



Consumer Federation of America

Choosing a Real Estate Agent: An Evaluation of Information Sources About Quality of Service¹

Stephen Brobeck
Senior Fellow

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¹ This report is the fourth in a series on the lack of information available to home sellers and buyers about real estate agents. The earlier reports dealt with information related to representation and commissions – [The Agency Mess: Home Buyers and Sellers are Confused and Harmed by Complex, Poorly Enforced State Laws on Real Estate Agent Disclosures](#) (January 2019), [Hidden Real Estate Commissions: Consumer Costs and Improved Transparency](#) (October 2019), and [Why Required Real Estate Disclosures About Representation Fail and How They Can Be Improved](#) (January 2020)

Executive Summary

Consumers depend heavily upon real estate agents to sell and purchase homes, yet usually undertake very limited searches for an agent. When consumers do search, they cannot rely on numerical ratings – one to five – by companies such as Zillow, Realtor.com, Yelp, and Facebook. These ratings are inflated by their dependence on agent solicitation of client comments and other factors.

The most useful information about quality of service is the extent and nature of agent experience and detailed client reviews about service received. Unfortunately, agents themselves usually provide limited, and often highly biased, information about these two factors. A recommendation from a friend or associate is helpful, yet usually reflects knowledge about only one agent.

Five companies provide information about a large number of real estate agents on websites that consumers can access for free without providing personal information – Zillow, Realtor.com, HomeLight, Facebook, and Yelp. In analyzing information provided by these websites about agent quality of service, we found that Zillow agent profiles represent by far the most useful source. Their profiles cover a large majority of active agents and include current listings, past sales, customer reviews, and other information for most of these agents.

The report suggests ways that consumers can use Zillow information to select an agent. It also, more broadly, recommends a process that home sellers and buyers can follow, including key questions for agents, to optimize their selection.

Introduction

A large majority of consumers, around 90 percent, use the services of a real estate agent to sell or purchase a home. This percentage of usage has grown over time – according to Harris Insights surveys, from 81 percent in 2001 to 90 percent in 2018.²

Role of Agents is Important: Consumer reliance upon agents is understandable to most people who have sold or purchased a home. Home sellers and buyers are involved in the sale or purchase of a property whose value usually exceeds their annual income. Given the high financial stakes, these consumers look to agents for several critical services:

² Surveys by Harris Insights & Analytics reported in: Real Trends, 2018 Consumer Study: Relationships Still Matter Most With Housing Consumers. A 2017 Zillow Group Consumer Housing Trends Report found that 89 percent of sellers decide to list with a real estate agent.

- Providing overall management of the sales process;
- Finding an attractive home or buyer;
- Securing a favorable price; and
- Ensuring compliance with legal requirements.³

In performing these services well, agents utilize extensive knowledge about the local housing marketplace to optimize financial value received by clients, then manage a process involving completion of many disclosures and other forms. Real estate agents who perform these services effectively are true professionals. As is true for other professionals, some agents have greater expertise and work harder than other agents. However, it is much easier for real estate agents, than for professionals such as physicians and attorneys, to secure a license to practice. In some states, one can complete the required training to qualify for a real estate license in only a month or two, and at a cost that may be less than \$1,000.⁴

Accordingly, there can be a huge gulf between the quality of service offered by different agents. A highly motivated agent who works full-time and has facilitated the sale of many properties can often offer far superior service to that of a new entrant. Yet, unlike most other professionals, real estate agents in a geographic area usually seek to collect the same commission for their services regardless of the quality of the service they provide.⁵

Consumer Search for an Agent is Limited: Given the potential differences in agent quality of service, it may seem surprising that consumers spend so little time and effort searching for an agent. This lack of effort was certainly exaggerated by the real estate professional who said: “Most people spend more time picking a restaurant than they do picking a real estate agent.”⁶ Yet, annual surveys of home buyers and sellers by the National Association of Realtors document a limited consumer search. In a 2018 NAR survey, 75 percent of buyers “interviewed” only one agent while 75 percent of sellers “contacted” only one agent.⁷ Understandably, a number of consumers chose an agent with whom they had previously worked.

³ According to the National Association of Realtors’ 2019 Profile of Home Buyers and Sellers (p. 77), what buyers “want most from real estate agents” is “help finding the right home” (52%), “help buyer negotiate the terms of sale” (12%), “help with the price negotiations” (11%), and “help with paperwork” (8%). According to the 2017 Zillow Group Consumer Housing Trends Report, reasons why consumers decide to use an agent include ability to attract interested buyers (89%), ability to guide sellers through the process of selling (82%), and handling contract negotiations (82%).

⁴ In Massachusetts in 2015 according to one source, one could obtain a license in as little as four days at a cost as small as \$250. DonnaVS, “Getting Your Real Estate License is Easier Than You Think,” SVN (August 19, 2015).

⁵ See Brobeck, Hidden Real Estate Commissions, loc. cit., which cites much research on the subject and includes the author’s own agent survey of commissions and their negotiability.

⁶ Quote by Kathy Braddock of William Raveis NYC from the article: Joanne Kaufman, “How to Choose a Real Estate Broker,” New York Times (December 28, 2018).

⁷ NAR, 2019 Profile of Home Buyers and Sellers, loc. cit., pp. 81, 126.

Yet, 69 percent of first-time buyers interviewed only one agent.⁸ The brevity of seller search for an agent was also reported in a recent survey of homeowners. Four out of five sellers (80%) using a traditional agent hired one of the first two agents with whom they met. And nearly three-fifths (58%) of these sellers reported that they spent less than three hours researching how to sell their home.⁹

The limited search for an agent partly reflects the fact that buyers and sellers are often more focused on the sale of property and its price than on the services of a real estate agent, especially if they are simultaneously trying to sell one home and purchase another.¹⁰ However, this limited search also reflects the difficulty consumers have in finding and understanding information about agent quality of service. One significant finding of this study is that a large majority of agents and their firms do not provide important information about agent experience, success, and consumer satisfaction. Another finding is that, while third parties such as Zillow and Realtor.com include these types of information, the quantity and quality of the information in these sources varies considerably. This report evaluates these sources, then suggests how consumers can best use their information to select an agent.

Specifically, in separate sections, this report:

- Identifies key indicators of agent quality of service;
- Analyzes related information made available by agents and their firms;
- Evaluates other sources of information about agent quality of service; and
- Summarizes findings, explains how sources can be best used by consumers, and more broadly, suggests a process for selecting an agent.

How to Assess Agent Quality of Service

How Quality of Service Has Been Measured: Buyers and sellers desire a home to be purchased or sold in a timely manner at a desirable price. After purchase, buyers do not like unpleasant surprises, such as major defects that were previously unknown and not identified by home inspections. These expectations are more likely to be met if agents exhibit certain qualities. Zillow asks consumers to rate four of these qualities on a five-point scale – local knowledge, process expertise, responsiveness, and negotiation skills. The qualities that Realtor.com asks buyers and sellers to rate, also on a five-point scale, are fairly similar – market expertise, responsiveness, negotiation skills, and professionalism & communication.

⁸ Ibid, p. 81.

⁹ Erik J. Martin, “Home sellers do less than 3 hours of research, hire the first agent they meet,” Mortgage Reports (March 16, 2019).

¹⁰ For a discussion of this and related issues see: Comments of Stephen Brobeck Before the Department of Justice-Federal Trade Commission Workshop on Competition Issues (June 5, 2018).

The Most Popular Source of Information About Agent Quality of Service: The most popular current source of information about agent quality of service is other consumers. In a Real Trends survey, the highest response (69%) to a question about “what was important when looking for a real estate agent” was “referrals from people I trust.”¹¹ In an NAR consumer survey, over half (51%) of first-time home buyers and nearly half (46%) of first-time home sellers found an agent through a referral by a friend, neighbor, or relative.¹²

These referrals can be useful, especially if they are based on a trusted person’s recent experience with an agent that helped them buy or sell a home. However, the value of this recommendation is limited because that person usually has little knowledge about other agents. Consequently, most people who have had a good experience with one agent do not know whether they would have had a much better experience with another agent. An effective consumer search for an agent entails comparing the services offered by a number of agents. In this search, it is important to consult all key information sources about those agents.

Consumer-Based Ratings of Agents: Both Zillow and Realtor.com, as well as agencies such as Yelp and Facebook that provide customer ratings for a broad array of services, rate many agents on a scale from one to five with five as the top rating. The limitation of most of these numerical ratings is that they are strongly biased upward in favor of the service providers. As an NBC Money article noted: “But now, from Amazon to Yelp to Uber, five-star reviews are practically the norm.”¹³

As the table below shows, real estate agents are no exception -- a large majority receive ratings of 5.0. In a sample of 600 active real estate agents from 30 cities, Zillow provided ratings for 349 of the agents (58%).¹⁴ Eighty percent of these agents were rated 5.0, 92 percent were rated at least 4.8, and no agent was rated below 4.3. A large majority of the agent ratings of three other rating agencies were also 5.0. An analysis of the ratings of 150 agents (from the sample of 600) revealed, first, that each service company rated only a minority of agents – Realtor.com, 19 percent; Facebook, 39 percent; and Yelp, 25 percent – and second, that most of the ratings were 5.0 – Realtor.com, 76 percent; Facebook, 73 percent; and Yelp, 70 percent. As with Zillow’s ratings, nearly all of the remaining ratings for these three services were at least 4.0. Four Yelp ratings, though, were below this level.¹⁵

¹¹ Real Trends, 2018 Consumer Study, loc. cit.

¹² NAR, 2019 Profile of Home Buyers and Sellers, loc. cit., pp. 79, 125.

¹³ Stephanie Thurrott, “Online reviews: Here’s what’s behind all those 5 star ratings,” NBC Money (May 7, 2018).

¹⁴ The 600 agents were drawn from the first 20 residential real estate companies listed by Google in each of the 30 major cities. All agents had at least one current listing or recent sales, usually both. A large majority were brokers or associate brokers who had practiced for at least five years. The sample of 150 agents included the first five agents selected in each of the 30 cities.

¹⁵ Because of broad public awareness and its independence, Yelp would seem the most likely of the four websites to receive unsolicited critical reviews and poor ratings from disgruntled consumers.

Table 1: Information Sources With Agent Ratings

| Website | % With Rating | % Rated 5.0 |
|---------------------|---------------|-------------|
| Zillow (n=600) | 58% | 80% |
| Realtor.com (n=150) | 19% | 76% |
| Yelp (n=150) | 25% | 70% |
| Facebook (n=150) | 39% | 73% |

These high ratings reflect, to an extent, a high level of buyer and seller satisfaction with the services received by one’s real estate agent. However, surveys of home buyers and sellers do not reveal universal satisfaction. In NAR’s 2019 survey, 27 percent of buyers and 34 percent of sellers were not certain that they would use the same agent again or recommend them to others.¹⁶ Furthermore, 25 percent of buyers and 52 percent of sellers indicated that they were less than fully satisfied with the selling process.¹⁷ It seems unlikely that nearly all of those who did not rate their agent or the selling process highly would give their agent a 4.8 rating or above, as did 92 percent of those providing Zillow reviews in our sample. Why then are the large majority of ratings at 5.0 or just below this level?

In addition to consumer satisfaction, the high ratings reflect the fact that most of the reviews on which the ratings are based, were solicited by the agents themselves from among clients whom they believed were satisfied with their service. Rating companies including Zillow and Realtor.com facilitate the solicitation and gathering of these reviews (though do not remove responsible negative reviews).¹⁸ Third party companies exist who market their ability to carry out the solicitation.¹⁹

In addition, the high ratings may reflect an effort by the rating companies to encourage agents to provide information or advertise with them. An agent receiving a rating below 5.0 is less likely to cooperate with the company let alone pay for advertising. Evidence of this rating company concern is the many agents who receive a 5.0 rating based on very few, sometimes only one, customer comment. For most of the rating companies in the sample of 150 representative agents, a significant minority with a 5.0 rating had three or fewer customer reviews – 39 percent for Facebook, 46 percent for Yelp, and 36 percent for Realtor.com. Eleven percent of the Zillow agents with a 5.0 rating had three or fewer customer reviews.

¹⁶ NAR, 2019 Profile of Home Buyers and sellers, loc. cit., pp. 85, 131. Most of these buyers and sellers said they would probably use the same agent.

¹⁷ Ibid, pp. 69, 122.

¹⁸ See: Teke Wiggin, “Online agent ratings may be inflated, but they’re still valuable,” Inman News (August 6, 2015). “The Truth about Online Reviews of Real Estate Agents,” Metro Atlanta Home Group (March 24, 2016).

¹⁹ See AppSally online promotion of Zillow reviews, secured from legitimate customers but only delivered if they have 4 or 5 star ratings.

Regardless, the insubstantial basis of many 5.0 ratings, together with the high frequency of 5.0 ratings, suggest that these ratings should not be taken seriously by consumers, with one exception. Ratings below 5.0, especially those below 4.8 at Zillow, may help identify real estate agents who provide poor quality of service. Consumers should think twice before requesting the services of the one agent in our sample who received a 1.0 Yelp rating. Yet, the ratings are limited in that they provide little help to buyers and sellers who wish to distinguish between agents who offer quality of service that is excellent, good, or only fair.

The Most Useful Information About Agent Quality of Service: There are many things that buyers and sellers might find useful in knowing about a real estate agent, including:

- their years working in the industry and as an agent;
- whether they have done this work in the neighborhood, city, or region where they are now practicing;
- whether they are a broker, associate broker, or agent;
- whether they are a realtor, bound by the industry's code of ethics and with access to the local Multiple Listing Service;
- courses, seminars, and other post-certification education;
- any awards for service; and
- their community service apart from practicing as an agent.

However, the most useful information about quality of service is the extent and nature of their agent experience and detailed consumer reviews of that quality of service. The most useful and obtainable information about agent experience is the record of their past sales, specifically:

- representation of seller, buyer, or both;
- the distribution of sales over time especially recently;
- their locations;
- days on the Multiple Listing Service;
- sale prices; and
- any delistings, markdowns, or markups.

This information can increase buyer and seller understanding about the activity and success of the agent, including their relationship to agent role and types of housing (location and price). The data, however, also have their limitations.

- Sale price and timing can be influenced by factors beyond the competence and efforts of agents.
- At firms where teams of realtors facilitate sales, regardless of the importance of their role in a sale, more than one participating agent often list the sale. Realtors working solo in small firms are less likely to receive assistance from other realtors so deserve more credit for a successful sale.

- Information on agents serving as transaction brokers or dual agents is not always accurate. Comparison of this information provided by Zillow and HomeLight for several agents in two cities revealed discrepancies. When one company reported an agent working with both buyer and seller on a sale, there was often disagreement as to whether the agent represented one party or worked with both.²⁰ In part, these discrepancies may reflect the fact that county records do not provide information about representation; rather that this information comes from agents or their firms.

The other information about agent quality of service, that can be useful, is detailed customer reviews of this service. Key factors are:

- Number of reviews especially recent ones:
- Length, detail, and individuality of the reviews:
- Whether the agent is mentioned by name; and
- Any problems or a lukewarm endorsement.

As noted earlier, most buyer and seller reviews are solicited by agents, often with the help of a third party like Zillow or Realtor.com. This solicitation minimizes the number of negative reviews. Moreover, if the reviews are short, cursory, and general, they may be “fake” – generated by someone other than the client – or biased by clients who wrote them in order to obtain some incentive.²¹ Nevertheless, given efforts to screen out fake reviews, it appears that a large number of detailed reviews by third parties were written by customers who report on their own experience with an agent.²² Consumers looking at reviews of an agent should particularly note whether the reviews mention the agent by name. For some agents, the listing of reviews includes those for all agents in the firm. When the agent is the senior and managing broker, these reviews can be informative. Yet, when the agent is only a sales representative, the reviews reveal more about the firm than the agent.

²⁰ For example, over a recent period of several months, HomeLight listed four sales where one Orlando agent worked with both seller and buyer, yet on these sales Zillow listed the same agent as working with either the seller or buyer but not both. Similarly, HomeLight listed eight sales where a Denver agent worked with both seller and buyer, yet on five of these sales Zillow associated this agent with either the seller or the buyer but not both.

²¹ Joe Enoch, “Can you trust online reviews? Here’s how to find the fakes,” NBC Money (February 27, 2019).

²² For example, Zillow examines every customer review before publishing using criteria mentioned later in this report, and Yelp now uses automatic detection systems and manual moderation teams to screen reviews, then lists questionable reviews as “not recommended.” Law enforcement has also engaged. By 2018, the New York State Attorney General had fined 25 companies for flooding the internet with fake reviews. Pei-Sze Cheng, Kistrina Pavlovic, “I-team: Scrutinizing Fake Business Reviews Online,” NBC News New Jersey (August 1, 2018). Yet, a 2019 British report suggests that Facebook has failed to block the sale of fake reviews through its website. Rebecca Smithers, “Facebook still flooded by fake reviews, says Which?” The Guardian (August 5, 2019).

Disciplinary Actions: State real estate regulators provide an opportunity for consumers (and agents) to file complaints against agents. Regulators then investigate these grievances and sometimes take disciplinary action against agents. In a review of several state websites, we could find evidence of relatively few consumer complaints and disciplinary actions. This paucity may reflect several factors:

- relatively few consumer complaints because of little consumer dissatisfaction and/or lack of consumer awareness about where to complaint;
- states not reporting these disciplinary actions on their websites; and
- reported actions being difficult to find, and some of these reports not indicating the cause of the action.

In the future, CFA will undertake a thorough study of how state real estate regulators handle and report on consumer complaints.

Information Made Available by Agents and Their Firms

Real estate agent and firm websites represent an important source of information for consumers, especially for home buyers. According to a recent National Association of Realtors' survey, 93 percent of home buyers used an online website in their home search.²³ The percentage of young buyers who said they undertook an internet search was even higher. According to the NAR survey, 62 percent of buyers under 29 years of age found their home on the internet.

All well-established real estate firms, and many individual agents, have a website. Nearly all of these sites list homes for sale. Most websites of firms – 78 percent according to the NAR survey – also include agent and staff profiles. How useful is the information in these profiles? Using the 30-city sample of 600 active agents described earlier, we examined the information provided by their websites or web pages about their past sales and customer reviews of these sales.

Sales Experience: Only 30 percent of the websites included information on the past sales of the 600 agents. This percentage is inflated to some extent by the fact that, for some agents, sales information was for the entire firm or team. That was most obvious when the number of sales was very large, sometimes exceeding 1,000. In these instances, when the agent was also the head of the firm or team, it is appropriate to give them some credit for all sales.

²³ National Association of Realtors, Real Estate in a Digital Age 2019 Report (August 22, 2019). The 2018 Consumer Study by Home Trends (loc. cit.) puts this number at 92 percent.

As the table below shows, the information about sales was usually limited to the sale price and the address of the property. Four percent of the websites listed a city but not a street address. For a few agents, the website provided information about sale price for some properties sold but not for others

Table 2: Percentage of Agent Websites With Information About Past Sales and Types of Information (n=600)

| | |
|-----------------------------------|-----|
| Any specific information | 30% |
| Property address | 26% |
| Sale price | 28% |
| Date of sale | 7% |
| Representation of buyer or seller | 10% |

As the table also reveals, very few websites listed the date of sale and whether the agent worked with the buyer, seller, or both. Including the date of sale is particularly important in helping consumers understand the experience of agents. Without these dates, buyers and sellers learn little about how active the agent has been – especially whether they have recently and successfully facilitated the sale of properties.

Customer Reviews: Nearly half (49%) of the 600 websites included at least one customer review. Many of these websites included more than ten reviews. A number linked to reviews by Zillow or other third party information sources. Yet, as the table below indicates, some websites included very few reviews: thirteen percent – 27 percent of websites with reviews – contained three or fewer reviews.

Table 3: Percentage of Agent Websites With At Least One Customer Review (n=600)

| | |
|---------------|------|
| Any number | 49% |
| One review | 7% |
| Two reviews | 3% |
| Three reviews | 2% |
| 1-3 reviews | 13%* |

*Reflects rounding to nearest one percent.

How reliable are the customer reviews on agent websites as accurate sources of information about agent quality of service? First, one can expect that there would be no negative reviews, and we saw none. Second, when there are few reviews, it is likely that either the most favorable have been included or the agent, for whatever reason, obtained few reviews. Third, since there are no external controls, it is possible for agents to create reviews or ask their friends or fellow agents to do so. Nevertheless, when there are a large number of lengthy reviews, consumers may learn useful things about how the agent interacted with clients. Furthermore, the fact that an agent made an effort to collect the reviews suggests that the agent is serious about their work.

Information Made Available by Other Websites

A number of websites, some local, offer to identify “best agents.” They request information about the service desired and related conditions, ask for your email address and phone number, then provide you with a short list of recommended agents who often try to contact you.²⁴ Typically, the companies are compensated if an agent is contacted and the agent facilitates a sale.

Only five companies provide information about a large number of real estate agents on websites that consumers can access for free without providing personal information – Zillow, Realtor.com, HomeLight, Facebook, and Yelp.²⁵ Zillow, Realtor.com, and HomeLight websites provide information about current listings, past sales, and customer reviews. Facebook and Yelp websites include only customer reviews.²⁶

Which of these websites supply the most useful information? Which of them should consumers spend the time to consult? Our analysis of these websites includes not only the extent and type of information they make available, but also the proportion of active agents with a listing in this source. Obviously, a website with information on most active agents is, other factors being equal, far more useful than a website with information on only a minority of agents. For the sample of 150 representative active agents, we examined whether the five websites make available information on past sales and whether the websites include customer reviews. These agents were the first five of the 20 agents in each of 30 cities that were part of the larger sample described earlier. All had current listings or past sales.

²⁴ This model is also used by other types of information service providers. See Stephen Brobeck and Jack Gillis, *Angie’s List: An Evaluation of Its Usefulness for Consumers*, Consumer Federation of America report (April 2019).

²⁵ More than a decade ago, Angie’s List provided customer reviews of some agents. These reviews are no longer a priority on their website. For the Washington DC area, the website includes no agent reviews. In our sample of 150, only several agents had Angie’s List customer reviews.

²⁶ HomeLight also offers “best agent” recommendations for which, if there is a sale, they are paid a referral fee.

Past Sales: As the table below shows, the Zillow website included information on past sales for a large majority of the 150 agents; the Realtor.com site included sales information for slightly more than half of the agents; and HomeLight supplied this information for only one-third of the agents.

Table 4: Percentage of Information Sources Listing Past Sales of Agents (n=150)

| | |
|-------------|-----|
| Zillow | 77% |
| Realtor.com | 55% |
| HomeLight | 33% |

All three sources nearly always supplied basic information for each property sold -- its address, sale price, side represented by the agent (buyer or seller), and date of sale. Zillow most frequently listed the largest number of sales per agent. When compared to Realtor.com, Zillow listed the largest number of sales 83 percent of the time. When compared to HomeLight, Zillow listed the largest number of sales 56 percent of the time. Accordingly, considering both the percentage of agents listing past sales and the number of sales listed per agent, Zillow listed a far larger number of home sales than did either Realtor.com or HomeLight.

Only Zillow and Realtor.com provided information about price history – initial list price, any delists, any markdowns and markups, and final sale price with associated dates. Sellers can use this information to learn how long it takes for listing agents to sell a property and whether the final sale price is higher or lower than the most recent list price. Buyers can use the information to learn whether their agents are associated with a final sale price that is higher or lower than the initial list price. In part because Realtor.com does not consistently identify whether the agent worked with the buyer or seller, its information about price history is generally less useful than that of Zillow.

Consumers should be cautious about interpreting this information because price histories are influenced not just by agents but also by strong seller and buyer preferences and by markets that favor sellers or buyers. Yet, by looking carefully for patterns related to an agent’s temporal and price history in both selling and buying properties in recent years, one can gain useful information about that agent. Neither Zillow nor Realtor.com can provide information about agents who fail to sell or purchase properties.

Customer Reviews: As the table below shows, only Zillow included customer reviews for most of the 150 agents. The other four sources each provided reviews for well under half of the agents.

Table 5: Percentage of Information Sources With Customer Reviews of Agents (n=150)

| | |
|-------------|-----|
| Zillow | 61% |
| Realtor.com | 25% |
| Facebook | 38% |
| Yelp | 26% |
| HomeLight | 12% |

In addition, as the table below indicates, Zillow tended to provide the largest number of reviews per agent with at least one review. They were less likely to include only one review and much more likely to provide at least ten reviews.

Table 6: Percentage of Reviews by Information Source for Agents With Reviews

| | Only 1 Review | 10 or More Reviews |
|--------------------|---------------|--------------------|
| Zillow (n=92) | 13% | 55% |
| Realtor.com (n=38) | 24% | 34% |
| Facebook (n=57) | 16% | 33% |
| Yelp (n=39) | 28% | 26% |
| HomeLight (n=18) | 44% | 11% |

Comparing Agent Websites and Zillow as Information Sources

Zillow includes far more useful information about real estate agents than do other third party sources, specifically:

- Most agents with past sales listed;
- For these agents, more sales listed per agent and more information about these sales;
- Most agents with customer reviews; and
- For these agents, more reviews per agent.

Agent websites are also important information sources, not only because they often contain a broad array of information about the professional and life experience of agents, but also

because they are the website that consumers seeking information about an individual agent are most likely to search. Accordingly, it is useful to compare the information provided by agents, in terms of quantity and quality, with that made available by Zillow.

Quantity of Information: We compared the website listings of past sales and customer reviews using the sample of 600 representative agents (from 30 different cities). All 600 agents had their own website listing. Eighty-eight percent of the agents also had a Zillow listing. The percentages given below are based on all 600 agents whether or not they had a Zillow listing.

As Table 7 reveals, Zillow listed past sales for 77 percent of the 600 agents. Only 30 percent of agent websites included this information. Six percent of agent websites (36) had sales listings when Zillow did not.

The Zillow listings contained far more information about each sale. Nearly all of the Zillow listings included date, address, price, and representation of buyer or seller. On the agent websites, seven percent (23 percent of those with sales) included the date of sale while ten percent (33 percent of those with sales) indicated whether the agent represented buyer or seller. As noted earlier, inclusion of the date is especially important because it reveals whether the agent has recently helped sell properties and, if so, to what extent.

As Table 7 also indicates, Zillow included customer reviews for 61 percent of the 600 agents. Nearly half (49%) of agent websites included at least one customer review. In addition, the Zillow agent listings tended to include a larger number of reviews than did the agent websites. Nearly one-third of the Zillow listings (32%), but only one-fifth (21%) of the agent websites (43% of those with reviews), included a least ten customer reviews.

Table 7: Comparison of Information in Zillow Agent Listings and in Agent Websites (n=600)

| | Zillow | Agent Websites |
|------------------------------|--------|----------------|
| Include past sales | 77% | 30% |
| Include date of sale | 77%* | 7% |
| Include representation | 77%* | 10% |
| Include customer reviews | 61% | 49% |
| At least 10 customer reviews | 32% | 21% |

*A few agent pages on Zillow included some sales without this information.

One other important piece of information is the date of the review because it reveals how active and successful agents have been recently. All Zillow customer reviews include a date. Only 23 percent of agent websites with reviews include dates of these reviews. Nearly one-third (30%) of the agent websites with dates linked to the agent’s Zillow reviews while one other agent website linked to the agent’s Facebook reviews.

Quality of Information: The quality of agent reviews on the Zillow website is superior to the reviews on agent websites. On their own websites, agents have the option of including only the most positive customer comments. Furthermore, if they, their friends, or their colleagues create fake reviews with no verifiable information about the sale – such as date or client name – these “reviews” are not monitored by a third party and are difficult for consumers to spot.

While almost all Zillow reviews are generated by agents who either contact their past clients or hire third parties to make this contact, these reviews are sent directly to Zillow, where it is difficult for agents to remove critical comments.²⁷ Reviewers must first register with Zillow, providing personal information about themselves that can be checked. After registering, they must provide information about the sale of their property that also can be checked. Zillow also “reserves the right to withhold submissions where suspicious activity or potential conflicts of interest could be present.” These activities and conflicts include:

- Reviews from family members or work colleagues;
- Invalid email addresses, including use of “disposable” addresses;
- An unusually high number of submissions by one user;
- An unusually high number of reviews for an agent; or
- Reviews from users who have been offered compensation for writing the review.²⁸

Comparing the agent website and Zillow reviews of one well-established Seattle agent shows how stark the differences can be. Zillow included nearly 100 reviews for this agent which all differed, were not short, and contained some criticism. By comparison, the agent website included only 39 customer reviews which were much shorter, included no criticism, and typically read like ad promos. For example, the first words in these reviews, often their own sentence, included “excellent” (8 times), “exemplary” (2 times), “top notch” (2 times), “exceptional,” “incredible,” “superb,” “outstanding,” and “fabulous.”

²⁷ Zillow Reviews & Ratings FAQ.

²⁸ Review Guidelines, Zillow (updated May 2016).

Because of Zillow’s third party status with weaker conflicts of interest, its client reviews are a more reliable source of information than those on agent websites. Still, Zillow’s dependence on agent selection of past clients makes their reviews more biased than those published by organizations, such as Checkbook Magazine, that generate reviews from their own subscribers. Even agent reviews on popular rating services such as Yelp are mainly generated by agents who communicate with past clients or pay third party services to do so.

Nevertheless, it is useful for consumers to read Zillow reviews before selecting an agent, in part because few agent reviews from completely independent sources exist. Zillow reviews of an agent are particularly useful if they are numerous, detailed, and dispassionate. These reviews can provide helpful information about how an agent and their firm works with clients. Any critical comments should be seen as red flags, especially if they are made by more than one reviewer. Conversely, an absence of reviews should be of concern. Either the agent was relatively inactive, decided to generate reviews but not place them on Zillow, or was not confident that reviews would be sufficiently favorable. Zillow will not accept customer reviews unless the agent has created a “profile” on the Zillow website.

Zillow obtains information about past sales from agents and from third-party data providers who search county records. Information submitted by the agent is matched with information from the county records.

Summary and Recommendations For Choosing An Agent

Our evaluation of information sources about agent quality of service has found that Zillow agent profiles represent the most useful source. Their profiles cover a large majority of active agents – Zillow claims 1.6 million -- and include current listings, past sales, customer reviews, and other information for most of these agents. Other third party information sources such Realtor.com, Facebook, Yelp, and HomeLight include far less information about far fewer agents. While nearly all agents have their own website or website page, the information in these sources is usually far less complete and more biased than that provided by Zillow agent profiles.

Before searching for information about individual agents, consumers should learn more about their housing marketplace.

- Sellers should consult estimates from sources such as Zillow and Redfin for a ballpark estimate of their home value.²⁹ Sellers should also search for homes similar

²⁹ These types of estimates have been controversial. See: Emily Landes, “How much should you trust a Zillow, Redfin estimate when it comes to home values?” SF Gate (January 31, 2020). Also: Kenneth Harney, “Mortgage Broker Unveils Another Online Way to Assess What Your House is Worth,” Washington Post (June 28, 2017).

- to theirs to learn about their prices, time spent on the market, and any markdowns or markups.
- Buyers should determine as precisely as possible what they want, need, and can afford in a new home (and qualify for a mortgage), then search Zillow and other websites for properties with these characteristics.

With this information in hand, prospective home buyers and sellers are ready to search for an agent. How should they do so utilizing the Zillow information on individual agents, which can be accessed on the Zillow website under “agent profiles” found in the navigation bar at the top of the home page? Taking into consideration recommendations from friends and associates who have recently sold or purchased a home, consumers can use the website to identify several agents to be interviewed. In looking at agent profiles, they should:

- Pay particular attention to recent agent activity as indicated by past sales and current listings. A very large number of either may indicate that the listings are by the firm, not the individual agent, though keep in mind that team leaders often list all sales and current listings of their team members.
- Use information from past sales to learn whether an agent typically represented one side in a home sale, the price range of these sales, and the geographical area in which the agent has worked.
- Consult the price history of properties listed by agents to learn how long it took them to sell properties and whether, during this interval, their price was marked down or marked up. These price histories will also reveal whether buyer agents were associated with price markdowns or price markups.
- Look for a large number of detailed reviews that mention the agent by name and describe and assess the specific experiences of clients with the agent. Keep in mind that some agents, especially team leaders, include all of the reviews for their firm or team. Be wary of reviews full of enthusiasm and generalities about the agent. Look instead for positive but objective, detailed reviews of the client’s experience with an agent from first contact through the sale and any aftermath.

Consumers are now prepared to select and interview several agents.³⁰ Priority should be given to those who work full-time as agents and have extensive recent experience representing sellers or buyers (depending on the consumer’s need) of similarly priced properties in preferred neighborhoods. Buyers should pay particular attention to how the agent’s firm displays properties on its website. Both buyers and sellers should think twice before employing relatives

³⁰ A useful discussion of selecting an agent is found in: Kaufman, “How to Choose a Real Estate Broker,” loc. cit. Also helpful is: Ann Brenoff, “What You Really Need to Know Before You Pick a Real Estate Agent,” HuffPost Money (January 24, 2018).

or friends as agents. Statistically, it is unlikely that these agents, often part-timers, will provide the best service. Personally, it may be difficult to press these agents on an important issue.

In the interviews, all agents should be asked questions about:

- Representation: We believe that it is important for both buyers and sellers to have someone, a real estate broker or attorney, representing their fiduciary interests in the sale. Sellers should ask whether the agent will always represent these interests, even if they locate a buyer. If buyers decide to work directly with a listing agent, they should employ an attorney.³¹
- Delegation: Will the agent work with the consumer or delegate much work, including showing properties and responding to client calls or emails, to other team members? This delegation is more likely if the agent has many clients and is part of a team with differentiated roles.
- Length of Contract: This is a complex issue that includes whether a consumer sells or buys, whether the market is favorable to sellers or buyers, the degree of confidence you in an agent, and preferences of individual agents. However, we strongly caution against signing an exclusive agreement for more than six months.³²

Sellers should also ask questions about:

- Recommended sale price: If this suggested price is much higher than those of similar properties, some seller skepticism is warranted.
- Recommended property improvements: Look for candor here. To be presentable, most properties will need work, if only cleaning, tidying, and decluttering but sometimes more substantial improvements.
- Recommended marketing: Most importantly, ask whether the property will immediately be placed on the local Multiple Listing Service (MLS). Agents have a financial incentive to delay this listing and search for a buyer among their clients or clients of their firm, raising conflict of interest issues.³³
- Commission: Despite the uniformity of real estate commissions, sellers may be able to negotiate a lower rate, especially if the sale price is high, they are selling and buying different properties with the same agent, or their agent also recruits and works with the buyer. It is important, however, that the rate reduction come from the listing

³¹ See discussion in: Brobeck, Agency Mess, loc. cit., pp. 7-8.

³² An informative article for sellers on this issue is: Ruby Launder, "How Long Are Real Estate Listing Agreements," Local Agent Finder (June 9, 2015). A helpful discussion for buyers is: Ilyce Glink and Samuel J. Tamkin, "Is It Necessary for Home Buyers to Sign a Contract With an Agent?" Washington Post (August 5, 2019).

³³ To avoid a procession of potential buyers visiting their home, some sellers prefer that their agent find a buyer privately. If so, chances are that the final sale price will be lower than if the property had been exposed to many potential buyers on the local Multiple Listing Service.

agent's split, not that of buyer agents who then may have less of an incentive to show your property.³⁴ Discounters like Redfin typically reduce their own commission but keep the buy-side commission at three percent.

After describing to an agent the kind of property desired, buyers should ask the agent to recommend specific properties, then check to see whether all of these properties have been listed by the agent or the agent's firm. If so, the recommendations of the agent may be biased by their obligations to existing clients and by their desire to retain the entire commission for themselves or their firm. Exclusive buyer brokers will not face this potential conflict of interest.

³⁴ See Brobeck, *Hidden Real Estate Commissions*, loc. cit.

APPENDIX A: AGENT WEBSITE INFORMATION BY CITIES SAMPLED, EAST TO WEST (20 agents/city)*

| City | % With Sales | % With Reviews |
|---------------------|--------------|----------------|
| Portland, ME | 5% | 55% |
| Boston, MA | 50% | 35% |
| Westchester Co., NY | 45% | 60% |
| Philadelphia, PA | 10% | 20% |
| Baltimore, MD | 40% | 40% |
| Charlotte, NC | 25% | 60% |
| Orlando, FL | 10% | 40% |
| Cleveland, OH | 40% | 30% |
| Columbus, OH | 30% | 45% |
| Atlanta, GA | 10% | 35% |
| Nashville, TN | 20% | 55% |
| Indianapolis, IN | 25% | 45% |
| Chicago, IL | 40% | 70% |
| Milwaukee, WI | 35% | 60% |
| Memphis, TN | 25% | 30% |
| New Orleans, LA | 15% | 35% |
| St. Louis, MO | 25% | 75% |
| Minneapolis, MN | 25% | 65% |
| Kansas City KS | 15% | 35% |
| Houston, TX | 15% | 55% |
| Dallas, TX | 40% | 70% |
| Oklahoma City, OK | 40% | 35% |
| Denver, CO | 25% | 60% |
| Salt Lake City, UT | 0% | 40% |
| Phoenix, AZ | 25% | 50% |
| Las Vegas, NV | 30% | 50% |
| San Diego, CA | 50% | 60% |
| San Francisco, CA | 70% | 65% |
| Portland, OR | 30% | 50% |
| Seattle, WA | 50% | 70% |
| Average | 30% | 49% |

*Small agent subsamples do not allow valid comparisons between individual cities but do suggest much variation overall.