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Should brokerages take a 'VOW' of privacy?

By Amy Tennery



From left: Dottie Herman of Elliman, Frederick Peters of Warburg, and Matt Daimler of Buyfolio.com

While it's true that most brokers can't read minds, with a VOW they can come pretty close.

Real estate pros say that VOWs, also known as "Virtual Office Web sites," can give agents a backstage pass to their clients' predilections. VOWs allow buyers to view an agent's listings -- and those belonging to other brokerages -- all on the same Web page.

But VOWs present serious invasion of privacy issues and as a result can be a real turn-off to homebuyers, critics say.

VOWs can track your buying behaviors. For example, if a buyer tells a broker that she has a budget of \$1.2 million, but the broker sees the buyer checking out \$1.5 million listings on the company's VOW, the broker could potentially push the buyer to make a larger purchase than she had talked about.

New York City companies that have recently announced plans for VOWs include [Prudential Douglas Elliman](#), [Halstead Property](#), Elika Associates, A.C. Lawrence, the Real Estate Board of New York and [CondoDomain](#), a new VOW-based brokerage company in the city. Manhattan got its first VOW, known as the [CBS 2 Real Estate Market](#), last summer.

Found within the terms of service when a homebuyer registers to use a VOW are ground rules on what information the site can mine from you. While the privacy regulations can vary from site-to-site, most VOWs, including those powered by major shared information providers like Realplus Online Listing Exchange and On-Line Residential, the latter which [introduced](#) a new software product for brokerages to adopt VOW capabilities in March, allow brokers to track their clients' every move.

Some in the industry say VOWs go too far.

"Everything you do, every search you run, every listing you look at, all that is reported to the broker," Matt

Daimler, an Internet entrepreneur and founder of recently-launched New York City real estate consumer site Buyfolio.com, said.

Indeed, in an instructional video for RealPlus, the system's state of the art analytics capabilities are touted to agents, emphasizing the range of information that the brokers can glean from their clients' activities.

"Whenever your client logs into your VOW and conducts a search, analytics is recording all their activity," the video says, adding for emphasis: "every activity your customer performs is recorded and available to you."

This activity, the video says, "reveals [buyers'] true buying criteria," not just the criteria they told you about.

Daimler's site, which he launched earlier this month, allows brokers and clients to communicate via a shared Web site without registration, something that he feels adds a greater level of privacy to the client's experience.

Although Daimler admits his gripes with VOW privacy could be based on competitive instinct, he said that as an observer of the VOW model, the platform's ability to track users' movements is nonetheless disturbing to him. He said that few buyers are aware of how much information brokers can learn about them through the VOW -- and those who do know are given no chance to opt out.

"The consumer has to have a choice to say 'yes, share that information,'" Daimler said. "It doesn't seem like a collaboration [between buyers and brokers] to me... it doesn't give you a choice."

In an ideal world, Daimler said that consumers would be better informed when they use a VOW.

"I think you need to have [a disclaimer] more front and center," Daimler said, "if you're going to monitor on that level."

While Frederick Peters, head of Warburg Realty, said that buyers should be held responsible for understanding the terms of the site their using, he does say that buyers [might be turned off](#) by a VOW's tracking abilities.

"I think one of the things people like about the Web is that feeling of anonymity," Peters said. "All of the data you register on a site is going to be used in some way."

Tom Croke, vice president of sales at RealPlus, said that his company tries to negate invasions of privacy by encouraging agents to educate their buyers about how the VOW is used.

"We think that it is [the] best policy for the agent to let the customer know... we don't want them to be spying," Croke said. "If [the buyer] finds out [the agent can track their searches] without the agent telling them, I can foresee that being a problem."

But buyers can access VOWs on their own, signing up for the service without the guidance and tutelage of a broker.

Even so, some in the industry feel that the onus is on the buyer alone.

Jonathan Greenspan, president of OLR, said that if buyers don't like being watched, they can leave.

"At some point it's the consumer's choice -- whether you're buying sweaters or hockey tickets, whether you want to register," Greenspan said. "It's no different than when you or I go to [any] site."

Greenspan said he believes that buyers need to accept the trade-off: what they're giving up in privacy, they're gaining in quality.

Buyers can say to themselves, "I know that these are all active, valuable listings, what am I giving up for that?" Greenspan explained.

Noah Rosenblatt, founder of brokerage and real estate research Web site UrbanDigs, echoed that sentiment, saying that the benefits outweigh the downsides.

"I don't see what the consumer is upset about," Rosenblatt said. "If you go on Google, Google can see everything you're doing."

Next month, his company is partnering with RealPlus to launch a real-time analytical platform to track Manhattan residential market trends, which *The Real Deal* [reported yesterday](#).

Dottie Herman, CEO of Elliman, which is slated to unveil its [\\$1 million revamped site](#) complete with VOW capabilities this month, said that she'd like to see her clients have options when they use her brokerage's Web site.

"Frankly, the issue of privacy is a huge issue today," Herman said. "[Elliman's Web site] will be completely transparent... they can come to our Web site without registering, the consumer will be in control of what information [they share]."

Even so, Herman said that it's often difficult for buyers to navigate the minefield of privacy invasion when shopping for a home. She said that sites most people visit, like Google and Facebook, track users' movements to a greater degree.

"It has nothing to do with real estate -- it's the world we live in," Herman said.