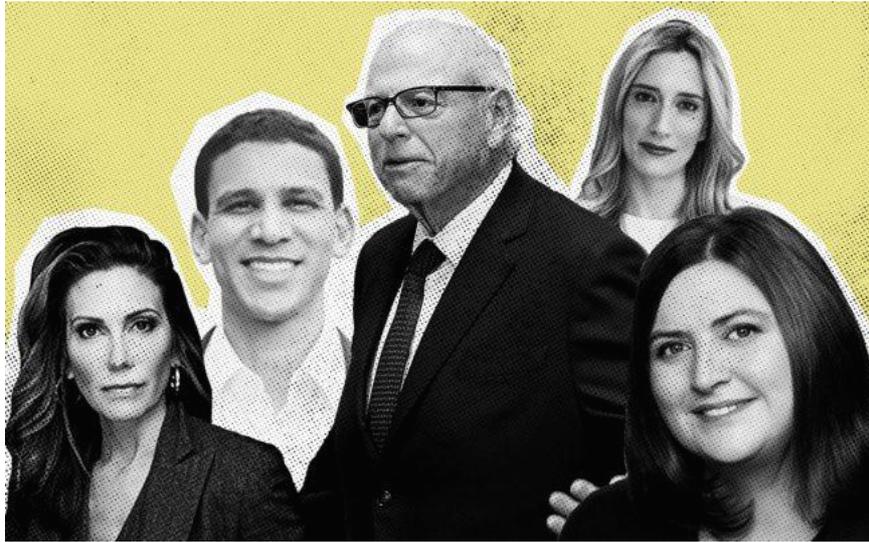


“They are pimping you out”: Brokerage execs talk StreetEasy, Compass and broker poaching at NYRAC’s inaugural event

Top resi executives said -- once again -- that they need to unify

By [Meenal Vamburkar](#) | April 04, 2019 05:12PM



From left: Bess Freedman, Rob Reffkin, Howard Lorber, Clelia Peters, and Elizabeth Ann Stribling-Kivlan

Just hours after Compass struck a deal to buy [Stribling & Associates](#), the city’s top residential brokerage executives took to the stage to spar over existential questions about the industry’s future, the ongoing threat of StreetEasy and Compass’ aggressive recruiting tactics.

Right off the bat, the spotlight was on Elizabeth Ann Stribling-Kivlan, the head of Stribling, and [Robert Reffkin](#), the CEO and co-founder of Compass. Stribling-Kivlan said her firm’s decision “has nothing to do with other people’s firms,” noting that Stribling had reached a point where it could no longer provide the level of resources and support it sought for its agents and staff.

Light-hearted jokes about the deal peppered the chat throughout the night — Douglas Elliman’s chairman [Howard Lorber](#) quipped that Corcoran Group CEO [Pam Liebman](#) was off calling Stribling brokers — but the remarks largely centered around the need for the city’s brokerage industry to band together and how firms can stand up to disruptive forces including aggregators like StreetEasy.

More than 100 brokers and assorted industry players crowded into a 66th floor apartment at Extell Development’s One57 for the panel entitled “The Future of NYC Residential Real Estate Brokerage: How the Disruptors are Affecting Our Industry.” The discussion — an inaugural event for New York Residential Agent Continuum, a broker advocacy group that launched last fall — also included Warburg Realty president Clelia Peters and Brown Harris Stevens CEO [Bess Freedman](#).

Ownership of and control over listings and data was the central idea the executives agreed upon. Freedman, taking aim at the Zillow Group’s Premier Agent program that has been a consistent source of frustration for brokers, partly blamed the lack of education among consumers. If they better understood how the initiative is misleading, she said, it would change consumers’ perception of the program.

“They are pimping you out, and every time you give them money, you are helping them to get stronger,” Freedman said, drawing applause and murmurs of agreement from the audience.

But the dynamic grew more combative as the panelists criticized Elliman and Corcoran for its dealings with Zillow. In 2017, [Elliman tapped StreetEasy](#) to build a back-end portal for its agents — a move that Lorber said was made after consulting with brokers. “We did what we thought was good for them, and what they thought was good for them,” he said.

Elliman also chose to [cover the costs](#) of StreetEasy’s rental listing fee for its brokers. [Realty](#) — the parent company of Corcoran, Citi Habitats and Sotheby’s International Realty — also inked a “long-term, multi-year” deal to cover the fee. (Early in the evening, when NYRAC co-founder Heather McDonough mentioned the group recently met with StreetEasy and the company said it wants to better relations with brokerages, the comment was immediately met with laughter.)

Reffkin also found himself in the hot seat, faced with questions about broker poaching and creating an unsustainable business model for firms that lack the \$4.4 billion firm’s massive funding. He argued that commission splits were getting higher across the country before Compass came along — and that there’s “a lot of pressure on firms with or without Compass.”

Freedman argued that Compass increased the pressure and challenged the firm’s aggressive style of recruiting. Offering hefty compensation and perks after an agent’s already said no to leaving their firm is “shady,” she said.

“The tactics should be questioned a little bit,” Freedman said. “It’s like if somebody kept coming after your wife. ... There’s a level where you have to respect somebody’s decision.”

The event ended on a more conciliatory note, as Lorber and the Warburg executives opined on the real estate industry’s need to better compile — and potentially monetize — data. Clelia Peters alluded to Netflix’s personalized recommendations for viewers, and noted, “When I shop for a white T-shirt there’s a lot more tracking of my behaviors than when I shop for a home.”

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Sitting in the audience, Fred Peters questioned the executives on stage on whether they’re now willing to band together. The reason the brokerage industry failed to create a unified front before was “because Elliman and Corcoran were not willing to participate in a deal which they thought would undercut the power they had in the market,” he said. “Where do you stand on that now?”

Freedman and Reffkin offered support. So did Lorber. “I want to do what’s good for all of us here,” he said.

Tags: [brown harris stevens](#), [compass](#), [Douglas Elliman](#), [Howard Lorber](#), [Pam Liebman](#), [Residential Real Estate](#), [Robert Reffkin](#), [streeteasy](#), [stribling associates](#), [warburg realty](#), [zillow](#)