



LETTERS TO THE EDITOR

Real Estate Articles from Inman News

'I already pay through the nose' on Realtor.com

Internet sets real estate data free

Re: '[NAR struggles with referral fees issue](#)' (May 28)

A decade of homes on the Web

Tuesday, June 01, 2004

Dear Editor:

[By Jessica Swesey](#)
Inman News

I already pay through the nose for a presence on Realtor.com. If I am charged a fee for these same listings by the company which has prided itself on not charging fees, I will be withdrawing my support and my money from them and will urge my board to do the same. Their flip flop because they cannot make a profit should not be at my expense. We work so hard to obtain listings. I don't want them sold back to me. Because of this, I do not post my listings on sites like HomeGain.

Linda Tartak
Coldwell Banker
Miami, Fla.

Dear Editor:

All Realtors should be prohibited from paying or accepting referral fees. Too many companies are using questionable tactics to get leads that they then sell to Realtors. Realtors would get the

Editor's note: Ten years ago, the first home listings were put on the Internet. In this special Inman News series, our editorial team explores the implications of this decade of online experimenting, investing and haggling.



Saul Klein,
InternetCrusade

Nearly 10 years ago, Saul Klein traveled around the country trying to convince Realtor associations and MLSs to give the public access to home listings. He recalls having had big doubts about selling the idea to an industry whose greatest fear was that very access.

"When I first went to present it, I didn't even have a contract for them because I didn't think they would say yes," said Klein, Realtor and president of InternetCrusade, an online real estate community.

But eventually they did. The Austin Association of Realtors in Texas was the first board that agreed to pay \$1 per listing per month to have listings appear on the Realtor Information Network, a technology venture created by the National Association of Realtors. That was the beginning. However, that type of arrangement in which the Realtor board or MLS paid the Web site to have listings appear eventually reversed, and the Web site instead paid them to display listings.

Listings data on the [Internet](#) today is such an integral part of buying and selling real estate that it's difficult to remember the time when such data wasn't online. The Web hasn't just opened up new marketing and prospecting opportunities for brokers and agents, it's also resulted in a new class of wired buyers and sellers and it's spawned a whole new line of online lead generation businesses.

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leads directly if the companies weren't there. The lead-intercepting companies add nothing to the transaction for most Realtors, but put pressure on the income of all Realtors.

Romie Oplinger
Jobin Realty
Fairfax, Va.

Dear Editor:

Let me get this straight. Homestore gets the fruits of the Realtor's labor (listings) for free and is now considering charging for leads? If Homestore wants to charge for leads, then participant MLS's should charge Homestore for the listings and use the revenue to offset rising MLS participant membership dues. Fair is fair.

David Work
Oregon Internet
Properties LLC

Dear Editor:

First we pay to be on the local board; then to be members of state association of Realtors; then NAR; then NAR makes a deal with Homestore/Realtor.com; then Realtor.com gives horrible service; then Realtor.com wants more money if you want the information that we as Realtors pay dues to our local board to put on the MLS to put on the Realtor.com site in a readable manner; and more if you want a Web site with them; and now since they can't figure out how to make money their Web site Realtors

Has the Web revolutionized your business? Take a survey.

Many brokers and agents today are more open to sharing their data online, yet Clareity Consulting President Gregg Larson believes there's still an underlying fear of losing control over the information and losing value to the consumer.

"In the early days of the Internet, some stuck their head in the sand and tried to avoid putting information online, but these days everyone knows that putting information online is inevitable and even critical for survival," Larson said.

The abundance of real estate information on the Web has turned the tables on real estate prospecting. Consumers now shop online for realty agents, a twist that has resulted in the emergence of such companies as ServiceMagic, HomeGain and AgentConnect that help consumers find agents online.



Allan Dalton,
Realtor.com

Displaying listings on the Web has also broadened the amount of information that's available to the public. Prior to the Internet, agents were limited in how much information they could provide to market a home to prospective buyers, said [Realtor.com](#) President Allan Dalton. Today, digital photos and virtual tours can convey much more about a home than the limited space of in a newspaper classified ad can.

"Before the Internet, agents really weren't even marketing property in the local market because three lines of black-and-white copy in a newspaper next to missing cat ads did not provide proper rendering of that property," Dalton said. Home sellers sometimes couldn't even distinguish which newspaper ad was for their home because the descriptions were so vague.

The abundance of real estate information on the Web also has resulted in more knowledgeable buyers, which some say works to the agents' advantage. Web customers are an effective and time-efficient opportunity for salespeople because they've already done their research and they know which houses they're interested in buying, said Joel Singer, CEO of the [California Association of Realtors](#).

"The educational aspect, the informational flow itself, has been the greatest benefit," he said.

The Web has made revolutionary changes in the real estate industry, but Singer believes it's still in its early stages. He thinks a lot more change is ahead.

The Web also has given home sellers new opportunities to market their homes for sale themselves. Companies like ForSaleByOwner.com and Owners.com have built online alternatives to the MLS for do-it-yourself sellers. These Web-based FSBO services enable home sellers and prospective buyers to find each other, and they've cut the cost of selling a home.

"It would've been impossible for our model to have worked on a national basis prior to the advent of the Internet. Now we can prosper, which definitely has put pressure on commissions," said Colby Sambrotto, COO of ForSaleByOwner.com.

The Web has also made it easier for agents to contact FSBOs who in time decide to hire an agent. For instance, ForSaleByOwner.com includes a service for agents who want to receive such referrals.

But the Internet's impact extends beyond online listings information.

get to subsidize a failing business with the brokerage we get from selling the houses that we pay to have put on the Internet in the first place. If they can't be profitable, close the doors – no one would miss them anyway.

Dan Baize
CENTURY 21 Realty Group I
Indianapolis



Jack Peckham,
Real Estate
Cyberspace
Society

Real estate transactions now can reside online through transaction management systems, which reduce the paperwork, telephone calls and faxes, said Jack Peckham, executive director of the Real Estate Cyberspace Society.

Peckham noted examples of work efficiencies the Internet has created. He recalled that he once advertised a commercial property for sale while he was on the road. He sent information of the listing via e-mail to 40,000 companies and investors with a few keystrokes at no cost and received 120 responses within three hours. He compared that instance with the pre-Internet way of doing things and said it would've cost about \$40,000 for a simple brochure to send to those 40,000 potential buyers, and the information wouldn't have reached those prospects for two weeks.

"One good agent today who's properly equipped and organized can do the work of 10 agents 10 years ago," he said.

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