

A real-estate giant wants sellers to list their homes privately. Will homeowners benefit?

Story by Aarthi Swaminathan • 4h • 11 min read 5-4-2025

Selling a house in today's sluggish real-estate market was already tough, and now one of the biggest players in real estate is asking people to do something that seems to make it even tougher: keep their for-sale listing private.

The push for private listings is part of a real-estate industry battle that has Compass one of the biggest brokerages, squaring off against big-name listing platforms Zillow and Redfin

The fight has potential implications for home buyers and sellers alike, as home buyers could be blocked from seeing certain for-sale listings, and sellers could get fewer eyeballs — and offers — on their homes.

One San Francisco resident says she almost made a \$100,000 mistake by going the private listing route when she was first selling her house.

One of the first few offers Caitlin Bigelow received for her two-bedroom condo in San Francisco two days after it was listed hit the magic number she had envisioned in her head.

She wanted \$2.1 million for the condo in the quiet, upscale neighborhood of Cole Valley. The real-estate agent she was working with had been doubtful that the condo would fetch over \$2 million, based on comparable sales.

But Bigelow had a feeling she could do better.

When she got the \$2.1 million offer, the listing had only been "premarketed" by Compass, the brokerage she was working with, meaning it had only been shown to a small group of Compass agents and their buyers.

So when the offer fell through, she wasn't disappointed. It actually turned out to be a blessing in disguise, she told MarketWatch, because the listing was then posted on real-estate internet portals including Redfin and Zillow, which are viewed by hundreds of millions of users each month.

In the first six days the listing was on Zillow, more than 2,000 people viewed the property online, she said, and over 60 groups of potential buyers attended open houses.

Bigelow's condo eventually went under contract for \$2.15 million, which surpassed her expectations. The offer was made sweeter by the fact that the buyer paid his real-estate agent's commission fee of \$55,000, a cost that the seller traditionally covers.

She was relieved the initial buyer got cold feet, because she ended up getting three offers once the listing hit the mass market.

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For-sale listings are usually available to the public, but now that could change

Bigelow's experience highlights a risk homeowners could face as a result of the war now being waged between Compass and other real estate companies. After Bigelow posted about her experience on social media, Zillow pointed a reporter to her story as an example of how sellers could lose out if Compass prevails. *

The bitter fight revolves around how for-sale listings are shown to the public and how homeowners sell their homes, with huge implications for how much they can sell them for. >

In short, Compass wants to keep its agents' for-sale listings out of full view of the public by making them private and only viewable to buyers working with Compass agents for a number of days. Zillow and Redfin say that buyers should be able to see all listings. Zillow has threatened to ban Compass's exclusive listings from later appearing on its platform in retaliation.

The battle comes as the real-estate industry has fallen on tough times. Home sales are at a 30-year low, as house hunters struggle with high mortgage rates and record-high home prices. Brokerages are also adjusting to new rules stemming from class-action settlements over the commission fees that real-estate agents make on home sales.

Compass's move to keep listings private would be a major change from how for-sale homes have been marketed to potential buyers in the digital age.

Under traditional rules in the real-estate world, homes like Bigelow's that are for sale typically need to be listed on a multiple listing service within 24 hours of the agent publicly declaring that a home is available.

Those MLS feeds, private databases that brokers enter listings into, are accessible only by real-estate agents licensed by the NAR.

But access has also been fairly democratic. Local MLS databases syndicate their listings to third-party websites via a data exchange, allowing serious buyers and casual browsers alike the chance to see home listings on platforms like Zillow and Realtor.com.

Compass, one of the largest residential real-estate brokerages in America, is trying to upend that system. Its goal is to push the industry toward allowing homes to be listed privately.

Compass's reason for private listings and how that could impact buyers and sellers

Why does Compass want to make for-sale listings private, and how does that impact the average buyer and seller?

Compass envisions rewriting the rules so that homes can be listed privately for a set period to test the market before becoming publicly accessible. Such as in Bigelow's case, Compass wants to market a home to its own agents for a few days before the home goes public on Zillow and other portals.

The brokerage's main argument is that their real-estate agents should have the liberty to privately market a seller's property so they can get a better price for it, or get offers more quickly.

Compass has said it isn't trying to create so-called pocket listings, meaning homes that are bought and sold without ever appearing publicly on the market. Compass says it's only asking for additional time to "premarket" a listing before making it public on Zillow and other platforms via the MLS data feed.

One MLS refused to take Compass listings that had been "premarketed"; Compass sued the North West Multiple Listing Service over the issue, citing anticompetitive business practices and charging that the MLS was depriving home sellers of the choice to market their home as they choose, among other allegations.

Compass founder and chief executive Robert Reffkin says the MLS system has too much control over how real estate is publicized in the U.S.

Under current rules, if a home is for sale and the sellers want to tell the market, it must go on the MLS, which has control of almost all real-estate listings in the U.S.

Such control is what Reffkin opposes. Current policies are "solely focused on preventing cooperation outside of the MLS," Reffkin said, "because they don't want the MLS to be replaced by an alternative listing system."

Currently, if a for-sale listing doesn't appear on an MLS within a day of the house being available for sale, it can never be publicly marketed and must be kept private, under an NAR policy called Clear Cooperation. This creates less transparency in the system, Reffkin told MarketWatch.

Plus: 'Discouraging': Frustrated sellers are cutting house prices by tens of thousands of dollars as buyers grow more selective

Real-estate giants vehemently oppose private listings

Some of the biggest names in real estate disagree with Compass.

Household names such as Redfin and Zillow are pushing for listings to stay public. Zillow has even gone as far as declaring that it will stop displaying premarketed listings that are withheld from the public feeds towards the end of May, which has sent chills through the industry. The company has an outsized influence: Zillow says it gets over 200 million unique user views for all listings across its site each month, making its reach pretty large.

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Zillow says it values transparency and that sellers and buyers stand to lose out when listings are kept private. "If you are selectively marketing the listing to some buyers, [and] to try and encourage buyers to work with your brokerage to get access to the hidden listings, or if you're using those listings as a means to get both sides of the commission, it's that kind of practice that harms consumers," Errol Samuelson, chief industry development officer at Zillow, told MarketWatch.

"It's a matter of fairness, it's a matter of equal access," he added. "Zillow's entire purpose for being was to provide transparency... when you help consumers be educated, good business results naturally follow from there."

"It's a matter of fairness ... Zillow's entire purpose for being was to provide transparency." — Zillow's chief industry development officer, Errol Samuelson

Real-estate brokers argue that the more public a listing is, the better it is for the buyer and the seller.

In theory, the more eyeballs a listing gets, the higher the price the seller can get. For the buyer, the more listings they can see online, the better informed they will be about what they can buy. More importantly, publicly available listings means house hunters aren't compelled to hire a real-estate agent just to see listings from the get-go. Anyone can browse listings and even view reviews of agents before reaching out.

That's a big benefit that most Americans have only recently gotten used to. Finding homes for sale was more difficult in the past, before the rise of digital home-search platforms.

Previously, the lack of one central listings hub like Zillow, "where all agents had real-time access to information pertaining to homes for sale in a particular market, opened the door to mischief and outright nefarious behavior," the National Association of Hispanic Real Estate Professionals said in a [statement](#).

In some cases, the lack of transparency helped foster discrimination. "Real estate brokers could exclude sharing listing information with brokers that they "simply did not like, or who represented buyers they felt were less desirable," they added.

* Ken Johnson, a finance professor and real-estate chair at the University of Mississippi, recalled the pre-digital era, when he used to sell real estate. Home buyers back then were more reliant on brokers to give them information on past sales, which was "very hard," he told MarketWatch, "because they legally represented sellers." Now, it's easy to look up a home's sales history on one of the portals.

* Cutting off a home buyer's access to a significant share of listings by requiring them to work with a specific company is a big step back for the average buyer, Leo Pareja, chief executive of eXp Realty told MarketWatch. Along with Compass, the company is one of the largest residential real-estate brokerages in the U.S.

"Imagine a world where 40% of the [housing] inventory is controlled by one company. If you're a buyer and you want access to those properties, you don't actually have a choice about who you get to work with," Pareja, who is also a licensed real-estate agent, told MarketWatch.

Pareja said that to him, Compass seems to be motivated by "pure and utter greed." He added, "If I were being a pure capitalist, I would be on his side ... but just because something makes more money doesn't mean we should do it."

Compass pushed back on those assertions. Reffkin said that the majority of homes that start out as private, premarketed listings eventually are sold alongside homes represented by non-Compass agents. He also said that Compass shares all of its premarketed listings with the entire brokerage community.

"Unfortunately, there is a persistent false narrative suggesting the motivation behind Compass Private Exclusives is to double-end deals, which couldn't be further from the truth," Reffkin added.

Private listings are not new, but they're gaining cachet

To be sure, homeowners have had the option to sell their homes privately for decades. But making the practice more commonplace may be more of a bane than a boon for sellers.

In one analysis that looked at 100,000 home sales over six months in six states and Washington, D.C., sellers who went the premarket, private route saw "no benefits" compared with those who sold a home the typical way publicly, according to Bright MLS, one of the platforms that displays home listings.

Private listings take longer to sell and offer 'no price advantages' as compared to promoting a home that is for sale on public platforms. — Bright MLS, which handles listings across the mid-Atlantic region

Private listings take longer to sell and "offer no price advantages" compared with listings that go on the MLS and are then promoted to the public, the company said.

"An increase of office exclusive listings has the potential to harm prospective buyers and sellers by limiting access to information and creating a fragmented inventory system," they added.

Buyers could be shut out of the housing market

Already, some home buyers and their brokers say they have felt the sting of these private listings.

New York City-based real-estate agent David Bibian works with buyers to find properties in the trendy West Village part of Manhattan. He saw firsthand how his buyers were shut out of seeing certain units that were up for sale, because they were only accessible to buyers who had signed a contract with a Compass agent.

Looking through home listings via the local multiple listing service, "I couldn't find it on my system," Bibian, who works with Brown Harris Stevens, told MarketWatch. The buyer ended up signing a separate buyer's agent contract with the Compass agent, because Bibian did not want them to miss out on the property if they liked it.

"I told the client that I want what's best for them, so that they can see everything on the market," Bibian said. "I told him to sign, and then we'll figure out my part of the commission."

The buyer did not end up buying the home. But the entire experience left the buyer with a bad taste, Bibian said, because it required the buyer to work with multiple brokers and juggle multiple contracts. A few weeks later, the property showed up on the city's multiple listing service and on Zillow.

Selling your house? How to decide if you want to go off market versus going public

Should a homeowner who is thinking of selling their property put it on the market for all the world to see? Or should they sell privately?

To be sure, "there are times when there is a need for it," Jeff Jackson, a real-estate broker aowner of Corcoran Centric Realty, told MarketWatch.

"But what's kind of been happening is that homes that don't really have a reason to be off market are being offered privately," he said, and "that percentage has been growing a lot."

Here are three questions homeowners who are selling should ask themselves before they decide if they want to go off market, or go public.

Do I want to make the biggest profit?

Jackson said that homeowners who are seeking the top price for their property should go to the public market as soon as possible. Generally speaking, with wider marketing of the home for sale, the owner looking to sell can expect more offers.

Do I want people to know I'm selling my house?

Jackson and Pareja said that homeowners who have a strong reason to be confidential about the sale of their home should consider the private listing route.

Some homeowners who are company leaders — such as chief executives, for instance — may not want their firm to misread the sale of their home as an indication of financial distress, Jackson said. Or a seller who is a celebrity may not want people to know where they live while they're trying to sell the property.

Pareja also said that homeowners in sensitive roles, such as people in law enforcement who work on criminal cases, also sometimes choose to sell their homes off market for safety reasons. "They want to make sure that their address ends up nowhere," he said.

Do I want my renters to be disturbed?

Pareja also said that if the owner is selling a rental property, they might consider the off-market route if they want to be sensitive to their current tenants who still have an ongoing lease.

Prospective buyers typically want to view a property before they decide to purchase. But whether they can get access to the home depends on local MLS rules, Pareja said. Some properties may have restrictions or requirements that showings be scheduled in advance.

But in some cases, if a home is for sale, the tenants might end up dealing with people who see the home listing and show up unannounced at their doorstep. In such situations, if the owner believes that the tenant could be disturbed, they could opt to sell the home off market to reduce the potential for disruption.

