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— Duke Fan, vice president, realtor.com mobile efforts

# AgentApp

BY DIANNA BORSI O'BRIEN

**REAL ESTATE APPS** such as Trulia, Zillow and realtor.com have changed the way real estate agents and firms do business — and many of them couldn't be more thrilled.

With 31 years of experience as a real estate sales agent, Julie Wesley of House of Brokers has been on both sides of the app, using them as an agent and recently as a homebuyer, and says she loves them. Well, she loves one of them: realtor.com. She and other Columbia agents say it is the most accurate because it is the only one of the three most popular apps that gets its information directly from MLS boards (Multiple Listing Service) such as the Columbia Board of Realtors.

Katie Curnette, Zillow's director of communications, counters that Zillow listings include more offerings such as for sale by owner, foreclosures and pre-market inventory, which makes theirs the most robust real estate search engine.

In reality, each app has its fans and its critics, and consumers use the apps in concert with their websites. A 2012 report on apps ranks the top three as realtor.com, Zillow and Trulia, but when it comes to the websites, a March 2013 Experian Hitwise U.S. report notes in terms of site traffic, Zillow comes in No. 1, followed by Trulia, then realtor.com. And though agents generally like the apps, they agree that some apps, especially Zillow, can make their job more challenging.

The upside, agents say, is consumers now come to them more educated and with much of the “I'm not sure what I want” out of the way. The apps, they say, also give buyers — and agents — a better way to make sure they know what's available and where, especially for on-the-go, on-the-spot, literal reviews.

Yet, real estate practitioners blame apps for some buyers and sellers getting misinformation, and the biggest blame goes to Zillow's “Zestimate,” an estimate of sorts for homes. In Missouri, that Zestimate can be off because Missouri is a nondisclosure state, which means the sales price of a home is never disclosed. As a result, Zillow must use other, less reliable, less accurate information to calculate home values. That information can be loan information, but because the amount of the loan on a house is rarely for the full purchase price, the result is skewed.

At Zillow, Curnette says the estimate is simply one piece of the data buyers and sellers should be using and notes it is a great conversation starter between the agent and the consumer.

But that conversation goes askew when buyers won't listen and insist on offering low-ball bids, which often makes them miss out on getting the house they want, says Jessica Kempf, a broker and Realtor with Crane & Crane Real Estate. Those estimates, what she calls “unsupported information,” can mislead buyers and sellers and don't take into consideration things she as an agent would know about the houses or the area.

For sellers, inaccurate estimates could cause them to decide their home isn't as valuable as they'd expected — or needed it to be — to move up to another home. Or they might overprice their home. Both scenarios hurt sellers, buyers and their agents.

“The apps are great tools with great information, but you still need a Realtor as an adviser, to help you,” says Kempf.

Love them or wish you could leave them, apps and the websites connected to them are here to stay. More than 90 percent of homebuyers rely on the Internet for home searches, 68 percent of new home shoppers use mobile applications for home research, and many app or website users then use the device to contact an agent, according to the 2012 report, “The Digital House Hunt: Consumer and Market Trends in Real Estate” by The National Association of Realtors and Google.

In fact, that's exactly how Wesley used the Internet and app when she sought to buy a home for her daughter in Nashville. She checked out real estate from her Columbia home before going there, used her mobile along the way, looked at an agent's website and contacted the agent, who then helped her find a house when the first one Wesley wanted fell through.

The results? Wesley bought a house using all three tools: the Web, the app, the agent. In this case, rather than hurting the real estate agent and consumer connection, apps and websites bolstered it. Duke Fan, vice president of realtor.com mobile efforts, explained via email: “Realtor.com is an excellent tool for consumers to connect with real estate professionals. In 2013, we've already seen a 30 percent year-over-year increase in connections made between homebuyers and real estate agents. And from our realtor.com mobile apps, that number jumps to nearly 130 percent.”

That's today's real estate reality: Buyers, sellers and agents use the tools together, across platforms, such as laptops, computers, tablets, mobile and smartphones. The 2012 NAR and Google report notes 36 percent of new home shoppers use a mobile device while watching television.

Finally, the 2012 report by the NAR and Google notes that 87 percent of home shoppers only occasionally, rarely or not at all go to open houses as part of the home research or use print advertising or fliers, once the cornerstones of real estate information.

## How they work

Sean Moore of RE/MAX Boone Realty has embraced the digital age with gusto. For starters, Moore realized photographs — good photographs that capture the home's top features — grab buyers' attention, so he schooled himself in photography and bought professional-grade tools to take pictures that can sell the home.

Top-quality photographs are essential because the apps and sites let buyers look at houses by category, price and location, and with a flick of the finger, they can see a description, a price and photos of the home. Moore says he's heard potential buyers take a mere 15 seconds to decide if they'll look any further at a property.

But to get your attention, first the listings have to be in the app, which is why Moore encourages all home sellers to allow him to have their listings on these portals. When a home seller signs a contract, he or she has the option to allow the listing to be syndicated to these third-party real estate portals. With millions looking at the portals as their first step to buying a house, a listing on them is mandatory. Then Moore and other agents spend money to make sure their listings and their name get in front of your eyes first.

Although the apps, websites, property listings and agent profiles are all free, it costs more to make your home or an agent stand out. And that's how the firms with their apps and sites make money. Moore pays extra to have every listing of his denoted as a featured listing, which means the listing will rise to the top, and he can add more photographs and other enhanced features. Kempf pays for showcased listings on realtor.com. Then, Moore and many other agents also pay to be featured agents, which also means their names will rise to the top of a search. At Zillow, it is called the Premier Agent Program.

Whatever it's called, it is an expense agents or their brokers bear to sell homes and themselves. These programs and expenses are like Google's sponsored ads, says Ken Shuman, Trulia's vice president of communications, and they're designed to make that information show up first during a search.

These fees, says Cynthia Laboile of RE/MAX Boone Realty, aren't cheap. Yet, like Laboile and Moore, agents say the cost is worth it to get more

pictures on the listing and other perks. And some brokerages, such as Century21 Advantage, pay for enhanced listing for all the firm's listings at no charge to the agent.

Technology can cost in terms of time, too. It takes time and effort to keep listings up to date. Recently, Laboile set aside a couple of hours to take new photographs of her listings to give the images a lift of fresh green grass.

But these efforts are repaid in terms of sales, Moore says, and the costs are less than what he used to pay for the print advertising. Even fliers on display outside of a house are high-tech. Kempf at Crane & Crane says all their fliers include a QR code so potential buyers can simply scan the code with their smartphone and get more information.

Finally, Moore says the new electronic advertising is more effective, and he ought to know; in 2012, he was named RE/MAX Boone Realty's top individual agent, and throughout the real estate dip, he topped his sales each year.

He also travels the country to give lectures about how agents can up their game in this new digital, app-happy real estate world.

## Consumer watch

This new digital age isn't without its dangers to buyers and sellers. Moore notes that when clients engage an agent, they should make sure that person is savvy when it comes to these new tools.

When it comes to checking out properties on the Internet, Laboile says she's heard of consumers being duped by scams that promise access to foreclosed properties yet offer nothing more than access to out-of-date information.

And then there's the final danger to consumers and agents: stress.

Laboile says when she's with a client, if she hears her cellphone ring, she doesn't answer it, but she does worry, "I hope I don't lose that buyer because I'm busy." With 11 years in the business, she knows the faster she responds, the better it is for her business.

But being quick can cause its own problems, says Moore, who notes consumers and agents can find themselves making more errors because of the speed of the transaction. He says whenever anything gets tense, "I tell everyone to slow way down."

But the biggest danger of the apps? Addiction. I'd rather walk on hot coals than move, yet I still find myself scrolling endlessly through the apps. Maybe I should take Moore's advice and slowly step away from my smartphone before it's too late. Wait, wait, let me look at one more listing. **CBT**

## RANKED AND READY

The top apps — realtor.com, Zillow and Trulia — are all free, rate 4-plus stars and are available for all platforms.

What's the best app? The one you will use, says Realtor Sean Moore of RE/MAX Boone County Realty. These rankings come from Clarity Consulting, a real estate consulting firm, which analyzed the apps in 2012.

### 1. REALTOR.COM

Updated April 22, it launched its iPhone app in January 2010. Owned by Move Inc., which was founded in 1993, it began operating realtor.com in 1996. Today, it bills itself as the leader in online real estate listings and finds favor with real estate agents as it is the official site of the National Association of Realtors. Realtor.com says 90 percent of its listings are updated every 15 minutes.

Columbia real estate experts say this is the most accurate of the apps because it receives its information directly from Multiple Listing Service boards such as the Columbia Board of Realtors. Clarity Consulting pronounced it the must-have app and the most reliable for whether a property is really for sale and the current price.

### 2. ZILLOW

Updated April 19, Zillow launched its iPhone app with GPS on April 29, 2009. Founded in 2006 and headquartered in Seattle, it received the Appy Award in 2013 for Best Search Tools, App of the Year. Today, it's available across all platforms.

Users say it is great for searches in other cities. Yet, real estate experts say Zillow's Zestimates are inaccurate because Missouri does not divulge selling prices. Clarity Consulting also gave Zillow the must-have label due to its "richness and depth of market data, charts, graphs, pricing history, tax history, etc."

### 3. TRULIA

Updated April 23, Trulia launched its first iPhone app in 2008. Founded in 2005, it now has headquarters in San Francisco and offices in Denver and New York City. It began as a real estate website search site and now offers native apps for real estate, rentals and more across all the platforms including iPhone, iPad, Android, Kindle Fire and Windows 8 Tablet. Formerly a private firm, it went public on Sept. 20, 2012.

Filters include price minimum/maximum and crime/school/amenities overlay for maps. The app also has school ratings and the ability to connect with agents and see recent home sales. Clarity Consulting gave Trulia the best-dressed app award for its clean workings.

Source: Clarity Consulting 2012 Review of Real Estate Mobile Apps for the Consumer



## GOT APPS?

Here are the apps local real estate experts say pros and consumers should have on their phones:



**COMPASS:** This will help you decide if a deck on the west side of the house will work for you or if you'd rather not be bathed in sun when you are grilling out in the evening.



**DOCUSIGN:** Lets you sign a document no matter where you are



**EVERNOTE:** To keep all notes, ideas and photos organized



**HOZZ.COM:** Offers ideas that can help you envision the home you are considering or find a contractor if you decide against buying and decide to build



**MAP APP:** Everyone gets lost sometimes, but a map app can help you see the bigger picture of where a home is located.



**MORTGAGE CALCULATOR:** Lets you know how much you can expect to pay per month. Several local lenders have mortgage calculator apps.

Sources: Freddy Spencer, Century21 Advantage; Julie Wesley, House of Brokers; Sean Moore, RE/MAX Boone Realty

## BY THE NUMBERS

➤ **90%** of homebuyers turn to the Internet as a primary research source

➤ **88%** of buyers use an agent, with 67 percent frequently turning to agents as part of their research process

→ **77%** of first-time buyers drive by a home viewed online

→ **68%** of new home shoppers use mobile applications

→ **51%** YouTube is the top video research spot for home shoppers, followed by brokerage sites and listing websites

→ **38%** of new home shoppers use mobile and TV at the same time

→ **21%** of new home shoppers use a mobile device to find a listing agent

→ **3 SITES:** How many sites 78 percent of new home shoppers will visit before taking action on a real estate site

Source: "The Digital House Hunt: Consumer and Market Trends in Real Estate," a joint study from The National Association of Realtors and Google

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