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Revisiting the 120-day nightmare

Has the home-buying process improved?

Bradley Inman

Twenty years ago, buying a car was a gnarly multistep process: shop for the car, haggle painfully and then plead for the financing, which meant a separate loan application, arrogant loan officers, aloof and often invisible loan committees and endless waiting. All of which created anxious and angry customers. Buying a car was a nightmare.

Now, the process is one step in one hour: shop online, come prepared, buy and finance together. Sixty minutes, no loan committee, centralized paperwork, get it done, get it over with and drive it away now.

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For more Americans, the process of finding and buying their dream home is finally becoming a bit simpler.



Inman News
The Real Estate Authority

Real Estate Ethicist

Dupe the old lady at your own risk

Dear Real Estate Ethicist

My landlady is 81 years old; she does a terrible job of maintaining our building. She has not cashed my rent check for four months. I am conveniently ignoring her. Am I doing the wrong thing?

Lucky tenant

Dear Lucky tenant,

If you are calculating this mistake as a gain, you are a fool. These sorts of situations always get reconciled and your little mistake will too. Remember, there is no such thing as a free latte. When you get caught, you will feel rather stupid. Duping an 81-year-old lady? Come on.

Real Estate Ethicist

(continued from page 1)

What exactly is under the hood of the car – and under the hood of the process – is not completely transparent. But at least you know what your monthly payment is and you know what you get for it. And most importantly it is quick and seemingly cheap. Bluntly: it is simple.

What about real estate?

Almost 10 years ago, I put a stake in the ground about ending the 120-day home buying nightmare. Unfortunately, the process is still hell for too many buyers, but there are clear signs that the process is improving, which is wonderful news for the consumer, the agent, the loan officer and the housing market.

Smarter buyers, easy loan qualifying, volume efficiency by high-volume agents and technology are finally changing the arcane process of buying a home. Add service bundling, digital post office signatures, Realtor and vendor competition and electronic

documents and you can actually see the light at the end of the transactional tunnel that has been dark for too long.

Soon, an average home sale will take no more than an afternoon and the documentation, while hefty, will be easier to breeze through. Packing and moving will still take the perquisite 30 to 60 days, but the paperwork on a home sale will move in a single day if not hours.

Much like the auto industry, consumer pain spawned industry action.

Smarter buyers, easy loan qualifying, volume efficiency and technology are finally changing the arcane process of buying a home.

I recently considered buying a new property in which the agent e-mailed me a digital file the evening after I visited the property. It included all the disclosures, including all public record, seller correspondence and other relevant title and loan documents. This was upfront, not after I made the purchase offer. The agent was smart on two fronts: full disclosure quickly established her and the seller as eager for a sale and as honest. But most importantly it expedited the makings of a

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transaction by instantly putting critical information onto my desktop where I make most of my financial decisions.

Moreover, it made the offer process more efficient because it was based on fact, not speculation or later discovery. The digital delivery was smooth and useful. The mystery was removed and trust was established. In the end, intense consumers create responsible agents.

Transparent Internet competition for leads has spawned some of these responsible habits, but productivity tools generally have sparked smart agent behavior that speeds up the process. Plus, competition created by lead generation services helps to make agents smarter at both grabbing and closing business. The instant nature of the Web lead tends to get everyone busy quickly and efficiently.

The increased efficiency of the loan-qualification process has been dramatic as well, neutralizing the number one contingent in most home sales. Here again, digital documents are further

expediting loan decisions and funding. And the integration of call centers and online mortgage origination and delivery is way ahead of where it was just two years ago.

Next is offer management, widespread use of U.S. Post Office certified signatures, more in-house closings, better transactional management tools and a logistical approach to escrow and closings generally.

We have much more work to do to end the nightmare, but technology,



There is much more to do, but technology, leadership and innovation are at least putting us on the right path to improving the home-buying process.

leadership and innovation are going a long way.

Letter to the editor

Re: Realtors referring Home Inspectors

“Hey Joe, my kid’s got a problem with acne. Know any good doctors that handle teenage problems? Our family doctor seems to not care what our teen is going through.”

“Hey Trish, you need to get some new tires on that car, I know a great place that will treat you right on price and get you some great tires.”

“Hey Rob, I need a guy to remodel my kitchen. Know anybody who’s good?”

Referrals are the way things get done, sorry to say, Mr. or Miss Ethicist. Realtors refer home inspectors all the time, and the chance that any of them are in bed together is highly improbable; no more so than you are with your dentist or butcher or mailman.

You tell the buyer (in the Real Estate Ethicist “Inspector is

Naked,” Feb. 13 issue) that it was, after all, his fault for allowing the Realtor to hoodwink him into using a home inspector the Realtor referred.

First of all, what is unethical about referring in general? Second, there is almost no meat to this story, so how are we to judge anything about it. Thirdly, sounds like you’ve got too much time on your hands, which if you ask me is unethical.

William Guthrie



Bargain Network tries to land consumers with one-stop promise

Bargain Network Inc. says it's trying to revolutionize the way consumers buy homes.

It's trying to do so by putting 200,000 home listings online, including foreclosures, HUD and VA homes, hard-to-find distressed properties, as well as for-sale-by-owner and for-sale-by-Realtor properties. In addition to listings on its Web site, Bargain Network publishes a catalog and offers phone and e-mail listings and services to its customers. A subscription is available on a monthly basis for \$9.95 a week.



bargainnetwork

The company says it differs from other online services because it provides a national listing of real estate offerings and offers what it calls end-to-end real estate services, including credit standing, mortgage options, loan counseling and foreclosure services.

All this seems to have brought Bargain Network success, the company said, pointing to its 50 percent growth year after year since 1999, and the 1 million subscribers that signed up for all of Bargain Network's services last year, which also include sales of consumer electronics, jewelry and automobiles. Approximately 600,000 of last year's million subscribers are for the Home division of Bargain Network, the company said.

The company has jumped on the trend pioneered by self-directed, consumer-oriented Web sites like eBay, which allow users to browse through a large collection and closely define search criteria to find a product in their specific

range. Users can search for homes by zip code; price range; number of bedrooms and bathrooms; and type, such as lower-priced foreclosure homes or HUD homes.

thanks to the Internet," said one real estate expert, and consumers seem to be taking advantage of the trend.

"Simply, our goal is to try and help consumers buy a bigger, better home with less money," said Ning Wang, vice president for the Homes division at Bargain Network Inc. She says the company does that through the vast numbers of its listings and the subsequent services it provides.

"We introduce people to all types of listings, such as foreclosures, for-sale-by-owners and for-sale-by-Realtor listings, and these listings are updated nightly," Wang said. "In addition we provide services to allow people to check out sales comparables for their area and find a good financing solution." Wang also attributes success to the how-to content that Bargain provides to help consumers through the home-buying process. In mid-February the company announced it had partnered with HomeLoanCenter.com, an online

Company officials say Bargain.com receives about 2 million visitors each month.

While Bargain Network is reluctant to say it has oversimplified the home-buying process, to a large degree, that seems to be their appeal.

"The days of Realtors carefully hoarding their private listings are over,



retail mortgage banker, to provide home mortgage loans to Bargain members. During the search and buying process, the company ties in its other carefully selected partner services, including mortgage services from LendingTree and HomeGain, among others.

Some of the company's technology practices raised a red flag for Homestore, which accused Bargain of misappropriating real estate listings from the Realtor.com site.

That careful integration was calculated, the company said. "Our goal is to empower our members with options that address the complete home-buying process, from finding a home to securing financing and even moving in," said Christian Hunter, founder and CEO of Bargain Network.

The company is also trying to become a major player in the listing market by touting its customer support. "Our whole value proposition is that we can help the consumer buy a home, from start to finish," Wang said, adding that consumers with questions

about the home-buying process or with queries about how a loan application works can call the company's the 24-hour hotline.

Founded in 1996, the Goleta, Calif.-based company has approximately 500 employees with revenues in 2002 of \$35 million. Company officials say the Web site gets about 2 million unique visitors a month.

The company says the process is relatively simple. Consumers call Bargain's phone lines or visit www.bargain.com/homes. After signing up for a monthly subscription, members receive what Bargain Network calls objective pricing on properties, with online and phone agents supporting the process.

The site compiles the majority of its real estate listings from real estate sites that list properties being offered directly by owners as well as by using proprietary Internet search engine technology to interface with online databases. That search technology includes automated search robots – known as bots, scapers, spiders and crawlers – that connect with hundreds of online retailers and auction houses.

That technology practice put the company in trouble, however. In 2002, Homestore.com, the nation's largest home sales site and online listing home for the National Association of Realtors (NAR), accused Bargain Network of misappropriating real estate listings from the Realtor.com Web site, the Web site that Homestore manages for NAR.

The complaint alleged that Bargain Network used Web linking technologies to bypass the Realtor.com home site and then sell

Inman News
The Print Newsletter

Inman Pulse

How would you spend your last dollar?

On water	45.3%
On food	26.7%
On a pay phone	24.2%

Source: Inman News reader poll

access to Realtor.com's content to Bargain Network subscribers. In late 2002 the suit was dismissed after Bargain Network agreed to refrain from collecting and displaying real estate listing information available on the Realtor.com site.

Wang is quick to reinforce that Bargain Network doesn't see itself as a competitor to Realtors, however.

"We aren't involved the transaction business and we aren't there to cut their commissions. We're a referral company," Wang said.

"This is a great opportunity for [Realtors] to get their listings to an ever-growing audience of home-buyers."

- Susan Ashworth



Cool things you didn't know you needed

If you were looking for fish-skin bikinis or a snorkel radio, the year 2003 was your year.

While those might not have been at the top of your must-have list, they made the cut as the Coolest Inventions of 2003, according to Time Magazine. Each year the freshest ideas from the world of fashion, music, transportation, sport and more come together in the magazine's annual list.

Below are 10 of those hot inventions, some of the swankiest solutions since that other famous creation: sliced bread.

Home décor gets glowy

Interior decorators will be able to put the glow in glowing when a new line of pillows and home decor



products come out next year. The Italian company CAEN and the Swiss company STABIO Textile invented a new space-agey kind of fabric called Luminex. The fabric literally glows from within via the tiny, flexible optical fibers that designers weave into ordinary cloth. Developed originally for physics experiments, the light from the fabric comes from a small battery sewn into the fabric.

Property protector

To keep information on CDs, ATM cards and floppy disks out of information-burglars' scheming hands, Royal introduced the MD 100 Media Destroyer. This shredder slices CDs into tiny shards, cuts apart floppy discs, and flattens raised numbers on old credit cards before cutting them up.

Fresh-roasted fire

An environmentalist's dream, the new Java Log makes a good, warm fire, but it doesn't produce soot or carbon dioxide. The log is made from used coffee grounds, and according to its creators, it can burn hotter and last longer than a traditional wood log because it boasts a higher heat density than real wood.



The shoe fits

How to get the right shoe for a baby whose feet seem to change day to day? One company has the answer with its Preschoolian shoes. These little shoes have a see-through plastic bottom to help ensure proper fit.

Glasses at work

Realtors won't even need to peel off their sunglasses to get work done if Motorola and Frog Design have their way. Set to debut in 2006, the two

companies are introducing the Offspring Wearable sunglasses, a pair of glasses that house a tiny digital





camera lens in the eyepiece, as well as a mini display inside the left lens for reading e-mail or surfing the Web. The glasses can also hook to a cell phone via an earpiece that pops out on the frames.

Fear and clothing

The No-Contact Jacket is shocking. Literally. If the wearer feels threatened in any way, she can activate a switch held in her hand that blasts an 80,000-volt electrical pulse



through the jacket's material. The No-Contact Jacket runs off a standard 9-volt battery and is insulated so the wearer won't feel anything when the jacket is activated.

Smart oven

Stick your meal in the refrigerator before you go to work. And right before you leave the office, call that same refrigerator and tell it to turn itself into an oven and cook up your meal. The Intelligent Oven can alternately cool and then cook food by following instructions that are sent over a cell phone or through the Internet.

Easy-park car

How tough is it to get into that tiny parking space when visiting homes in the city? Simple, says Toyota, which has invented a car that parallel parks itself. The newest version of the Prius, the hybrid gas-electric car, has an optional auto-parking feature called Intelligent Parking Assist. This technology, straight out of George Jetson's garage, includes a rear-mounted camera, power steering and special software that will automatically slide the car into its spot.

Good golfing

For duffers wanting to improve their game, the MAC Powersphere might be the answer. This new driver redirects wasted energy from a golfer's swing back into the club head. The small hole that is scooped out of the bottom of the golf head captures the shock waves that come from hitting the ball and then sends them back toward the ball.



Aquacar

The Gibbs Aquada is a car that starts out on the road. When you get to the ocean push a button, and a few moments later the wheels of this automobile slide under the car and turn the automobile into a boat. The Aquada can do 100 mph on land and up to 30 mph while afloat.



All images courtesy of Time Magazine



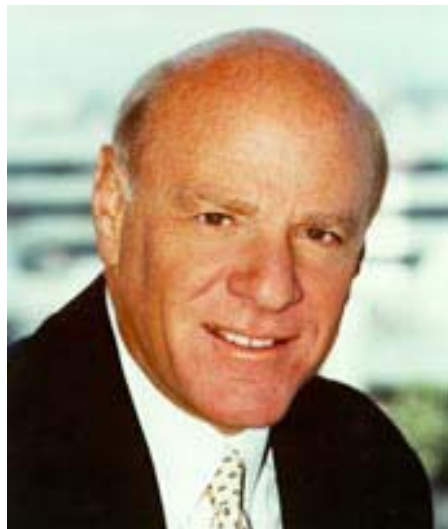
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