



## OVERVIEW:

- Brokerage in California and most other states.
- iBuyer - will make cash offer on some properties.
- Zillow live agents available in some areas.
- Service Fees in lieu of commissions.

## ZILLOW / ZILLOW.COM / ZILLOW GROUP INC. / NASDAQ: ZG

- Zillow acts as an iBuyer and a brokerage in California and many other states.
- As iBuyer, Zillow makes offers on most residential homes from 3% to 30% below market value/comp's.
- Offer is negotiable if seller counters. Many sellers do not know this.
- Zillow does NOT buy homes via their iBuyer program build BEFORE 1960.
- After offer is accepted, there is a "Service Fee" sometimes called a "Relationship Fee" of 3-15%.
  - These fees are simply commissions being called fees to avoid being associated with Realtor commissions.
  - These fees are AFTER the offer of 3-30% below market is accepted.
  - Fee varies based on location, hold time expectations and other factors.
  - EXAMPLE:
    - Home value of 600k
    - Zillow offer: 570k (5% below comp)
    - Service Fee: \$18,000 (3% but often much more)
    - Repair Request: \$10,000 (most common range is around 10K)
    - If listed with a Realtor, the Service Fee does NOT cover listing Realtor commission. (\$15,000 @ 2.5%)
    - **NET before expenses:** 570k - 18k - 10k - 15k = **\$527,000**
    - This is BEST case scenario and could be much less to the seller.
- Zillow advertises that you can "Sell without repairs." This does NOT mean sell for top dollar without repairs.
  - After offer and after fees, then Zillow will make repair requests based on the assessment of the home.
  - These repairs could be many more thousands of dollars off the price if seller wants to sell without repairs.
  - Zillow rarely makes these repairs after acquiring the home, yet markets the home to buyers based on repaired comp's
- If Zillow cannot or will not purchase the home via iBuyer, the website pushes the seller towards listing the home with Zillow.

# Zillow compared to selling traditionally with disclaimers.

## How does selling a house to Zillow compare?

	Selling to Zillow	Traditional Sale
Selling fees ⓘ	5% on average  This is a Zillow-Only fee. Does NOT cover both sides of a transaction if applicable.	4-6%  This fee covers BOTH the listing and buying side commissions as opposed to Zillow's fee only covering one side.
Closing costs ⓘ	1-2%	1-2%
Est. time on market ⓘ	0 days	25 days  Heavily dependent on the market. The average in 2020 -2021 was less than 12 days.
Repairs ⓘ	Managed by Zillow  Managed by Zillow but the Zillow offer is REDUCED by this amount!	Manage on your own
Mortgage payments	Your payments end on the closing date you choose  This is false equivalency. Your payments stop in a traditional sale upon closing as well.	You continue to pay while you wait to sell
Buyer financing	Pre-approved  Pre-Approved does NOT mean approved. Zillow can retract at any time.	Risk of falling through