THE NEW FRONTIER OF INTERNET MARKETING
Data Protections Top Priority as ListHub Global Launches

Introduction

There isn’t a real estate agent or a home seller who hasn’t dreamed — starry eyed — of the international buyer, waltzing in to pay for their property listing in cold hard international cash. International buyers are traditionally pictured as wealthy home buyers in the market for luxury homes — and some of them are — but the opportunity goes well beyond luxury.

This paper takes a look at some of the facts around international trends in real estate and the current options for marketing properties online to international buyers. Our findings point to an opportunity that is already making a big impact in our business, one that is clearly growing, but difficult to measure and containing significant problems related to data management.

The Opportunity

The most recent Profile of International Home Buying report published by the National Association of REALTORS® in June 2013 showed International home sales in the U.S. reached their second highest level in recent years. The total market is estimated at $68.2 billion, comprising nearly 6% of the total real estate market in the United States.

THE TOTAL INTERNATIONAL MARKET IS ESTIMATED AT $68.2 BILLION

International buyers are motivated to purchase real estate in the United States because it is a comparatively favorable market, with affordable inventory and more freedom from political complication. And the buyers are a diverse group; the idea that international buyers are only interested in luxury property is a myth. With more than 50% of international property sales under $250,000, the international opportunity is clearly much broader than the lofts and palaces of Miami and New York. For example, parents of international students who study in the United States are taking the opportunity to invest in housing for their children during their four-year stay instead of shelling out big bucks on student housing and rentals.

So far, international real estate business seems to rest in the hands of a relatively small segment of our agent population — in the same NAR report, only 27% of REALTORS reported that they had worked with an international client in the prior year.

The Challenges

One of the interesting statistics revealed in the paper is that 29% of international clients who didn’t buy said it was because they couldn’t find a house. This could be a result of the lack of accurate U.S. listing resources marketed and tailored to international buyers.

In the United States, we have worked hard to address the problems caused by unmanaged listing distribution. Several years ago, we started “sweeping back the ocean.” Brokers and MLSs moved to MLS-connected platforms for syncing listing information from the MLS with online publishers. We started requiring publishers to sign agreements that protect content owners from misuse of listing data, and demanding consumer traffic metrics from publishers so that brokers, as owners of the listing content, have transparency into exactly how each publisher performs and have access to the marketing intelligence that is built off of our listing content.

It was a lot of work, but we did it because we regard listing content as a valuable asset of the listing brokerage, and because we have a deep investment in the standards for our business and the value of representing our industry with the highest level of professionalism.

WE REGARD LISTING CONTENT AS A VALUABLE ASSET OF THE LISTING BROKERAGE

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In other countries, we’re playing a different ballgame. The battle to protect listing information would be a foreign idea in countries where listings are “open listings” and nobody has the exclusive right – or responsibility – to market a property accurately and effectively. Companies who syndicate listings to international publishers today are doing so without protections in place for the data.

Without a standard platform like ListHub to manage the process, fixing these problems will be much more difficult than it was in the United States. What is a REALTOR® to do when the interior photos of a home they sold five years ago are still showing up on a website in France? Picture this REALTOR® making a long distance call to a French publisher - a 6-hour time zone difference away - trying to convince the website it remove the photo because she owns the picture. And imagine this conversation taking place in French. It sounds daunting, to say the least.

Add to this the challenge of measuring the results of online advertising overseas. Most international publishers require a fee just for a basic listing display – forget sending your listing out there for free and crossing your fingers – brokers and agents who participate will be required to invest their hard earned dollars in these opportunities, so understanding the consumer traffic gained from international advertising will be paramount.

The Current State of Affairs

The quality of U.S. listing information on international websites around the world today is abysmal. We conducted a study in which we evaluated listing data accuracy on two major publishers in the UK that display U.S. listings, RightMove and Zoopla.

Here’s what we did: we randomly selected 200 listings from the UK websites and checked each one for accuracy by comparing the listing information on the UK site to the listing information on realtor.com®. We chose sites in the UK for one simple reason: they are in English, and thus, easier for us to evaluate without translation. We checked 5 core fields for each listing: status, price, address, beds, and baths. If all 5 factors were correct for the listing, it was deemed “accurate.”

And here is what we found:

- RightMove: 63% of listings were incorrect on at least one core field.
- Zoopla: 86% of the listings were incorrect on at least one core field.
- Overall: 75% of the listings were inaccurate, only 25% accuracy observed on international publishers.

75% OF THE LISTINGS OBSERVED ON INTERNATIONAL PUBLISHERS ARE INACCURATE; HALF OF THOSE WERE NOT EVEN ON MARKET

32% of all the listings we looked up (nearly half of the total inaccurate listings) were not even on the market, with “last sold” dates as long ago as 2007, 2005 and 1992!

Clearly, there are severe problems with current methodology used by today’s brokers and agents to advertise their listings on international publishers. The question is, what can we do about it?

Our Options

The international opportunity is too important to ignore. The U.S. real estate industry needs a platform that will enable our real estate professionals, and our consumers, to profit from the business that comes in from overseas, while simultaneously protecting the listing information entrusted to us by our clients.

WE NEED TO FACILITATE INTERNATIONAL OPPORTUNITIES WHILE SIMULTANEOUSLY PROTECTING OUR LISTING INFORMATION

There are a couple of possible approaches:

- Option #1: Require international publishers to adhere to the same rules that we require of the publishers in the United States.
- Option #2: Provide listing information only in a controlled technological environment, such as a framed experience or an API.

Regarding option #1, the challenge in trying to enforce the rules we have in place for U.S. publishers is one of sheer scope. It’s difficult to know how many real estate websites exist in the world, but we know
there are a lot. We could be selective in the sites we work with overseas, only choosing those that will provide us with the greatest opportunity. But until we can measure the results for ourselves, we can't know for sure which sites those are likely to be. There may be multiple sites that generate meaningful traffic in many nations, much like we have here in the United States. And like the United States, this is bound to be an ever-changing landscape as sites rise and fall in popularity over time. Even if we found and only worked with the biggest sites, finding and negotiating nuanced contract terms with individuals from other nations who operate in different time zones and speak different languages seems like a formidable task.

The second option seems more plausible. Build — or partner with — a single platform that provides listings to a broad array of international sites using a technology platform that maintains complete control over the listing data. There are a couple of ways this can be accomplished.

One technical method would be for the network of international websites to frame in the search experience from a trusted primary site - much like U.S. publishers often power extended networks of sites. A good example of this is HomeFinder.com powering the Baltimore Sun. Search for real estate classifieds on the Baltimore Sun's website, and if you pay attention to the URL you'll see that you're actually on HomeFinder.com. The listing information never really goes to the Baltimore Sun. Instead it's safe and sound — and accurate — on HomeFinder's servers.

Another technical method is similar in that the data is never distributed in a feed, but instead the trusted primary site serves up search results on the network site in real time via an API. There aren't currently working examples of this in the United States, but it's an approach that has been widely discussed as a safer method for reaching a broad audience online without losing control of the data.

**ListHub’s Solution**

Our commitment to the protection of our customers’ listing content extends beyond advertising in the United States. We have spent considerable time researching the options, and we have started to find viable partners in the global real estate landscape that operate using models that prevent the re-syndication and misuse of listing data, and that understand the importance of contractually committing to standards around data accuracy and rules around the display of listings online. This initiative will be presented as ListHub Global.

**LISTHUB GLOBAL BRINGS OUR NETWORK OF CONTENT OWNERS A COLLECTION OF INTERNATIONAL MARKETING OPPORTUNITIES THAT MEET LISTHUB’S STANDARDS FOR BEST PRACTICES**

The vision for ListHub Global is to present to our network of content owners a collection of international marketing opportunities that meet ListHub’s standards for best practices and broker-friendly methods. Only sites that commit to ListHub’s standard publisher terms will be permitted to participate as a ListHub Global Network. We plan to build partnerships that will bring coverage in all parts of the world to our customers, especially those which currently represent the largest opportunities: Europe, Latin America, and Asia. The first network in ListHub Global is Edenhome, a network of over 20 publisher websites primarily based in Europe. We are actively pursuing additional partners for ListHub Global and look forward to bringing “the world” to our network of brokers and agents!