

Hamptons brokers lash out at Zillow over bugs in new listing system

E.B. Soloman | April 3, 2019

Just hours after Zillow Group's Hamptons portal launched a back-end listing system Tuesday, the heads of major East End firms said they were furious that a series of bugs had halted business as usual.

"This system is unusable," Town and Country CEO Judi Desiderio wrote to Zillow Group's general manager in New York, Matt Daimler, in an email, a copy of which was reviewed by The Real Deal. "In dictating an instant changeover, it's disabled thousands of agents who populate your site."



From left: Saunders & Associates' CEO Andrew Saunders, Zillow Group's New York General Manager Matt Daimler, and Town and Country CEO Judi Desiderio with the Out East website (Credit: Getty Images, Saunders, Out East)

At issue is the back-end listing system that brokers use to enter and search listings, and which feeds aggregators like Zillow's Hamptons portal — dubbed Out East — as well as the New York Times and Realtor.com. Until now, brokers in the Hamptons have used RealNet, a database developed by the owners of Hamptons Real Estate Online. When Zillow purchased HREO last year, it also acquired RealNet.

Last year, Zillow pulled the plug on HREO and introduced Out East, a glossy new consumer facing site. Yesterday, it turned off RealNet and launched a new back-end product, Out East Agent Tools. (RealNet still exists in a read-only mode.)

Reached by phone late Tuesday, Desiderio declined to comment on the email. But she said, "There are all sorts of things that are must-haves that don't exist in the system and we can't make this work right now."

According to Desiderio, after she was told that Town and Country was the only firm having problems with Out East, she emailed every manager on the East End and urged them to weigh in. Several irate brokerage chiefs took her up on it in a group email to Daimler.

“[Brokers are] going ballistic,” said one source who received the group email. “Everyone is demanding they turn RealNet back on.”

Sources said Saunders & Associates’ CEO Andrew Saunders wrote that he assigned a team of administrators to review Out East after encountering “countless issues, many of which compromise our ability to operate.” Saunders did not immediately comment.

Hamptons brokers readily acknowledge that RealNet was sorely in need of an update. Like HREO, it was a relic of the 1990s.

According to Zillow, RealNet was worse than that: it was unreliable and unstable. In 2018, RealNet generated more than 1,000 inquiries about listing delays, the company said. Before launching Out East Agent Tools, it hosted dozens of training sessions to solicit agent feedback on new features, including a field that lists open houses.

“The launch of Out East Agent Tools represents a massive technological overhaul of a 15-year old system,” said a spokeswoman for Out East. “After hosting dozens of trainings and hearing from hundreds of agents about how RealNet was slowing down their business, we’re confident that Out East Agent Tools not only offers a modernized platform but brings the tools and functionality Hamptons-based agents requested to streamline their workflow.”

Still, agents said the system should have been tested more thoroughly before being thrust into prime time use. They described several bugs on Tuesday — including login problems and an inability to sort listings by price. In some cases, the listing had the wrong agent on an exclusive.

Some brokers described more fundamental issues with the new system. Emails to clients contain some information about a listing, but directs the buyer to Out East. Brokers said that can be confusing and overwhelming to buyers. It also increases the odds that the buyer will find another property or another agent to work with.

The Out East spokeswoman acknowledged that given the scope of the transition, there were some “unexpected bugs that the team has been working around the clock to fix.”

“Recognizing how critical this tool is, we are addressing these concerns with utmost urgency,” she said.

Prior to Zillow buying HREO, now Out East, a group of residential firms planned to form a centralized listings service. On Tuesday, several brokerage heads threatened that if RealNet wasn’t turned back on, they’d be forced to leave Out East in favor of New York MLS, a newly-formed MLS that services Long Island, Westchester and New York City. The snag comes in the middle of prime selling season for Hamptons brokers.

“We’re in the height of our season,” said one Hamptons manager. “To throw this at agents now is wrong. Get a group of test agents, let them work with it in a live scenario while we have a stable listings system and launch in the fall. That would be the right thing to do.”