



OPINION

INDUSTRY NEWS

The Inman Files: Don't wait for Opendoor to eat your lunch

What's a traditional broker to do?

BY **BRAD INMAN** ★

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Face it, the [Opendoor iBuyer model](#) of a fast, furious and certain home sale is beginning to get market share.

What does a traditional broker owner do?

1. Complain to NAR? No.
2. Start a “Stop Opendoor” (SOD) campaign? Please.
3. Change your listing offer? Now we’re talking.

A super savvy broker-owner and I had a hypothetical conversation about what this post-Opendoor listing pitch might look like. (This X-broker pushed back hard on me publishing his name because the plan is not ready for prime time and he thought his agents might freak out — I demurred).



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Here’s my fictional script of what I gather he has in mind.

The set-up. Let’s imagine an agent (Barry) sitting in the kitchen of an anxious and uncertain homeseller (Mary). Mid-century, not country kitchen.

“We offer three choices, Mary,” starts Barry.

“First, would you consider an instant sale by any one of our certified local investors (iBuyers) who buy properties like yours? We can expect their offers to be somewhat lower than you might expect from putting it on the MLS, but our commission is also discounted to 5 percent if you take this path. As you may know, iBuyers like Opendoor and Offerpad are charging as much as 11 percent. These offers will come in within 48 hours of us signing a listing agreement. Full disclosure: my firm may be one of those iBuyers.”

“Second option, we put your home on the market, but we offer a guaranteed sale in 90 days at a set price we both agree to. In short, we will buy your home if it doesn’t sell. Expect that price to be slightly below what the open market might provide,” explains Barry. “Our commission rate for this option is higher at 7 percent, but we think the guarantee is worth the tradeoff.”

“Third, we go the traditional route of putting your home on the market through the MLS and launch an aggressive marketing campaign, including staging your home with broker and buyer open houses. We will do everything in our power to get you top dollar. And we charge 6 percent for this full court press.”

Brokers have a clear choice: Stop reacting and fretting about Zillow and Opendoor digging deeper into the transaction. Instead, real estate company owners should dive deeper themselves.

They often complain about new middlemen sneaking into their business. But aren’t they the founding fathers of real estate middlemen?

Iron Man in ‘Avengers: Age of Ultron.’ Credit: Marvel/Disney

Risky, yes — this new listing plan makes brokers and their agents more accountable and more vested in the outcome.

But it could also be a lucrative margin play for brokers who are getting killed by crazy commission splits with their top producing agents.

Option #1 and #2 open the door for a radically different conversation about splits with their agents. Plus option #1 almost guarantees a doubled-sided deal because of certainty for everyone.

Tech-focused broker [Redfin](#) is already offering all three options in one way or another.

This new listing strategy forces the broker to invest in fast and furious technology that facilitates instant showings, offers and closings. Brokers will soon be competing with Opendoor and Redfin on this feature set, so they had better pour some jet propellant into their tech engines.

And brokers shouldn’t do this merely as a defensive action but as a legitimate response to

growing consumer expectations for more certainty, transparency and [Amazon-like speed](#). Brokers would suddenly become very consumer-centric, stealing some of the high ground from the high-minded startup darlings.

Putting more lipstick on the pig is not working. Brokers desperately need a Wonder Woman Star Crown or an Iron Man exoskeleton — some sort of game-changing force shield to confront a slew of mighty innovators.

Setting this up is not trivial. Courting willing investors and figuring out a legal framework are the necessary first steps. But all of these steps along with proper agent training on the program are the type of work brokers are really good at.

Practically speaking, who gets the listing in the future? An old-school, one-flavor broker? Or an unknown iBuyer? My guess: this new broker-owner listing strategy could rump them all.

Oh yeah, there is a fourth strategy.

Wait around for the new entrants to eat your lunch. And be advised, they aren't vegans, they are more like cannibals.

Anthony Hopkins as Hannibal in 'The Silence of the Lambs.' Credit: MGM

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