

What's the Story With Zillow? Specifically, Why Do Real Estate Agents Dislike Zillow?

Zillow is arguably the #1 fixture on the American real estate scene, and it has certainly worked hard to earn your trust and patronage. But many people don't know how Zillow relates to the rest of our industry and why many real estate brokers/agents don't trust it the way most homeowners, buyers and sellers do.

When I first entered the business two decades ago, Zillow was already in the business of displaying all real estate listings nationwide, as it does now. Its business model (revenue stream) was to sell agents ZIP codes where they would be displayed next to each listing so that buyers who are interested in that listing would click on one of those "premier" agents to see and possibly buy the house.

The cost of being one of those Premier Agents varied by location, and Zillow would sell each ZIP

code to multiple agents, so each agent would get a percentage of those buyer leads based on how much they paid.

Keep in mind that to get those leads had little or nothing to do with how good or knowledgeable that agent was. Their qualification was simply that they paid to be there — as much as \$1,000 or more per month for each ZIP code. Many agents have built their entire book of business this way, spending thousands of dollars per month to do so.

It has been a very successful business model, and it antagonized listing agents because their name was not shown next to their listings until recently, as I'll explain below. That's the origin of the our community's discontent with Zillow.

Zillow, as you may know, has experimented — usually with success — in capitalizing on their im-

pressive public awareness. The "Zestimate" has been particularly effective, and Zillow's computer is good at reminding every homeowner with an email address what the current estimate of their home's worth is.

One of Zillow's experiments was to enter the "iBuyer" business where they would actually buy homes and flip them for a profit. Their major competitors, who are still doing that, were OpenDoor and OfferPad. Like those competitors, Zillow started losing money when the market softened, but Zillow was smart to exit that business quickly. They appear to have sold all the Denver area homes that they purchased under that program.

A big change that occurred a few years ago was that Zillow became a brokerage itself, which entitled it to receive a direct feed of listings from every MLS in the country. They don't have a Denver office, but they do have a few agents with Colorado licenses. As you are likely aware, the member brokerages of every MLS can display on their website all the currently active, coming soon or pending listings of that MLS. That's true of goldenrealestate.com, and it is also true of zillow.com.

This represented a big change for Zillow, because it now had to abide by the same rules as other brokerages, which included displaying the listing agent's name, phone number

and email address, but when you click on "Contact Agent," the lead goes to a "Premier Agent" who paid Zillow to get website leads like that.

The fact that listing agents are now listed with contact info next to their listings and Premier Agents are *not* displayed anymore has softened but not completely overcome the antipathy that Zillow created in the past.



Some Electrical Panels In Homes Are Defective

A recent blog post from **Alpine Building Performance LLC** addressed an issue which is well known to long-time real estate brokers like those of us at Golden Real Estate, and worth sharing with owners of older homes. If your home has a Federal Pacific Electric (FPE) or Zinsco breaker panel, you can expect it to be an expensive inspection issue raised by your buyer's inspector. Find the full post at www.GoldenREblog.com.

What is the cost to replace one of those electrical panels? The blog post suggests a price range of \$4,000-\$7,000, but my clients have seen much lower prices from the electricians I have recommended. In a typical home, the replacements I have overseen for my clients were in the \$2,000 to \$3,000 range using my lone eagle electricians.

Postscript to Last Week's Column About Fertilizer

From reader Jim Borland:

Yes, nitrogen fertilizer can be used to make a bomb à la Oklahoma City bombing, though I doubt that the nitrogen fertilizer in Miracle Gro's potting mix contributed much if anything to the fire that resulted from the insertion of a cigarette butt into the soil. What you missed in taking a picture of the package was the other part of the contents besides the fertilizer. All potting soils these days are made of synthetic products including those made by Miracle Gro. In the case of this particular potting mix it consists of forest products (shredded and chipped wood and bark), coir (shredded coconut husks), composts, peat,

sphagnum peat moss, perlite and wetting agent.

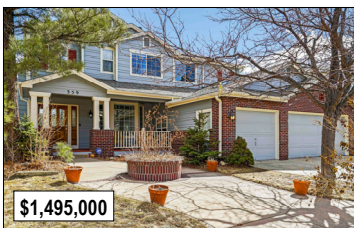
All but the perlite and wetting agent are flammable, especially when dry. In this case the soil was undoubtedly not moistened as most soils are that have live plants in them. The nitrogen part of the fertilizer is contained within prills or small plastic coated spheres, here called Osmocote, that release nitrogen with each watering. After a couple of waterings the nitrogen is gone, leaving only the plastic capsule behind. Even with no fertilizer, this and other artificial soils are flammable, and care must be taken when located in a place convenient for snuffing out cigarettes.

Price Reduced on Downtown Denver Loft!



If you're looking for loft living, this one at **2000 Arapahoe Street #204** is as good as it gets! Walk to *EVERYTHING* in Downtown Denver — Coors Field, Performing Arts Complex, 16th Street Mall, Lodo, Union Station, shopping, restaurants, and light rail, including the A-line to DIA. The 12-foot ceiling and massive pillars, plus HUGE windows with views of nearby skyscrapers — this is the loft life you've been looking for! You could rent out two of the three included garage spaces for \$150-200 each, too! This is a rare opportunity, so act fast. No open houses. Call us or your agent for a private showing! More details and pix at www.DowntownDenverLoft.info.

Price Reduced on Golden Home With Views!



This solar-powered home at **359 Canyon Point Circle** was a model home for the Village at Mountain Ridge, the subdivision west of Highway 93 backing to the Mt. Galbraith Park. (There's a trailhead to the park's 5 miles of hiking trails within the subdivision.) The seller has made many improvements to the home since buying it in 2002, including a total renovation of the gourmet kitchen and master bathroom, plus adding 11.5 kW of solar panels which meet all the electrical needs of the home. The main-floor deck was also completely rebuilt with composite decking, metal railings and a breakfast bar for enjoying the sunrises over South Table Mountain and the City of Golden, which are visible even from the walk-out basement. A walking path near this home allows children to walk safely to Mitchell Elementary School via a pedestrian bridge that crosses the highway. To appreciate all the features of this 5-BR, 4,106-sq.ft. home, take a video tour at www.MountainRidgeHome.com.

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