



**Ohio House Bill 466
Zillow Proponent Testimony
Ohio Senate Select Committee on Housing
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Chair Reynolds, Vice Chair Johnson, and members of the committee, on behalf of Zillow, my name is Beth Wanless and I am here to express our strong support for House Bill 466, which provides consumers with important protections and disclosures throughout their home-buying journey. We appreciate Representatives Schmidt and Brennan for introducing this legislation, especially at such an important time in the real estate industry.

At Zillow, we believe information is power. In fact, our company was founded in 2006 to bring transparency to the real estate process. Buying a home is a complex process, and homebuyers need an expert to prioritize their individual needs and help them navigate it – on both sides of a transaction.

Empowering consumers with information enables them to make informed decisions about buying or selling a home – the largest financial transaction most Ohioans will ever undertake. Underpinning this value is the belief that consumers deserve transparency and choice as they make important decisions about real estate agent representation and compensation. That is why upfront conversations between consumers and real estate agents about expectations and compensation are critical.

HB 466 requires that all Ohio home shoppers have access to crucial information when choosing a real estate agent partner, including important disclosures to inform them of potential conflicts of interest and the terms of real estate agent compensation. We worked with Ohio REALTORS® on the bill language and appreciate their collaboration.

We strongly support the timing requirement in the bill for entering into a written buyer's agency agreement. Before entering into an agreement, consumers should have ample time to meet with various real estate agents, ask questions, tour properties, and, most importantly, have the privacy and time to review the agreements and understand exactly what they are signing.

All real estate transaction costs, including agent fees and compensation, should be transparent to consumers. Empowering consumers by clearly disclosing the compensation to be paid to an agent provides them with the opportunity to negotiate that compensation. A written buyer's agency agreement provides consumers with the knowledge and transparency imperative in such a massive financial decision.

Consumers are best served when they are able to make informed choices about the best professionals to represent them. We strongly believe in the value of an independent buyer's agent to help consumers navigate one of the most important transactions they make in a lifetime.

We also believe that consumers should understand their option to be represented by their own agent and the tradeoffs of choosing not to work with one. Dual agency, where one agent represents the buyer and seller of one

home, rarely meets the best interests of both parties, and consumers should be able to make an *informed* choice on whether to have independent representation by a buyer's agent.

Zillow strongly supports the essential protections and disclosures provided to consumers through written representation agreements, as required by HB 466. However, requiring long-term agreements before homebuyers have the opportunity to vet potential real estate agents, ask questions, tour properties, or fully consider their representation options can negatively impact the consumer experience.

This is why we believe the timing outlined in HB 466 is appropriate and reasonable. The bill requires a written agreement to be executed at any time before an offer is made to purchase the home. Of course, buyers and agents can execute an agreement earlier if they choose, but we oppose requiring consumers to sign a buyer's agent agreement too early in the process for the reasons outlined above.

We understand there may be some confusion regarding the need to update state statutes in response to a pending class action lawsuit settlement between the National Association of REALTORS® and home sellers. Nothing in the settlement contradicts current state law, and as a result, there is no need to amend state law to reflect settlement terms. In addition, the settlement has not been approved at this time, and additional rule changes may be coming to the industry. Regardless, we believe that HBB 466 is a prudent step in providing homebuyers with critical information as they make one of the largest financial decisions of their lives.

The real estate market moves quickly, and consumers want a seamless experience when they need to quickly tour and evaluate listed properties. Earlier this year, Zillow released its ["Hottest Housing Markets of 2024"](#) list, with three Ohio cities appearing in the top ten. Cincinnati came in at #2, Columbus at #3, and Cleveland at #8. The analysis was based on a forecast of home value growth, recent housing market velocity, changes in the labor market, and home construction activity. Ohio is uniquely positioned to see a fast-paced market where buyers and sellers must quickly make important decisions, which is why a buyer's agency agreement must be presented at an appropriate time in the process.

Again, consumers are best served when they have the choice to work with an agent who is committed to their best interests and only represents them, and when they have an adequate opportunity to thoughtfully consider their representation options to select the best agent for their situation. To successfully empower consumers, state law should not require consumers to prematurely enter into written representation agreements with agents that require compensation—before the consumer has even had a chance to meet the agent.

The disclosures this bill requires are crucial tools to ensure Ohio consumers have the information they need to make informed decisions. We thank you for your consideration of HB 466, important pro-consumer legislation, and we respectfully encourage your support. I would be happy to answer any questions you may have.