from First Street for its listings, and I checked the same listing and saw the graphic shown at right. By clicking on any of the risks, additional details appear, including the price range of available insurance coverage.



Just Listed by Monica Fullmer: A Buildable 1-Acre Lot in Ft. Lupton



This 1-acre hay field on Dale Avenue in Ft. Lupton is priced at \$219,000. It should be attractive to an owner-occupant using a VA construction loan or installing a mobile home, or to a builder. More info is available at www.GRElistings.com, or call listing agent Monica Fullmer at 720-392-4111.

'Save Belmar Park, Inc.' Says the Battle Is Not Over

A group of Lakewood citizens have been battling the City of Lakewood over the construction of a high-rise apartment building between Lakewood's government center and public library and Belmar Lake.

They have suffered some setbacks legally, but a recent update on their GoFundMe site claims that all is not lost.

You can read that update on at <http://RealEstateToday.substack.com>.

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