

Compass' Antitrust Action Against Zillow: What's it all About?

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How did we get here?

- National Association of Realtors ("NAR")
 - Regulates much of residential real estate market.
 - Controls Multiple Listing Services ("MLS").
- 2020 – Clear Cooperation Policy ("CCP")
 - Governs pre-marketing of homes.
 - Within one business day of public marketing → sellers/agents must send listing to local MLS.
 - Exemption = Office Exclusives.
- Revised 2025:
 - New Category of "delayed marketing". Sellers may delay public distribution of listing in MLS for period allowed by the local MLS.
 - 1:1 communications between different brokerages not considered public marketing.

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Compass's 3-Phased Marketing Strategy ("3PS")

- Phase 1: Property listing is presented as a Compass Private Exclusive on Compass's internal platform.
- Phase 2: Property listing moves to the "Coming Soon" phase.
- Phase 3: Property listing is shared with Multiple Listing Services ("MLS").

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Zillow's Listing Access Standards

- April 10, 2025: Zillow announced new Listing Access Standards:
 - Zillow will not display on Zillow or Trulia a listing that a brokerage or agents did not enter into an MLS for public display *within one business day* of public marketing.
- Public Marketing = any form of advertising, including when:
 - (a) the private listings network (or the brokerage's inventory of listings that are not on the MLS) is actively marketed to consumers; or
 - (b) consumers can access the private listings network through a login or registration wall.
- Three (3) Public Marketing Exceptions:
 - (1) the seller signs a disclosure directing the agent not to place the listing in the MLS;
 - (2) the listing is shared only within the listing brokerage and through 1:1 communication between agents and their individual clients; and
 - (3) the listing is not marketed publicly in any way, including through a brokerage website, advertisements, or a private listing network that is promoted to consumers

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Compass, Inc. v. Zillow, Inc. et al.

- June 24, 2025: Complaint filed
 - Compass alleges Zillow's Listing Access Standards violate antitrust laws (The Sherman Act).
 - Alleges Zillow's Listing Access Standards promote monopolistic conduct in violation of Sec. 2 of The Sherman Act.
 - Alleges Zillow entered into anticompetitive agreements with home-search/brokerage competitors (e.g. Redfin; eXp Realty) to conspire against Compass in violation of Sec. 1 of The Sherman Act.

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The Sherman Antitrust Act: 15 U.S.C. §§ 1-38

- Prohibits activities that restrict interstate commerce and competition in the marketplace.
- **Section 1:** "[e]very contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is declared to be illegal."
- **Section 2:** prohibits monopolization or attempts at monopolizing any aspect of interstate trade or commerce.

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Compass's Motion for Preliminary Injunction

- June 27, 2025: Compass File Motion for a Preliminary Injunction.
 - Claims Zillow's "negative insights" (Zestimate; climate scores; walking distance) delay sales, mislead buyers as to property value.
 - Zillow listings divert buyers away from listing agent (sells leads).
- 3PS is intended to "build excitement and demand like a movie trailer"
 - Asserts that 3ps "jeopardizes Zillow's dominant search positions and its profits."
 - Diverts search traffic from Zillow, reducing its monetization opportunities
- Asserts the Listing Access Standards are more restrictive than the CCP.
 - Blocks 1:1 marketing between agents of different brokerages

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Compass's Motion for Preliminary Injunction...

- eXp committed to following the Standards; and Redfin agreed to follow Zillow's lead and ultimately introduced its own similar standards.
- Zillow began issuing warning to agents for violations of its standards and began enforcing the Standards on June 30, 2025.
- Alleged irreparable harm:
 - (1) Loss of the competitive "advantage of being a pioneer in [a] field."
 - (2) Loss of control over business reputation and "goodwill."
 - (3) Customer confusion or fear leading to lost business opportunities or lost business relationships .
 - (4) Loss "of a relationship with a client that would produce an indeterminate amount of business"
 - (5) Loss of current or future market share

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Zillow's Opposition

- Zillow asserts that the 3PS allows Compass to represent buyers/sellers; limit listing access and choice of brokerages.
 - Experts, consumer advocates, and Zillow's own analyses have concluded that hidden listings harm consumers.
- The Standards are intended to mitigate the impacts of withheld listings.
 - Withholding new-to-market listings from Zillow, "while sending stale, formerly hidden listings with misleading information permits freeriding off of Zillow's investments."
 - Standards apply to all brokerages, not just Compass.
 - Zillow does not have an agreement with any other home search platform to apply a similar policy.
 - The Standards do not control what listings are displayed elsewhere.
 - Sellers are free to sell their homes privately, where the Standards do not apply. Sellers can also list their homes publicly but exclusively with one brokerage.
- Zillow sought support for the Standards (i.e. eXp and Redfin).
 - Briefed the press before the announcement, as well as industry participants and brokerages like Compass and Redfin.
 - Gave agents until June 30, 2025 before enforcing the Standards.

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Zillow's Opposition...

- Zillow asserts that it did not conspire with eXp or Redfin to boycott Compass.
 - Zillow sought eXp's feedback regarding the Standards. eXp expressed support and signed a listing feed agreement on 4/9/25. Announced 4/10/25 (same day as the Standards announcement).
 - "[G]rants Zillow a non-exclusive feed and license to eXp's listing data and commits eXp to comply with the Standards for its own listings."
 - On 4/9/25 Zillow spoke with Redfin to advise of the Standards. Redfin expressed support and indicated it would consider a similar policy.
 - No discussions or agreement to boycott Compass.
- Zillow met with Compass on 4/1/25 to discuss "ways Zillow could help Compass grow its business while adhering to Zillow's transparency principles"
 - Zillow pre-briefed Compass on 4/9/25 before Standards were announced.
- On 7/13/25 Compass announced that it is currently using "all 3 phases of The Compass 3 Phased Marketing Strategy as designed," which Zillow asserts is a concession that the Standards have *not* affected the 3PS

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Zillow's Opposition....

- Asserts that the Standards do not constitute anticompetitive conduct.
 - Proposed nationwide market is inappropriate.
 - Brokerages service of local.
- Zillow has no duty to display Compass's listings whether or not it has market power.
 - Free to choose the parties with whom they will deal.
- Zillow argues no evidence of market power such as increased prices or reduced output.
 - Compass alleges that 64-66% of buyers/seller visit Zillow
 - MLS listings are widely available and new competitors continue to enter the market
 - The Standards don't constrain Compass's platform

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Zillow's Opposition...

- Zillow asserts no showing of irreparable harm.
- Again, Compass announced that it is currently using "all 3 phases of The Compass 3 Phased Marketing Strategy as designed,"
- Delay in seeking injunctive relief.
 - 3 months since 4/10/25 announcement to seek relief.
- Compensable harm?
 - Compass cites "hundreds of hours" of executive time, the development of "training and marketing materials" and purchases of "digital ads" and "media blitzes"
 - Compass contends that some sellers and agents have contacted Compass to inquire about the Standards.
 - Compass claims that investors are "confused and concerned"

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Preliminary Injunction Hearing

- The Preliminary Injunction hearing took place from November 18-21, 2025. Awaiting a decision.
- Dec. 2, 2025, individual Gregory Alkema, Realtor, CRB filed a motion for leave to file an amicus brief in connection with the preliminary injunction.
 - Argues Compass's Off-MLS listings practice constitute criminal conduct:
 - Elder Financial Exploitation;
 - Fraudulent Concealment;
 - Intentional suppression of market exposure; and
 - Equity stripping for the benefit of Compass and its investors.

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Why is this important?

- A battle over exclusive inventory.
- Companies to evaluate implications in rule/policy setting.
 - Access to listings (private exclusives)
 - Document reasons for adopted rules/policies
- Questions?

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