

2018 Global Real Estate Portal Report

Prepared by Mike DelPrete, October 2018

2018 Global Real Estate Portal Report

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A global snapshot

This report looks at the top real estate portals from around the world.

The work is evidence-based, so naturally focuses on portals where data is available (typically public companies).

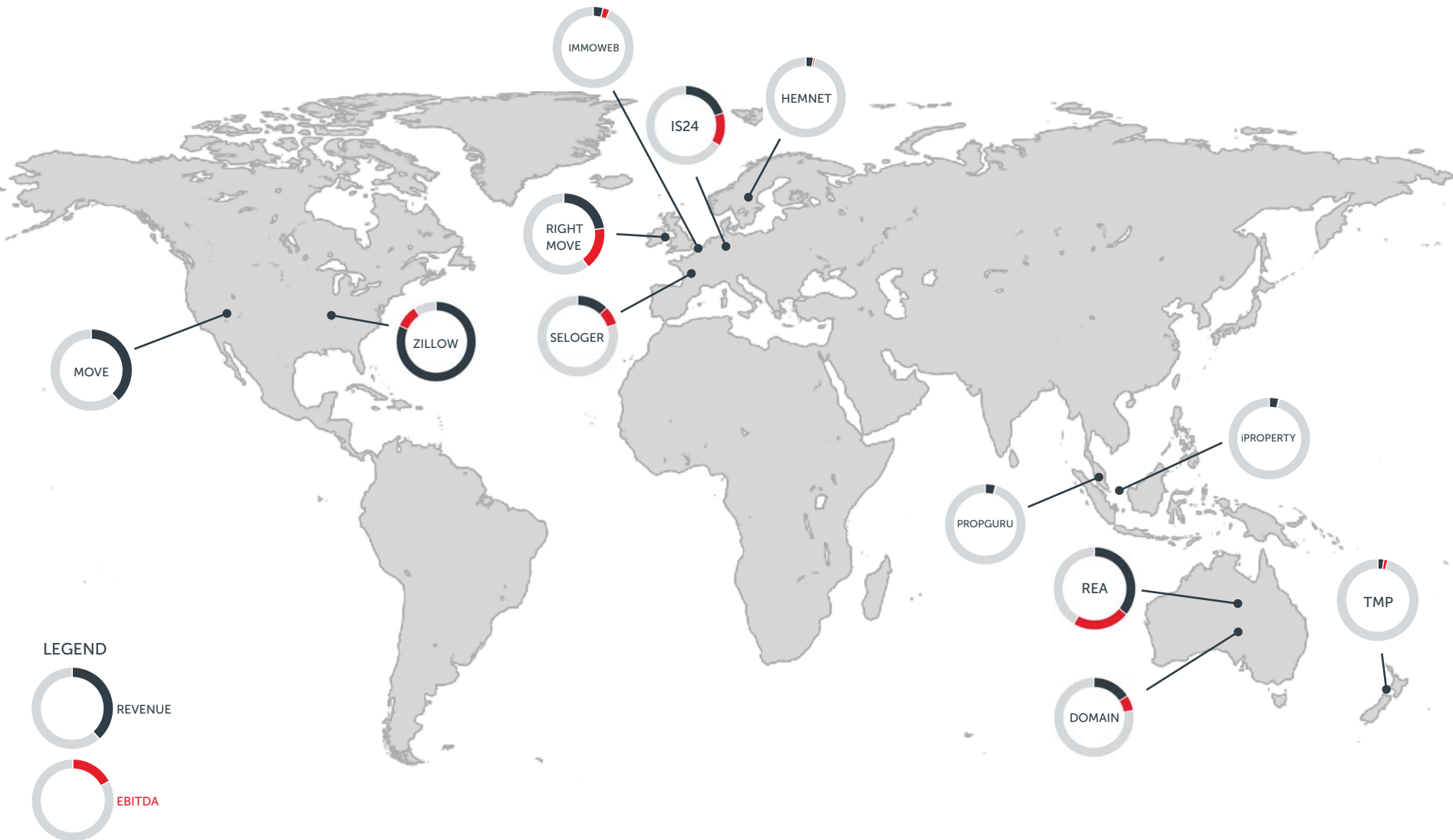
Looking at the best in the world gives a clear window into best practices, emerging trends, growth strategies, and common insights and challenges.

This is my world: I'm the former head of strategy at a top portal, and have spent the past three years focused on the strategies of real estate portals.

– Mike DelPrete, June 2018

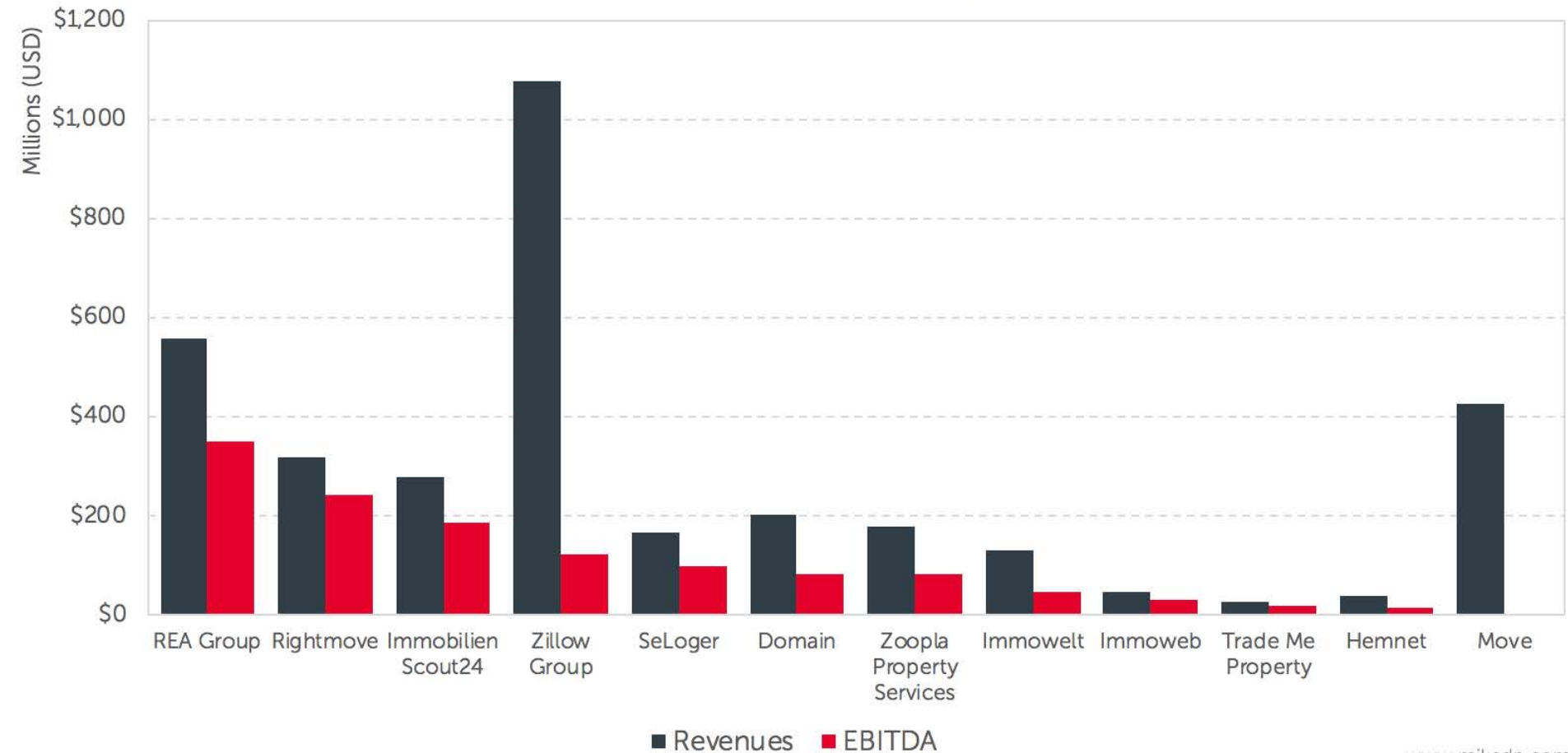


Real estate portals are big businesses around the world, in terms of revenue and profit (EBITDA).



There are clear global leaders in terms of overall revenue and profitability.

Full Year Financial Comparison

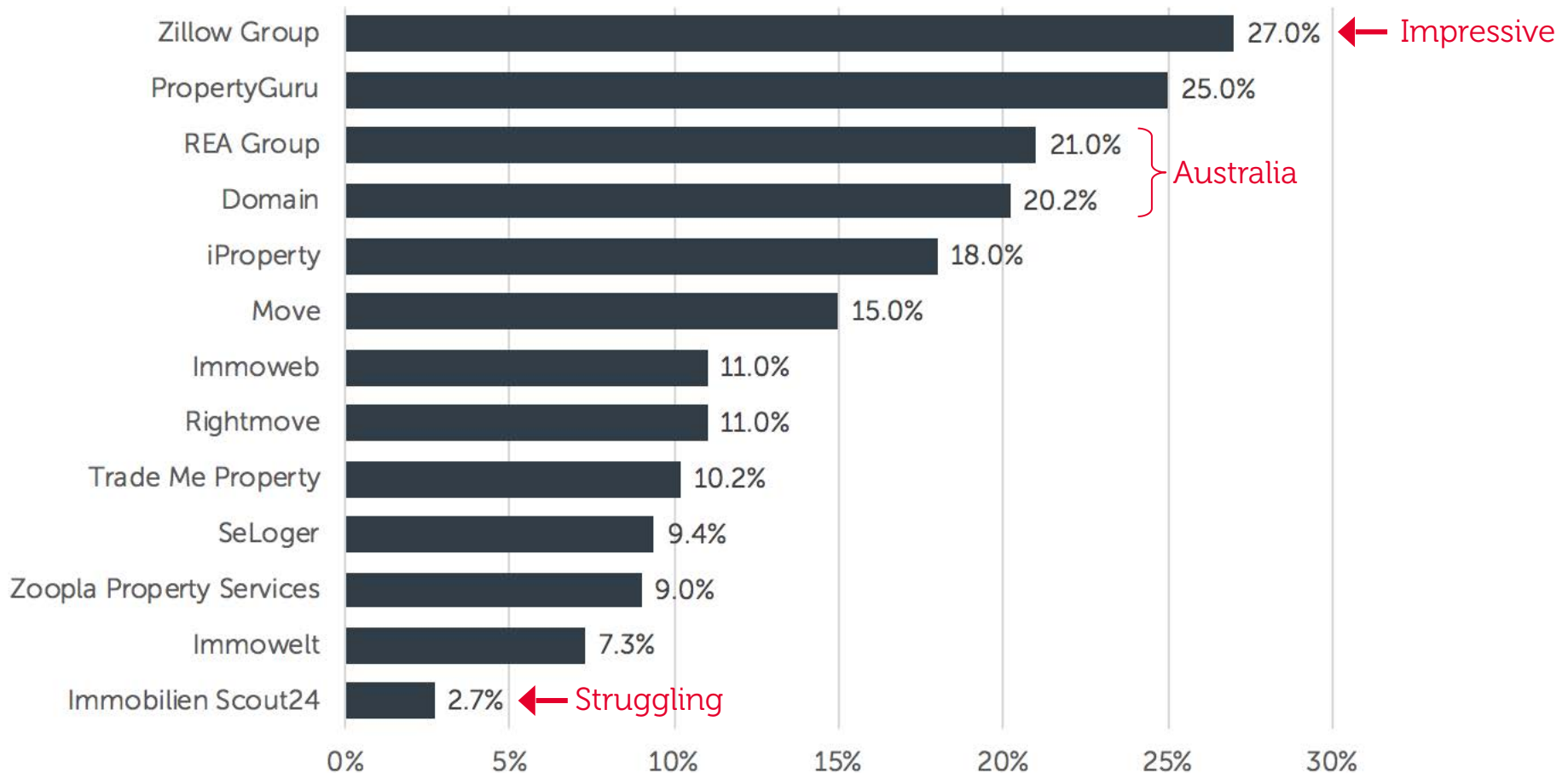


www.mikedp.com

Source: Annual reports, investor briefings, and company data. Move's EBITDA is unknown.

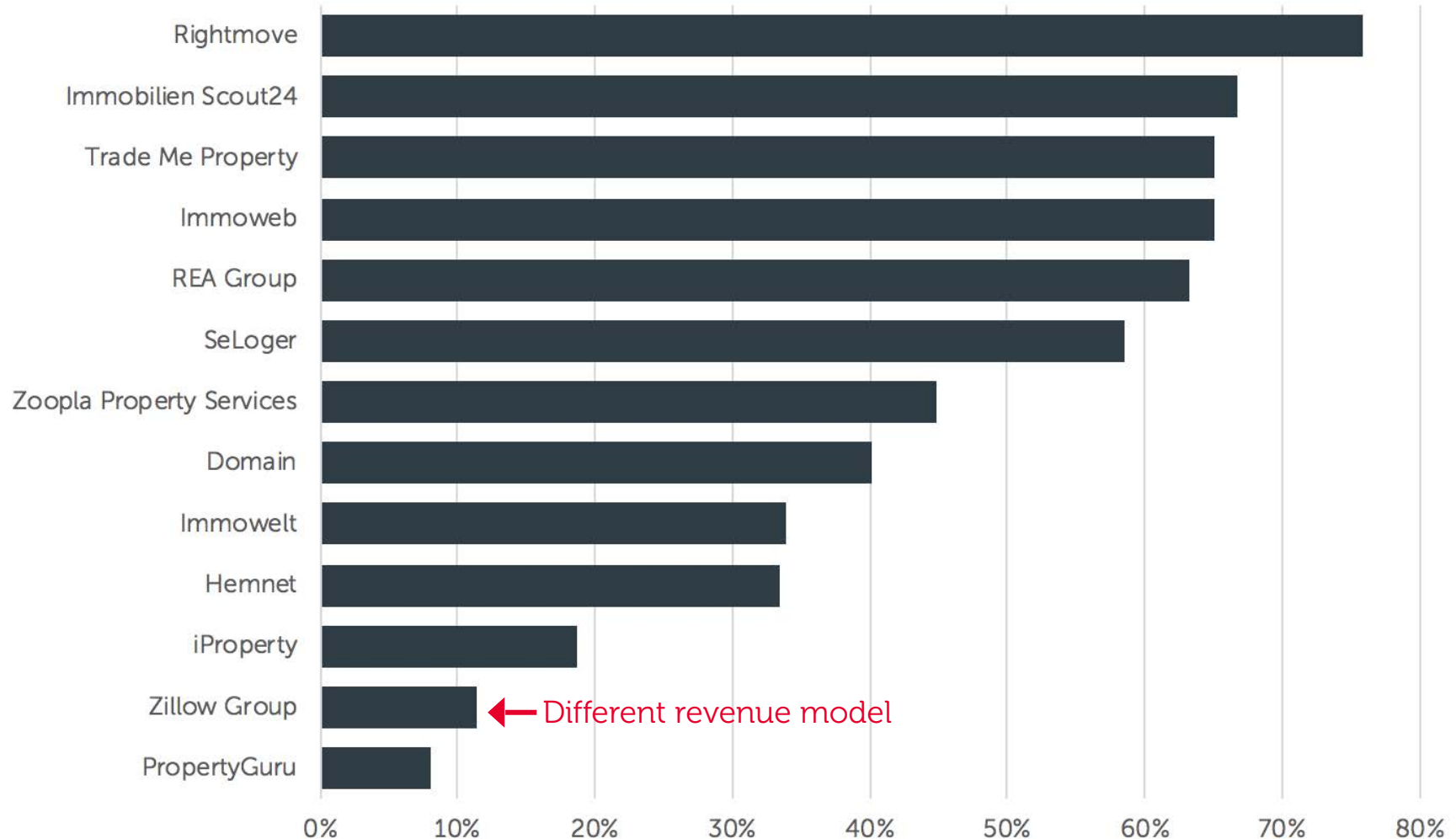
Yearly revenue growth varies significantly, with impressive upside even in mature markets.

Year on Year Revenue Growth



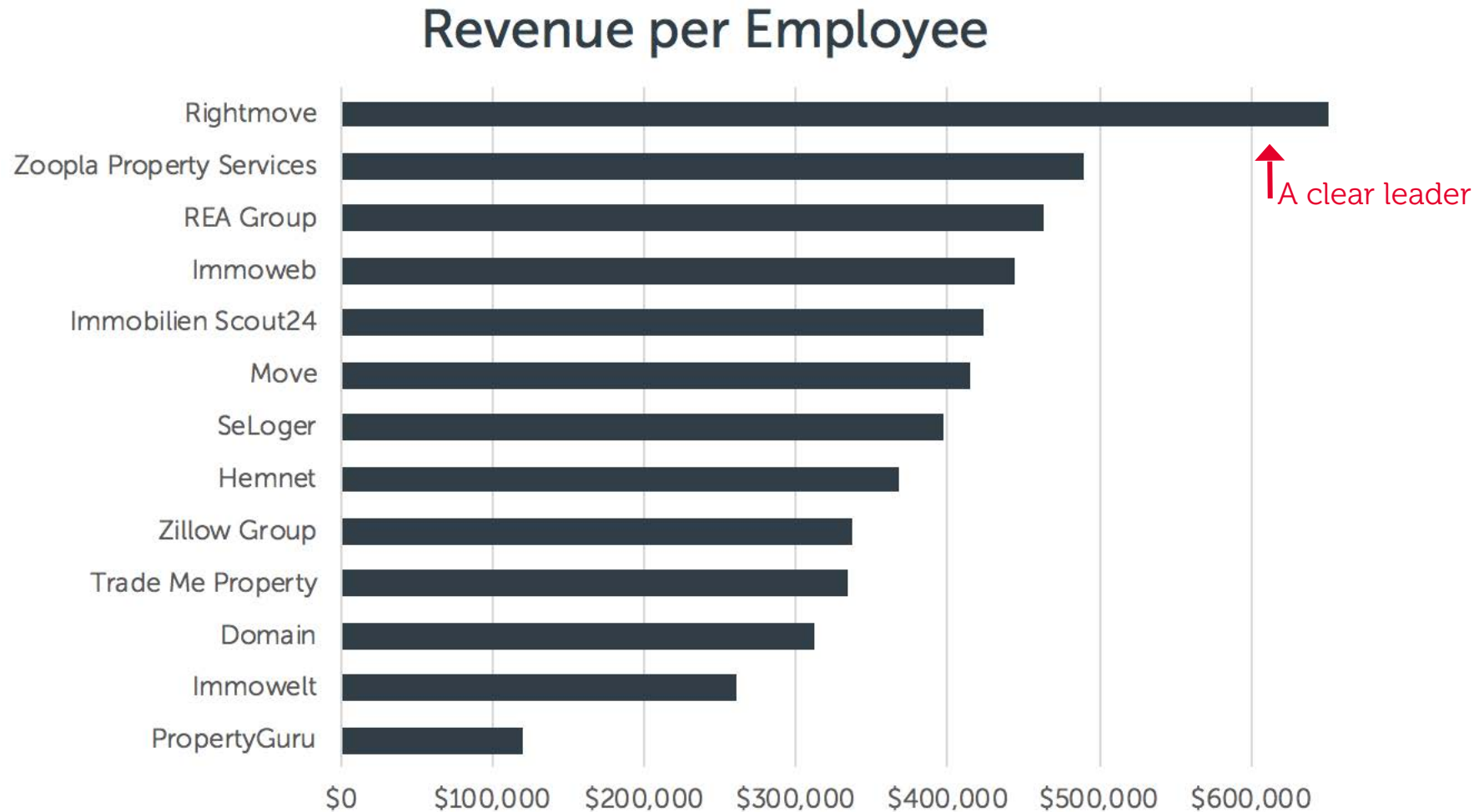
Dominant, well-run portals can be incredibly profitable in mature markets.

EBITDA Profit Margins



Source: Annual reports, investor briefings, company data, and author's estimates.

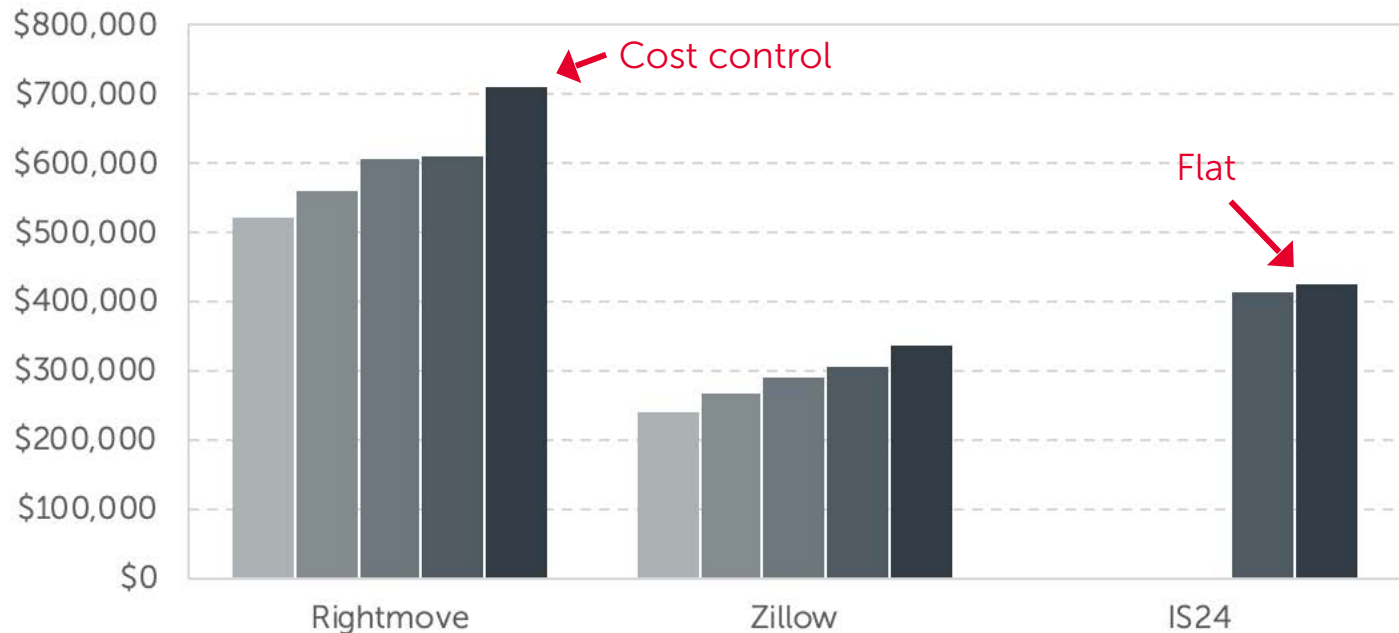
Organizational efficiency, as measured by revenue per employee, varies across the globe.



Revenue per employee growth is varied, with some slowing while others accelerate.

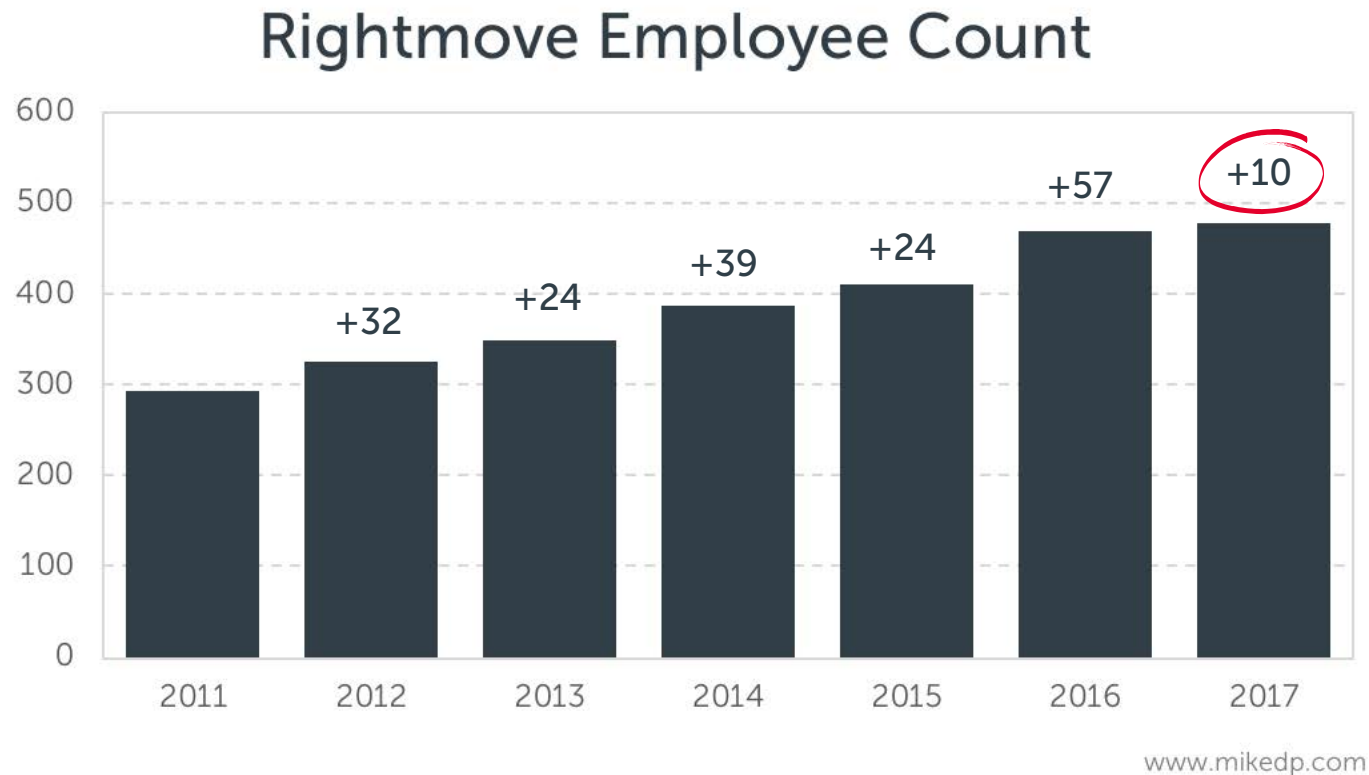
Revenue per Employee

■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017

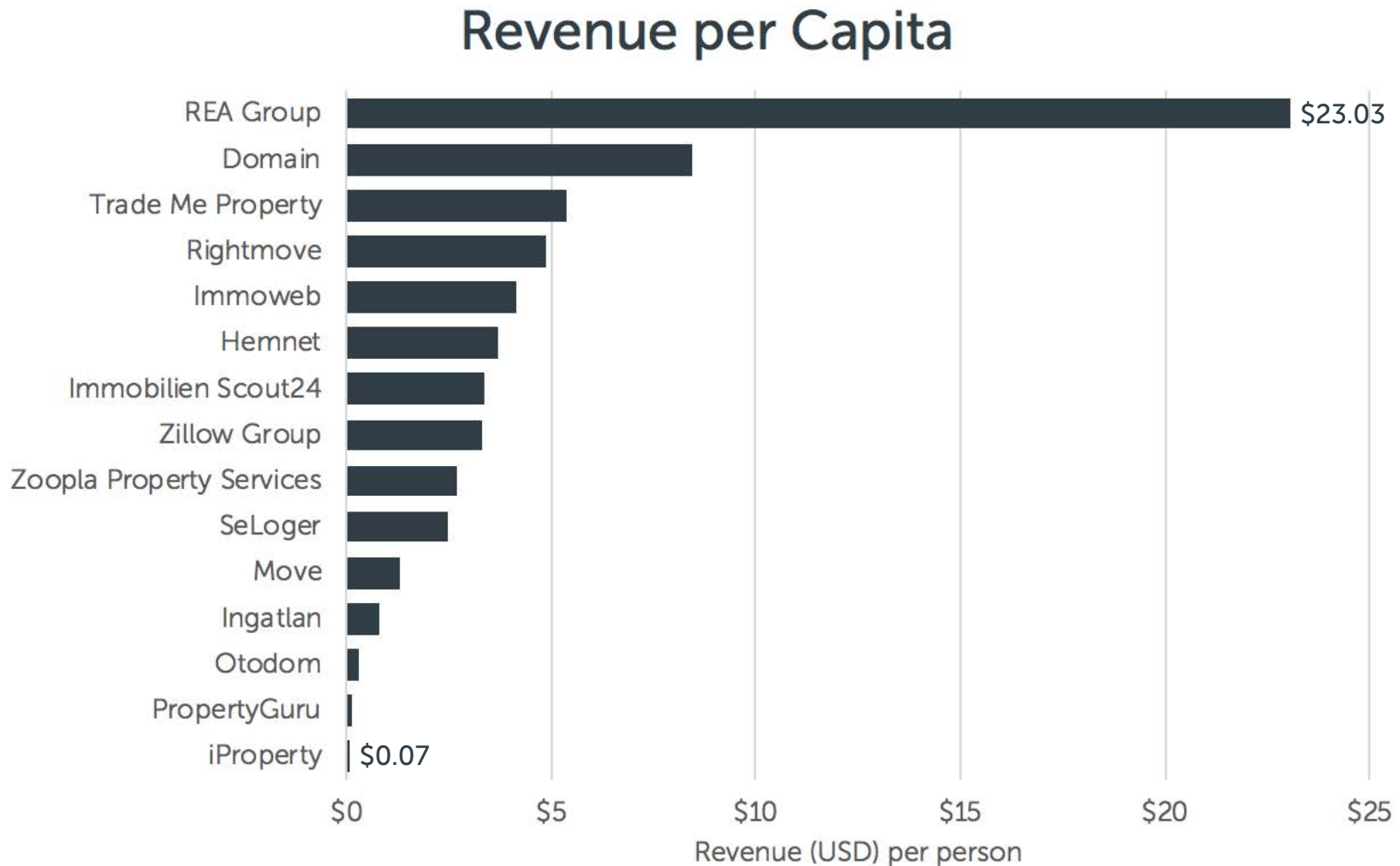


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Rightmove's cost control involved a significant slowdown in headcount growth.

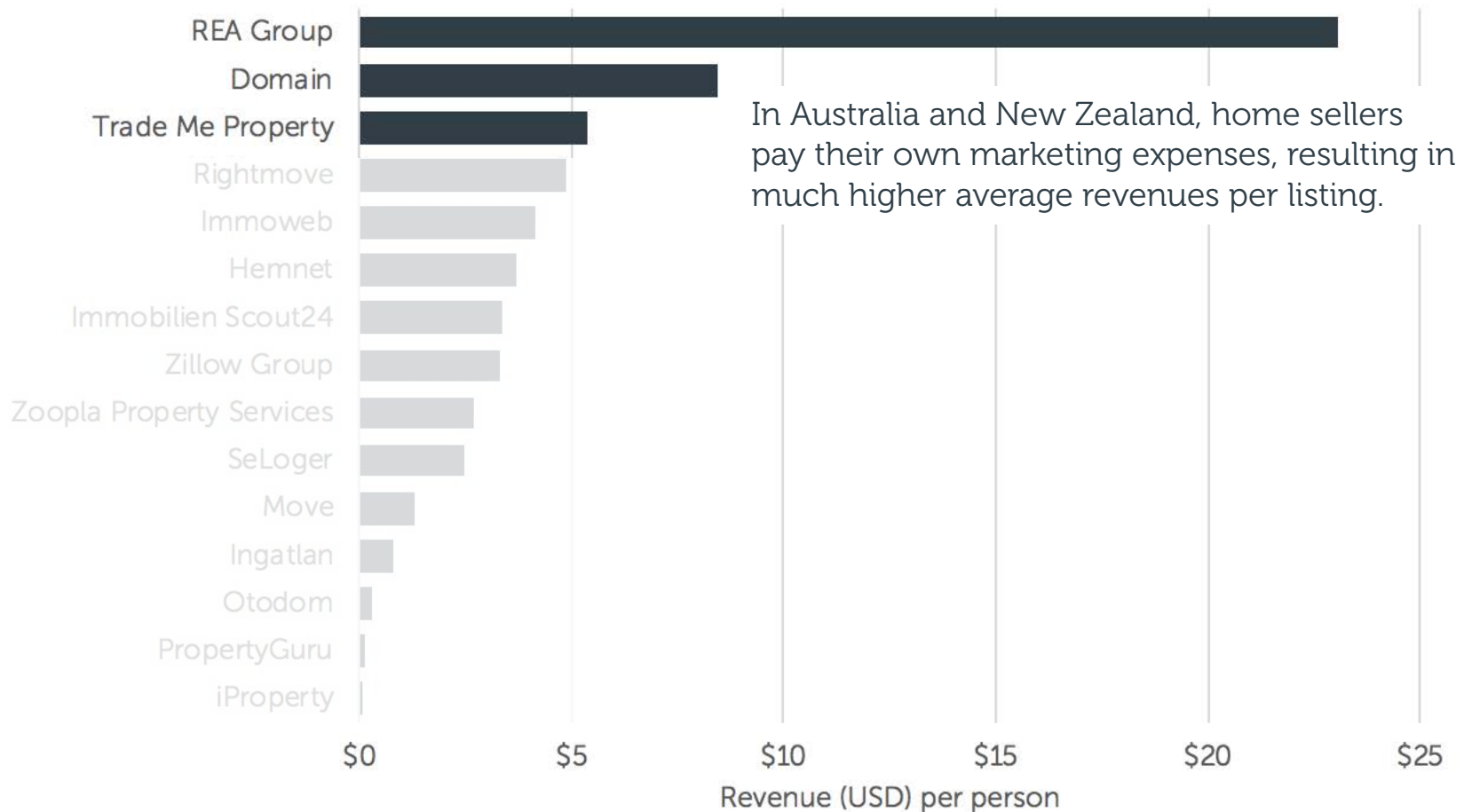


Revenue per capita for the major global portals varies based on market maturity and structure.

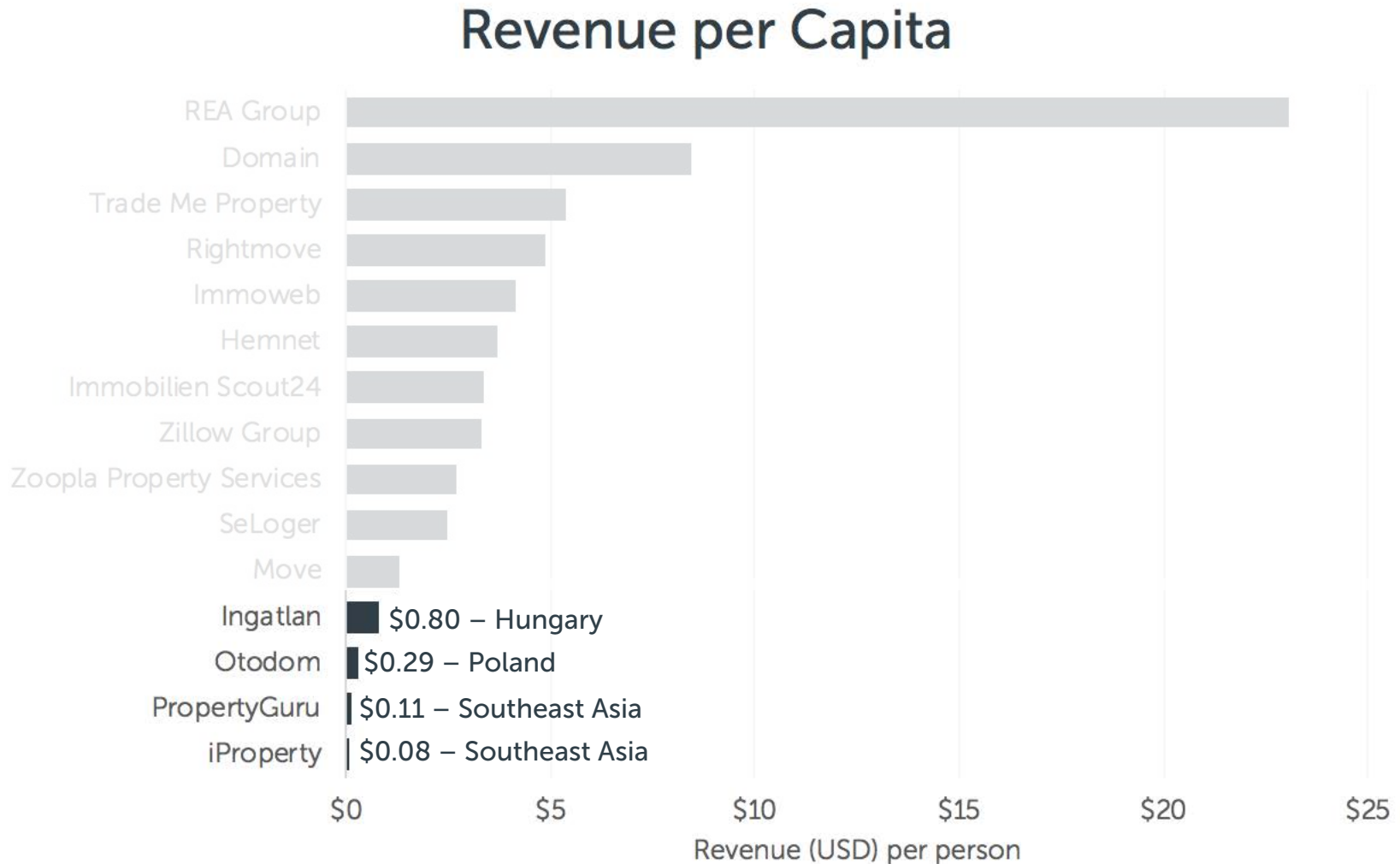


Revenue per capita is much higher in some markets due to structural differences.

Revenue per Capita



Revenue per capita in emerging and developing markets is well below more mature markets.

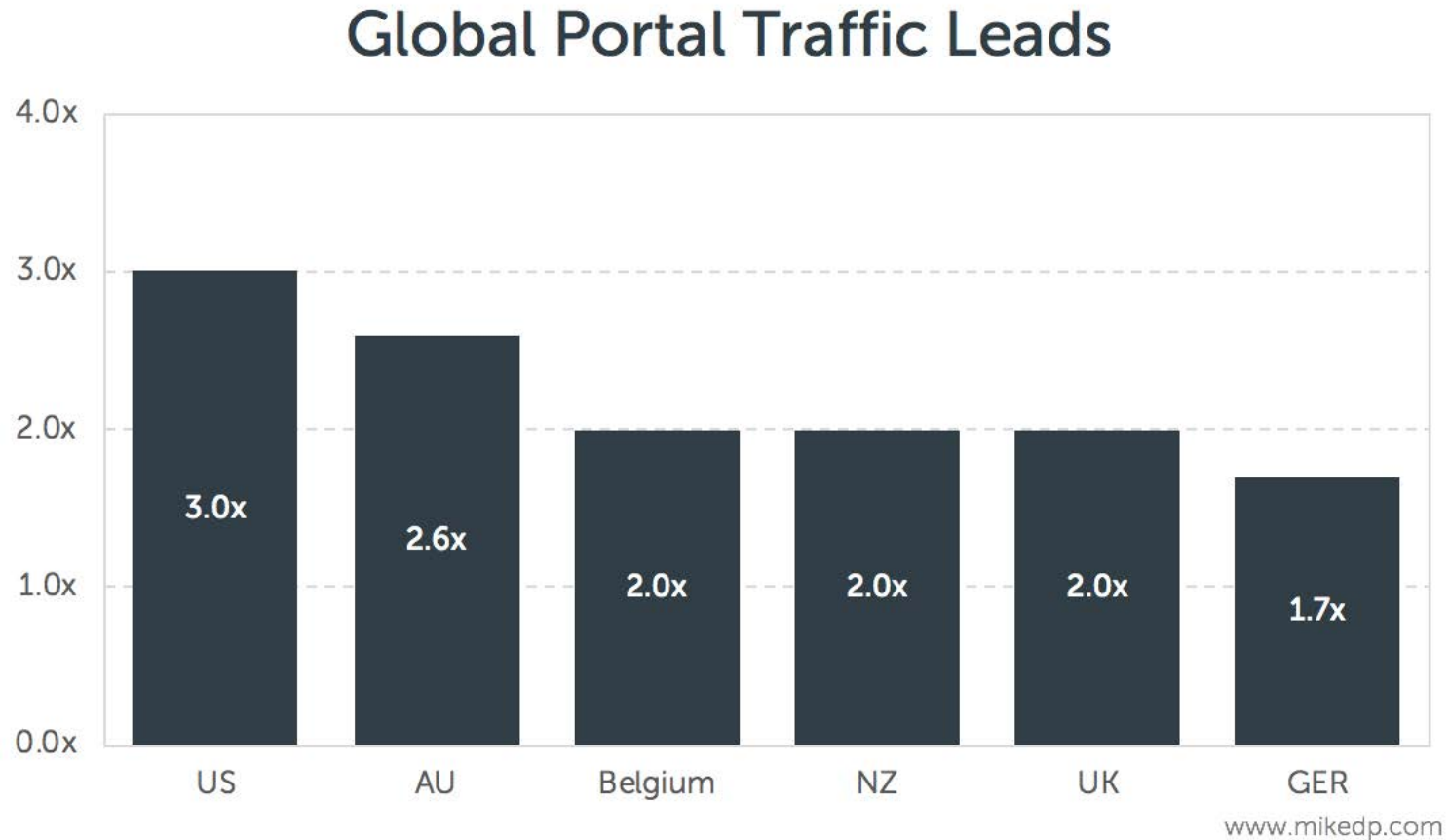


Source: Annual reports, investor briefings, and company data. Ingatlan and Otodom figures are FY17.

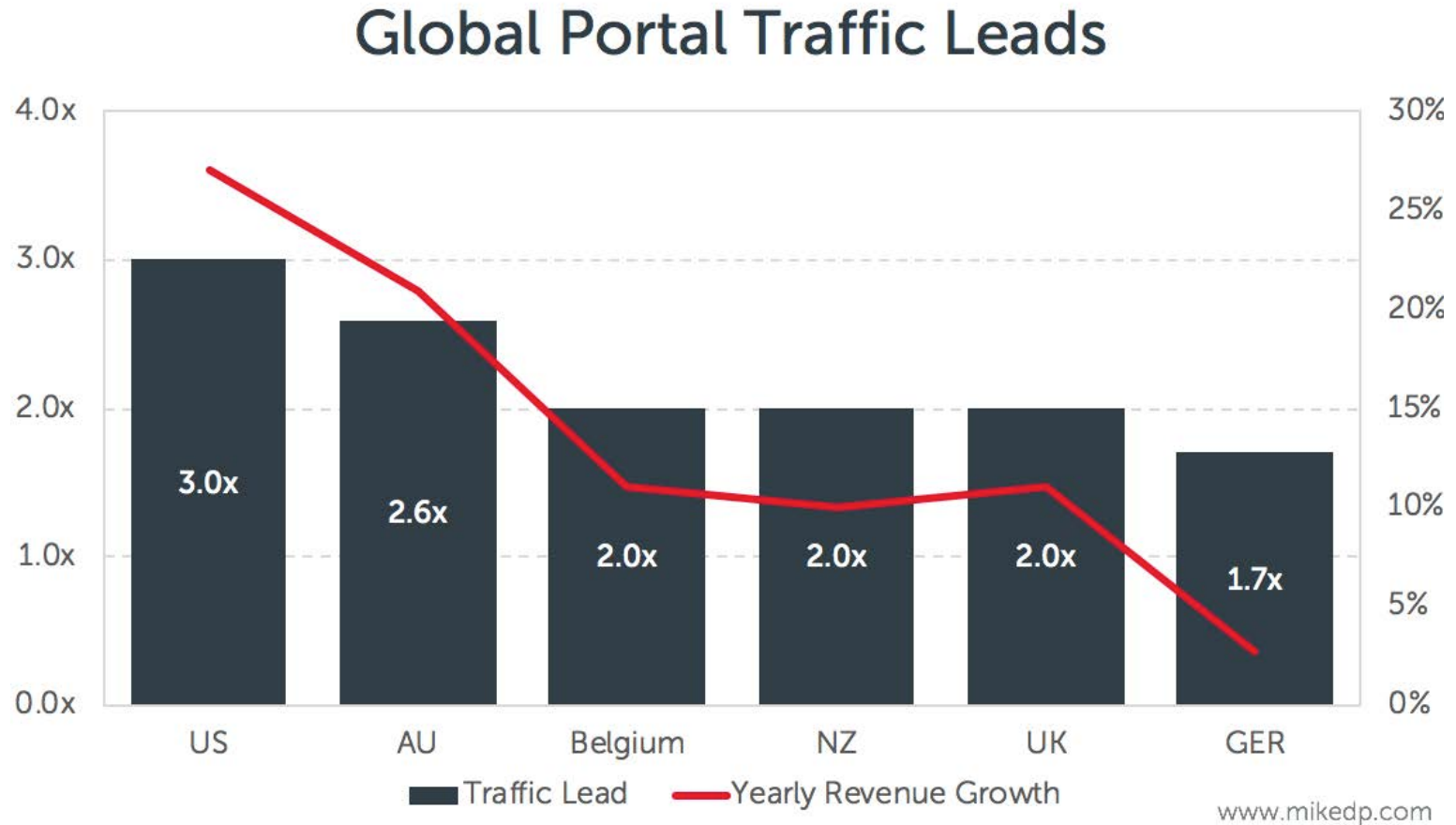
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Generally, market-leading portals have between 1.5x – 3x the traffic of the runner-up portal.

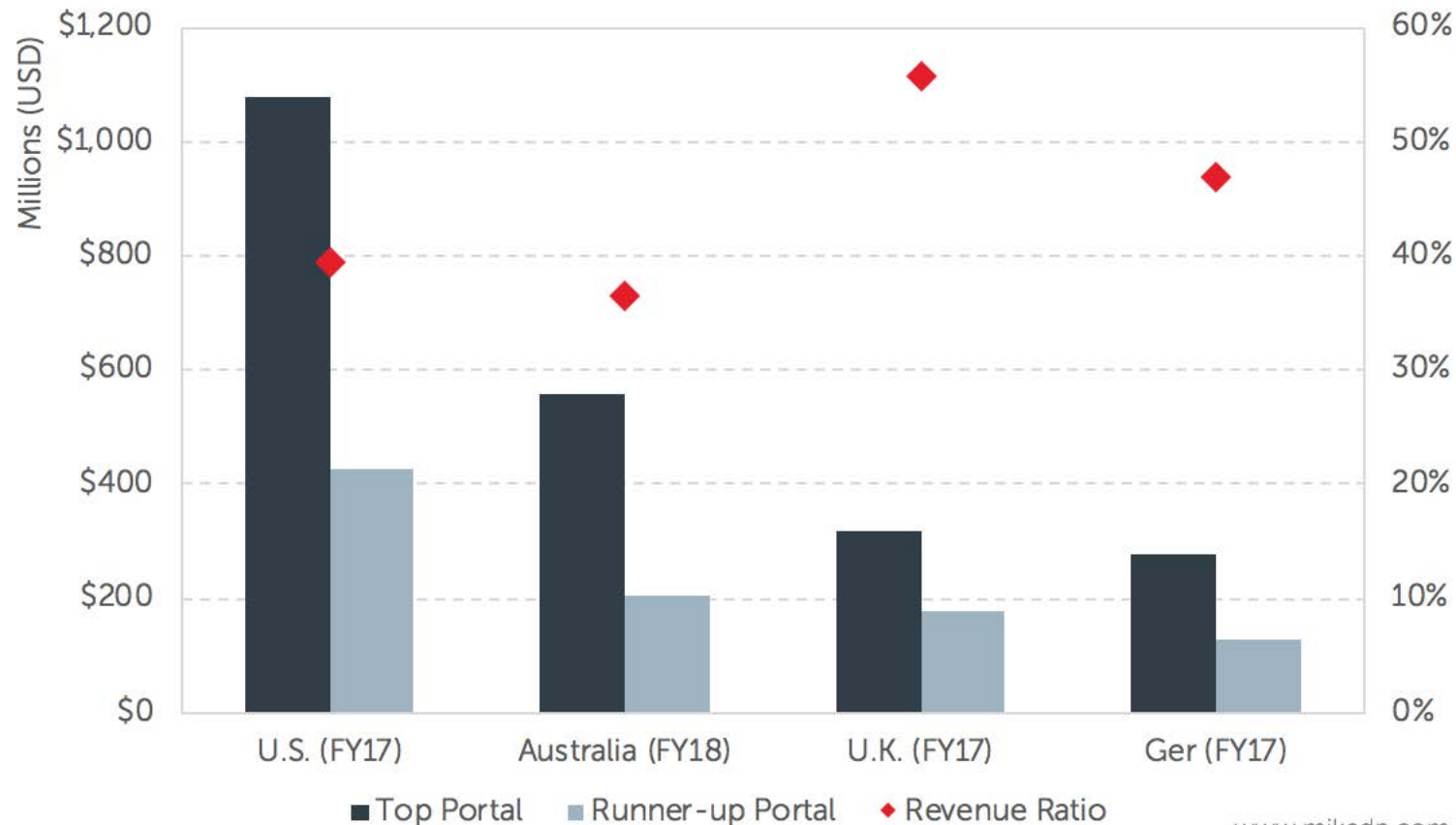


Stronger competitive positions roughly correlate with revenue growth (due to pricing power).



Globally, runner-up portals collect about 40% of the revenue of the leading portals in each market.

Relative Revenues for Runner-up Portals



Zoopla, in the U.K., is the outlier due to its intense diversification in property services.

www.mikedp.com

But runner-up portals aren't catching up to the leaders; the revenue disparity remains constant.

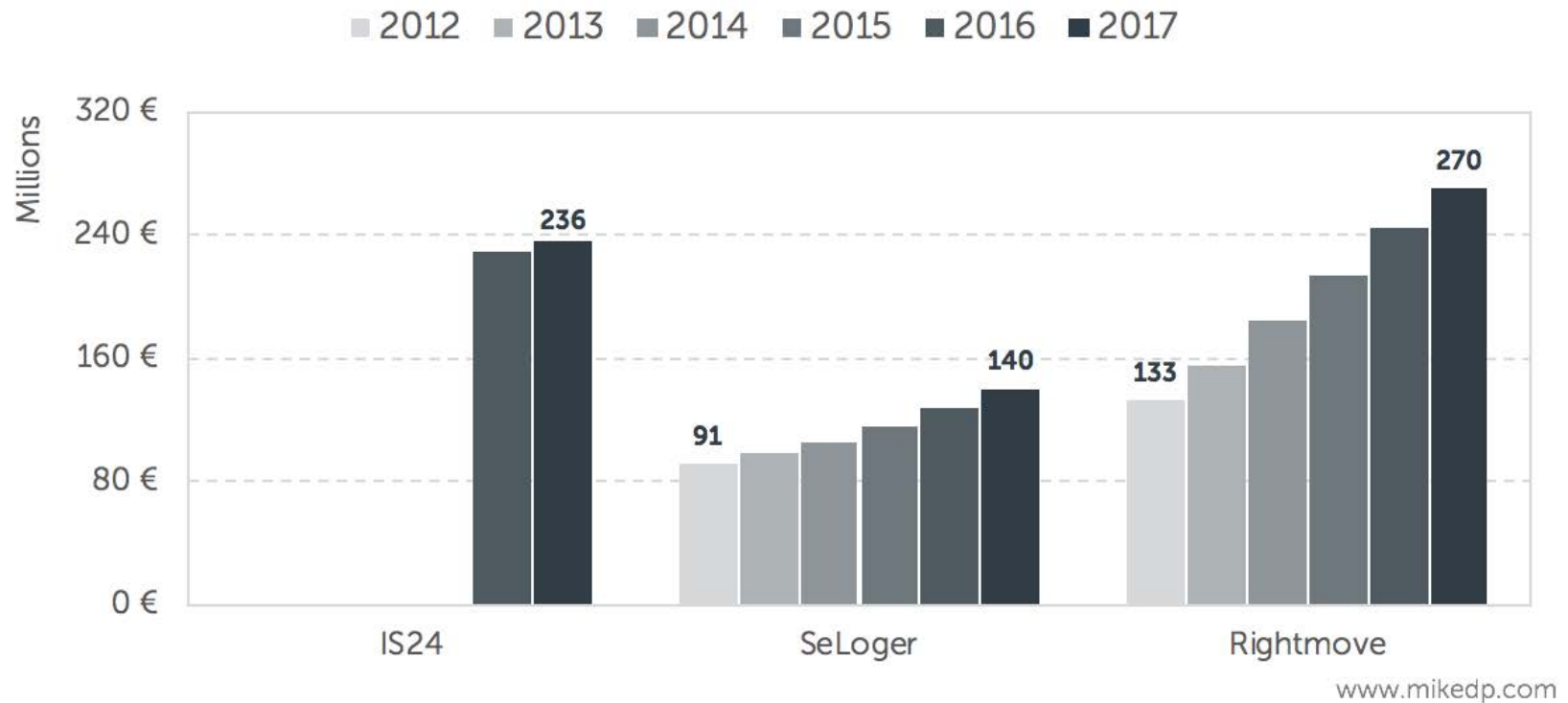
***Residential Revenue Comparison:
#2 Portal as a % of #1 Portal***

	H1 17	H2 17	H1 18	H2 18
Domain as a % of REA	27%	27%	27%	27%
Realtor.com as a % of Zillow*	41%	41%	38%	38%

*Total revenue (realtor.com does not break down revenue sources). Financial year is offset 6 months from Australia.

Growth across three of Europe's leading portals is predictable and steady.

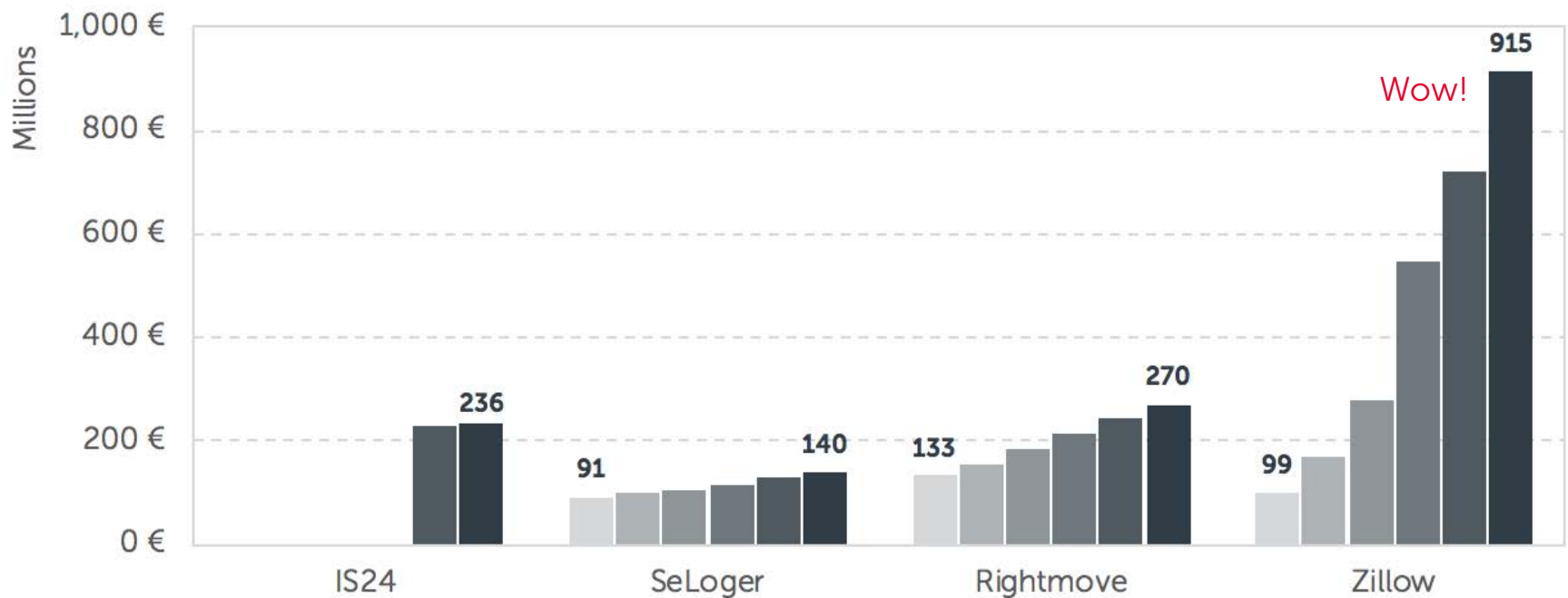
Revenue Growth Across Europe



And when Zillow is thrown into the mix, it's clear what a growth monster it is!

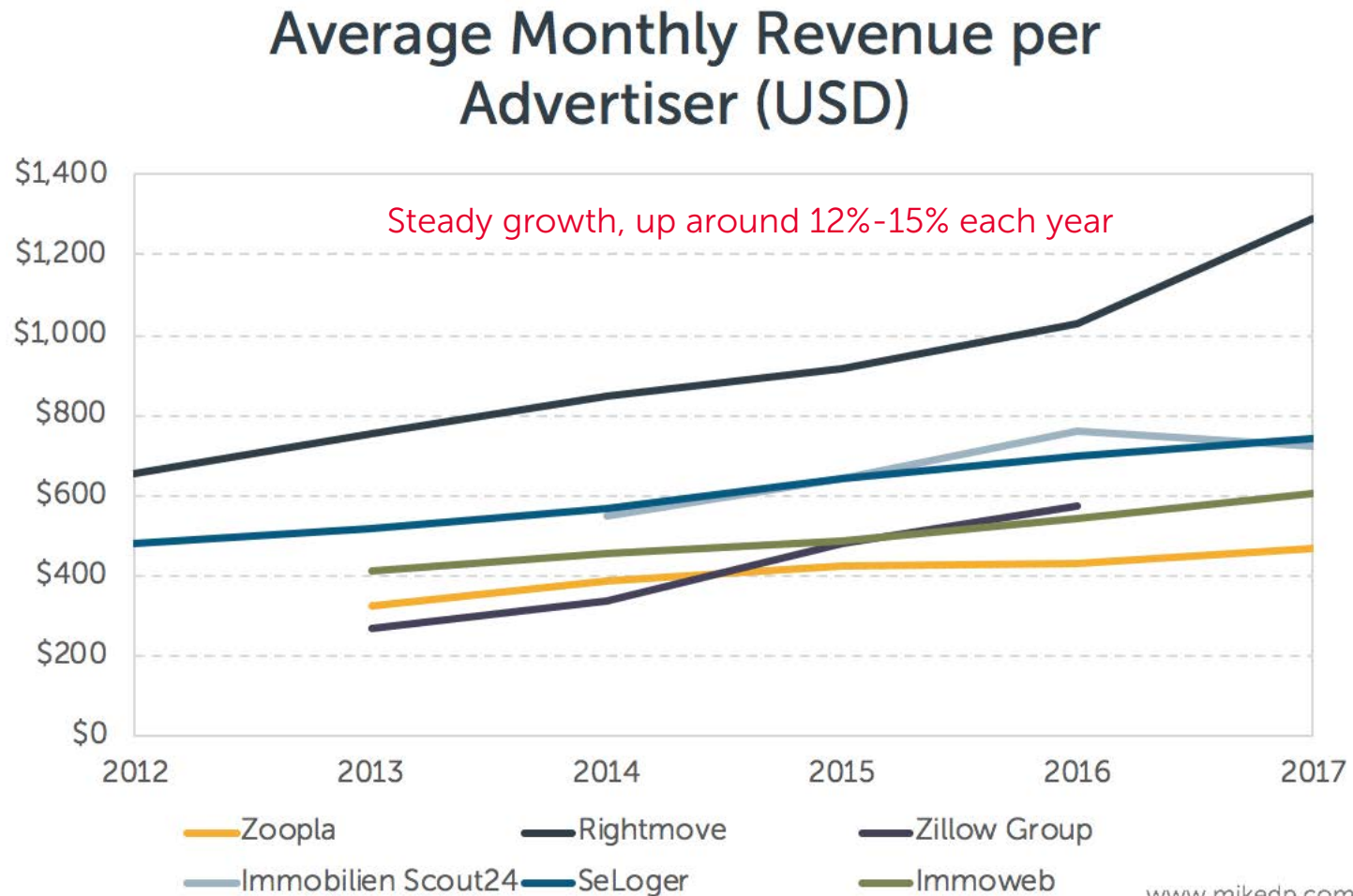
Revenue Growth Across Europe

■ 2012 ■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017



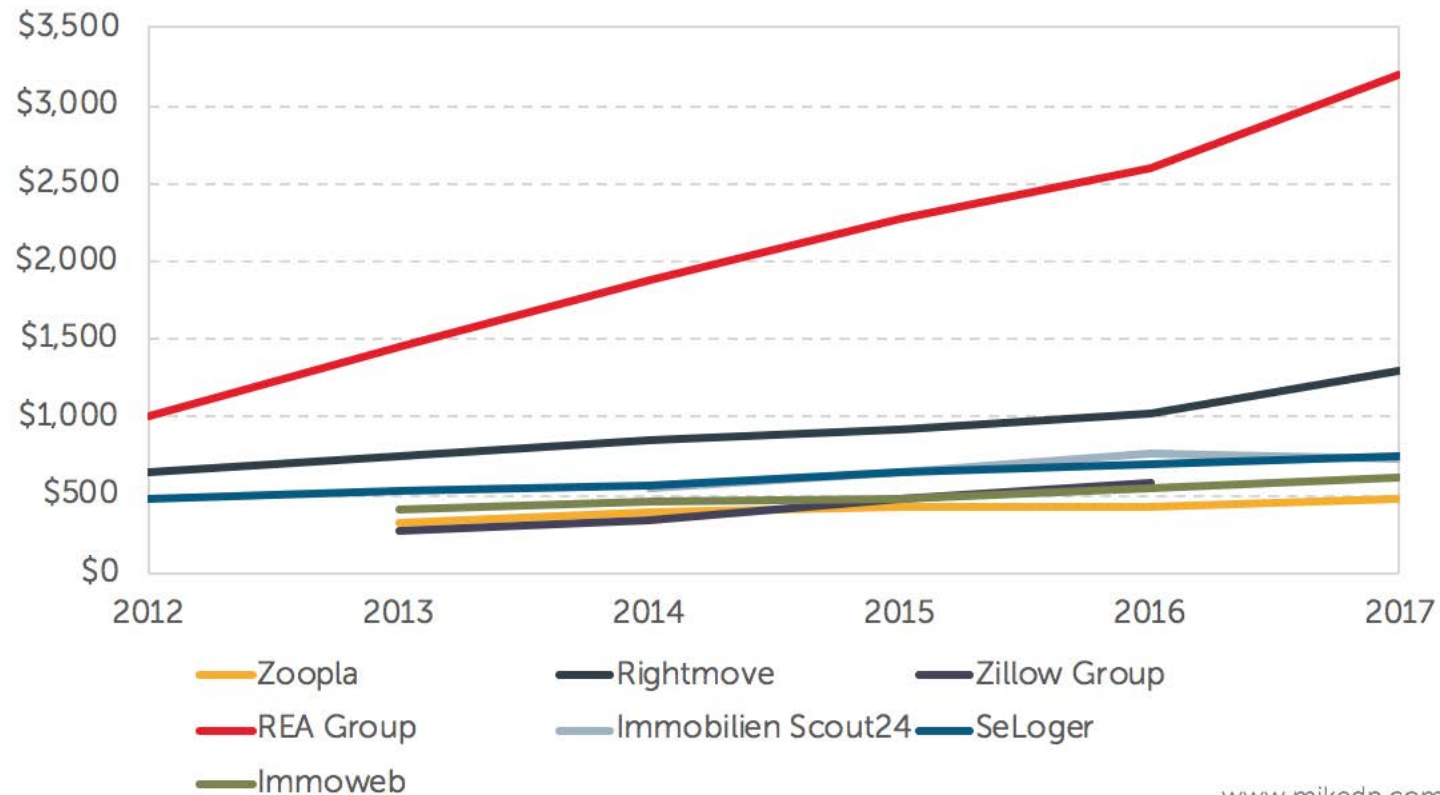
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ARPA growth is consistent between portals, driven from price rises and premium offerings.



But vendor-funded advertising and a demand model put REA Group in a league of its own.

Average Monthly Revenue per Advertiser (USD)



www.mikedp.com

Major portals still generate most of their revenue from real estate agents.

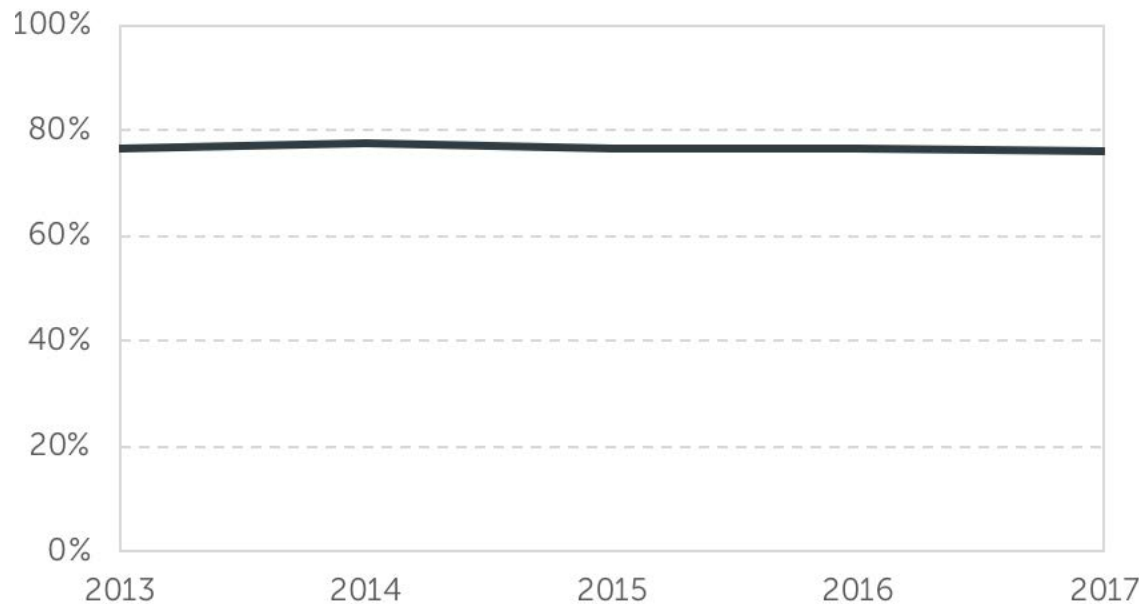


Other revenue sources include direct listings, display ads, new construction, data sales, and ancillary revenue streams.

Source: annual reports, investor presentations, company data and author's estimates.

The major portals, such as Rightmove, aren't diversifying their revenue streams.

Rightmove Agency Revenue

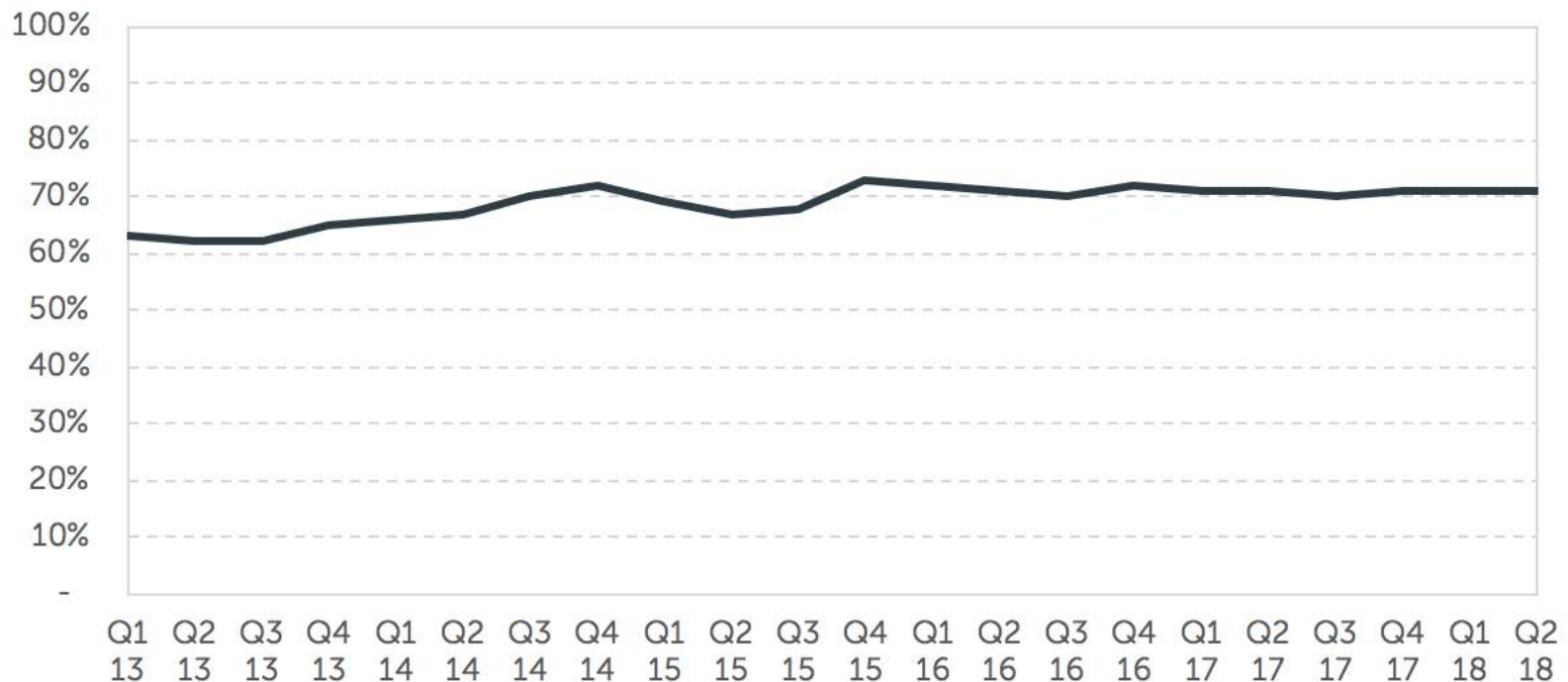


This number hasn't changed in years; no revenue diversification.

www.mikedp.com

Many agents in the U.S. are worried Zillow will disrupt them, but it's clearly not diversifying.

Zillow's % Revenue from Agents



www.mikedp.com

It is exceedingly unlikely that Zillow would put 70 percent of its revenue at risk.

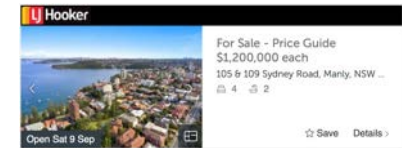
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Driving premium revenues

Premium, or depth, products are when customers pay more for increased exposure. They typically compete against each other for enhanced placement of listings and agent branding.

Premium revenues occur above and beyond subscription revenues for listings, and are the main driver of revenue growth in mature markets.



rightmove 

Domain

 REA Group

Premium products include bigger photos, better placement, and prominent agent branding.





Open Sat 9 Sep

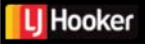
For Sale - Price Guide \$1,200,000 each

105 & 109 Sydney Road, Manly, NSW 2095

☆ Save Details >



Tony White





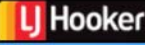
Open Sat 9 Sep

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Agent
Tony White



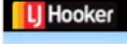


Open Sat 9 Sep

For Sale - Price Guide
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105 & 109 Sydney Road, Manly, NSW ...

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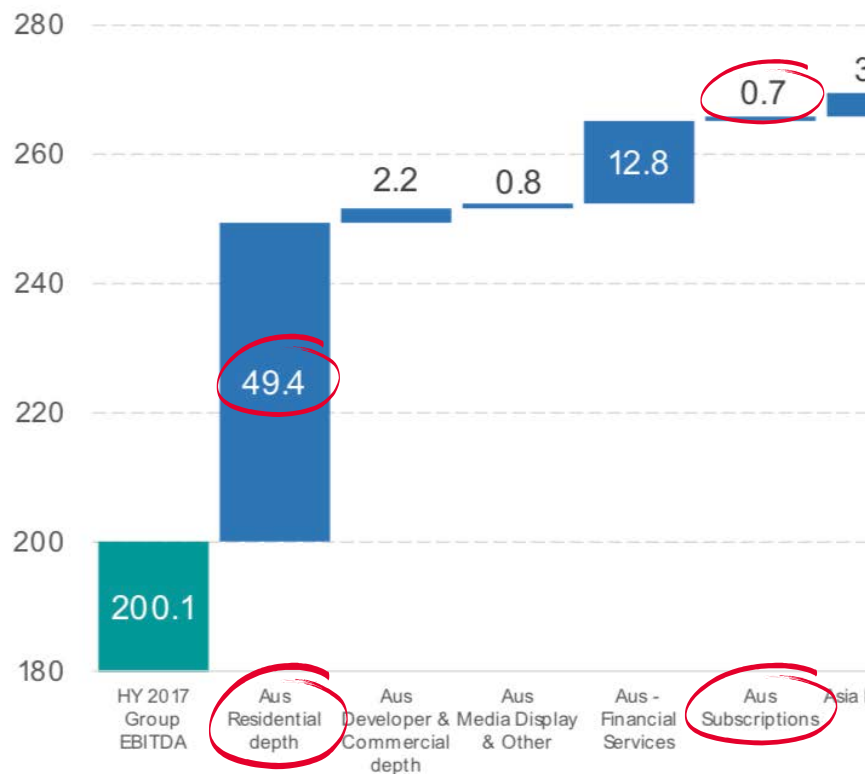
...Guide \$1,200,000 each

105 & 109 Sydney Road, Manly, NSW ...

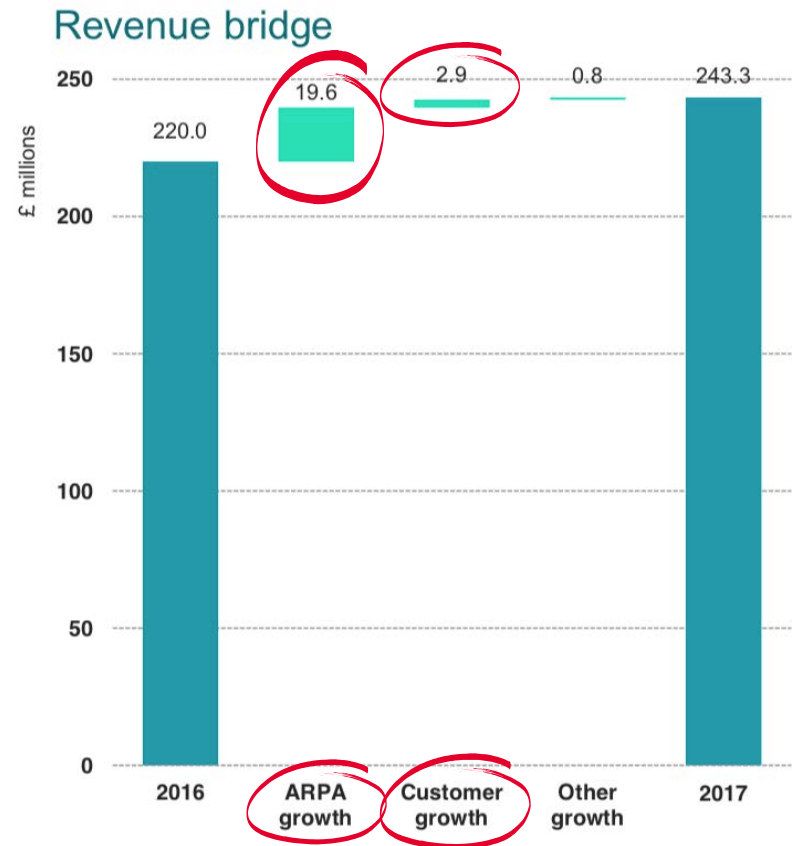
☆ Save Details >

Portals in mature markets have reached market saturation; there are very few new customers.

REA Group



Rightmove



Revenue growth is coming from ARPA (average revenue per advertiser) increases, aka, extracting more revenue from each customer.

Rightmove's strategy is very much focused on growing agency revenues through new products.

Our strategy



Rightmove's efforts are focused on **additional premium products**.

In Australia, REA Group and Domain are growing exceptionally fast. And at a similar rate.

***Residential Revenue Growth:
REA vs. Domain***

	H1 F18	H1 F17	Growth	Growth
REA	\$324,200,000	\$271,900,000	19.2%	\$52,300,000
Domain	\$86,100,000	\$72,200,000	19.3%	\$13,900,000

Almost all of the residential listings revenue growth is coming from depth products.

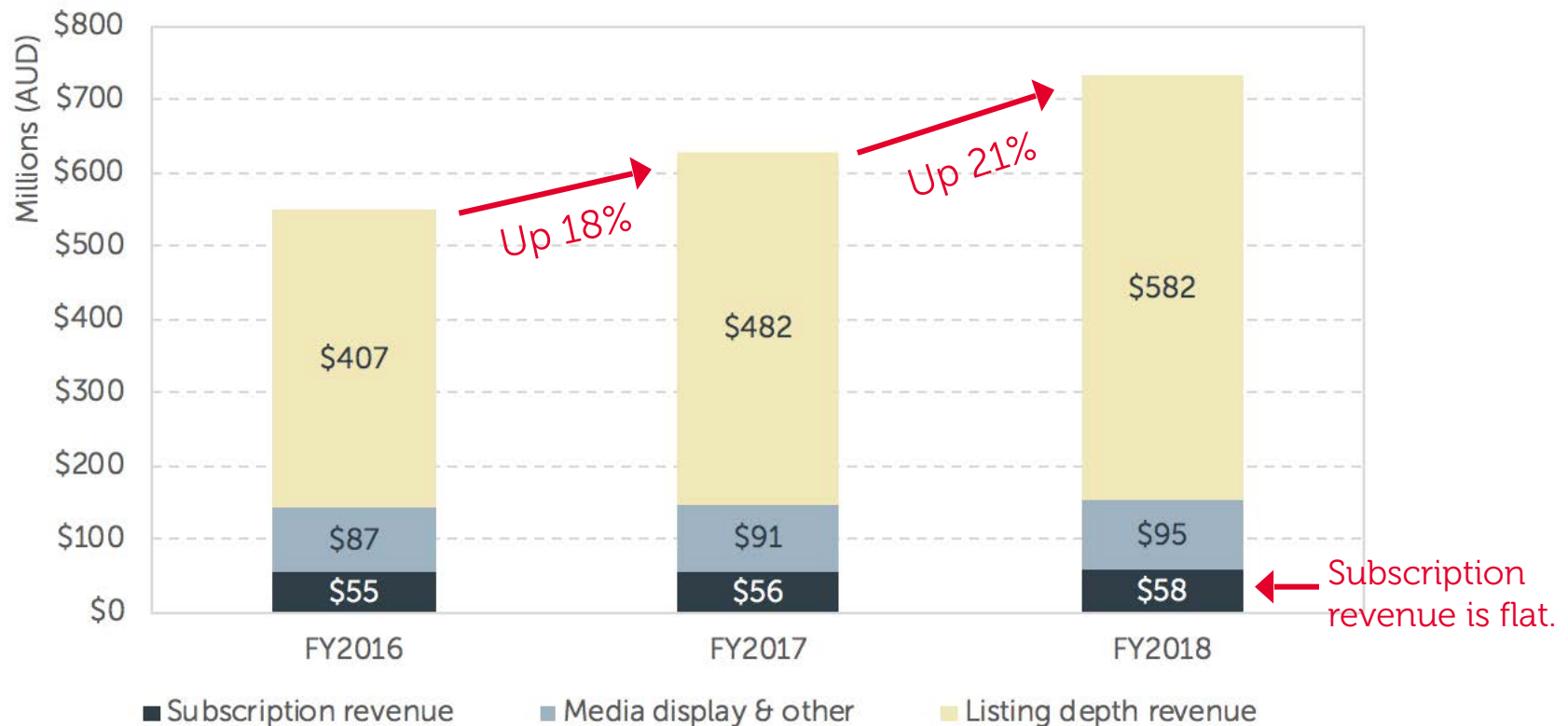
***Residential Depth Revenue Growth:
REA vs. Domain***

	Total Growth	Depth Growth	% from Depth
REA	\$52,300,000	\$51,600,000	98%
Domain	\$13,900,000	\$13,560,000	97%

98 percent of REA's and 97 percent of Domain's residential listings revenue growth came from depth products.

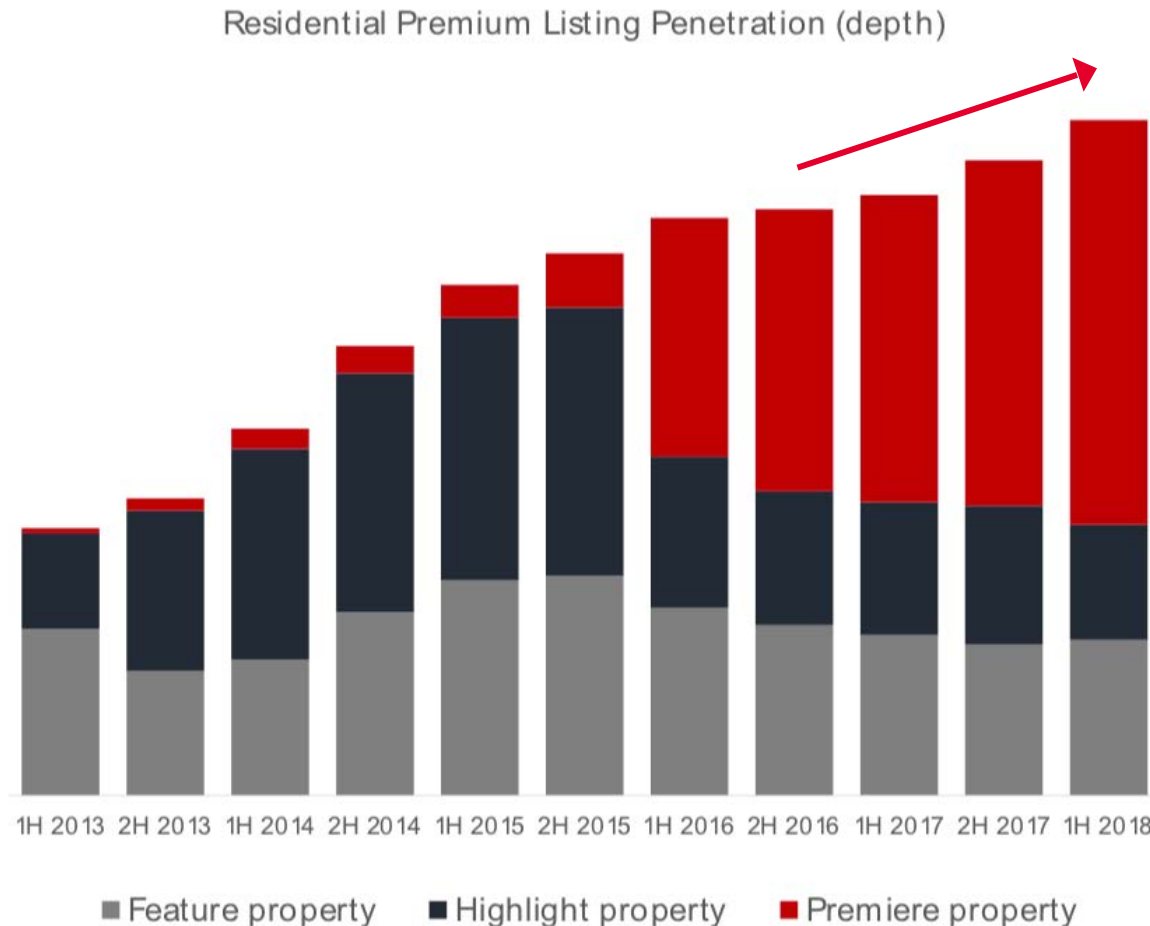
All of REA Group's revenue growth is coming from premium and depth products.

REA Group's Australian Revenue

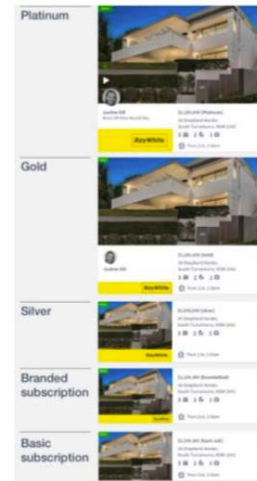


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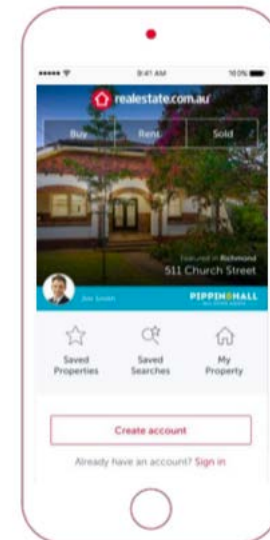
REA has mastered the art of the upsell, pushing customers to more expensive premium products.



Premium listings, depth products, & value-added services are all fancy ways of saying “big photos.”



DEPTH TIERS

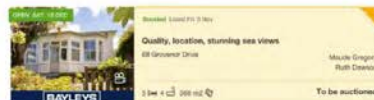


Front Page

Listing Products



PREMIUM LISTING



FEATURE LISTING

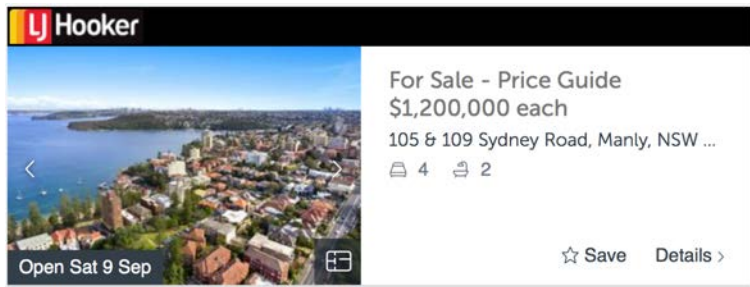


Non-depth product

BASE LISTING

The product development priorities of the top real estate portals are deceptively simple.

Small pictures —————> Big pictures



It's no surprise. The biggest value a portal can give customers is "bigger" exposure.

rightmove

Buy Rent Find Agent House Prices Commercial Overseas Sign In

Leighton Buzzard +0 miles Min Price: £700,000 Min Beds: 3 Bed Property Type: Filters

Properties for sale in Leighton Buzzard, Bedfordshire, up to £700,000, up to 3 bed Create Alert

192 results Sort: Highest Price Grid List Map

FEATURED PROPERTY

3 bedroom detached house for sale
Saulbury Road, Linslade, Leighton Buzzard
GAY FRONTED DETACHED HOUSE WALKING DISTANCE OFF STATION ** CHARACTER FEATURES ** 3 BEDROOMS ** This fine home is conveniently located for the commuter being a short distance from the railway station. The property offers much character to include attractive bay windows, fireplace and picture...

Added on 09/08/2017 by M&M Properties, Leighton Buzzard

£415,000

01525 425051 Local call rate Email agent

3 bedroom barn for sale
Old Linslade Road, Leighton Buzzard, LU17
Stunning! A beautiful and spacious barn conversion, adjacent to public canal side setting. This superbly presented property offers both space and versatile accommodation, which is arranged over three floors. Offering an enviable location with...

Added on 26/10/2017 by Purplebricks, Leighton Buzzard

£595,000

0121 916 0857 Local call rate Email agent

3 bedroom bungalow for sale
Greenhill, Leighton Buzzard
Jasperville is a three bedroom detached bungalow situated in one of the town's most desirable locations off Heath and Plantation Road boasting a double garage and private front and rear gardens. The home also benefits from a large living room...

Reduced on 15/02/2018 by The Wilkinson Partnership, Leighton Buzzard

£545,000

01525 425050 Local call rate Email agent

Spring is the season of new beginnings.
To take the first step, click here for a free property valuation today.

HUNTERS
HERE TO GET YOUR THING

3 bedroom detached house for sale
Plantation Road, Linslade
CLICK THE VIRTUAL TOUR LINK ON THE DESKTOP SITE TO GET THE INTERACTIVE WALK THROUGH TOUR MUST BE SEEN - LINDADE - EXTENDED - REFITTED KITCHEN/DINER - THREE GENEROUS BEDROOMS - BATHROOM - LAMINATE FLOORING - GARDEN - Quarters are delighted to offer for sale this spacious detached family...

Added on 15/02/2018 by Quarters Estate Agents, Leighton Buzzard

£500,000

Offers in excess of

01525 623025 Local call rate Email agent

Featured Property

- Highlighted listing
- More photos
- Larger main image
- Additional listing at the top of the search results

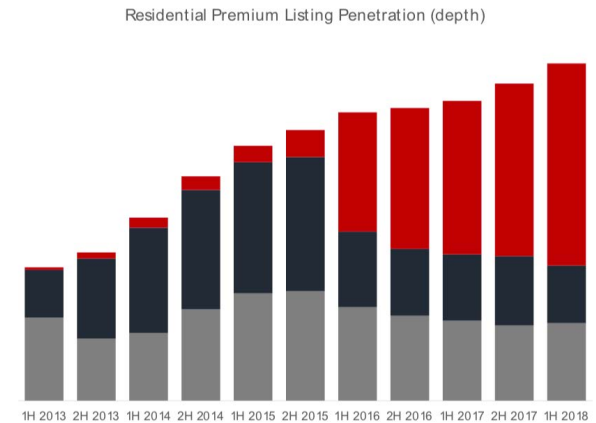
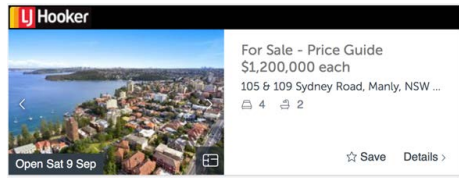
Standard Listing

- Listed on Rightmove

Premium Listing

- Highlighted listing
- More photos
- Larger main image

So if you're looking to add the biggest value to your customers, don't overthink it...



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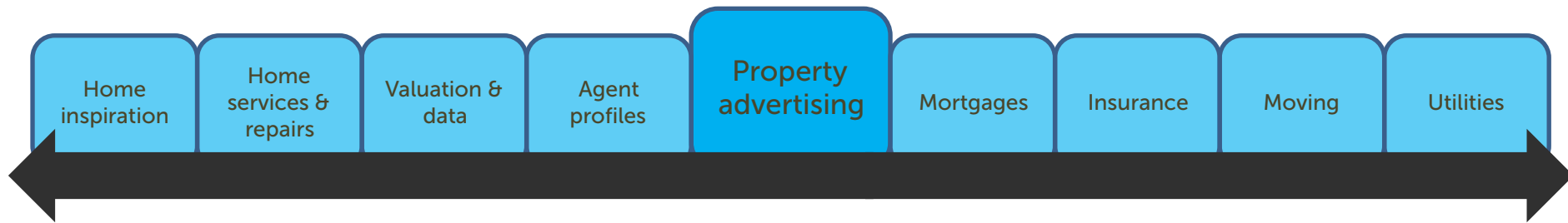
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Ancillary revenue streams

Lead generation is one of the largest ancillary revenue streams for real estate portals.

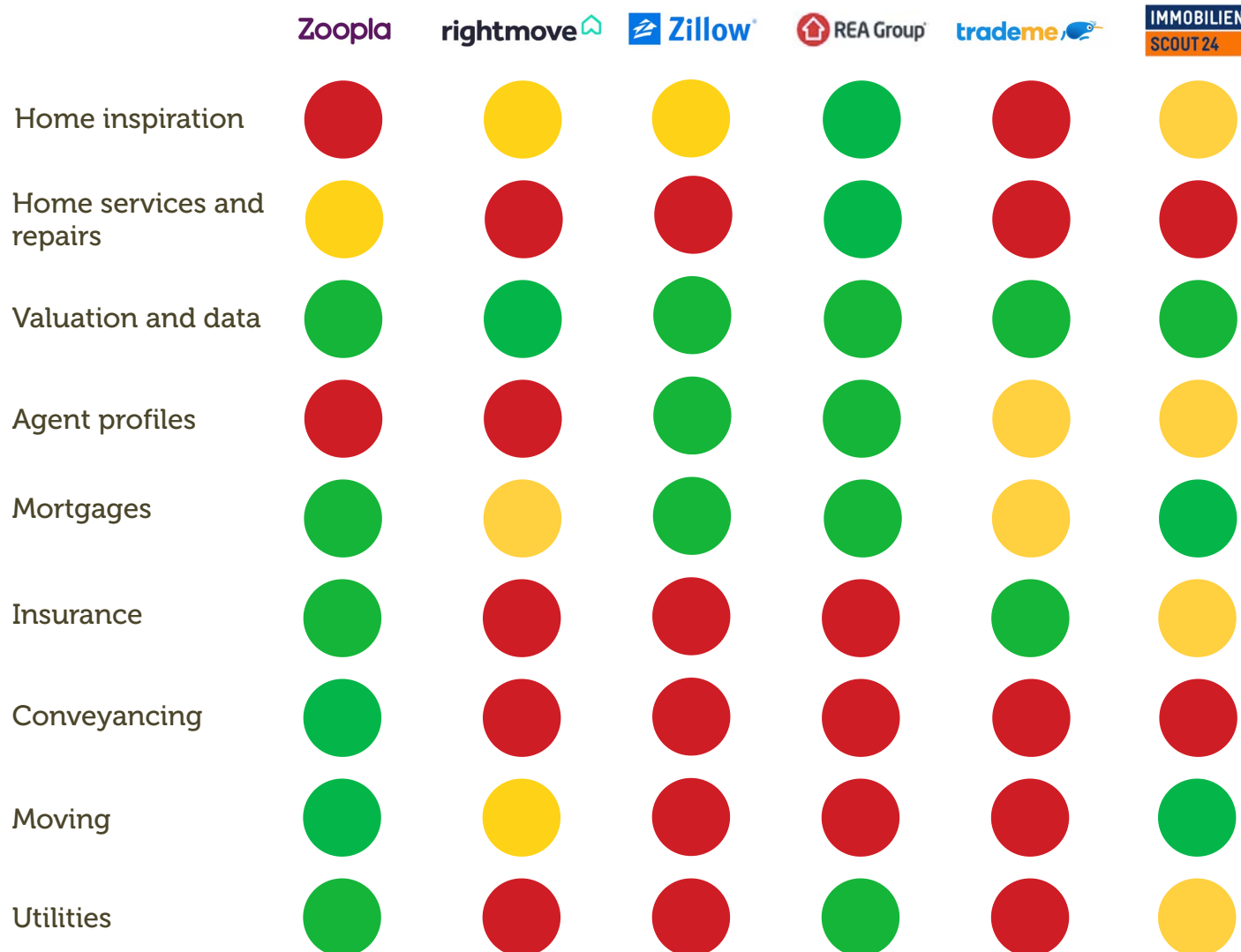
This is especially the case with world leaders in mature markets.





- Providing more value to customers
- Making investments or acquiring businesses
- Getting involved in **more** of the transaction
- “One-stop shop” mentality

Activity across the value stream is varied by portal, with some common trends.



Runner-up portals have diversified their revenue streams more aggressively, out of necessity.

Revenue Diversification

	Listing Revenues % of Total
REA	84%
Domain	47%
Rightmove	76%
Zoopla	25%

#2 in Australia →

#2 in U.K. →

Generally, adjacent revenue streams carry much lower profit margins than classified listings.

Revenue Diversification and Profitability

	Listing Revenues % of Total	EBITDA Margins
REA	84%	66%
Domain	47%	35%
Rightmove	76%	76%
Zoopla	25%	39%

Adjacent services are still nascent, even at the global leaders.

Revenue Adjacencies: IS24, REA, and Domain

	Revenue	Revenue as % of Total
IS24 (Finance)	€14.7 million	5.9% 
REA (Financial Services)	€18.1 million	3.8% 
Domain (Transactions)	€15.0 million	7% 

Domain (Transactions) consists of utility comparison and switching, Domain Loan Finder, and Domain Insure. IS24 is for FY17, while REA and Domain are FY18 (6 month offset).

And in many cases are expensive to start-up,
especially organically.

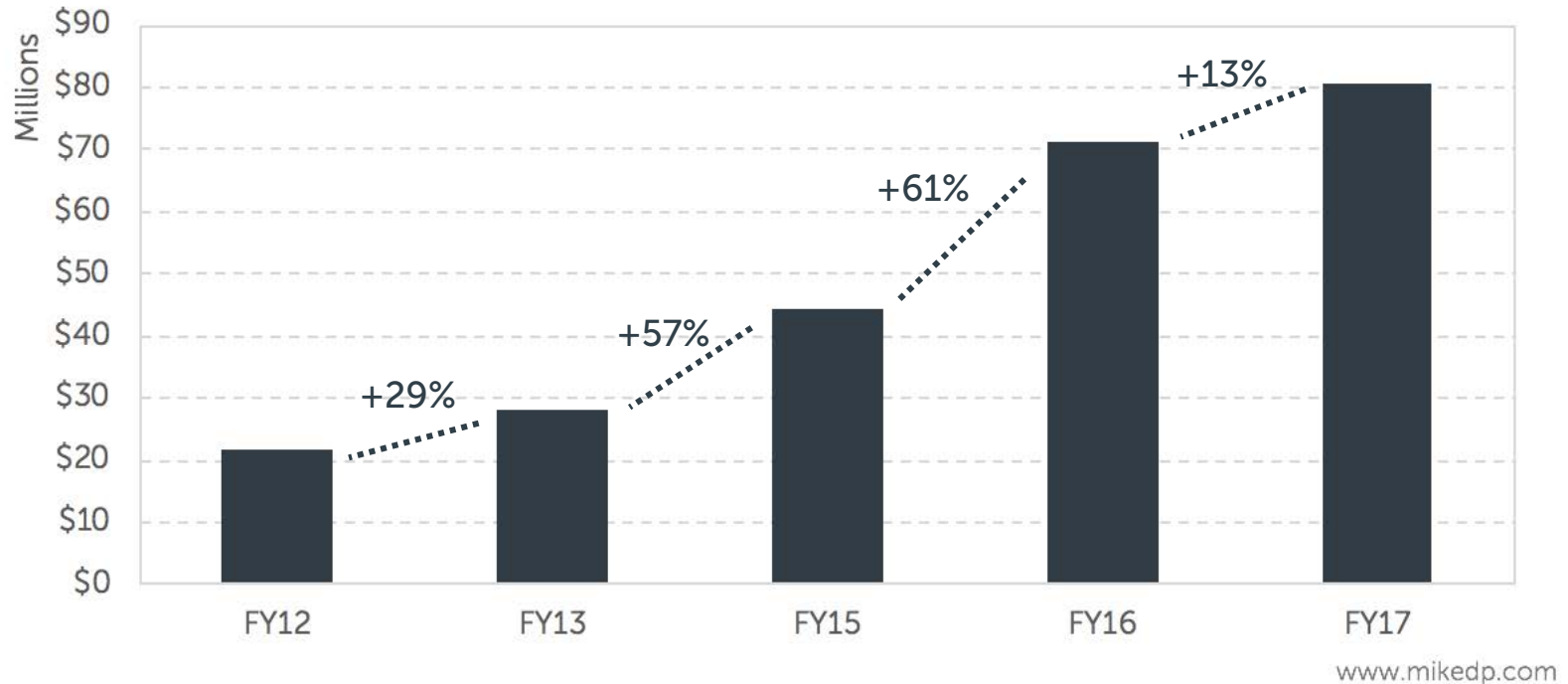
***Revenue Adjacencies:
REA vs Domain (FY 2018)***

	Revenue	EBITDA	
REA (Financial Services)	\$29.3 million	\$10.8 million	← Inorganic: Acquisition
Domain (Transactions)	\$24.4 million	(\$2.7 million)	← Organic: Start-ups and joint ventures.

Domain (Transactions) consists of utility comparison and switching, Domain Loan Finder, and Domain Insure. All figures AUD.

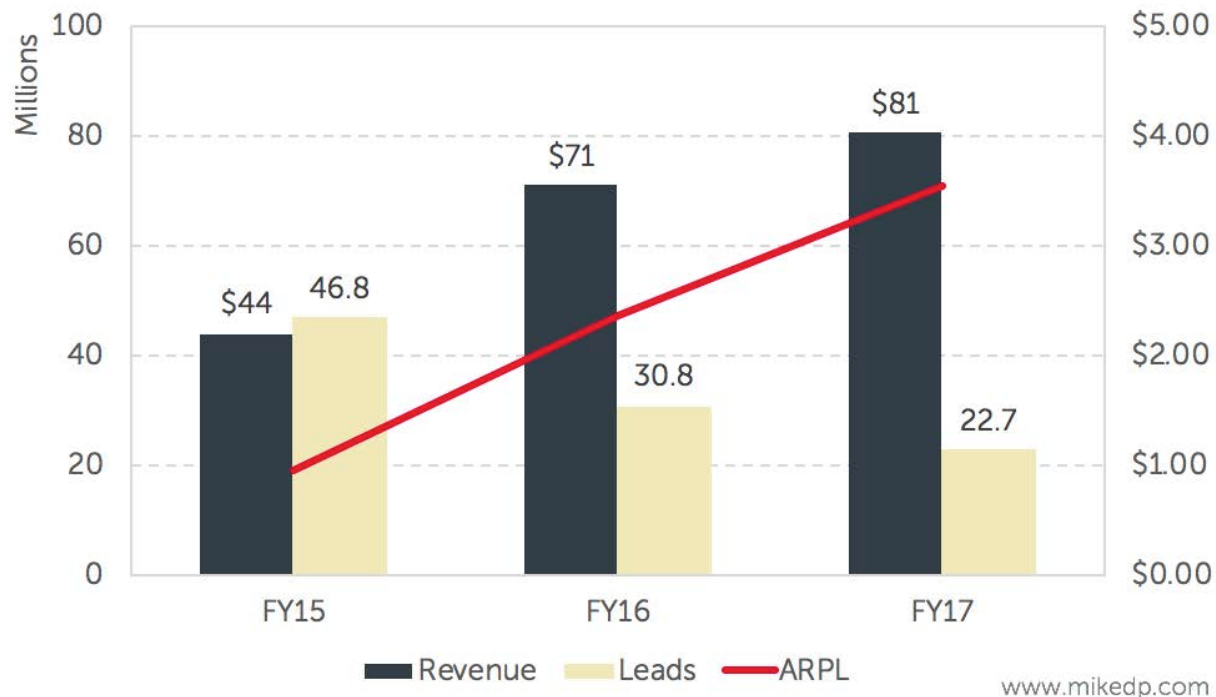
Zillow has consistently grown its mortgage lead generation revenues, but growth is slowing.

Zillow's Mortgage Revenue Growth



The lead gen business is still very much a volume game, with low average revenue per lead (ARPL).

Zillow's Mortgage Business

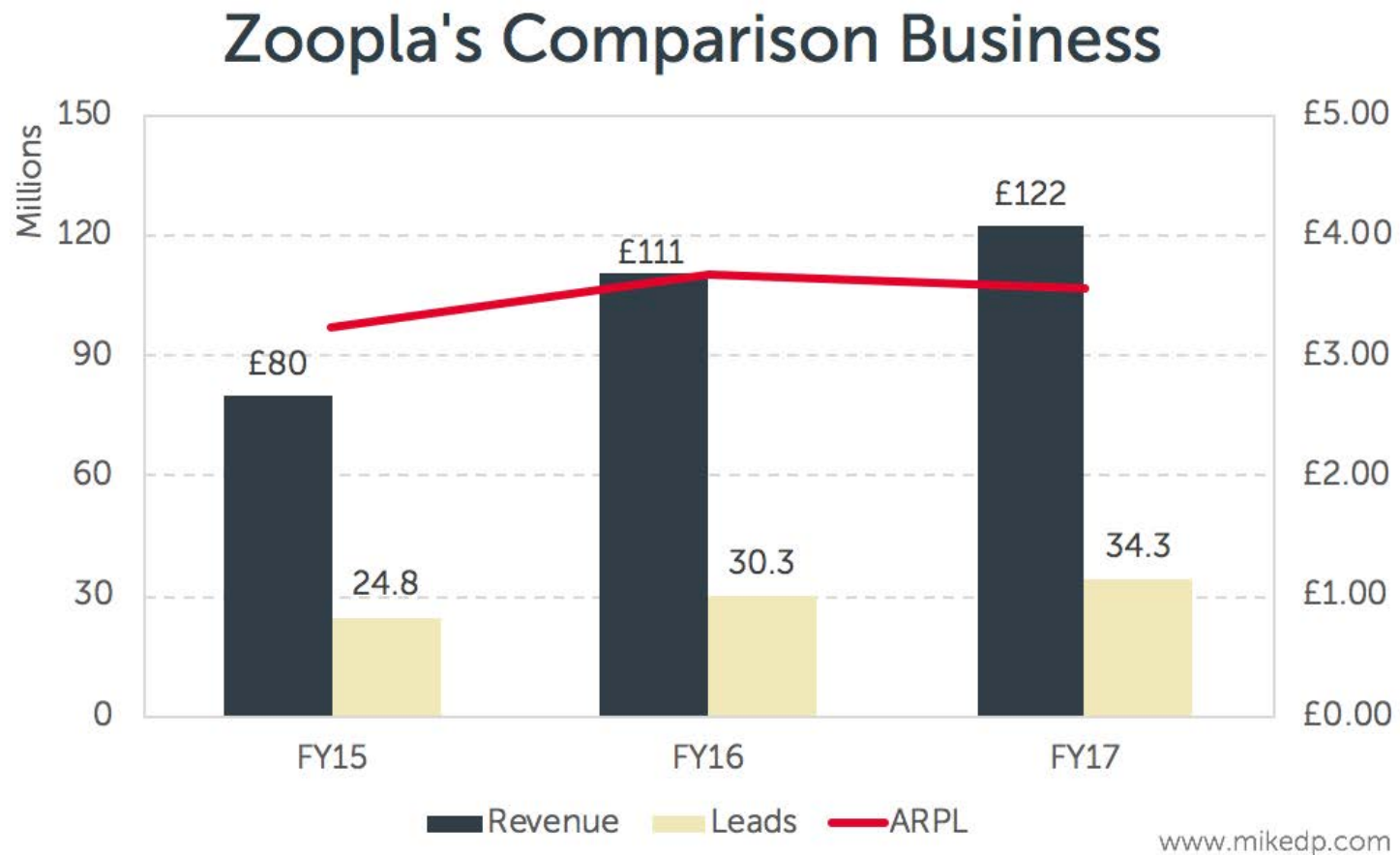


Zillow is focused on delivering higher-quality mortgage leads.

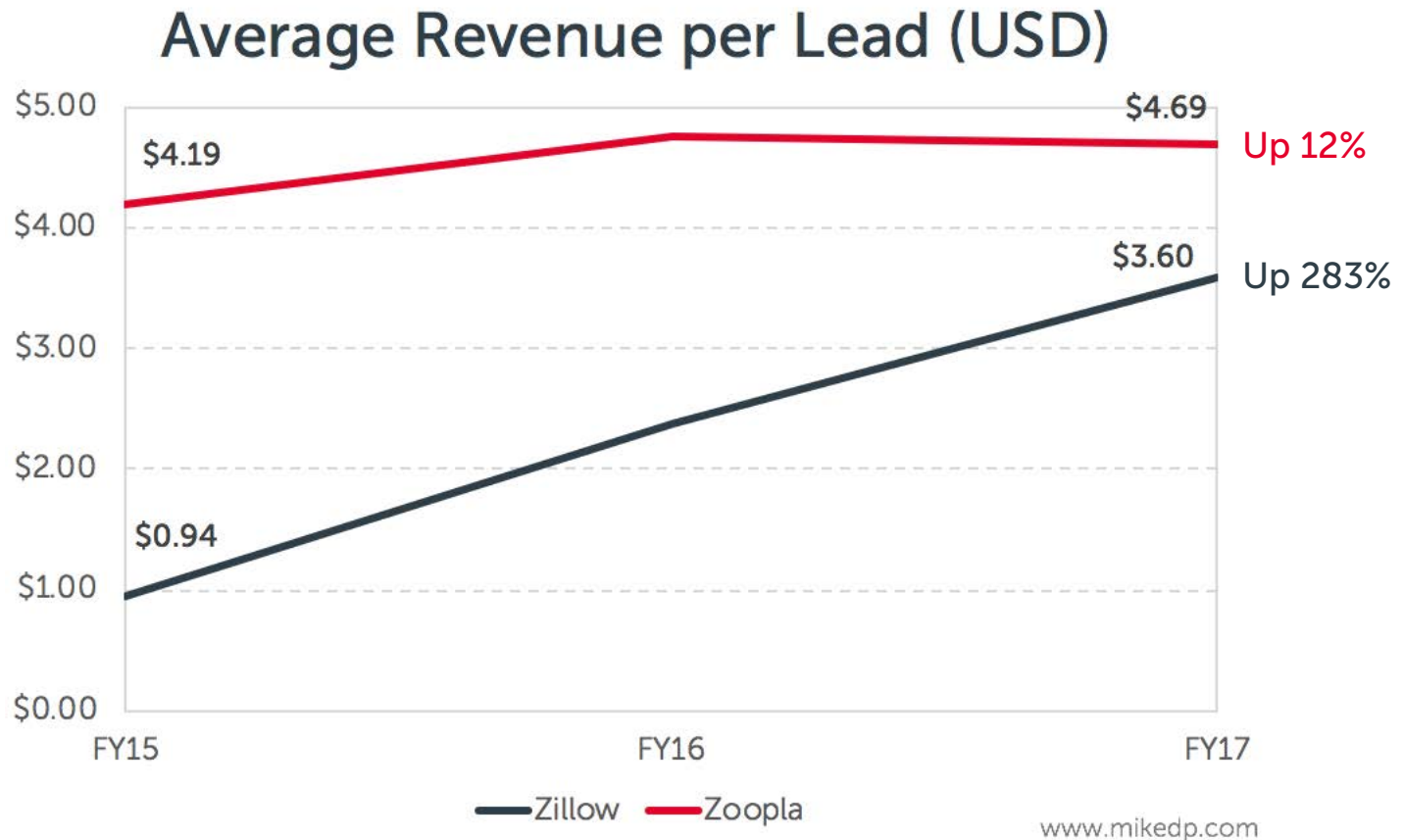
This results in less leads each year, but each one is more valuable.

However, several dollars per lead is still a small fraction of the total value of a mortgage customer.

Zoopla's comparison business continues to grow, but the average value per lead is flat.



Both businesses are improving the average revenue per lead, but it's still a volume game.



REA Group acquired a majority stake in mortgage broking business Smartline in June 2017.

- REA group acquired an 80% stake in Smartline for \$67 million AUD.
- Around 300 employees.
- After one year, it is a meaningful revenue contributor and materially profitable.

Financial Services launched

Delivered growth through strategic expansion into Financial Services



Zillow followed suit by acquiring Mortgage Lenders of America in August 2018.



Zillow Group & Mortgage Lenders of America, LLC

What it means for the industry

How our partners can benefit



When an agent brings a buyer for a Zillow-owned home, the transaction can close quickly and with more certainty.



When we integrate Mortgage Lenders of America LLC with the Zillow Offers program, we'll offer technology we develop to our brokerage partners so they can improve the capture rate at their own mortgage affiliates.



We'll continue to offer advertising services to lenders and brokers with in-house mortgage operations.

- Originated around 4,000 loans last year.
- Average revenue per customer of \$9k-\$12k.
- Offers advantage for Zillow Offers program.
- Around 300 employees.

Zillow goes from \$3.60 per mortgage lead to ~\$9k per mortgage customer.

The leaders in the field offer deep integrations across their sites, critical to their success.

1047 Balsam Ave,
Boulder, CO 80304

5 beds · 6 baths · 4,902 sqft

New construction in coveted Newlands Graciously

situated between N. Boulder Pa just a short stroll downtown or space, this property is perfect for enjoy the quintessential Boulder finest amenities. Exciting new d street will contribute to the vibrant drenched open floor plan featuring luxury master suite, designer fir views.

● FOR SALE

\$2,145,000

Zestimate: \$2,210,272

EST. MORTGAGE

\$7,918/mo

ESTIMATED MONTHLY PAYMENT

Home price

\$ 2,145,000

Down payment

\$ 429,000

20 %

Loan term

30-year fixed

Interest rate [Today's rate](#)

3.720

%

[Advanced](#)

Your payment: **\$7,918 /mo**

[Get pre-qualified](#)

Estimated taxes & insurance of \$1,032 are not included.

Facts and Features



Type

Single Family



Cooling

No Data

Your repayments based on your details below would be

\$1,192 PER MONTH

How this was calculated

[Disclaimer](#)

[Make an Enquiry](#)

[Learn More](#)

Your Loan Details

Property Price

\$312,500

Deposit

\$62,500

Loan amount

\$250,000

Interest rate (p.a.)

3.99 %

Loan term

30 years

[Re-Calculate](#)

Request a call from IMB Bank to discuss your finance options

*Mandatory fields

First Name*

Last Name*

Email*

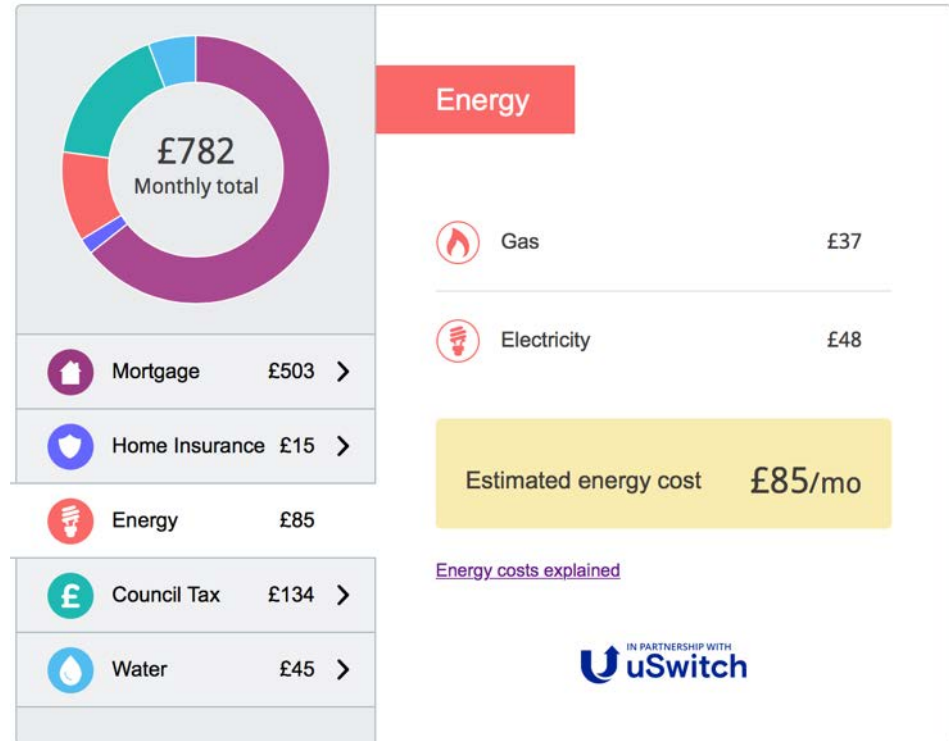
Phone Number*

Postcode*

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Yearly saving up to:

£627

Detached house

£494

Semi-detached house

£436

End terrace house

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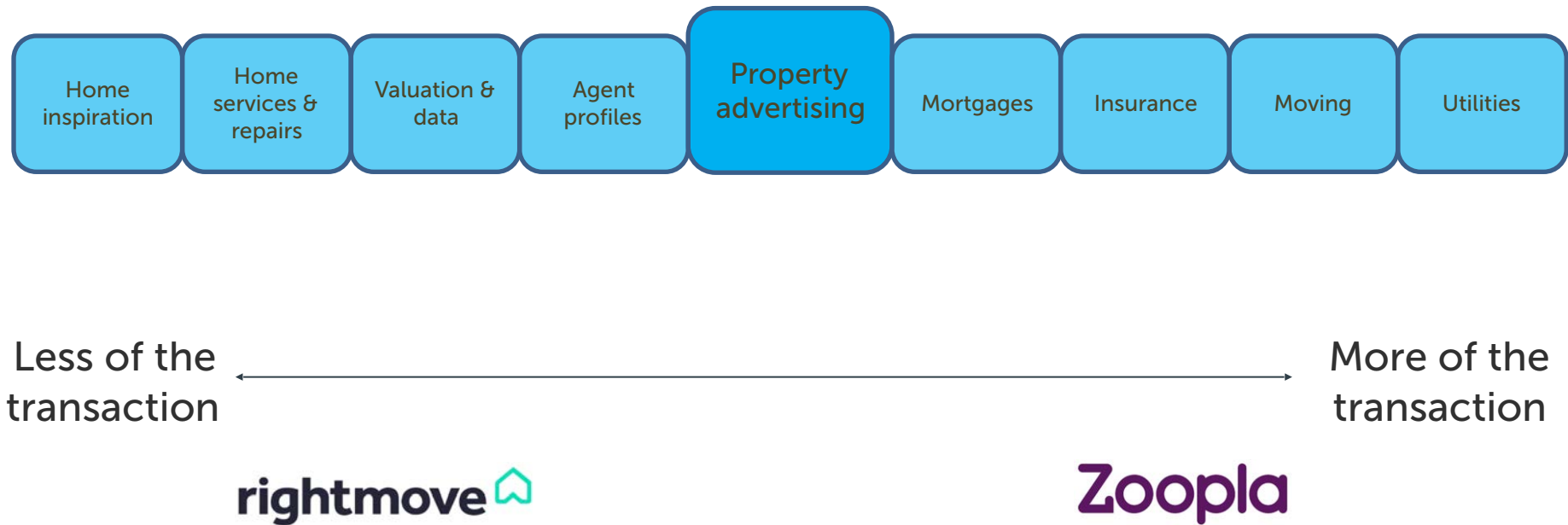
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In their efforts to diversify revenue streams, real estate portals are moving closer to the transaction and doing more of the transaction.

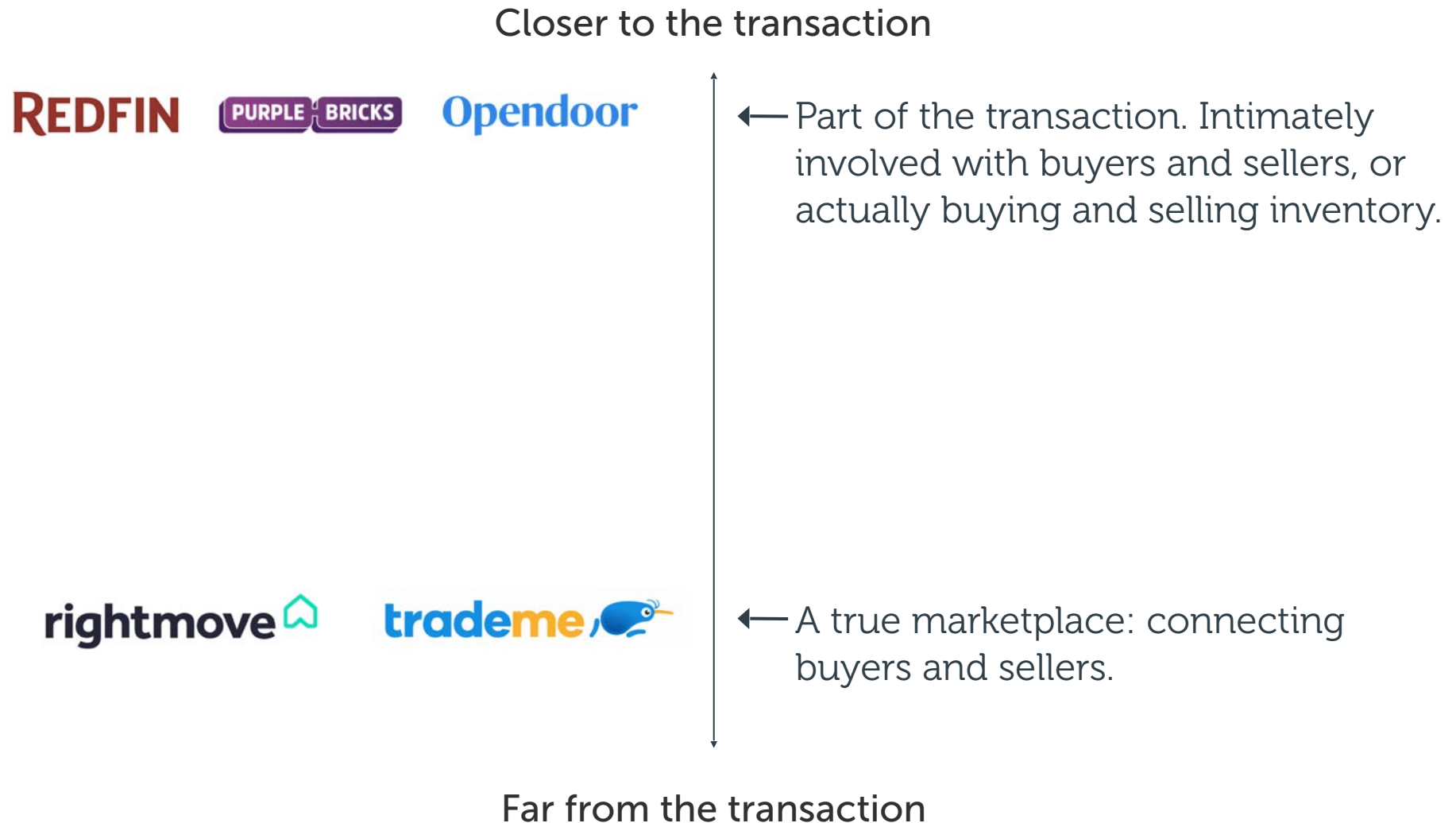
The strategy is multi-dimensional. Real estate portals are operating along two axes.



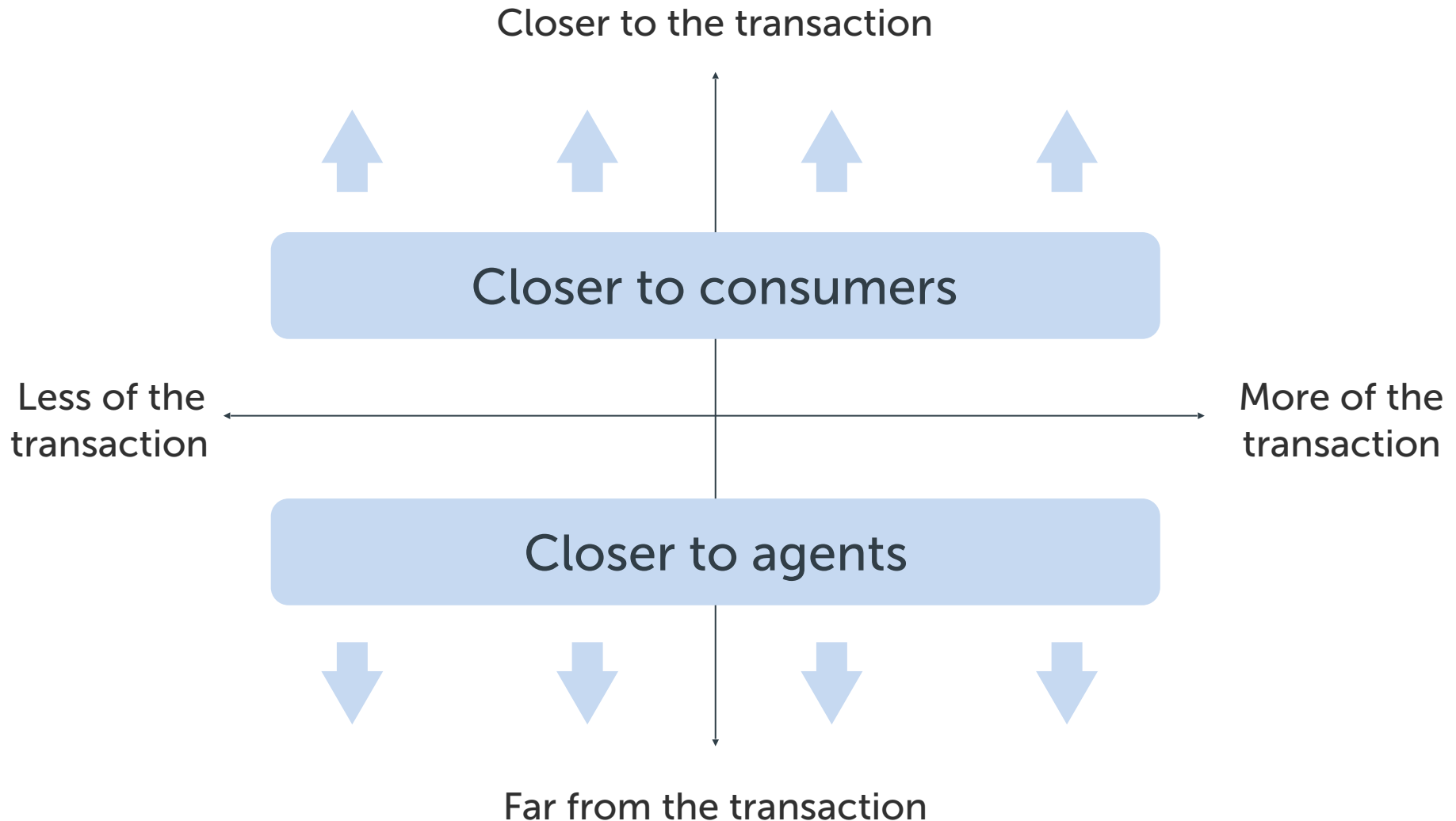
Portals began focused on property advertising, but many are expanding across the entire transaction.



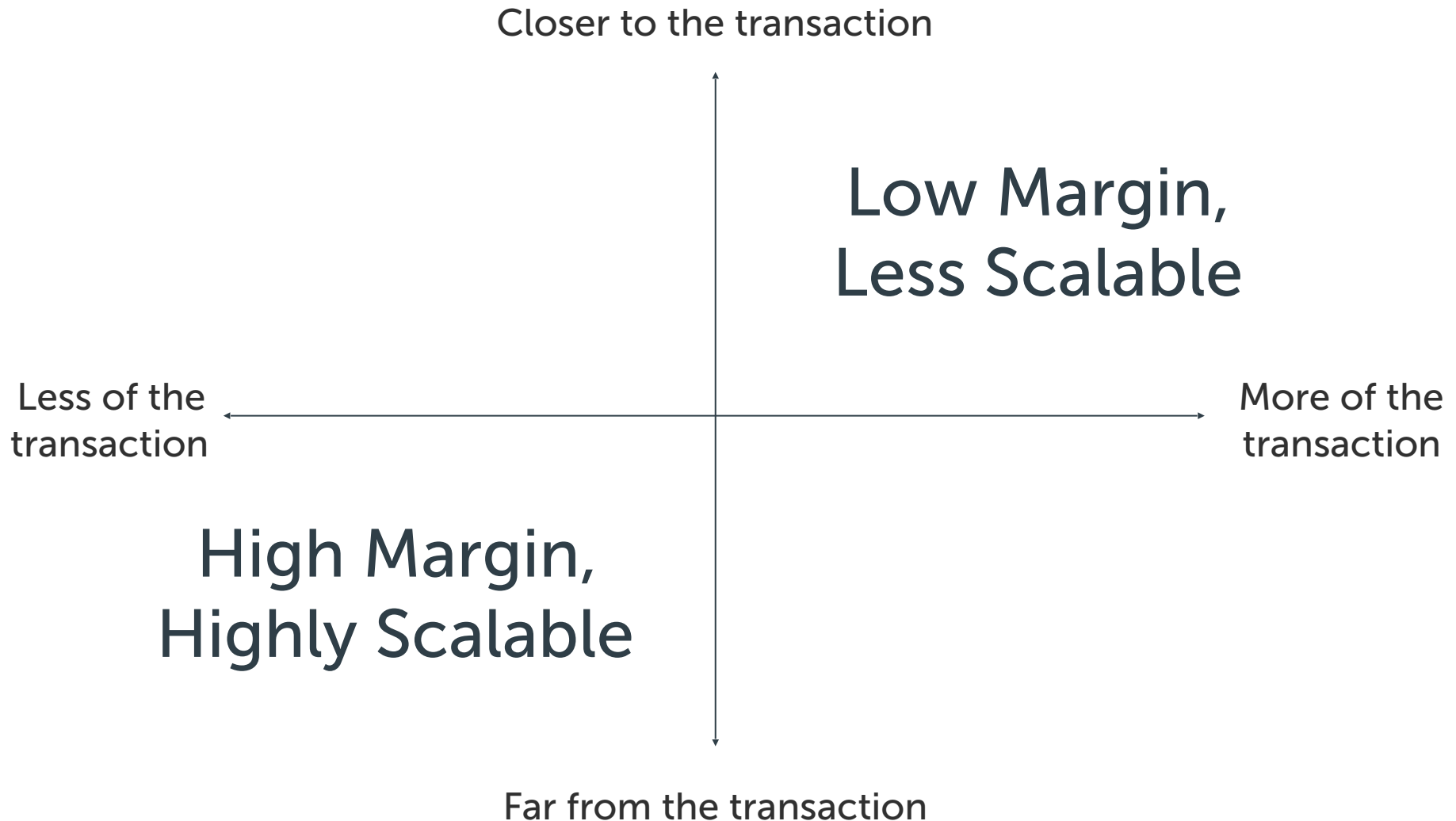
The classic classifieds model stays far from the transaction, only **connecting** buyers and sellers.



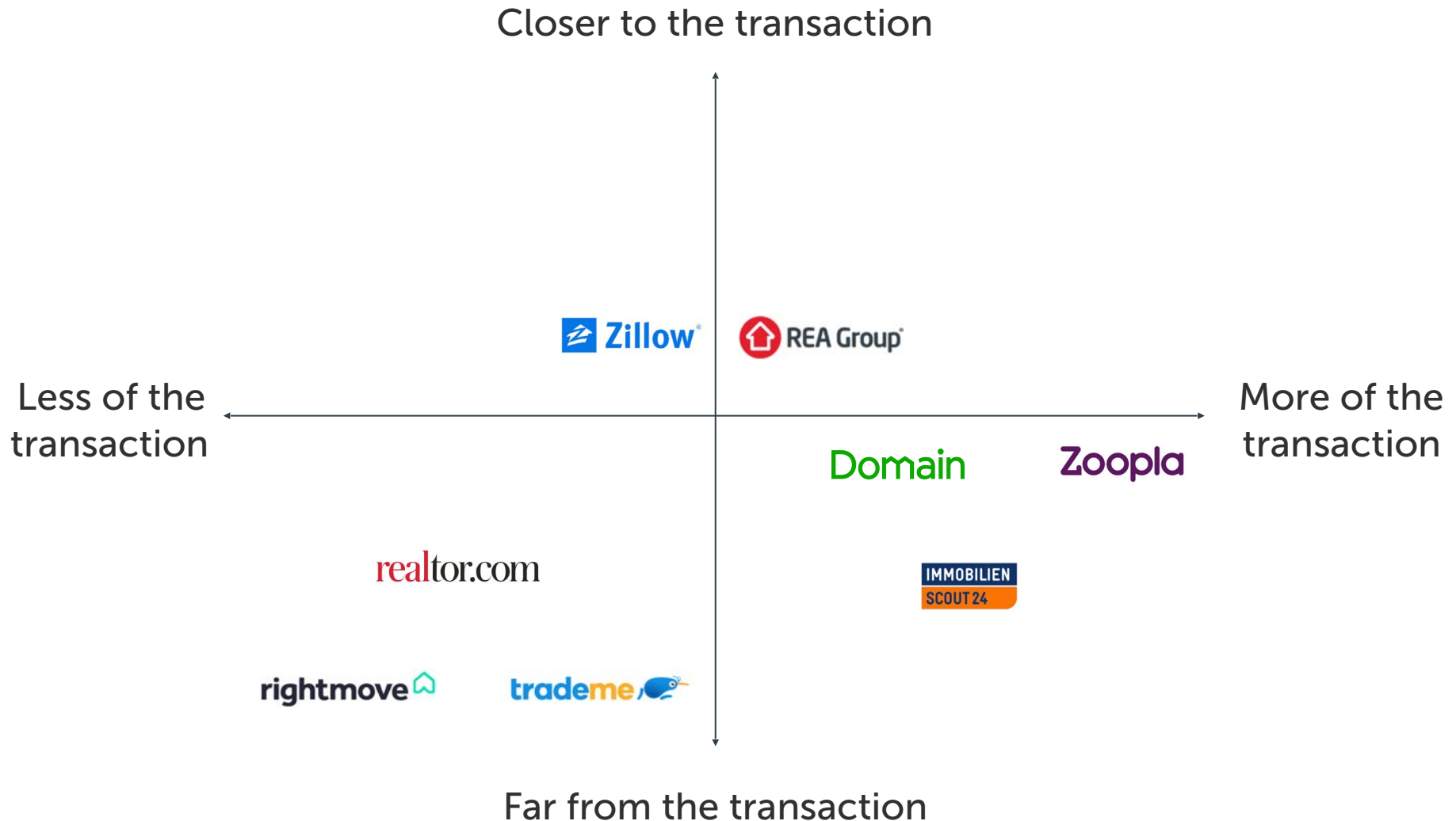
As portals move closer to the transaction, they move closer to consumers, displacing agents.



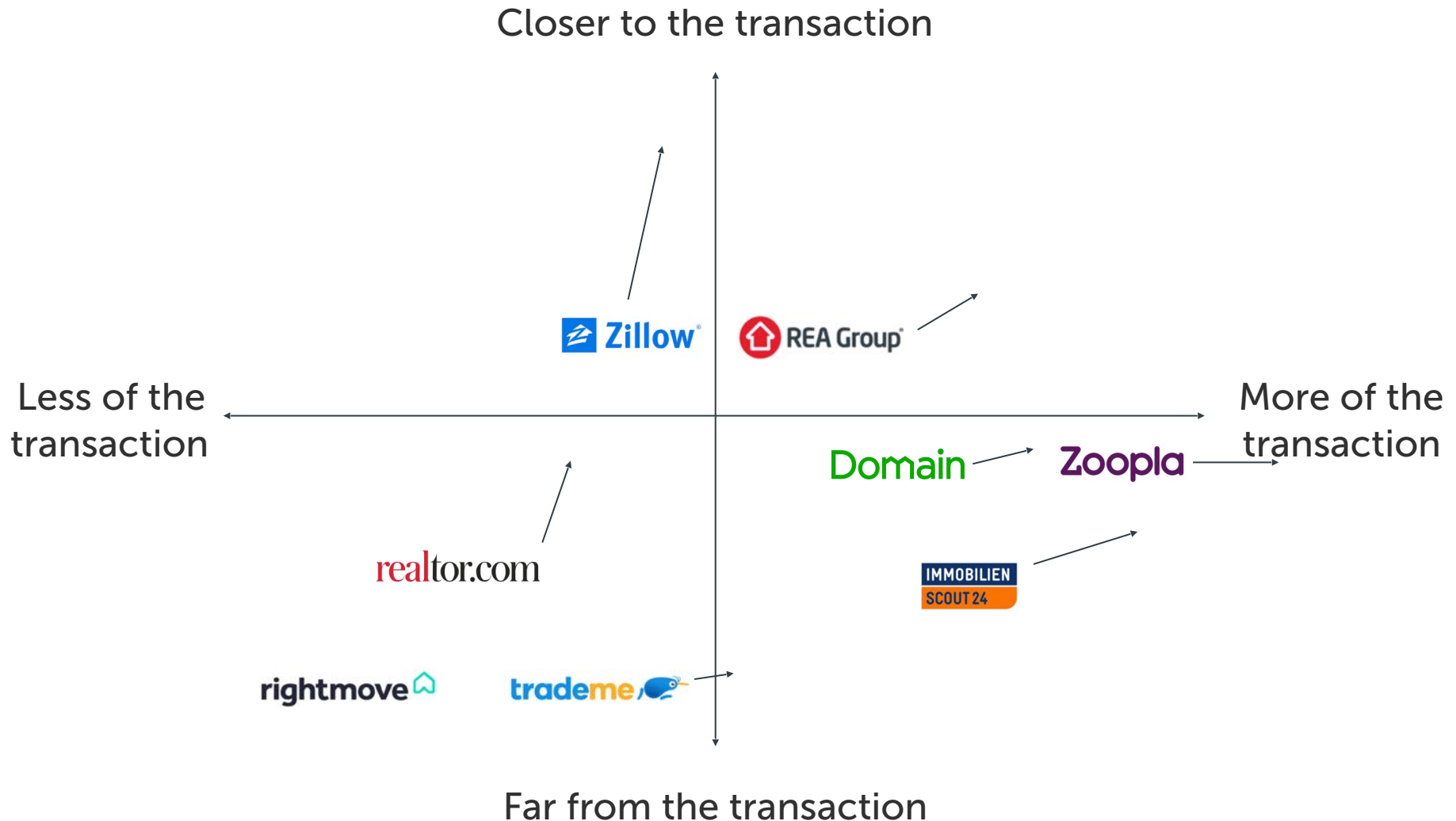
Marketplace businesses are high-margin and scale inexpensively. Expansion is less scalable.



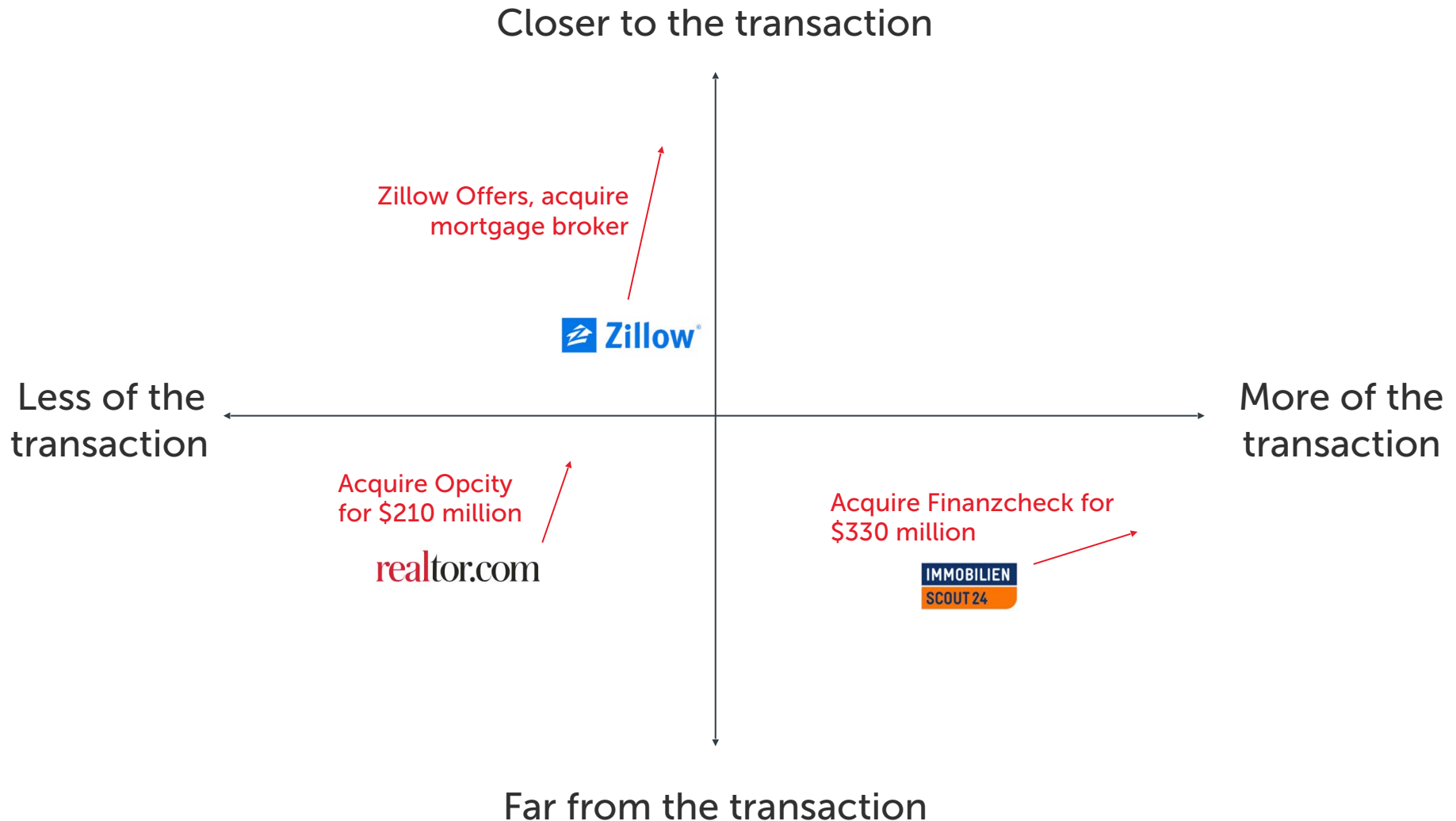
The global leaders have positioned themselves across the map with a variety of strategies.



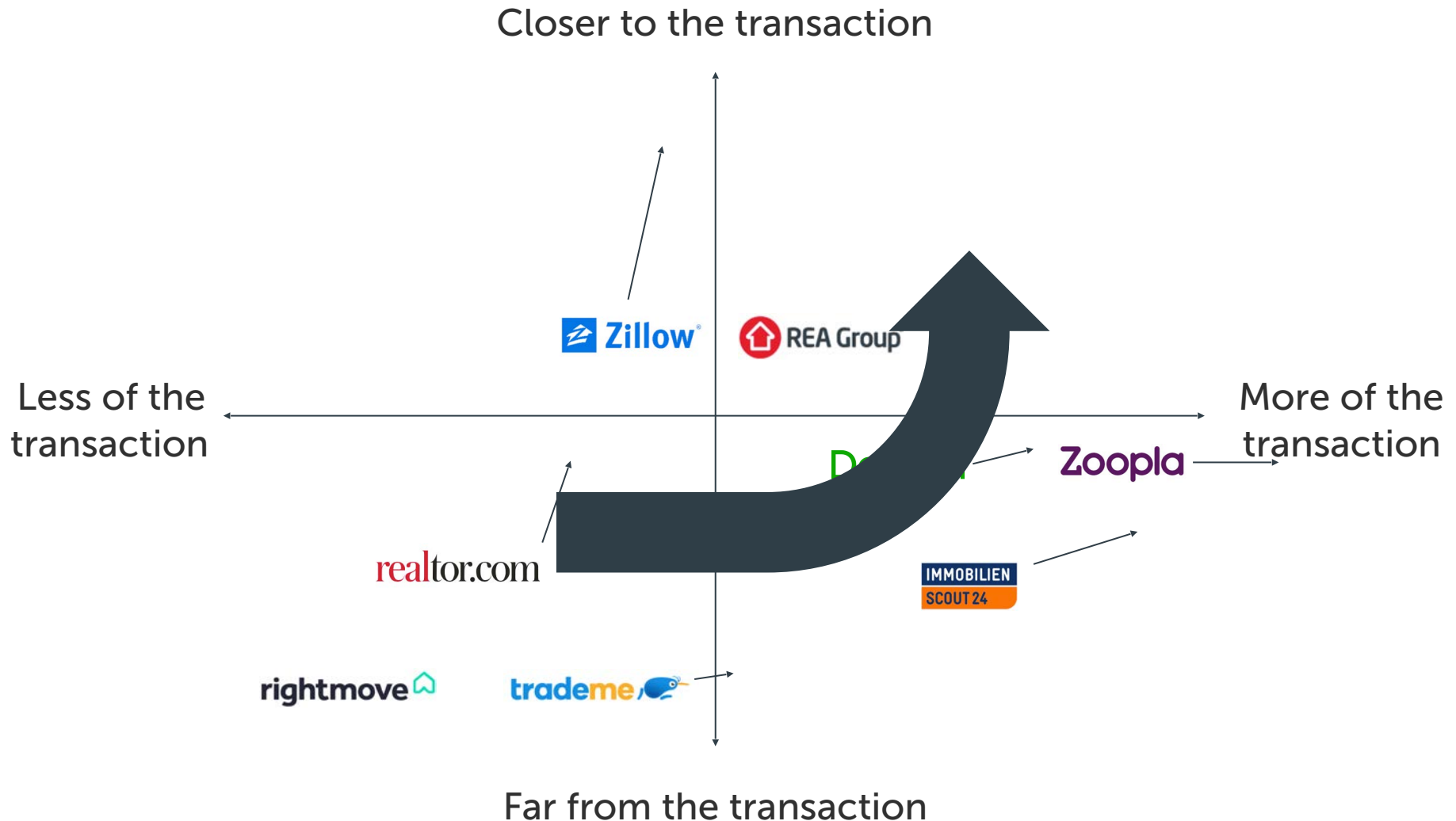
Each portal's product strategy and M&A activity show the direction it is moving.



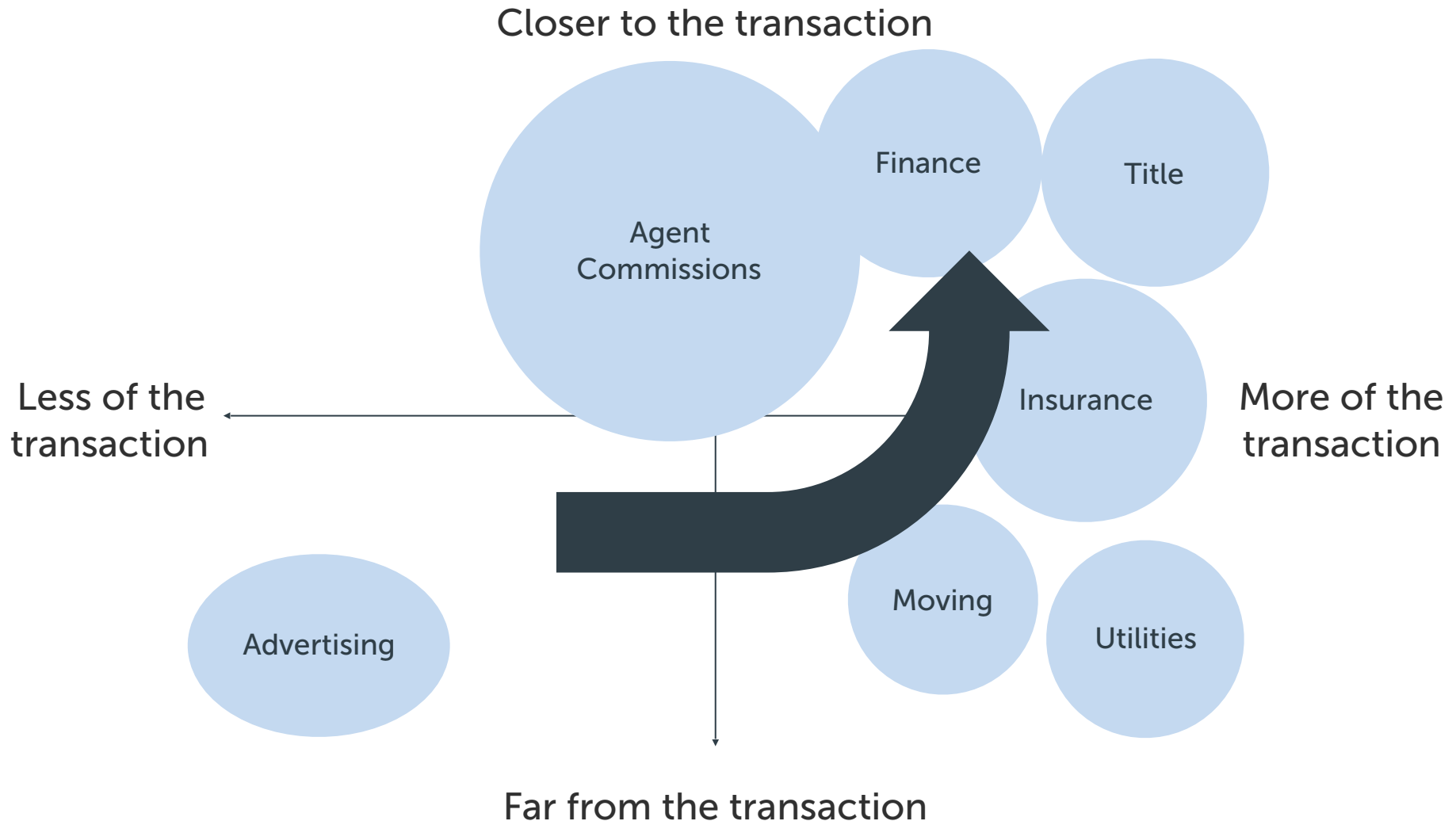
Recent big moves by Zillow, realtor.com, and IS24 show clear strategic intent.



There is a clear trend towards the upper right, typically via the bottom right quadrant.



Portals are moving towards much larger revenue pools, expanding their total addressable market.

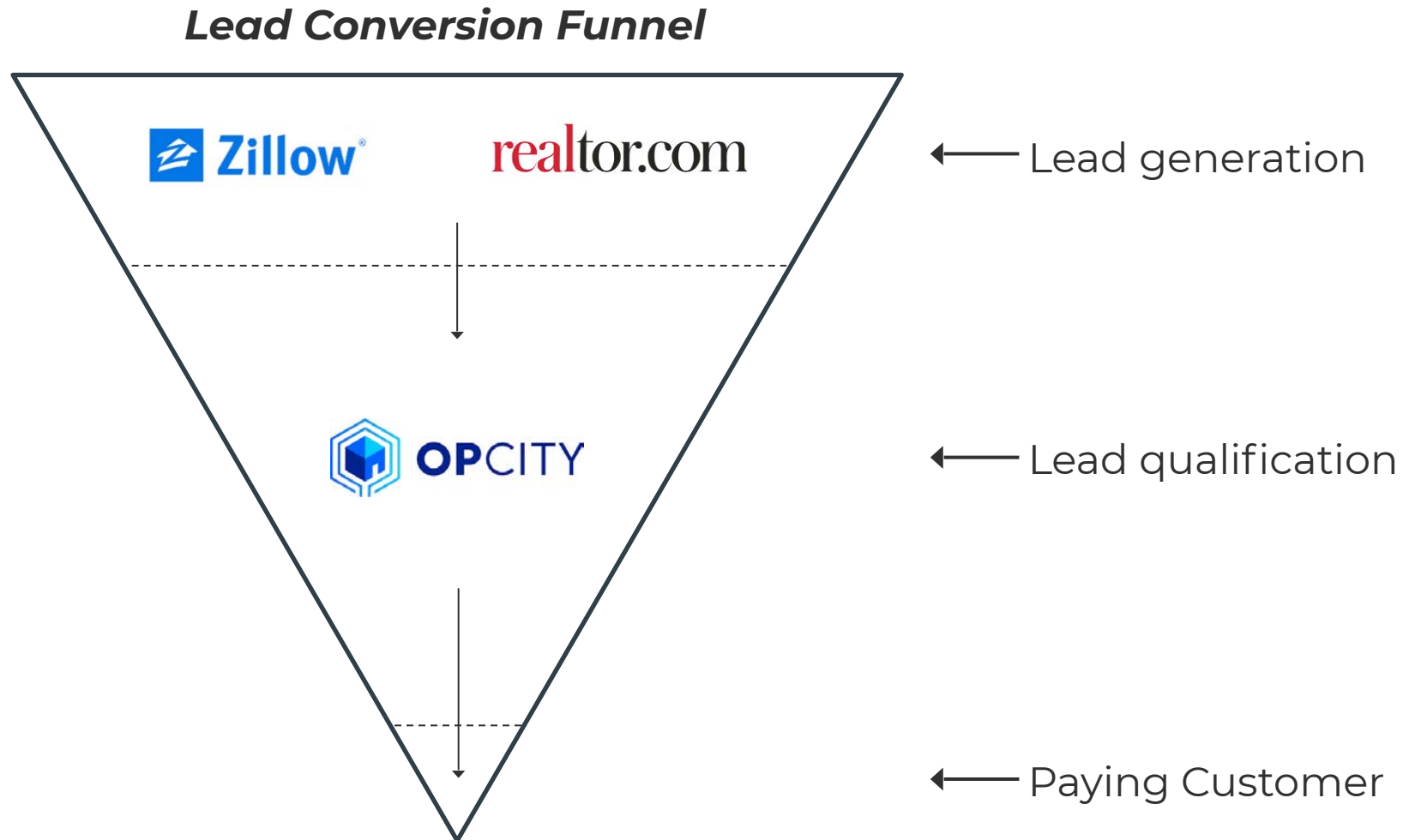


Note: Bubbles not to scale; each market is different.

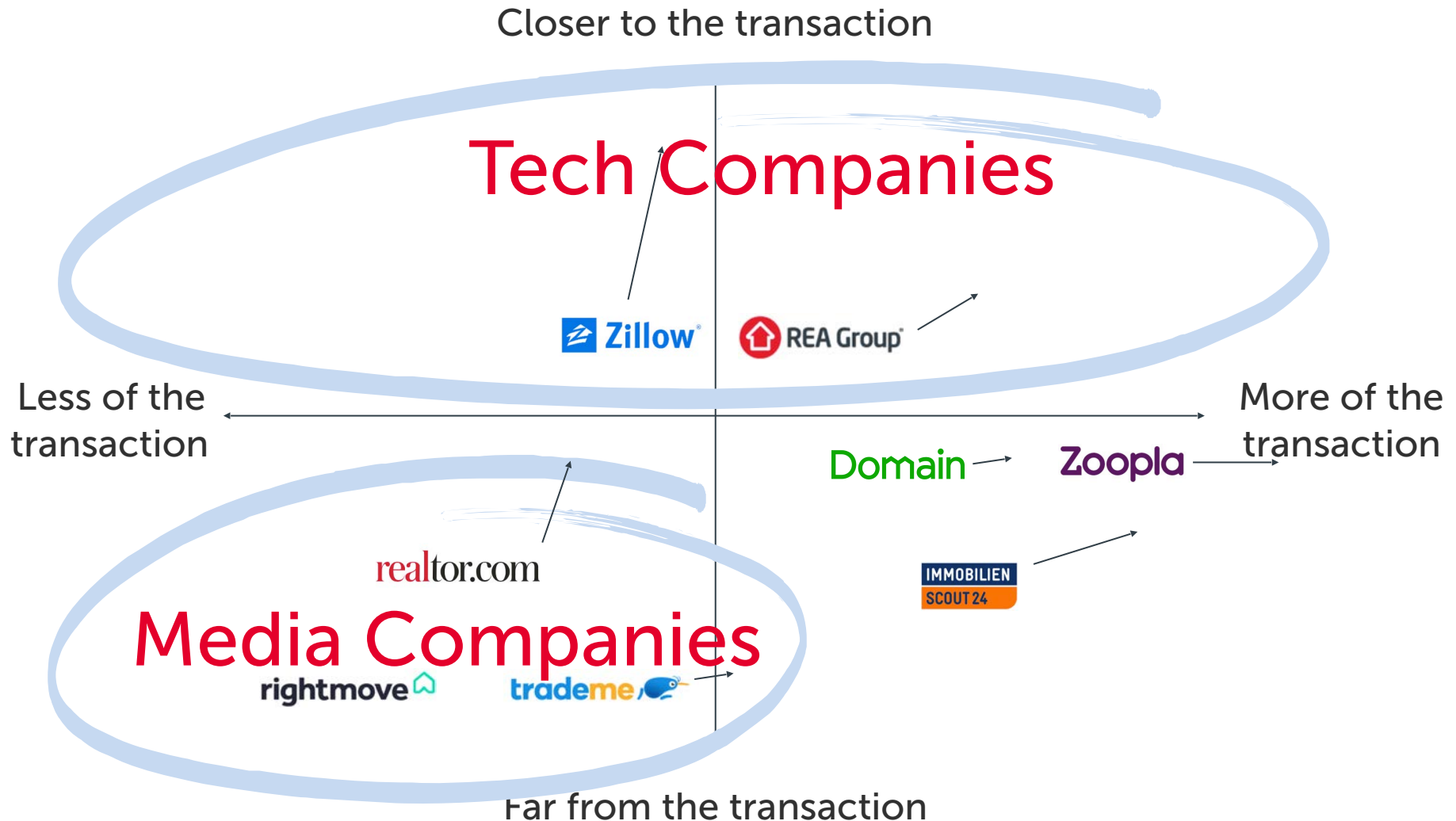
You can see the move in Zillow's strategy; it's moving towards those big revenue pools.



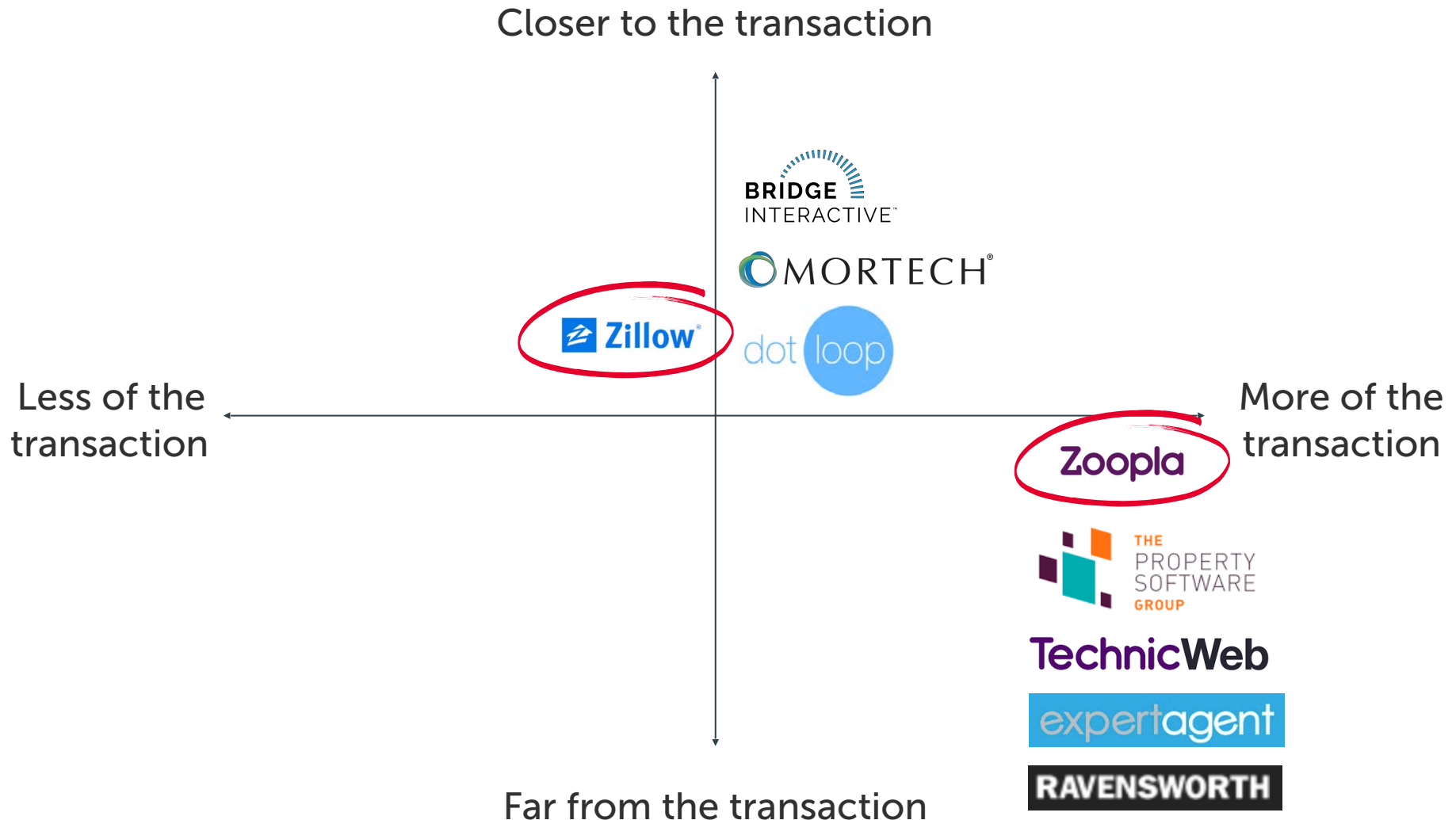
Realtor.com's Opcity acquisition and Zillow's concierge service move closer to the transaction.



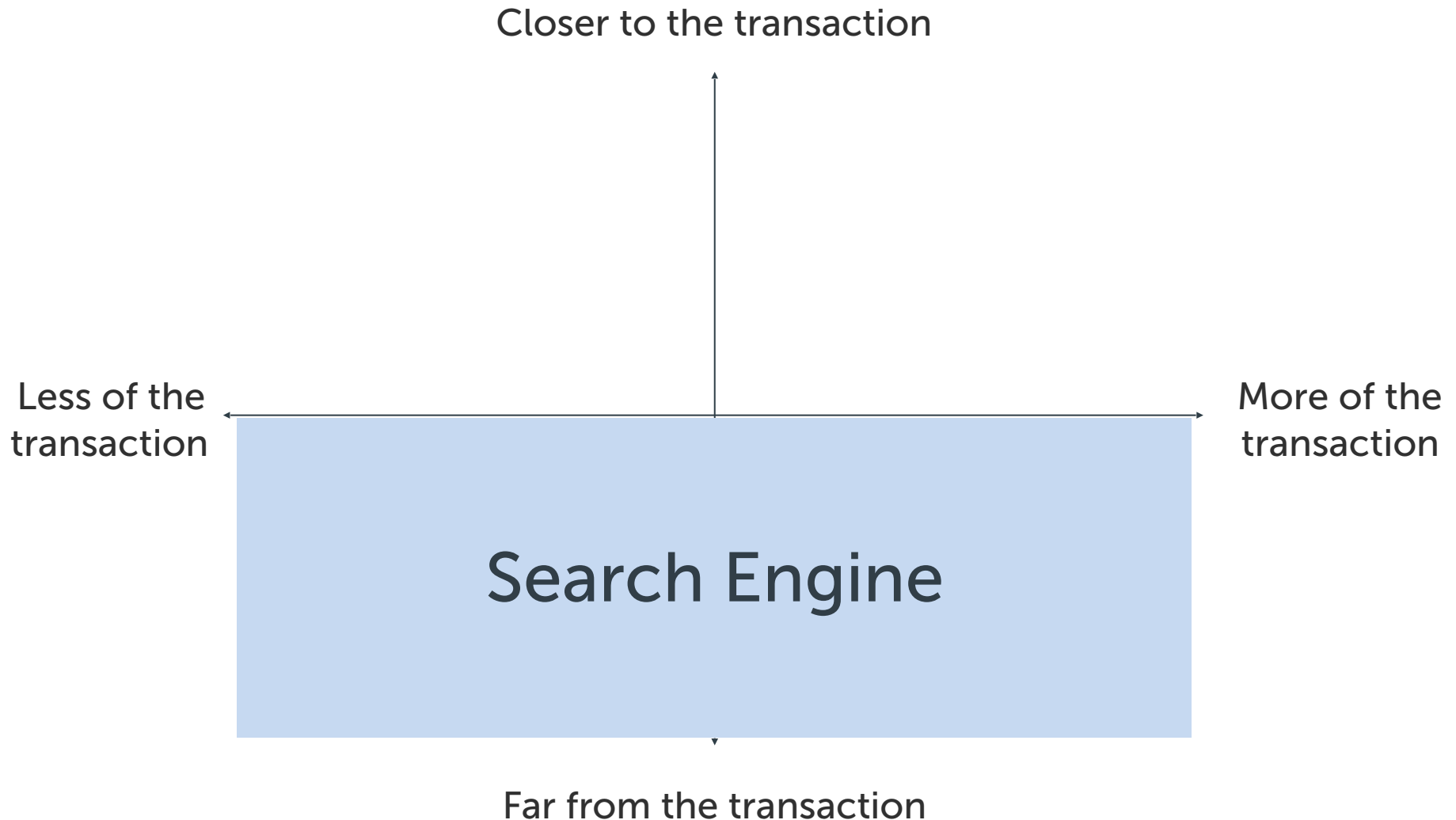
Portals are evolving from media companies (ad platforms) to tech companies (tech platforms).



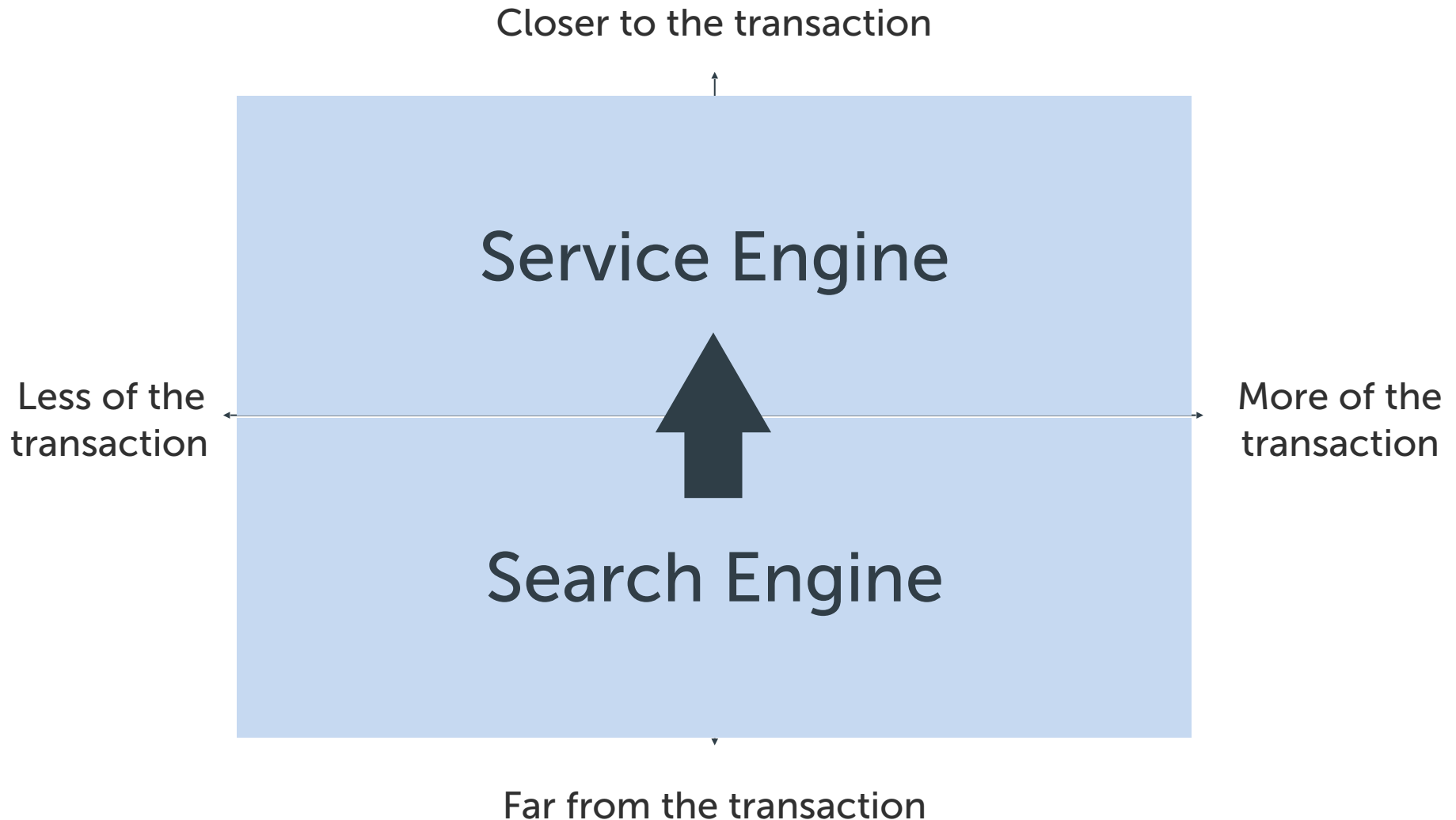
Some portals are offering an “operating system” for agents, providing tools to run their business.



The traditional classifieds model is a search engine for property. But that's changing.



Portals are evolving from providing search results to providing actual services to users.

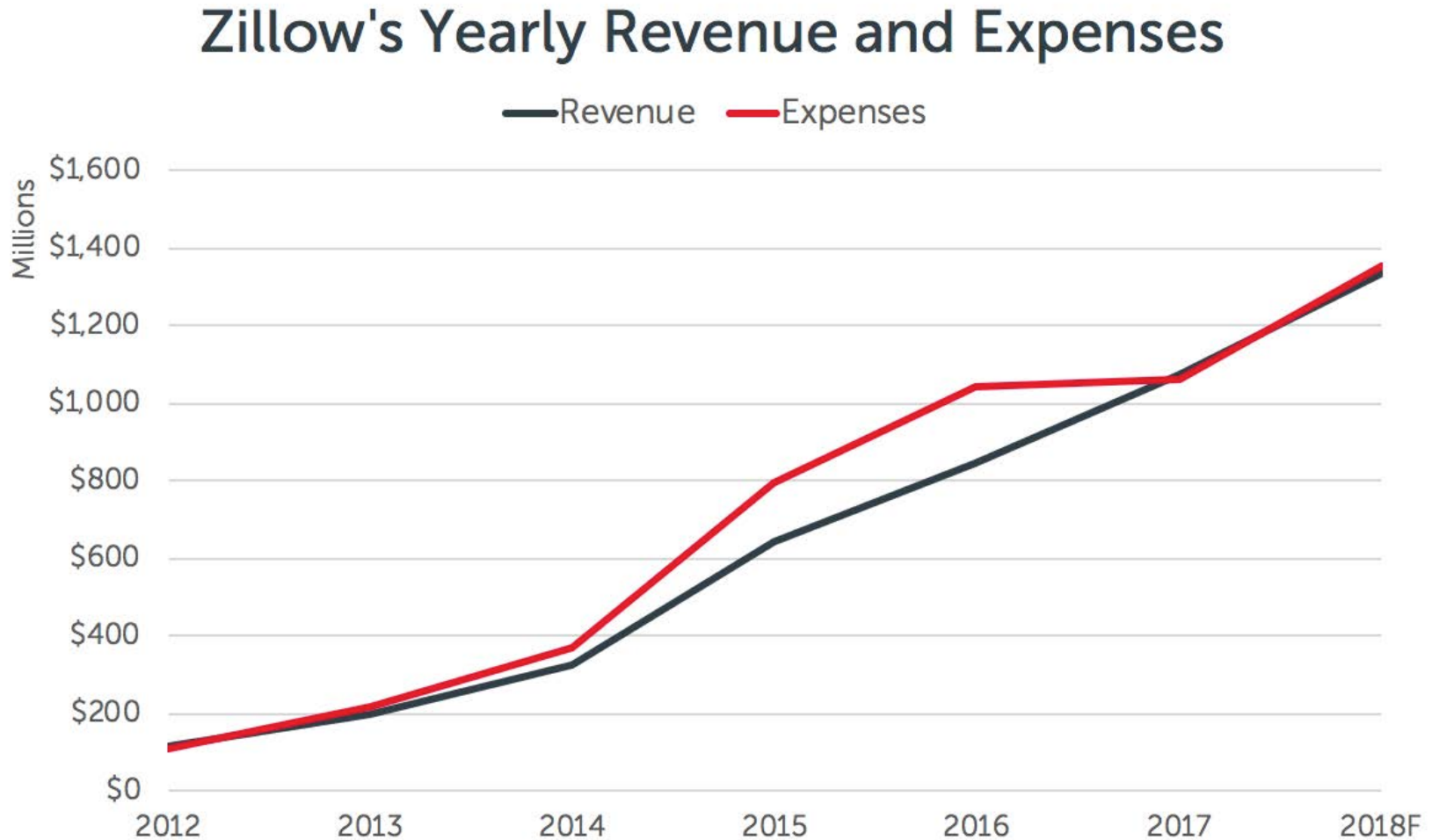


There is an evolution
occurring, from search
engine to service engine.

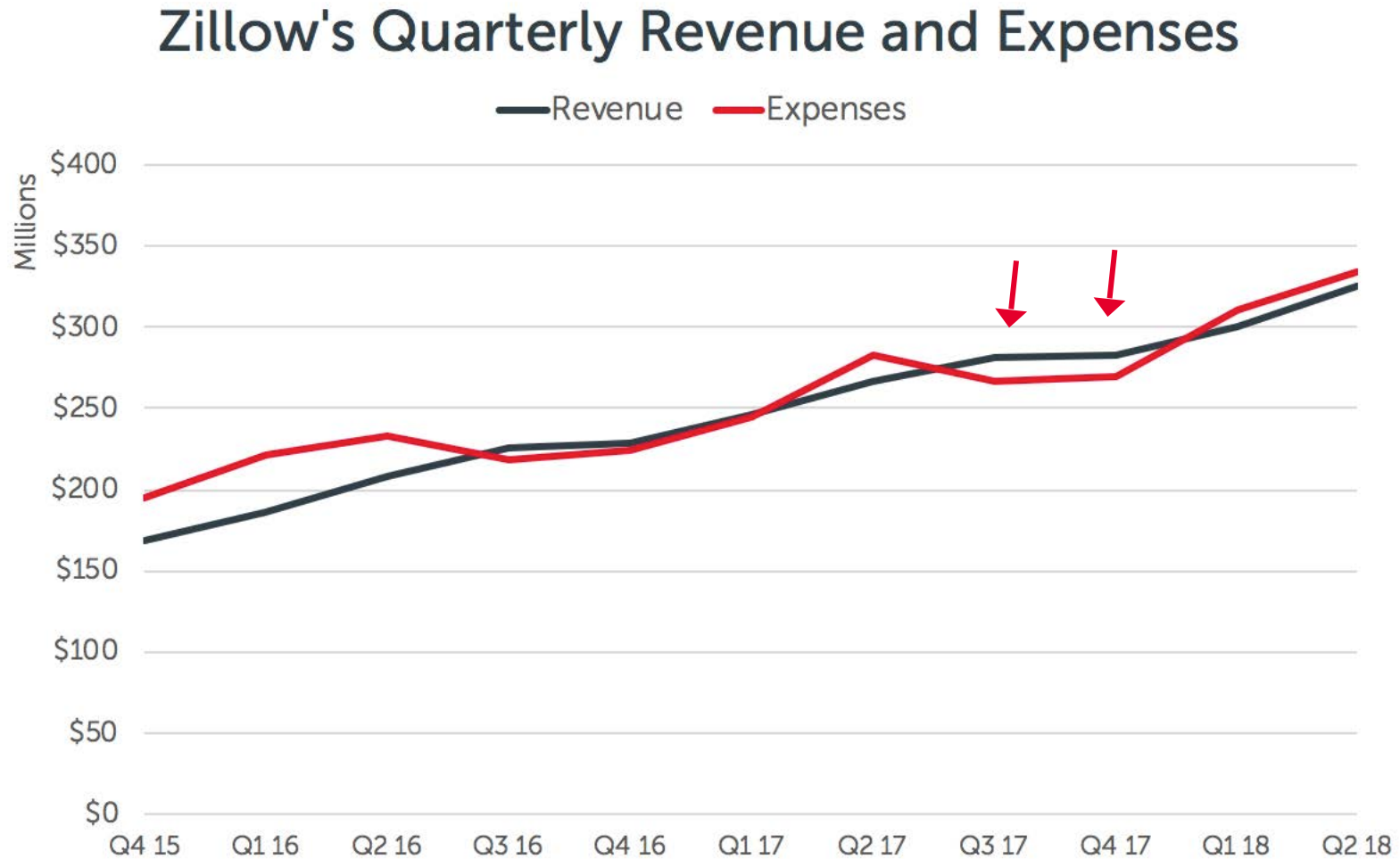
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After several years of heavy investment (and losses), expenses are in-line with revenues.

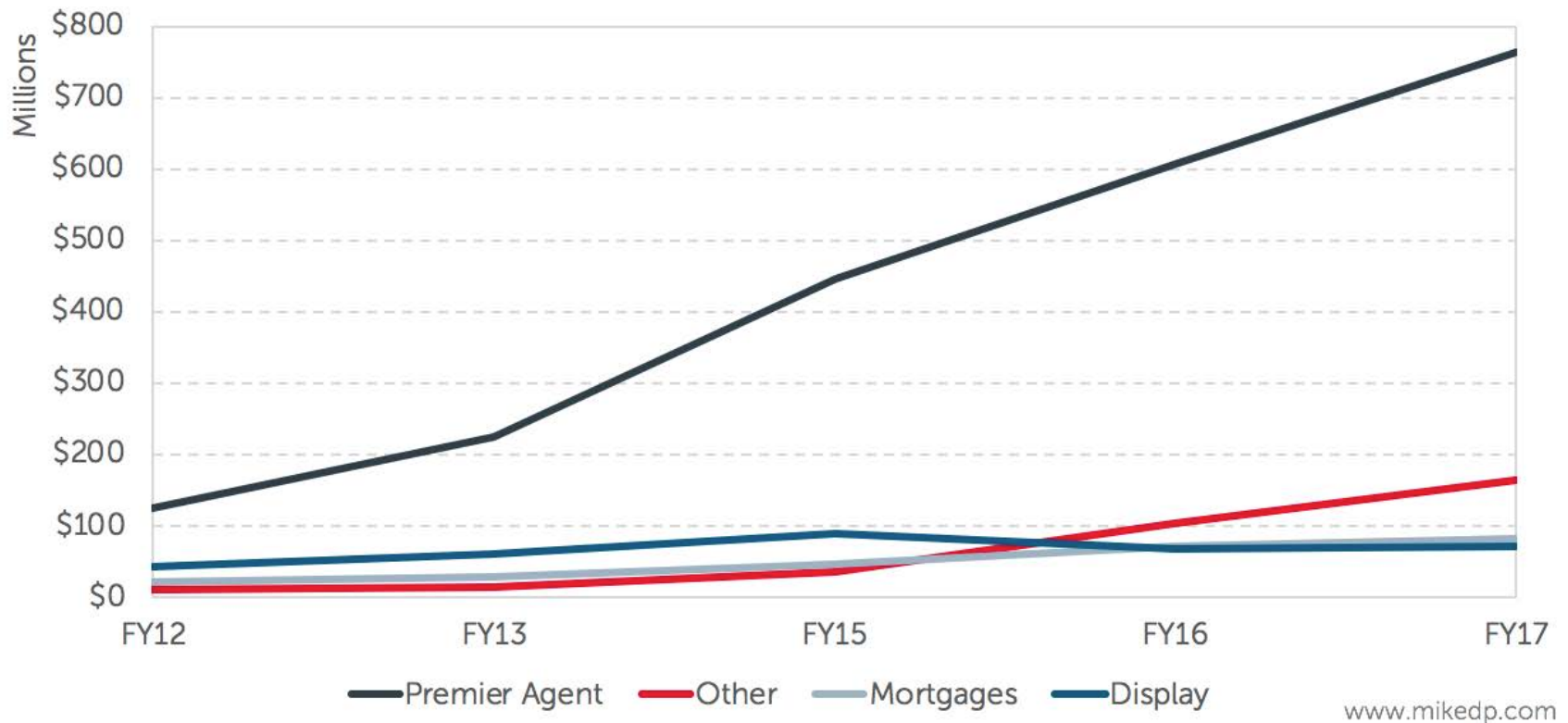


Expenses continue to track with revenues, highlighting brief periods of profitability.



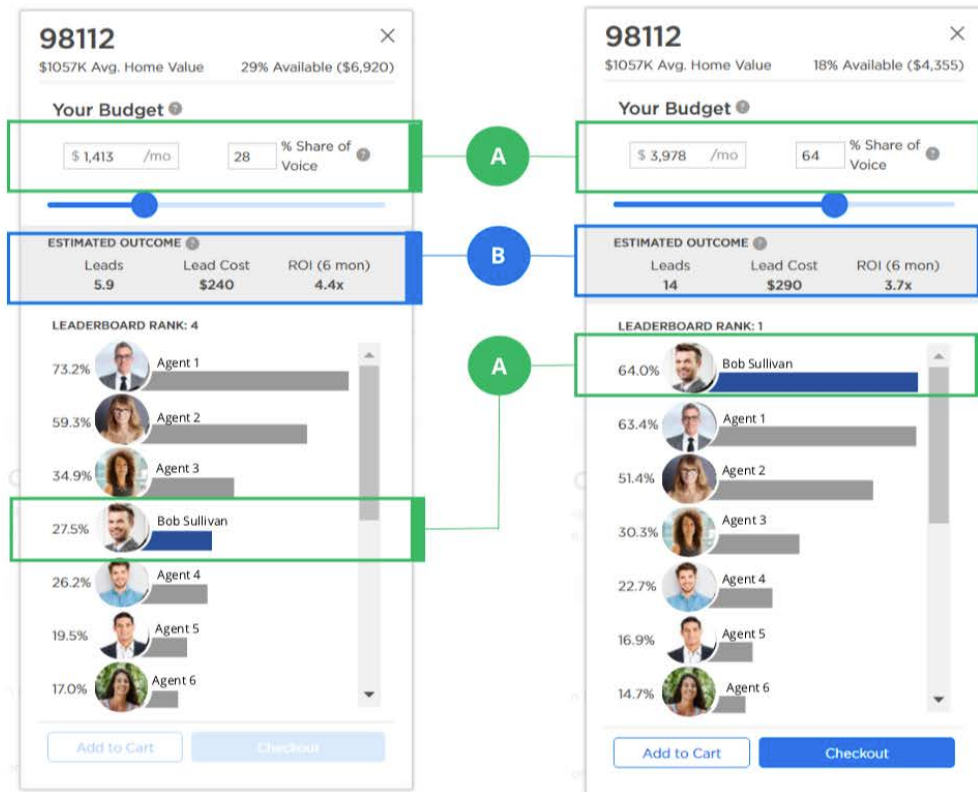
Zillow's revenue growth continues to be driven by its premier agent program, and rentals (other).

Zillow's Revenue Sources



The premier agent program pits agent against agent, delivering leads to the highest bidder.

Demand in marketplace drives pricing with auction model



Example:

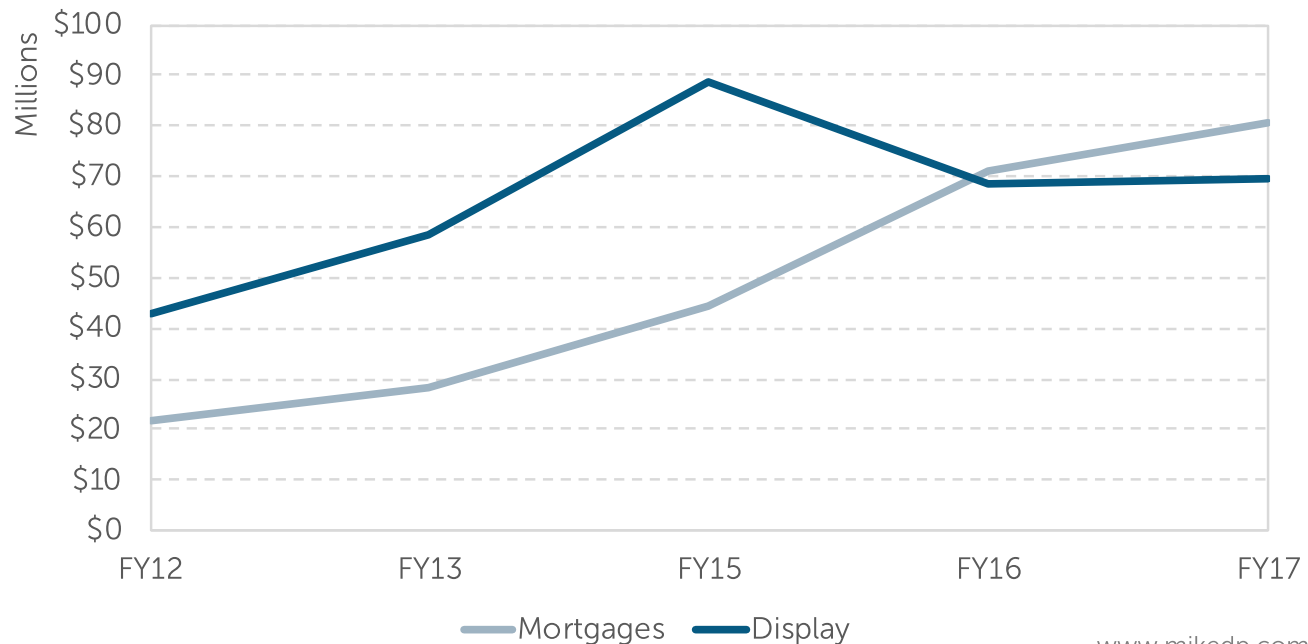
- A** Premier Agent increases monthly advertising spend with Zillow Group
- A** Premier Agent moves up in ranking by share of voice in a zip code
- A** Share of voice for other Premier Agents advertising in that zip code is decreased
- B** Estimated monthly leads delivered to Premier Agent grows
- B** Cost per lead increases for all Premier Agents advertising in zip code
- B** ROI over time decreases slightly for all Premier Agents advertising in zip code

With growth in its largest source of revenue slowing, Zillow must explore new opportunities.



Zillow's mortgage lead generation business is growing at the expense of display advertising.

Zillow's Ancillary Revenue Growth



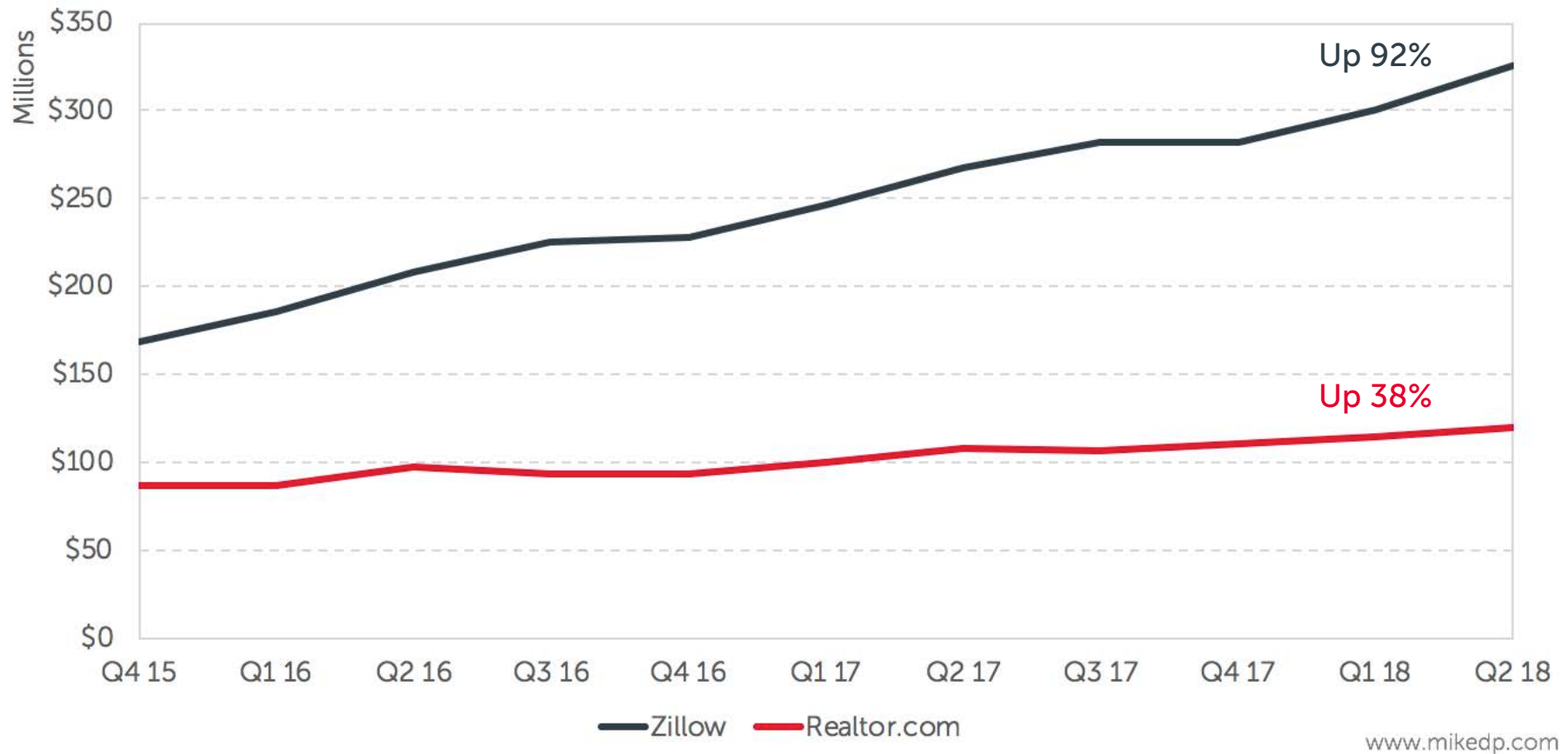
There is a strategic shift away from display ads to more integrated solutions.

These new products are more useful for consumers, deliver higher-quality leads to customers, and operate on a pay-per-lead model.

Mortgages product = deeper integration.

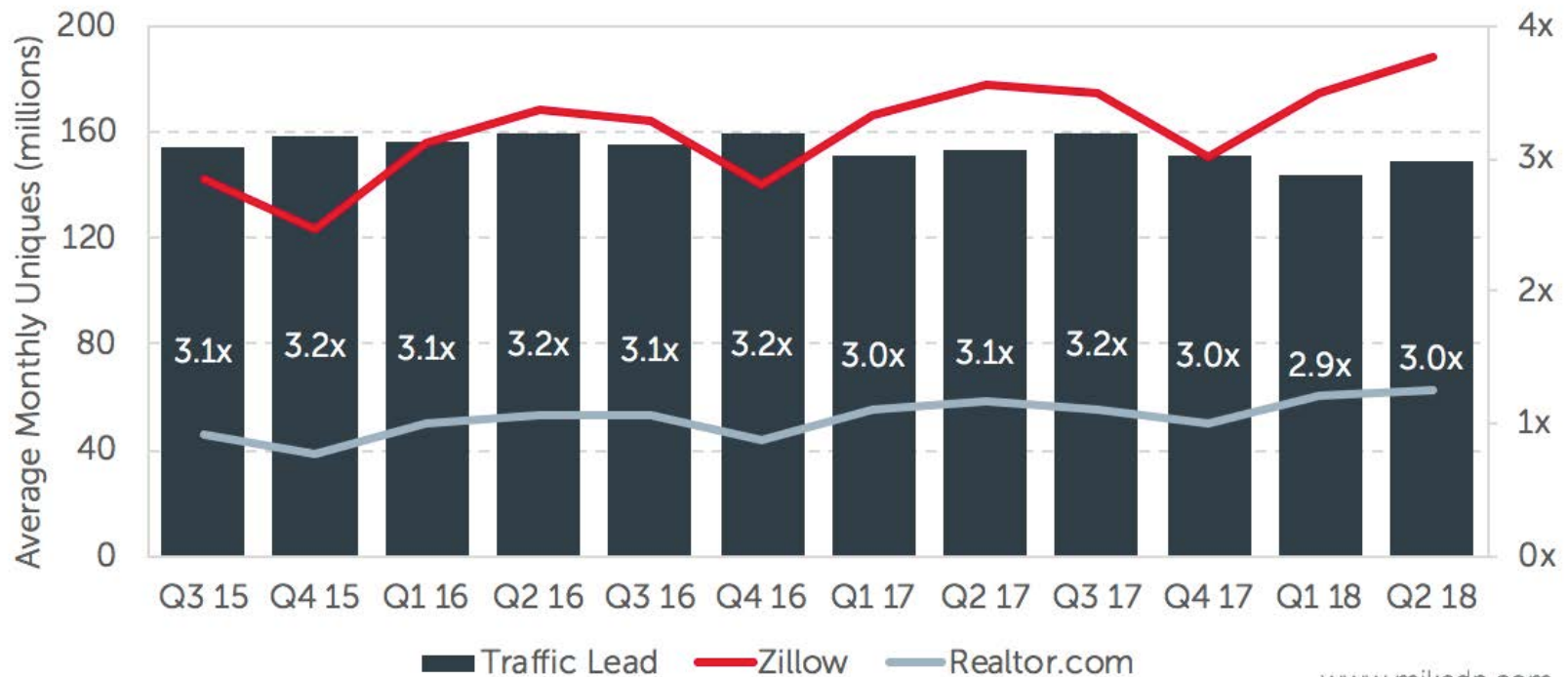
Both U.S. portals are growing revenues, but Zillow is growing faster (and from a larger base).

U.S. Portal Revenue Growth



Zillow maintains a strong traffic lead over realtor.com, and it's not changing.

Top Portal Traffic Lead in U.S.



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Competing strategies in the U.K.: Rightmove and Zoopla

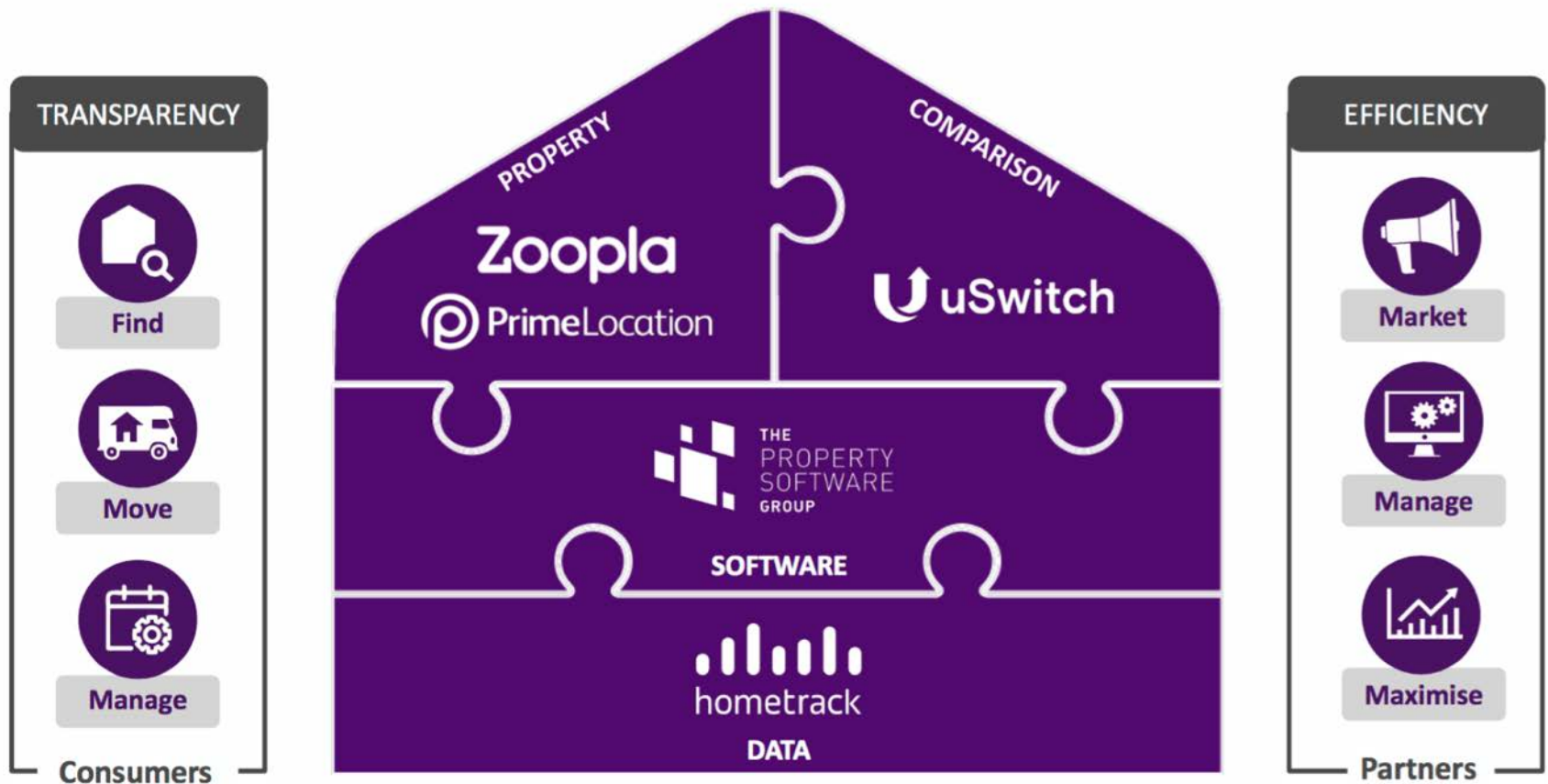
rightmove 

Zoopla

More than any other real estate portals in the world, Rightmove and Zoopla have adopted divergent strategies in the U.K.

Rightmove is narrowly focused and Zoopla is broadly diversified. But both are succeeding in different ways.

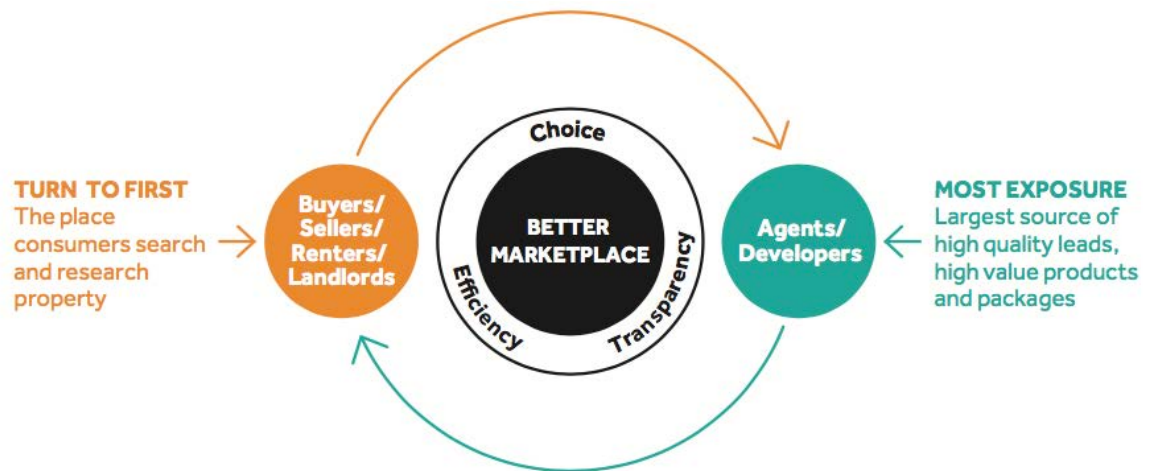
Zoopla's strategy is geared towards diversification and creating a "huge cross-sell opportunity."



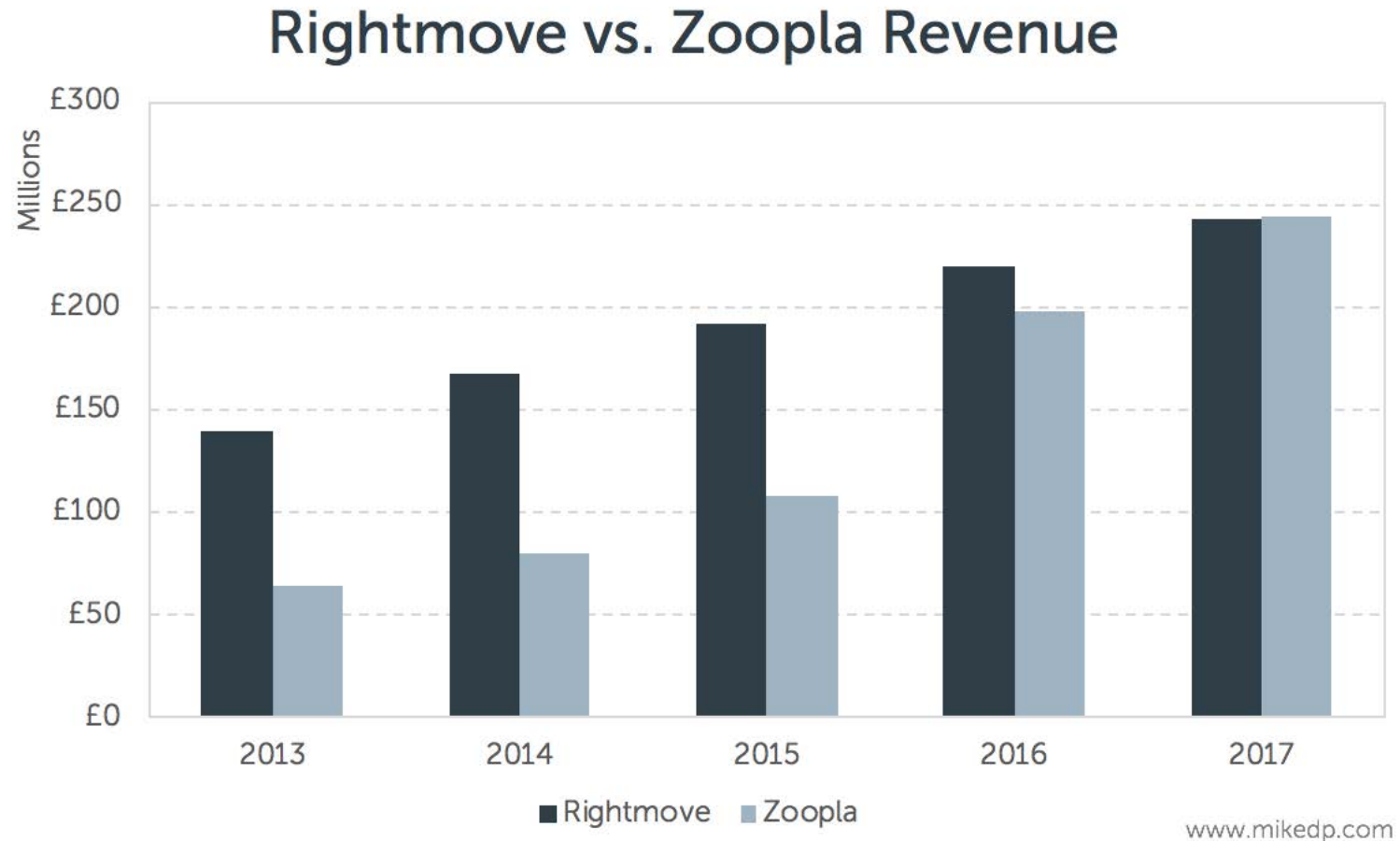
While Rightmove is solely focused on being the best marketplace to advertise property.

Rightmove is the UK's largest property portal

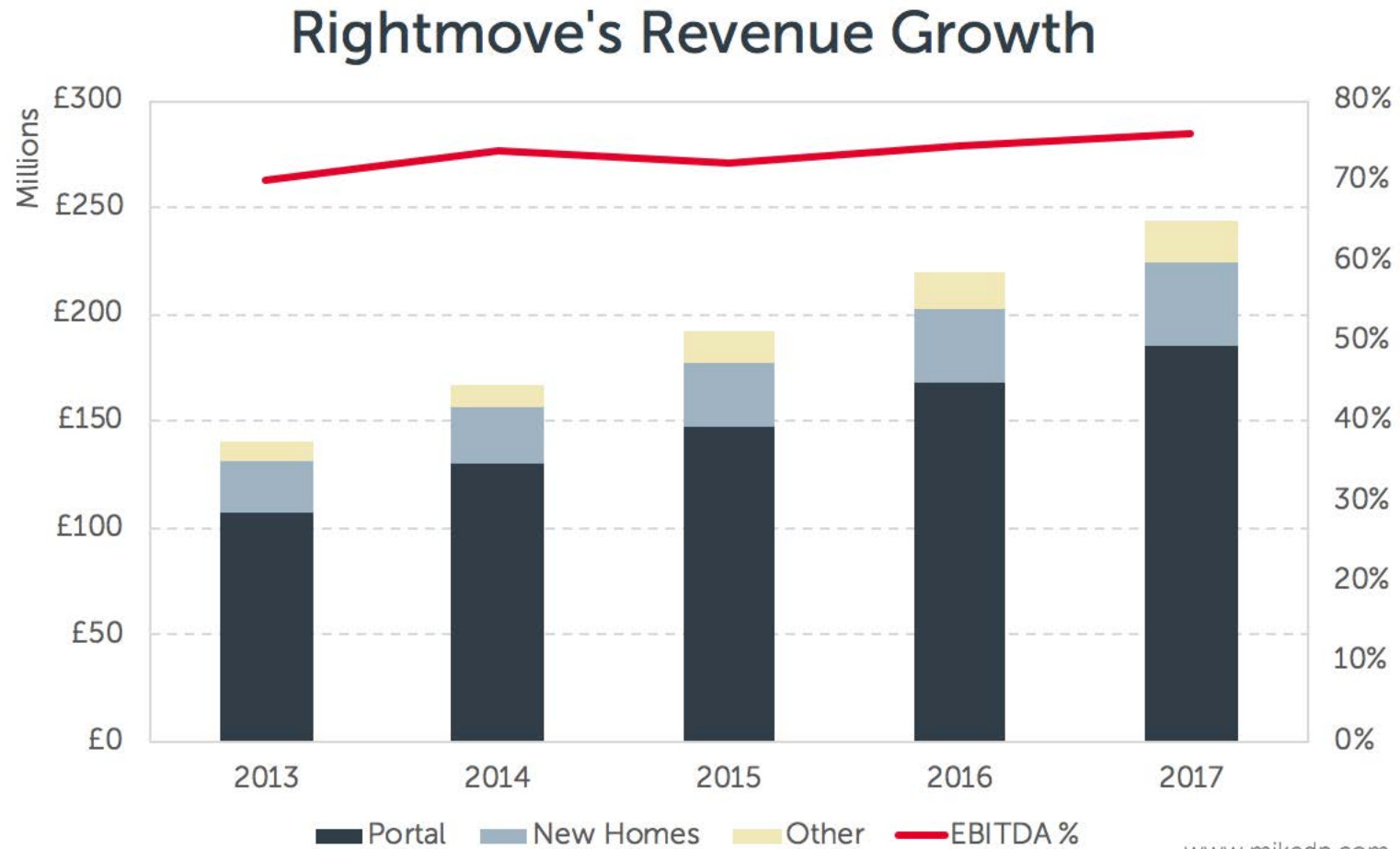
Our aim is to create a more transparent and efficient property marketplace and to make home moving easier in the UK



Rightmove has delivered consistent revenue growth, but Zoopla has made impressive gains.

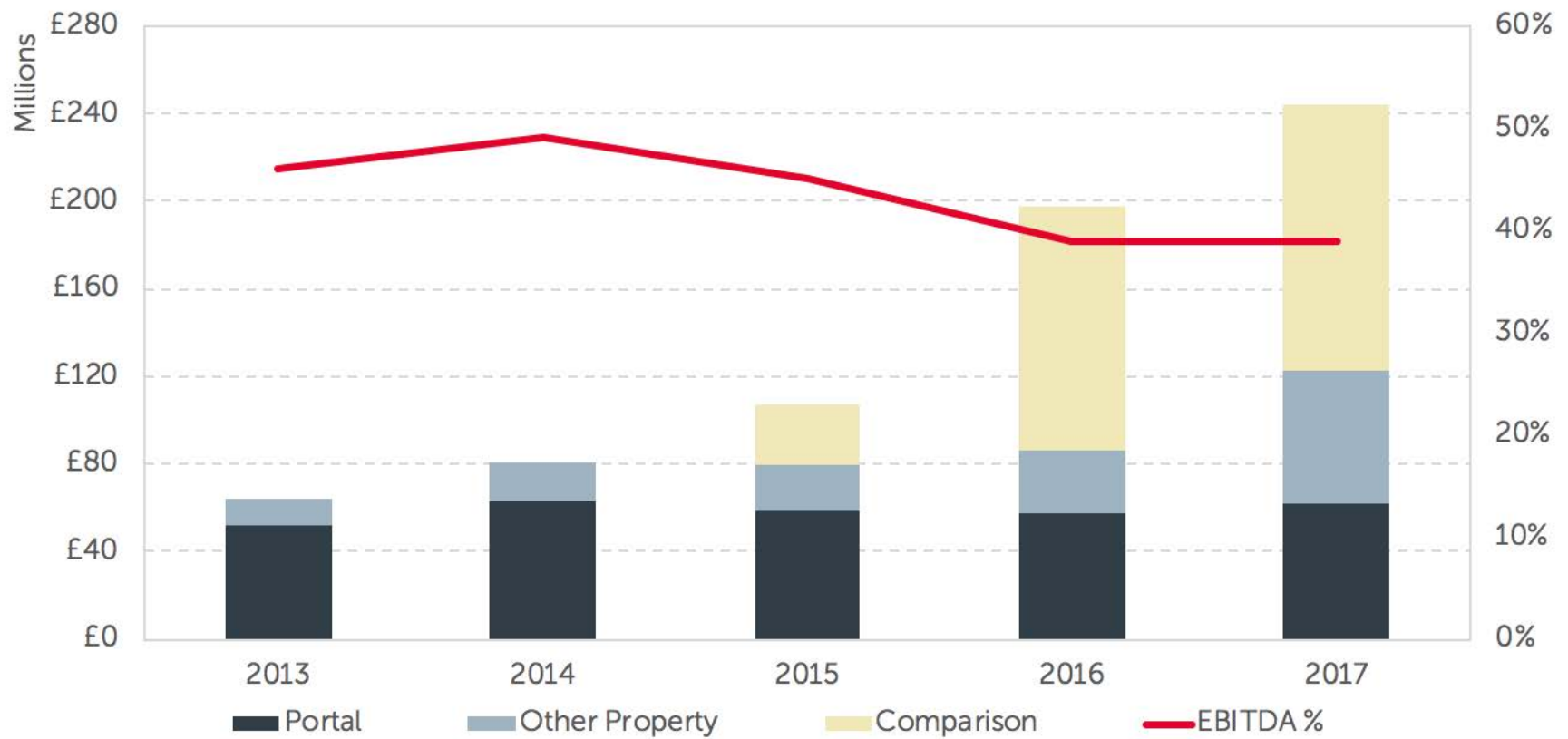


Rightmove is growing revenue through high-margin portal advertising products.



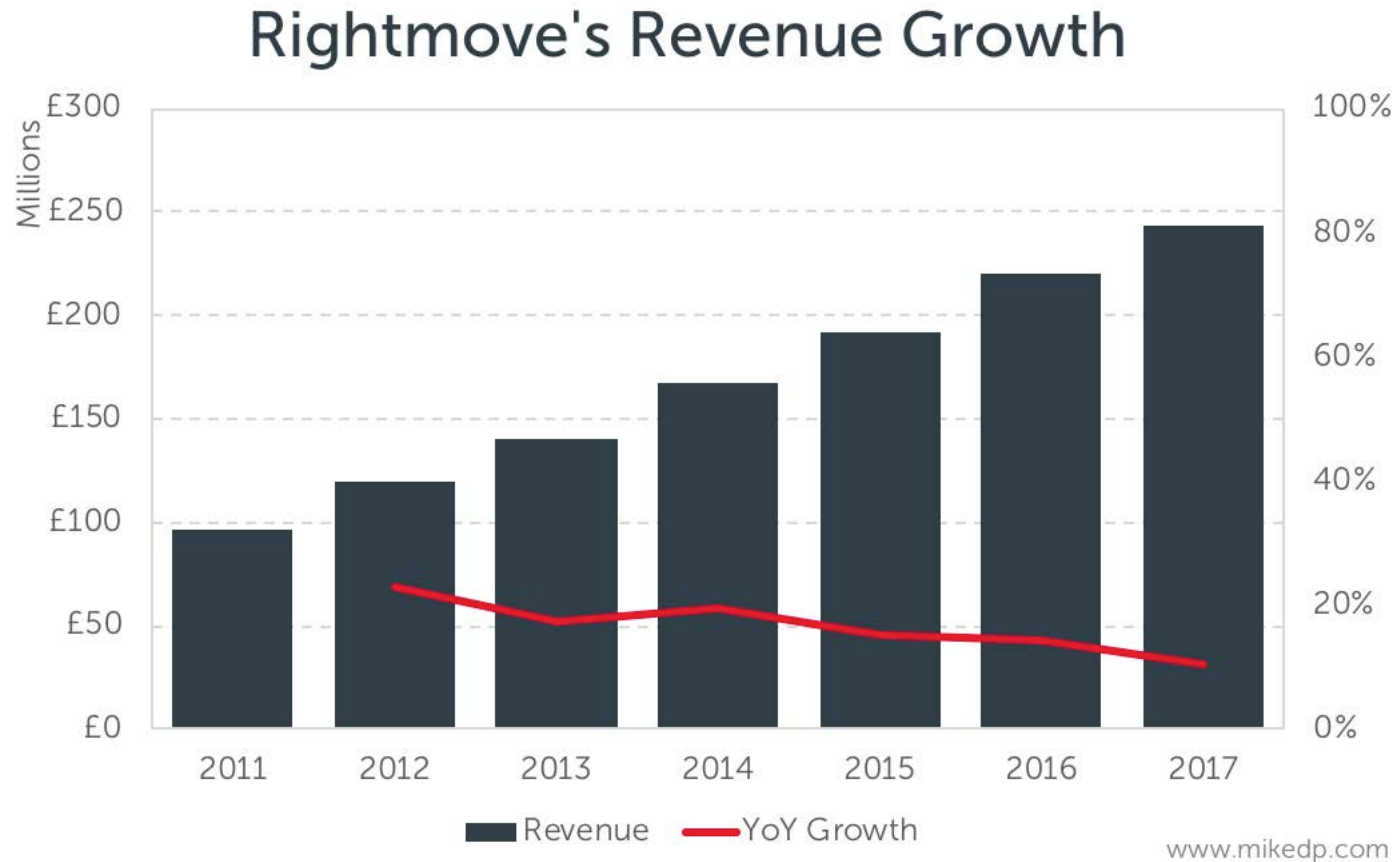
While Zoopla's growth is coming from adjacent revenue streams with lower profit margins.

Zoopla's Revenue Growth

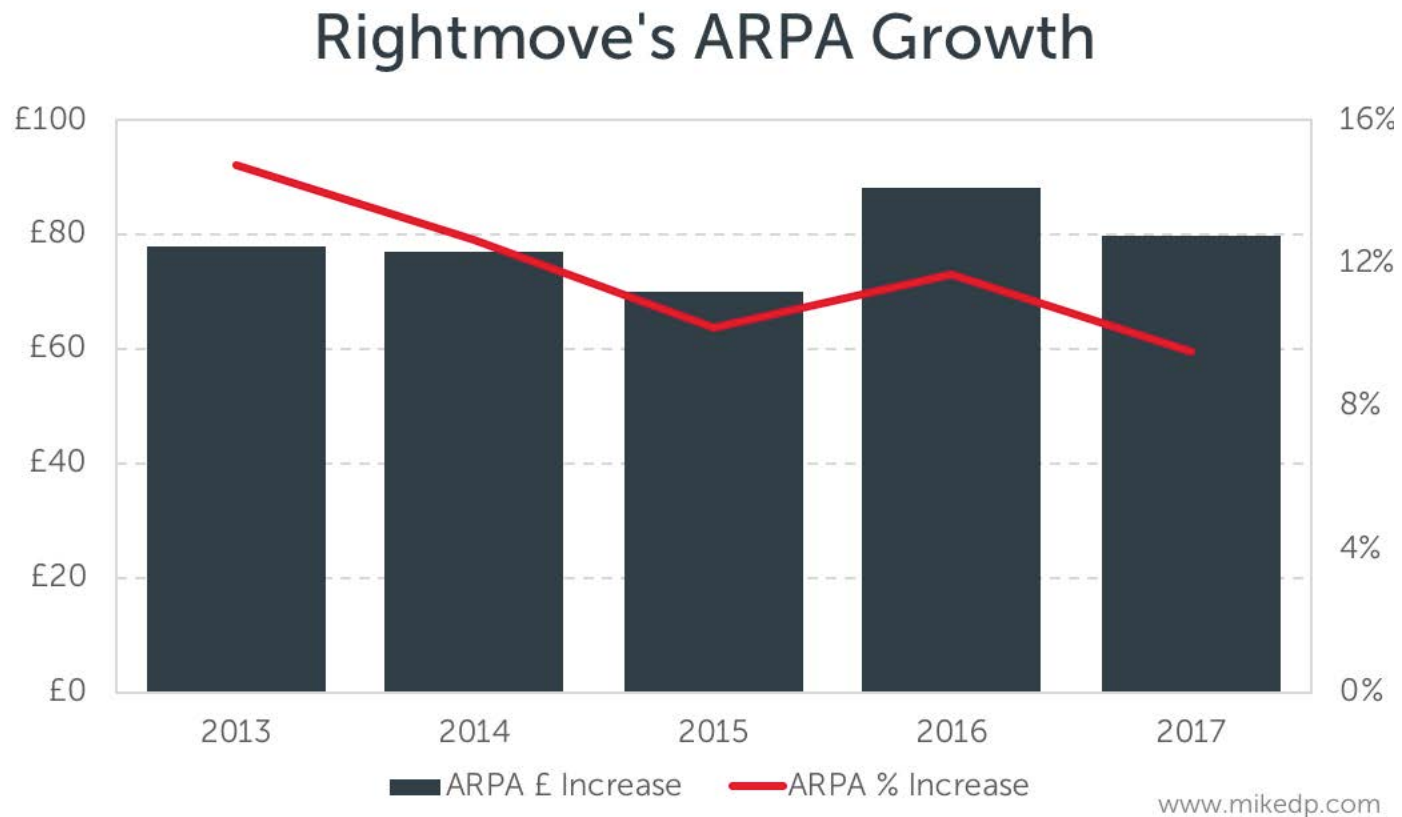


www.mikedp.com

Rightmove's overall growth is slowing; it can't grow at historical levels through price rises alone.



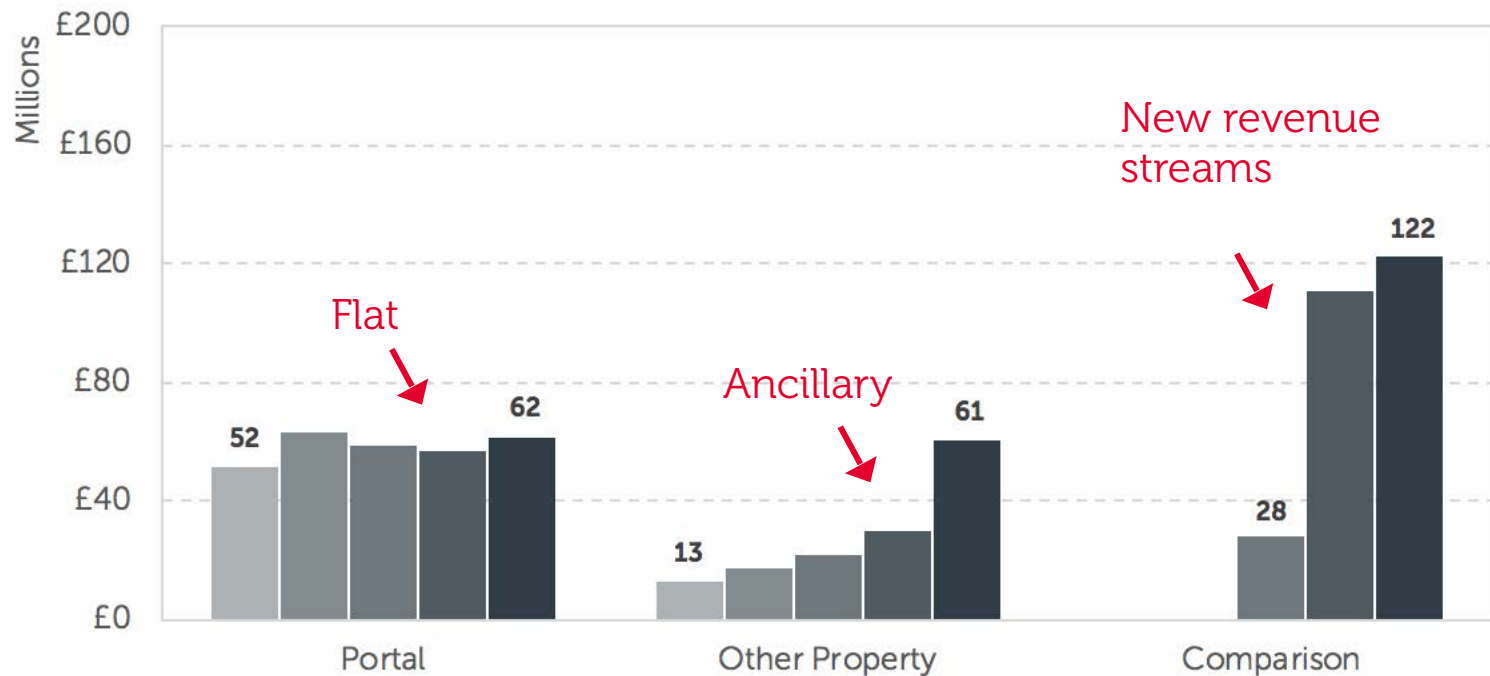
Rightmove's average revenue per advertiser (ARPA) growth is also slowing.



Zoopla's property portal revenue is effectively flat.
The core portal business is barely growing.

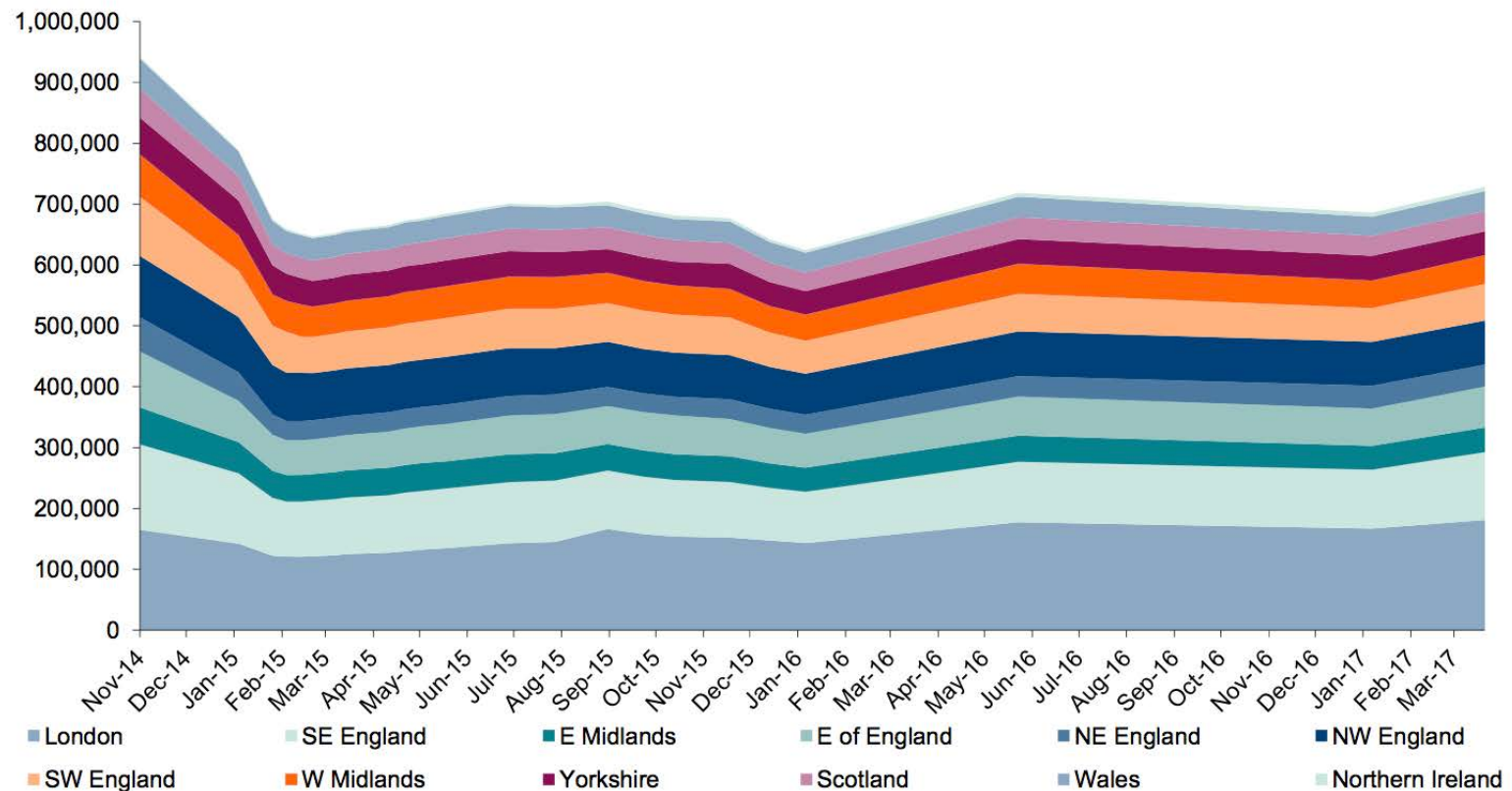
Zoopla's Revenue Growth

■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017



Partially a result of inventory levels never fully recovering since OnTheMarket's entry in 2015.

Zoopla's Inventory Levels



Source: Zoopla.co.uk inventory tracking

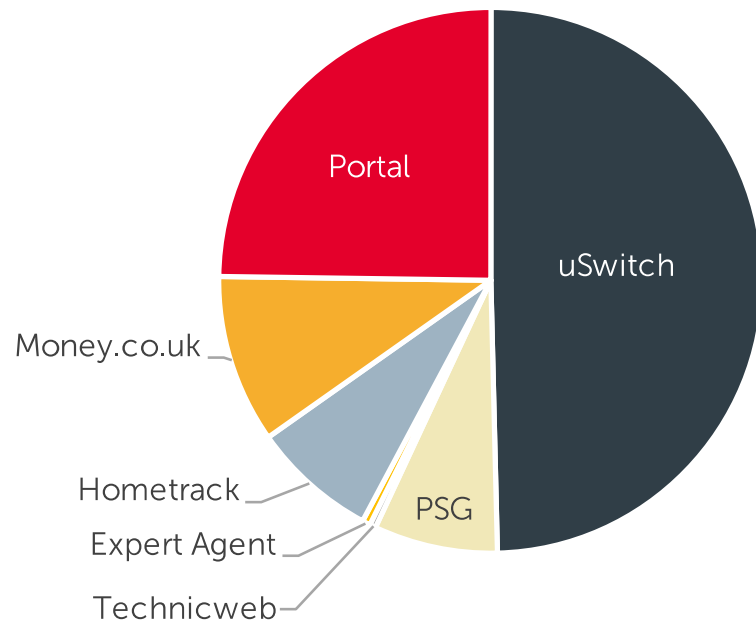
Used with permission from Exane BNP Paribas Research

Zoopla diversified by spending approximately £480 million on acquisitions since 2015.

Company	Purchase Price	Acquisition Date	Products & Services
uSwitch	£160 million	April 2015	Comparison services
Property Software Group	£75 million	April 2016	Estate agency back office systems
Technicweb	£7 million (estimated)	November 2016	Designing websites for the property sector
Hometrack	£120 million	January 2017	Data provider to lenders, investors and home buyers
Expert Agent	£7 million (estimated)	March 2017	Estate and letting agency software provider
Ravensworth	unknown	September 2017	Print marketing
Money.co.uk	£80 million	September 2017	Financial products comparison
Calcasa	£30 million	November 2017	Property market data (Netherlands)

Zoopla's eight acquisitions generated around 75% of total group revenues in 2017.

Zoopla's Revenue Breakdown



Annualized estimates based on HY17 results.

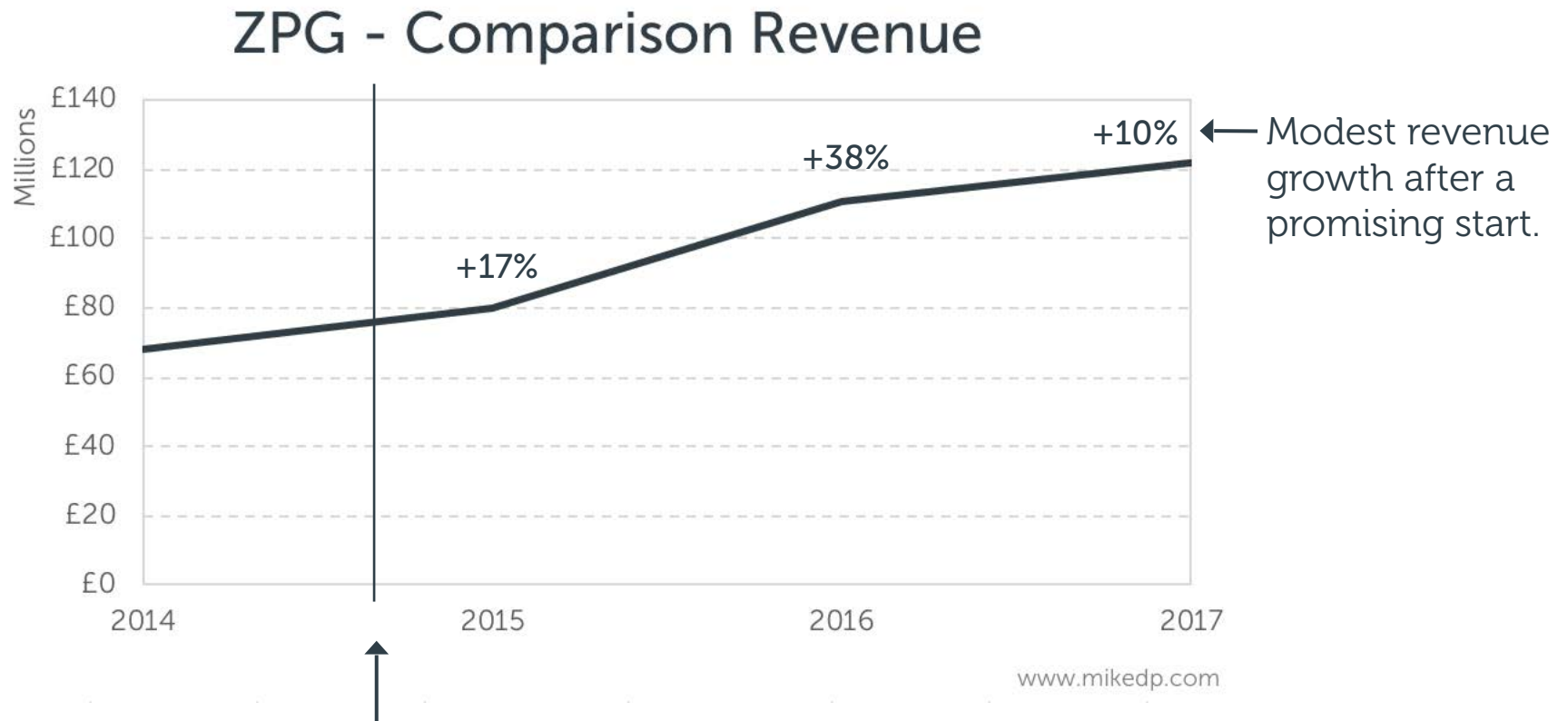
These eight acquisitions generated around £185 million in annualized revenue in 2017, compared to their aggregated purchase price of around £480 million.

Zoopla's strategy, born of necessity, is paying dividends.

Zoopla has **integrated** its acquisitions well, but the **synergy** value is unclear.

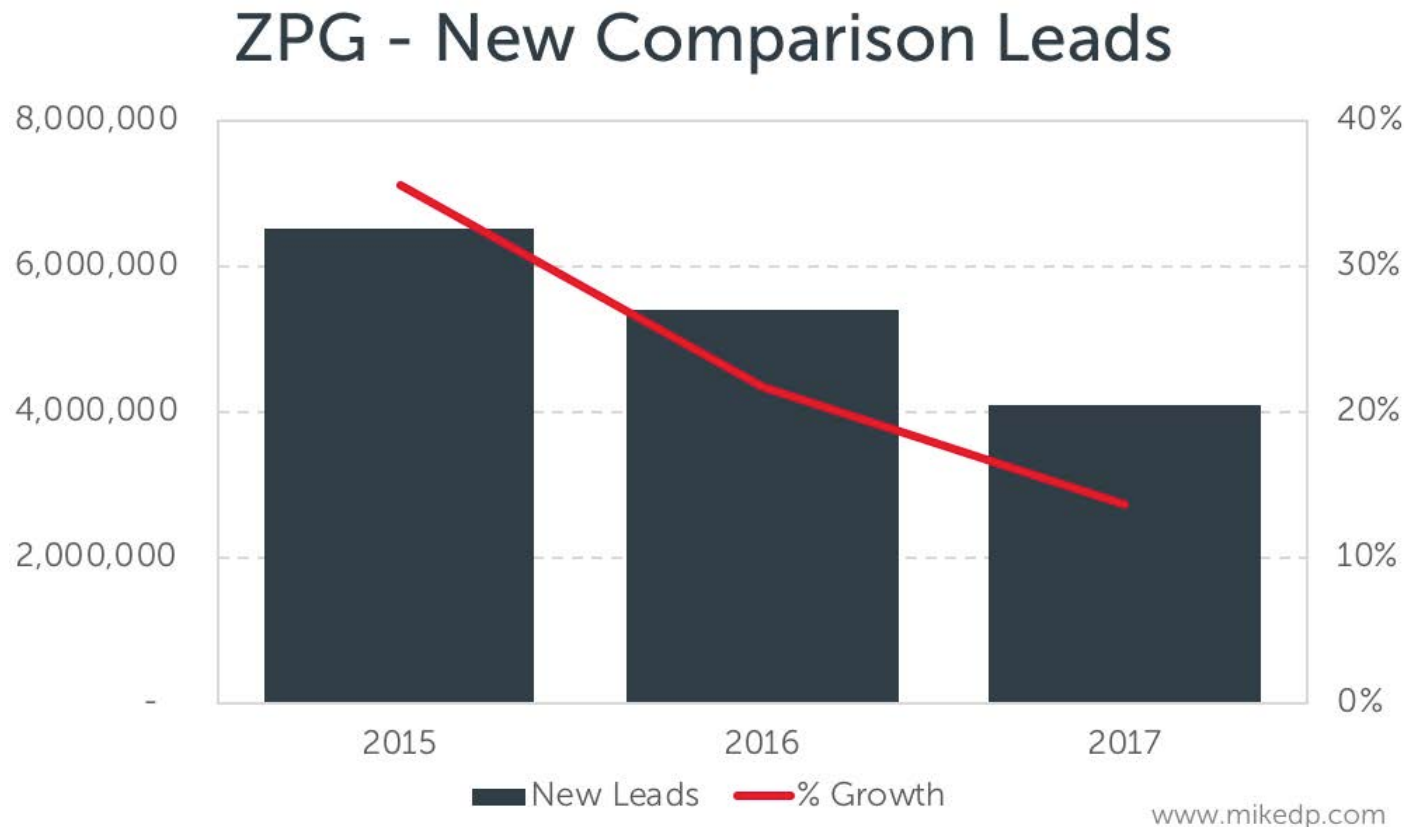
- The key question in Zoopla's diversification strategy is: How much are the businesses benefiting from cross-sell synergies?
- In other words, are the acquired businesses growing faster than they would have as stand-alone businesses?
- Two measures to look at are revenue growth and lead generation growth post-acquisition.

The comparison business saw a revenue uptick immediately after acquisition, before slowing.



Zoopla acquired its comparison business in 2015, and its 2015 results include 4 months of revenue.

New lead generation has slowed significantly, showing little sign of a direct traffic benefit.



Note: this is a like-for-like new lead comparison, and doesn't include pro-forma leads from mid-year acquisitions.

In the case of Zoopla, the verdict is still out on the synergy value.

- While I'm sure there is synergy between the businesses, it's not what I would call a runaway cross-sell success.
- There is modest growth, but it's not clear if the source is organic or inorganic.
- I would treat any cross-sell synergy as an added bonus, not a given. The core business case should stand on its own merits!

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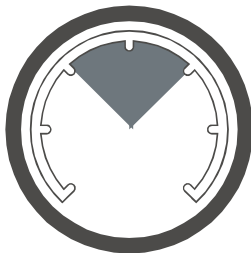
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Portal homepage analysis

A portal's homepage is a reflection of its strategy. Reviewing the designs of each gives us insight into what each portal deems important.

Using the Change-o-Meter, we'll look at how each portal has changed over the last year.

Change-o-Meter



Medium

rightmove 

Zoopla

 realestate.com.au

Domain

trademe 

 Zillow®

trulia

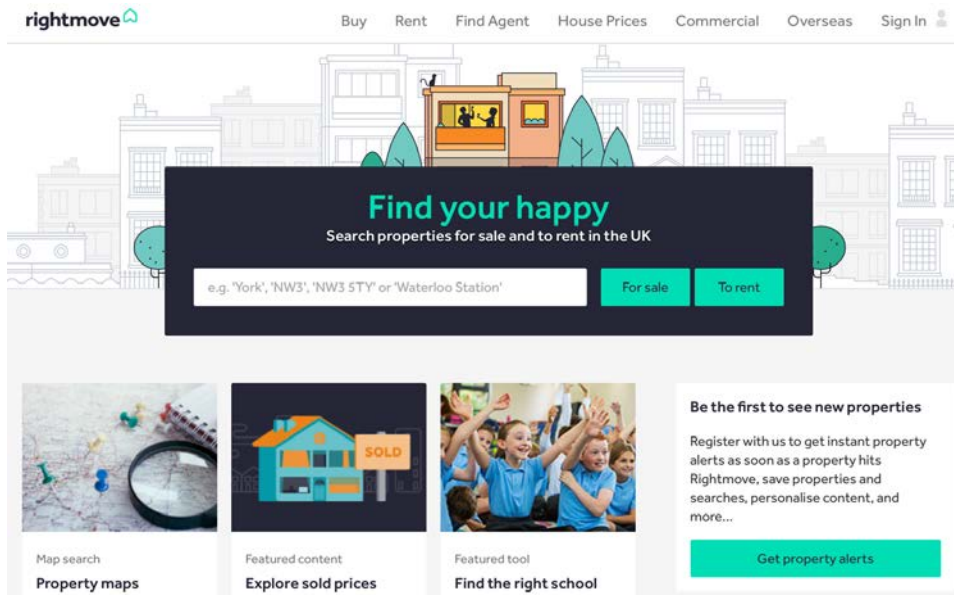
realtor.com

IMMOBILIEN
SCOUT24

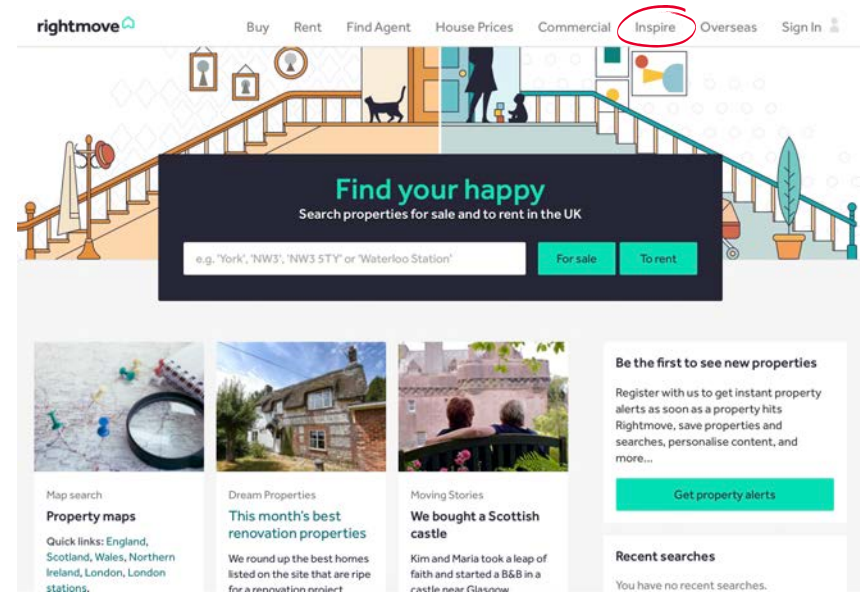
SeLoger®

Rightmove's homepage, like its strategy, is simple and focused, with not much changing.

2017

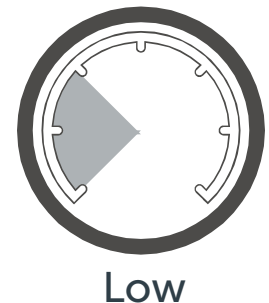


2018



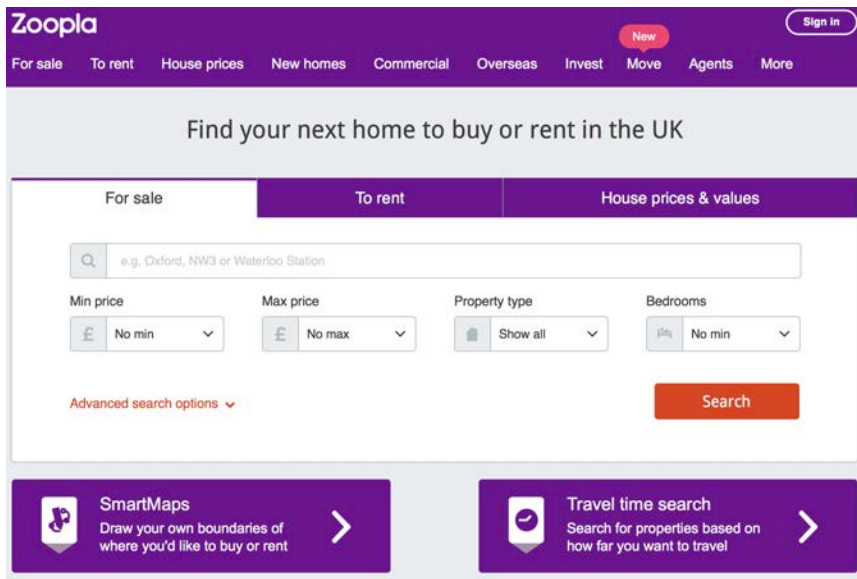
Change-o-Meter

- Surprisingly little has changed
- New "Inspire" section in the nav bar



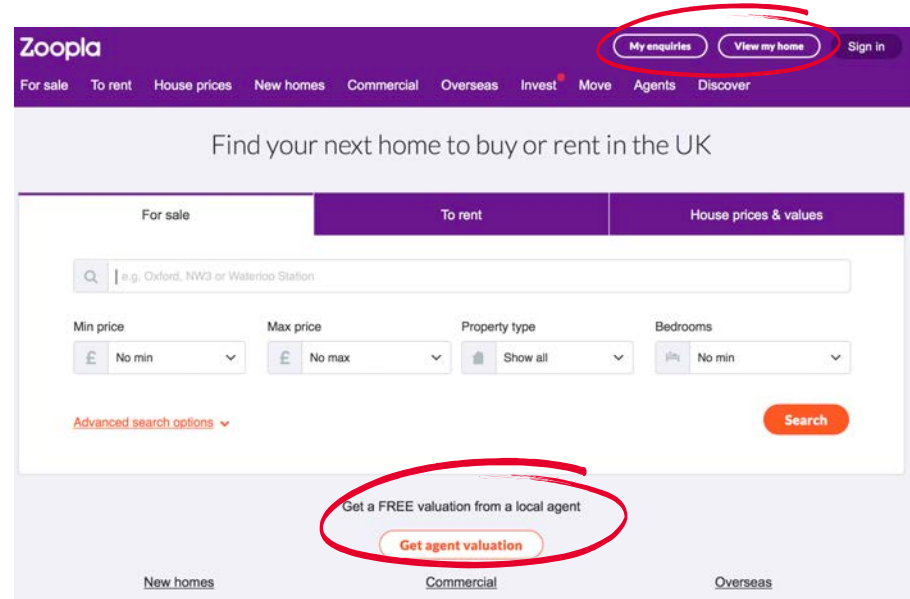
Zoopla stays focused on property search with some minor changes on its site.

2017



The 2017 Zoopla website interface features a purple header with the Zoopla logo and a 'Sign in' button. Below the header is a navigation bar with links: For sale, To rent, House prices, New homes, Commercial, Overseas, Invest, Move, Agents, and More. The main heading reads 'Find your next home to buy or rent in the UK'. The search area includes tabs for 'For sale', 'To rent', and 'House prices & values'. A search bar contains the placeholder text 'e.g. Oxford, NW3 or Waterloo Station'. Below the search bar are filters for 'Min price' (£ No min), 'Max price' (£ No max), 'Property type' (Show all), and 'Bedrooms' (No min). An 'Advanced search options' link is visible. A prominent orange 'Search' button is at the bottom right. At the bottom, there are two purple boxes: 'SmartMaps' with a map icon and 'Travel time search' with a clock icon, both with right-pointing arrows.

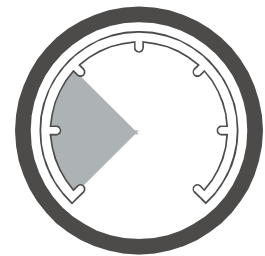
2018



The 2018 Zoopla website interface shows a similar layout to 2017 but with several changes. The header now includes 'My enquiries' and 'View my home' buttons, which are circled in red. The navigation bar has been updated to include 'Discover' instead of 'More'. The search area remains the same, but the 'Advanced search options' link is now underlined. A new section at the bottom features the text 'Get a FREE valuation from a local agent' with a circled orange 'Get agent valuation' button. Below this, there are links for 'New homes', 'Commercial', and 'Overseas'.

- Highlighting free valuation reports
- Personalized user options up top

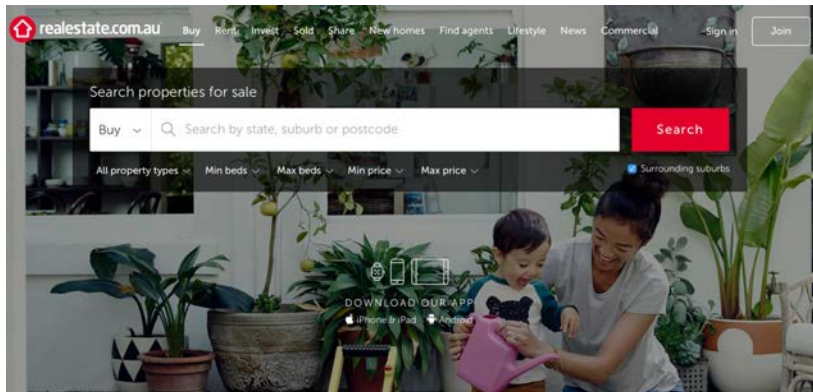
Change-o-Meter



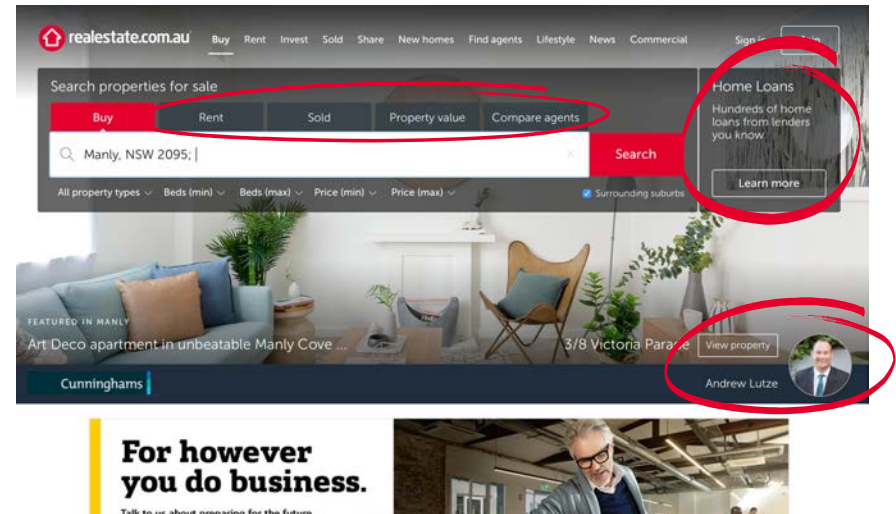
Low

Realestate.com.au rolls out a new homepage ad unit and highlights its new mortgage product.

2017

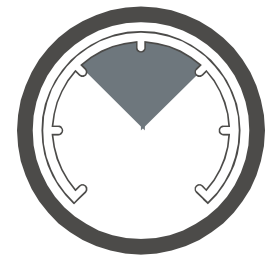


2018



- New home page featured property ad
- Home loans highlighted
- Slightly expanded search criteria

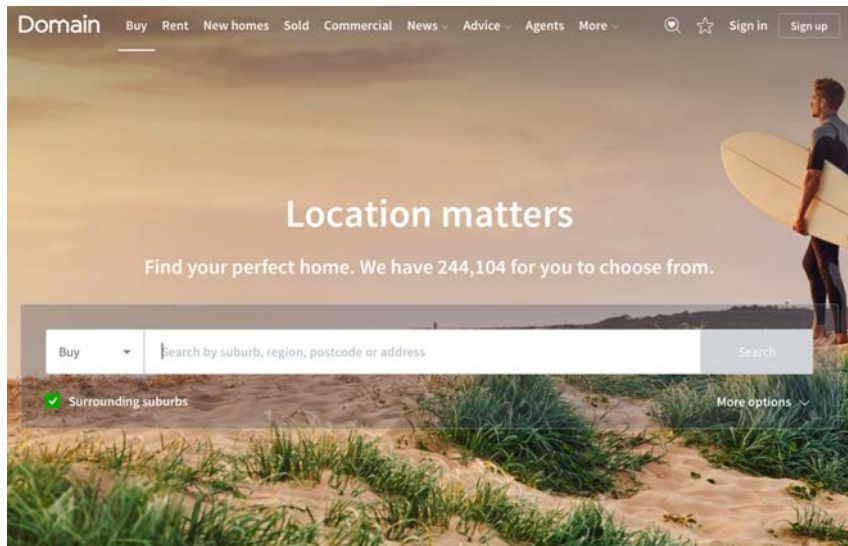
Change-o-Meter



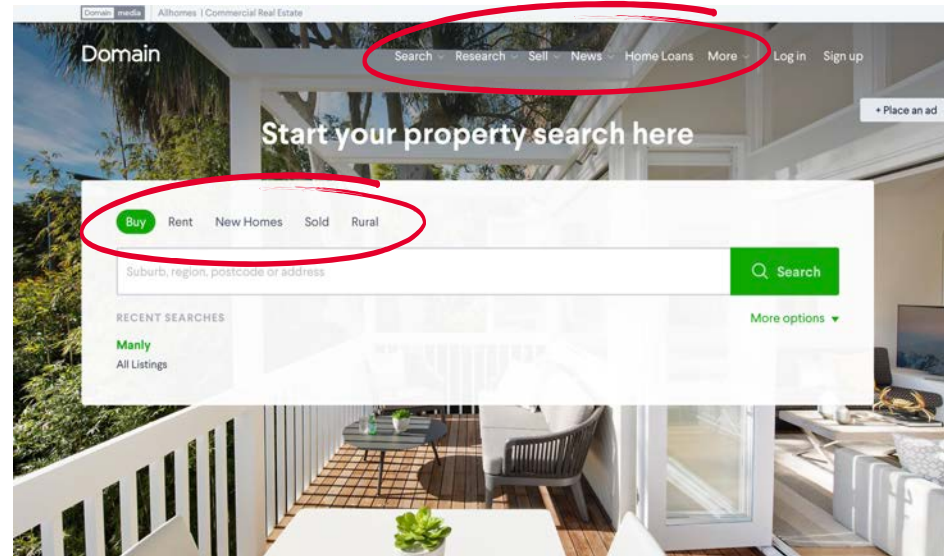
Medium

Domain ditches the super simple search box in favor of more options.

2017

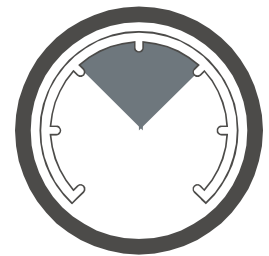


2018



- Expanded search options
- Less nav bar options

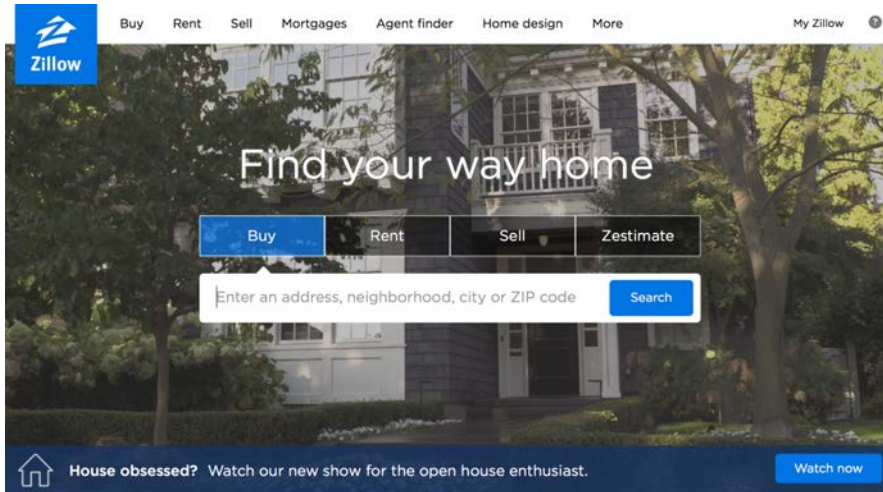
Change-o-Meter



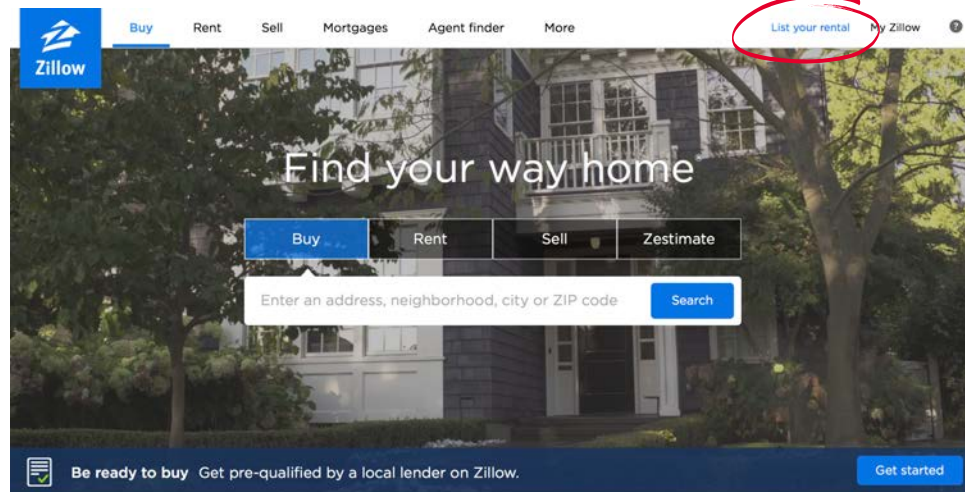
Medium

Zillow doesn't change much, despite a number of new business endeavors. Rentals highlighted.

2017

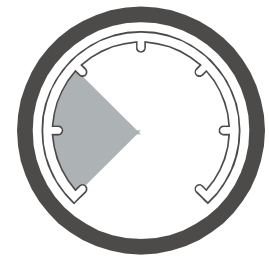


2018



- New "list rental" call to action
- Removed "home design" from nav bar

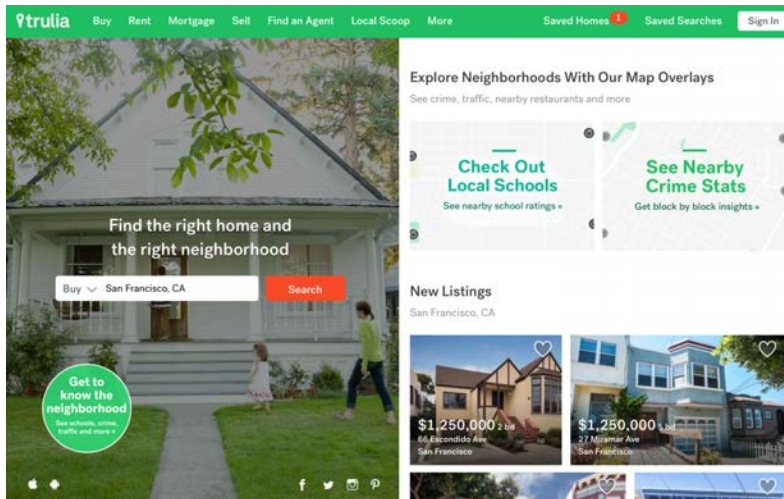
Change-o-Meter



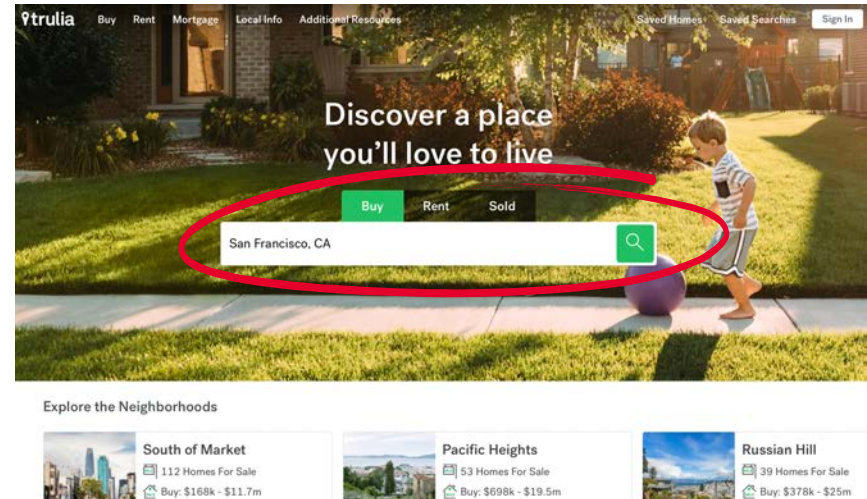
Low

Trulia gets a major design makeover, with search highlighted, but neighborhoods still important.

2017

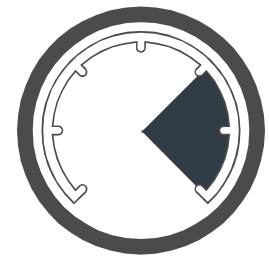


2018



- Completely new user experience, highlighting search
- Neighborhoods still prominent

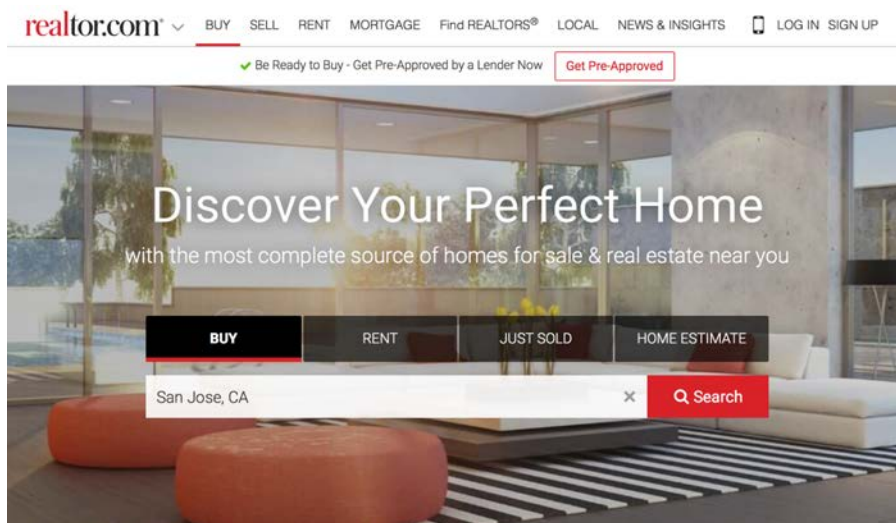
Change-o-Meter



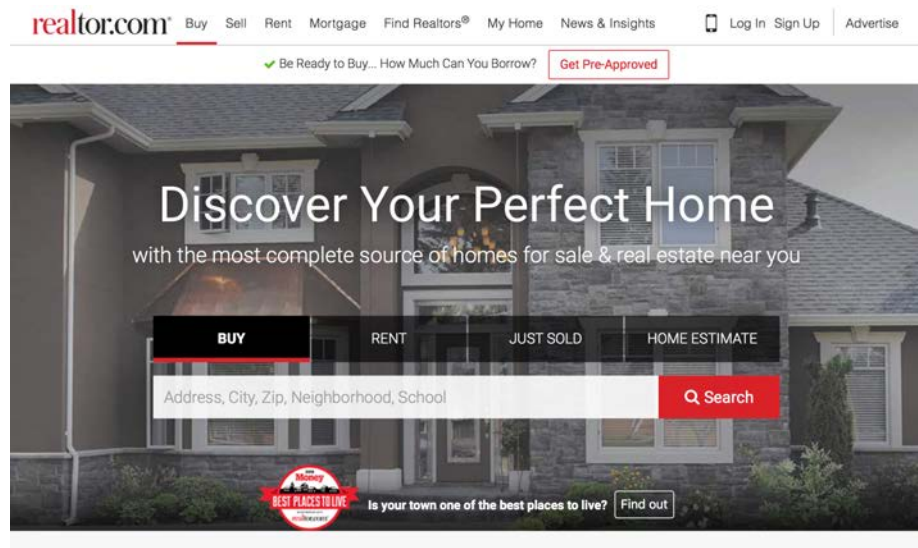
High

Realtor.com basically stays the same.

2017

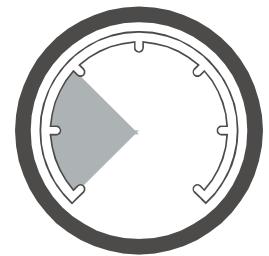


2018



- Replaced "Local" with "My Home" in nav

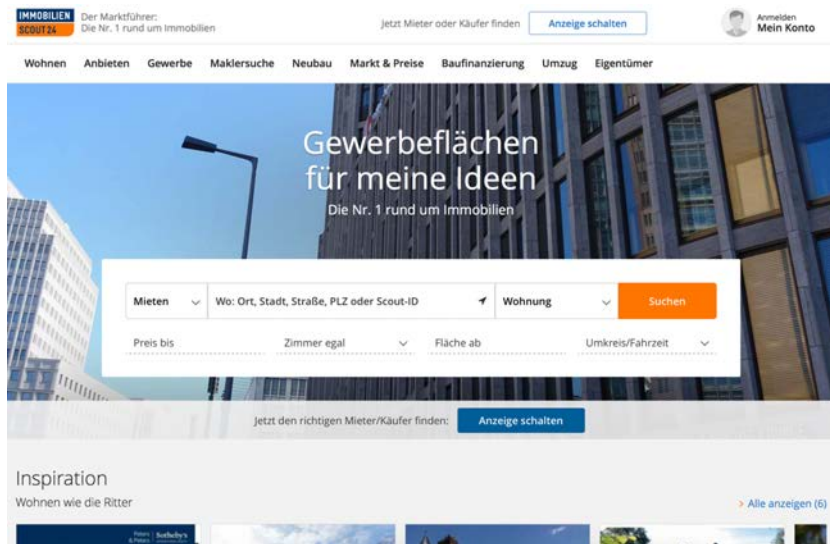
Change-o-Meter



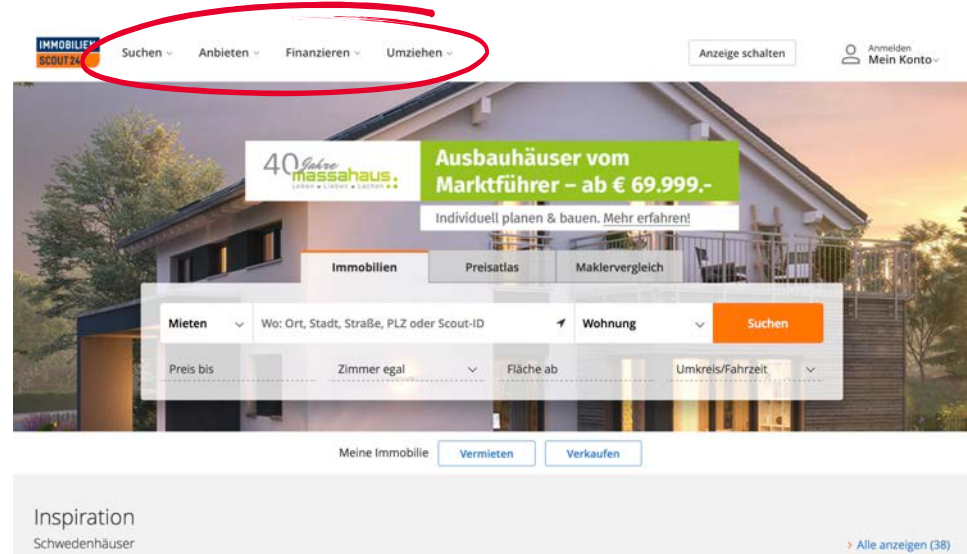
Low

ImmobilienScout24 simplifies its navigation and adds an ad unit.

2017

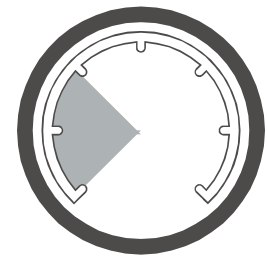


2018



- Extremely simplified navigation
- A big new homes ad front and center

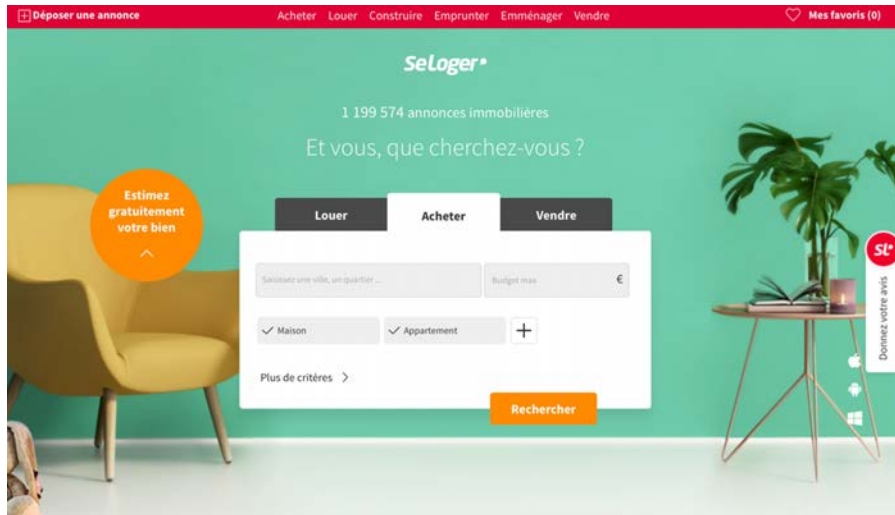
Change-o-Meter



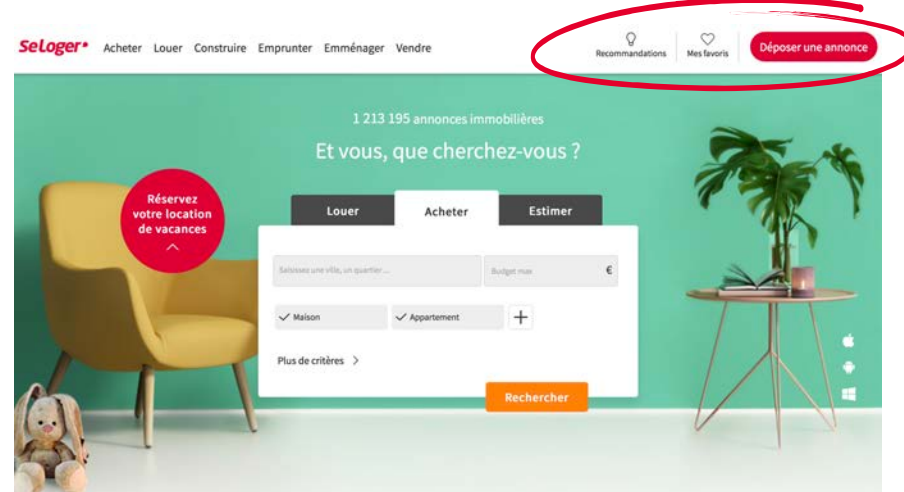
Low

SeLogger introduces a few small changes, but otherwise stays the same.

2017

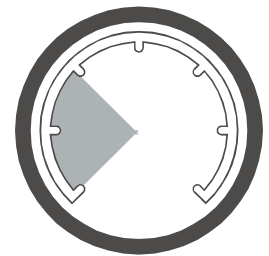


2018



- New highlights to book a vacation home and place an ad
- User customization for recommendations and favorites

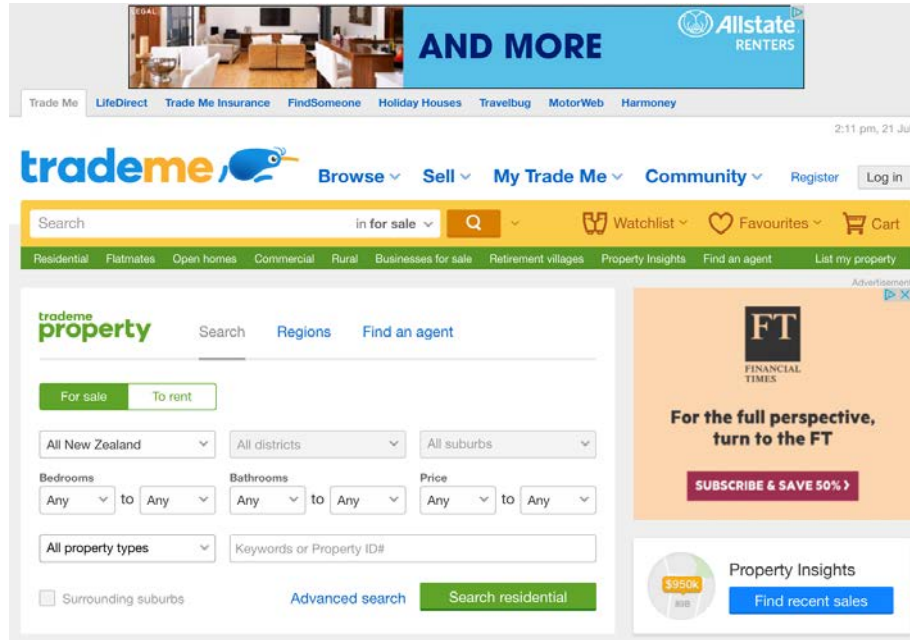
Change-o-Meter



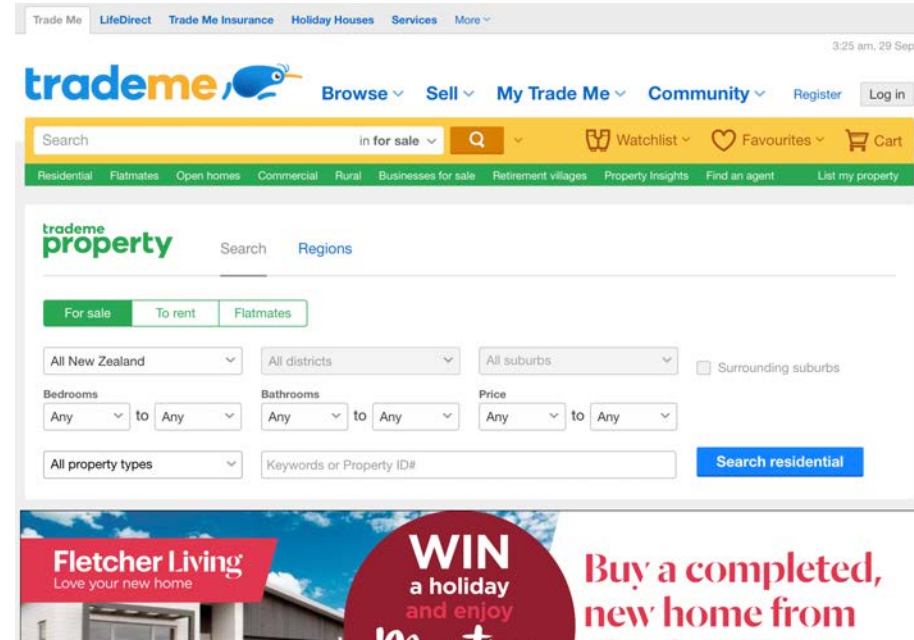
Low

Trade Me Property cleans up its look with less banner ads and a prominent search.

2017



2018



Change-o-Meter

- Less ads! Two general banner ads replaced by one large property related banner
- New layout highlights search
- Removed "find an agent"



Schibsted's leboncoin, a horizontal with a strong real estate section, changes nothing.

2017

The 2017 screenshot shows the leboncoin website with a search bar, filters for price, surface, and type, and a list of real estate listings. The layout is clean and functional, with a focus on the real estate section.

leboncoin ACCUEIL DÉPOSER UNE ANNONCE OFFRES DEMANDES MES ANNONCES BOUTIQUES Se connecter

Que recherchez-vous ? Ventes immobilières RECHERCHER

☐ Recherche dans le titre uniquement
☐ Annonces ★ Urgentes uniquement

Toute la France Ville ou code postal

Prix entre Prix min et Prix max Surface entre Surface min et Surface max

Pièces entre Pièces min et Pièces max Type ☐ Maison ☐ Appartement ☐ Terrain ☐ Parking ☐ Autre

Annonces Ventes Immobilières : Toute la France Simulez votre prêt immobilier. Réponse de principe immédiate !

Packable run protection designed to move with you. #FitnessExplorer

Toutes 1 001 663 Particuliers 180 740 Professionnels 820 923 Trier par : Date

Announces A la Une

Maison 8 pièces 170 m² (pro) Morsang-sur-Orge / Essonne

2018

The 2018 screenshot shows the leboncoin website with a search bar, filters for price, surface, and type, and a list of real estate listings. The layout is clean and functional, with a focus on the real estate section.

leboncoin DÉPOSER UNE ANNONCE OFFRES DEMANDES MES FAVORIS BOUTIQUES MESSAGES Se connecter

Que recherchez-vous ? Ventes immobilières Rechercher

☐ Recherche dans le titre uniquement
☐ Annonces ★ Urgentes uniquement

Toute la France Ville ou code postal

Prix entre Prix min et Prix max Surface entre Surface min et Surface max

Pièces entre Pièces min et Pièces max Type ☐ Maison ☐ Appartement ☐ Terrain ☐ Parking ☐ Autre

Annonces Ventes Immobilières, maisons à vendre : Toute la France Simulez votre prêt immobilier. Réponse de principe immédiate !

\$1 Any Size Coffee McDonald's

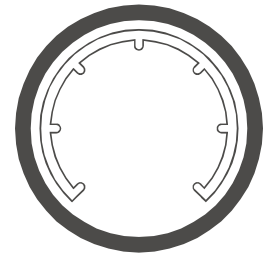
Toutes 1 023 003 Particuliers 165 018 Professionnels 857 985 Tri : Plus récentes

A LA UNE

Terrains briollay (49) (pro) Ventes immobilières Briollay 49125

- No changes

Change-o-Meter



None

Another leading horizontal, the Russian portal Avito, changes nothing.

2017

Объявления Магазины Помощь Вход и регистрация

Avito Авто Недвижимость Работа Услуги ещё... Подать объявление

Недвижимость Поиск по объявлениям По всей России Найти

Искать только: ☐ в названиях ☐ с фото Сохранить поиск

Все объявления в России / Недвижимость 2 457 277

Квартиры 1 234 972	Коммерческая недвижимость 161 123	Недвижимость за рубежом 1 784
Дома, дачи, коттеджи 492 677	Гаражи и машиноместа 139 045	
Земельные участки 312 106	Комнаты 115 570	

Крупнейшие регионы [все](#)

Москва 137 407	Владимирская обл. 39 767	Краснодарский край 225 615	Самарская обл. 67 062
Московская обл. 197 171	Волгоградская обл. 42 489	Красноярский край 36 487	Свердловская обл. 52 821
Санкт-Петербург 93 160	Воронежская обл. 43 329	Крым 49 161	Ставропольский край 55 129
Ленинградская обл. 34 217	Иркутская обл. 42 166	Нижегородская обл. 52 949	Татарстан 80 000
Алтайский край 37 765	Калининградская обл. 33 155	Пермский край 48 606	Тюменская обл. 33 867
Башкортостан 61 481	Кемеровская обл. 41 120	Ростовская обл. 71 678	Челябинская обл. 59 303

Разместите объявление на Avito с хештегом #людилюдам.

Avito

2018

Объявления Магазины Бизнес Помощь Вход и регистрация Подать объявление

Avito Авто Недвижимость Работа Услуги ещё... Подать объявление

Недвижимость Поиск по объявлениям По всей России Найти

☐ только в названиях ☐ только с фото

Все объявления в России / Недвижимость 2 461 639

Квартиры 1 157 810	Земельные участки 340 287	Гаражи и машиноместа 146 554
Дома, дачи, коттеджи 533 942	Коммерческая недвижимость 174 418	Комнаты 106 917
Посуточная аренда квартир 78 109	Посуточная аренда домов 12 817	Недвижимость за рубежом 1 711

Крупнейшие регионы [все](#)

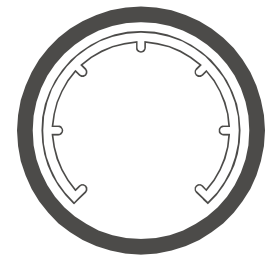
Москва 93 744	Владимирская обл. 38 261	Краснодарский край 225 995	Самарская обл. 69 191
Московская обл. 183 565	Волгоградская обл. 44 167	Красноярский край 39 042	Свердловская обл. 57 291
Санкт-Петербург 86 193	Воронежская обл. 45 464	Крым 54 434	Ставропольский край 54 542
Ленинградская обл. 37 533	Иркутская обл. 40 807	Нижегородская обл. 54 065	Татарстан 84 725
Алтайский край 39 364	Калининградская обл. 34 310	Пермский край 49 575	Тюменская обл. 33 232
Башкортостан 62 288	Кемеровская обл. 40 031	Ростовская обл. 72 839	Челябинская обл. 65 903

Квартиры на продажу

Не упустите тёплые деньки!

- No changes

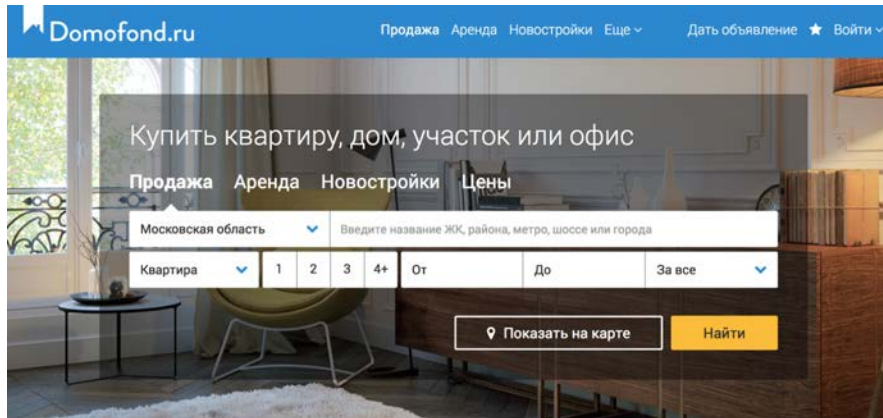
Change-o-Meter



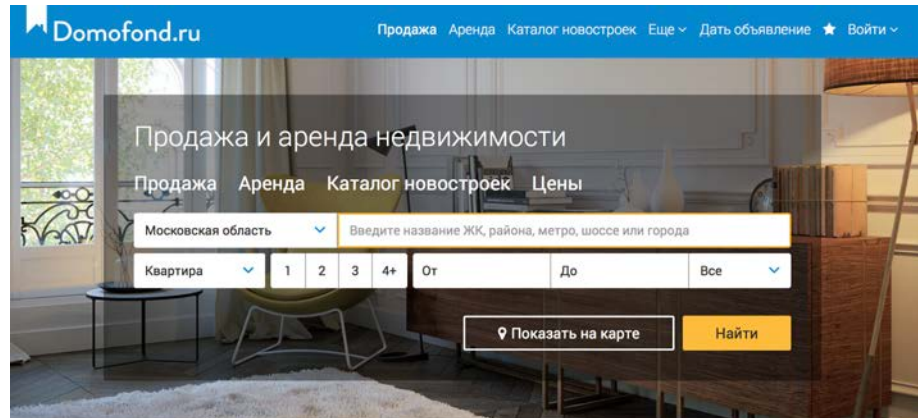
None

Avito's real estate vertical, Domofond, introduces a few small navigation changes.

2017

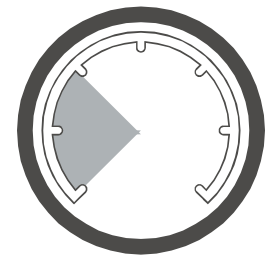


2018



- Small navigation changes

Change-o-Meter



Low

A review of the changes on the major portal homepages reveals several common trends.

- **Overall:** Portals are optimizing the user experience, not revolutionizing it.
- **Less is more:** Optimization is about removing and simplifying the experience.
- **Customer value:** Some portals are integrating new business initiatives – but only if it benefits consumers.
- The horizontals aren't changing at all (so it's no surprise the verticals provide a better experience).

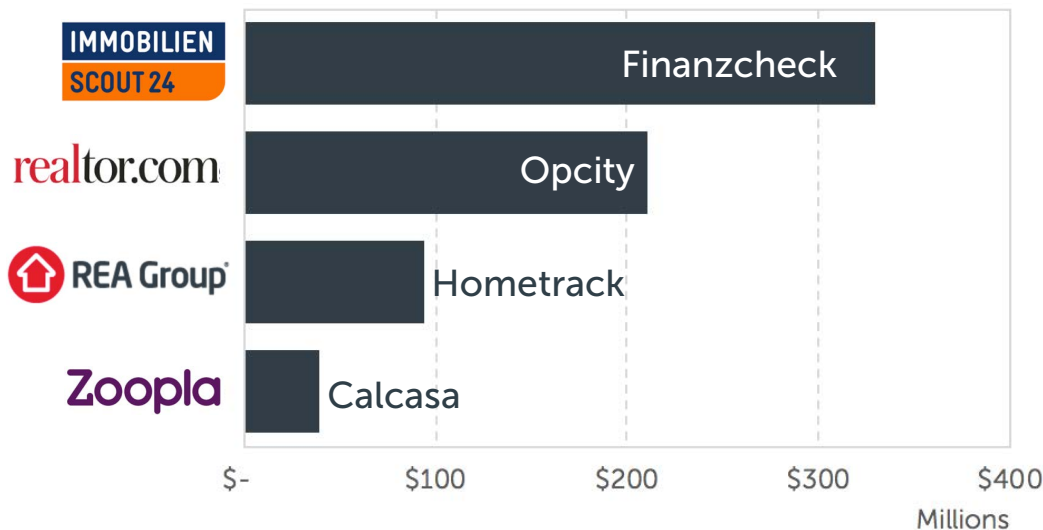
2018 Global Real Estate Portal Report

- 03 A global snapshot
- 14 Growth and competition
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- 82 Competing strategies in the U.K.: Rightmove and Zoopla
- 99 Portal homepage analysis
- 115 **Seven years of M&A activity**

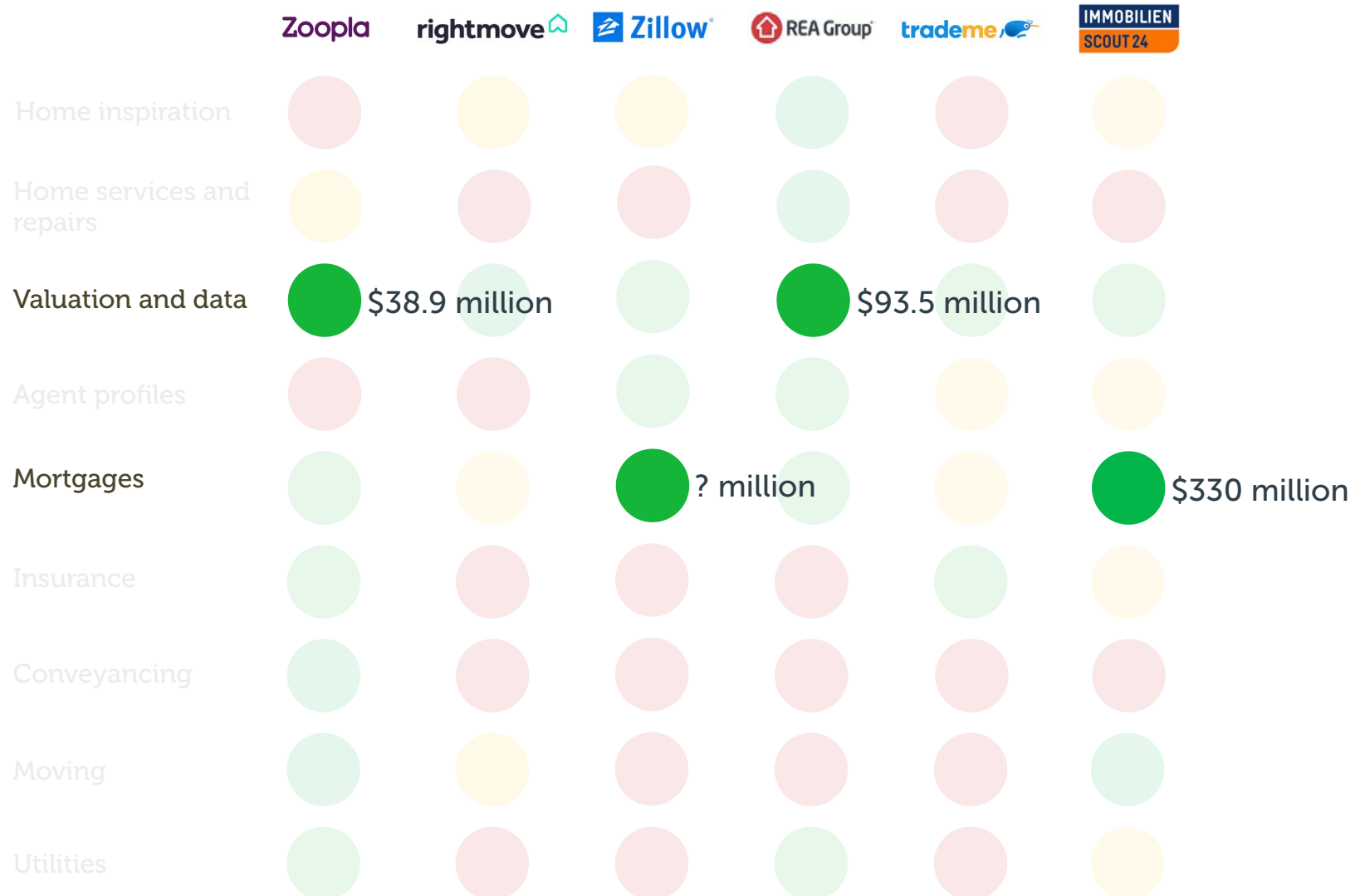
Seven years of M&A activity

This M&A analysis covers investments and acquisitions made by seven of the top global portals between 2012 and 2018.

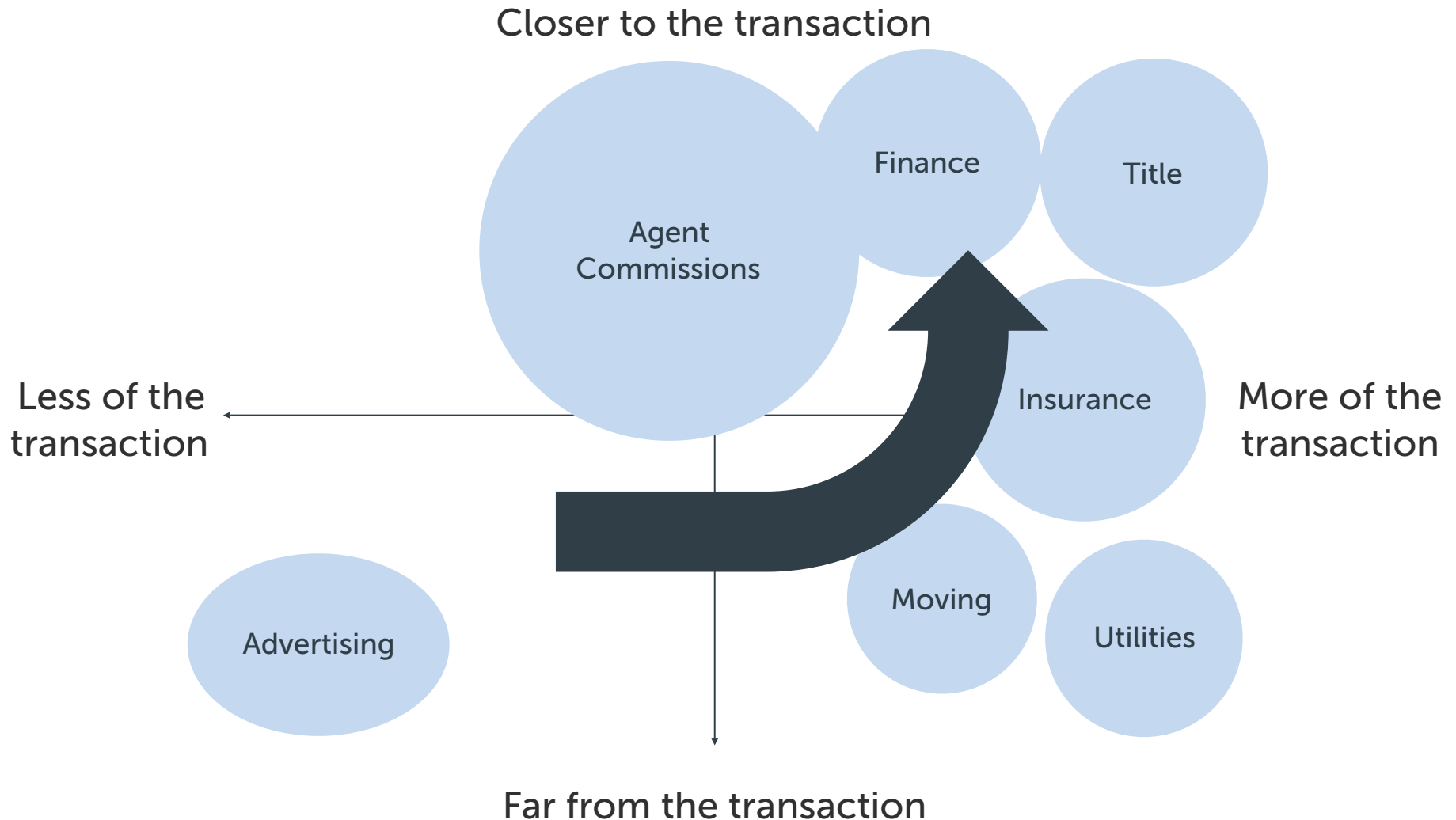
Over the past 12 months, there has been over \$670 million in M&A activity from the major real estate portals in four major deals.



The big acquisitions are in familiar categories: data and finance...



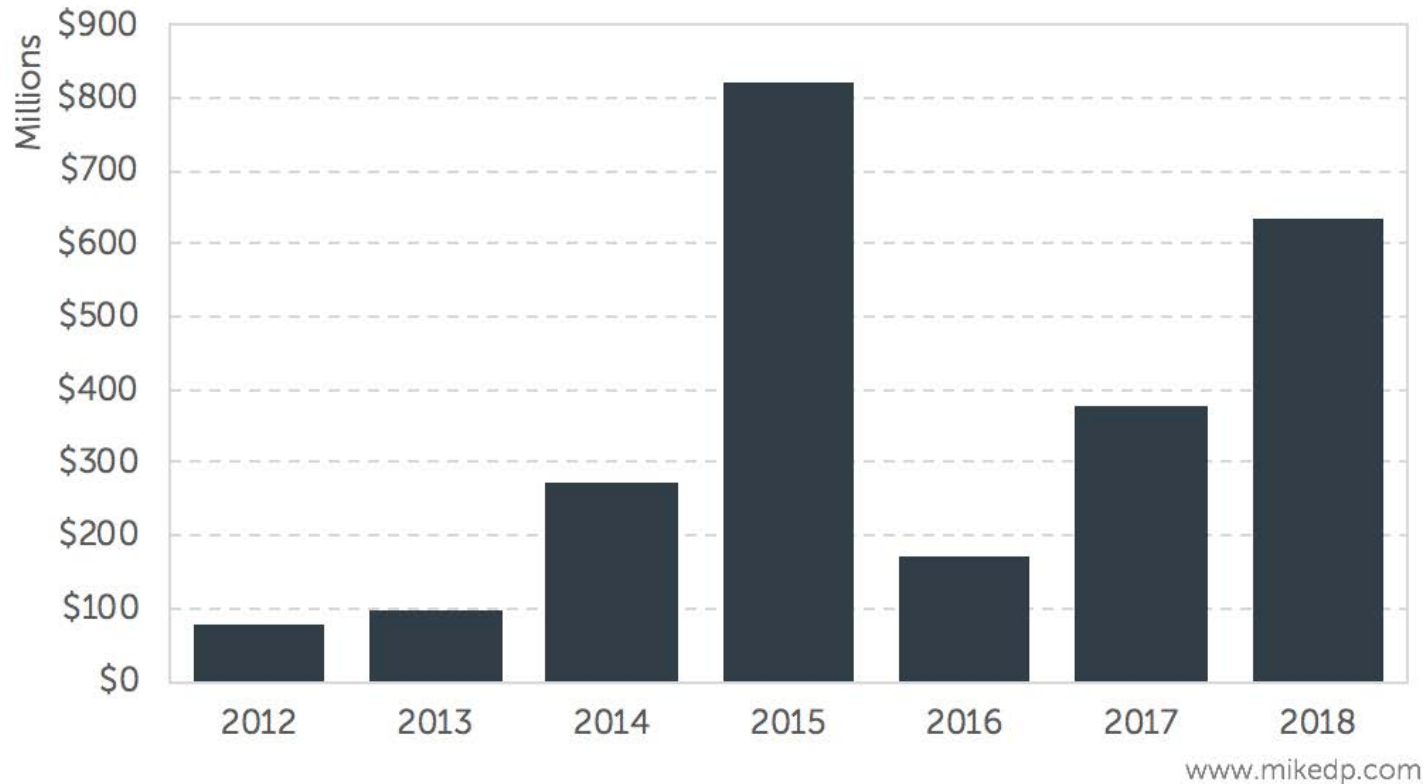
...which is reflective of portals moving towards bigger revenue pools.



Note: Bubbles not to scale; each market is different.

2018 is shaping up to be a big year in overall M&A activity for the major real estate portals.

Total M&A Over Time



For the scope of this analysis, I've defined the following categories...

Category	Description
Domestic	Building domestic market share.
International	Expansion beyond the home country.
Ancillary	New revenue streams related to property advertising (ex: utility switching, mortgages, rental applications).
Data	Data collection, management, and presentation tools, and monetization thereof.
Agents	Tools and products for real estate agents (that they pay for).
Consumer	Products and technologies designed to directly improve the consumer experience on the real estate portal (ex: improved search, virtual home decorating).

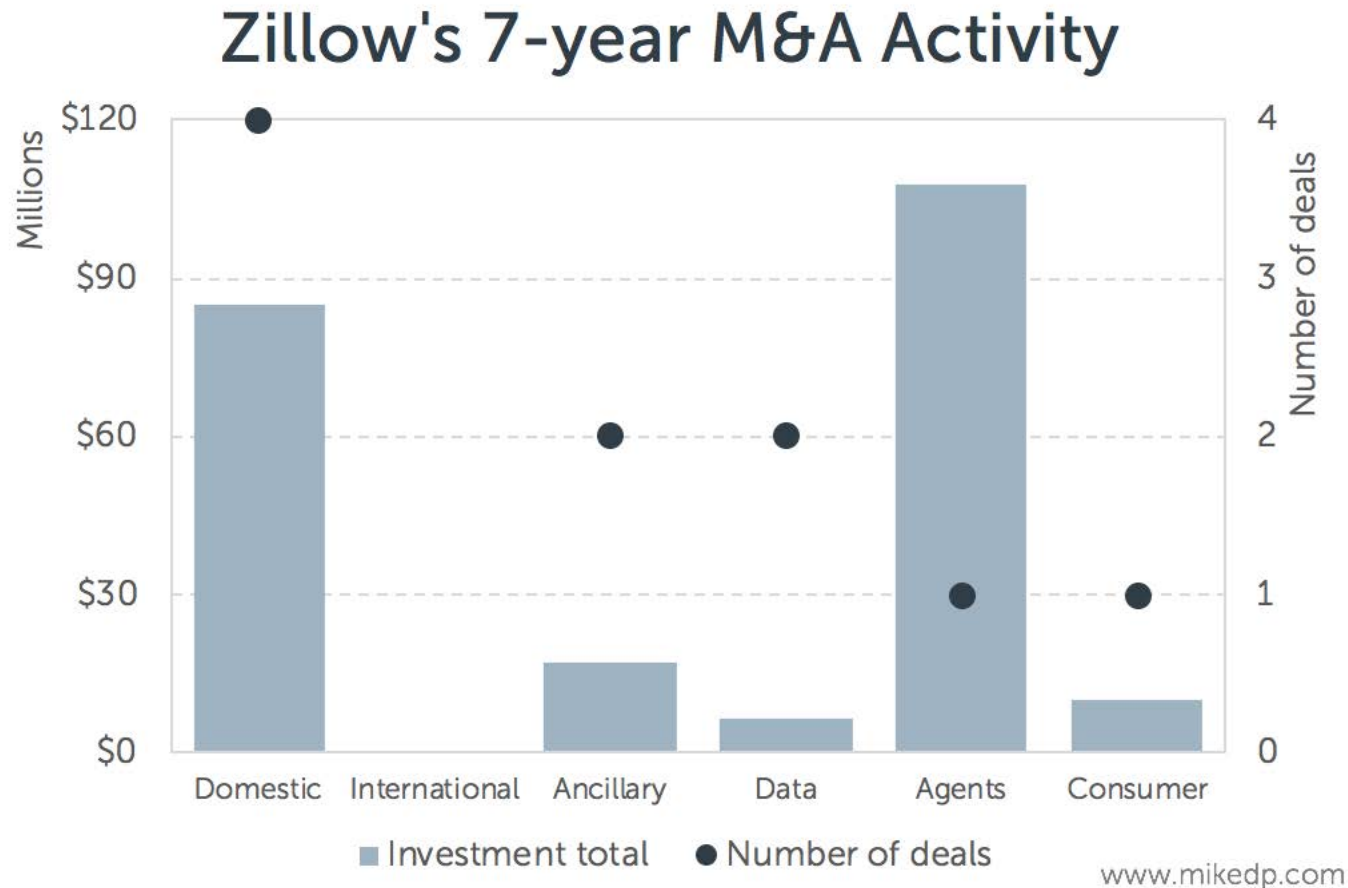
Total number of investments and acquisitions between 2012-2018.

Company	Domestic	International	Ancillary	Data	Agents	Consumer
Zillow	4		2	2	1	1
REA Group		3	3	1		
Zoopla			2	2	4	
Rightmove				1		
Move					3	1
Immobilien Scout24	3	2	1		1	
Domain			3	1		

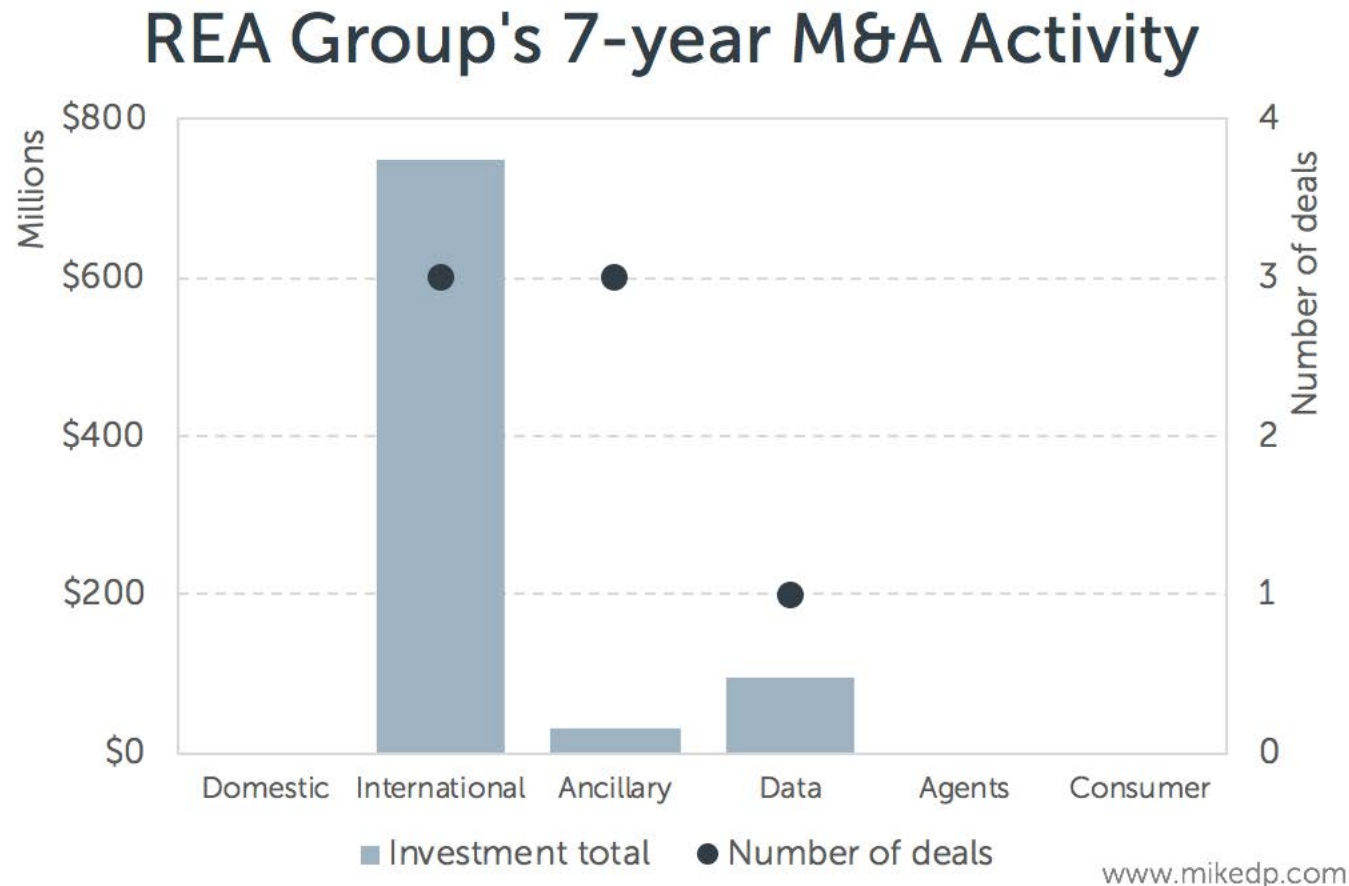
Total deal flow (where known) from investments and acquisitions between 2012-2018.

Company	Domestic	Inter-national	Ancillary	Data	Agents	Consumer	Total
Zillow	\$85M		\$17M	\$7M	\$108M	\$10M	\$227M
REA Group		\$749M	\$32M	\$94M			\$875M
Zoopla			\$317M	\$198M	\$118M		\$633M
Rightmove				\$3M			\$3M
Move					\$232M		\$239M
Immobilien Scout24	\$3M	\$66M	\$330M		\$37M		\$435M
Domain			\$12M	\$24M			\$44M

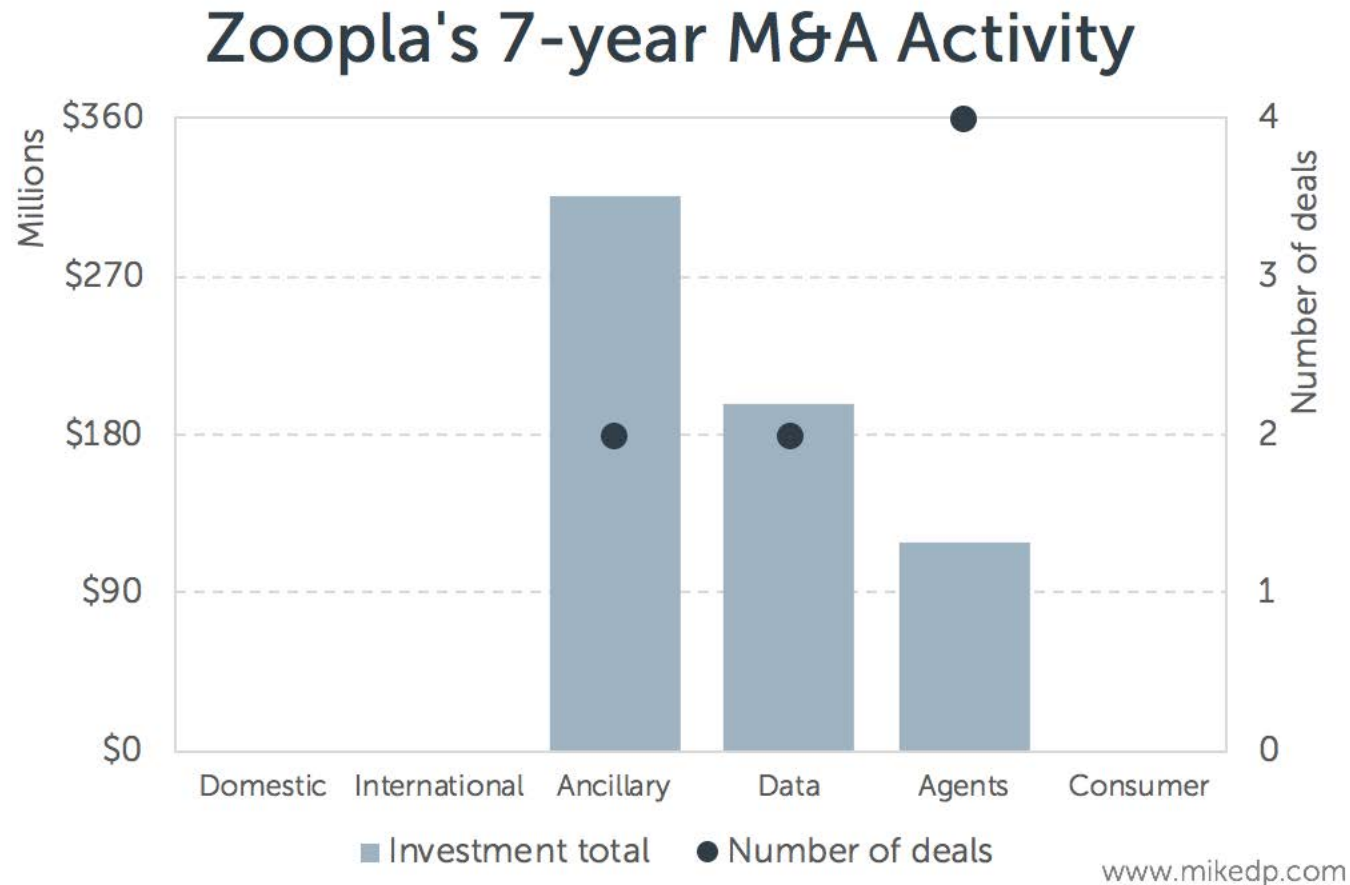
Zillow's M&A approach is mixed, focused on building domestic market share and agent tools.



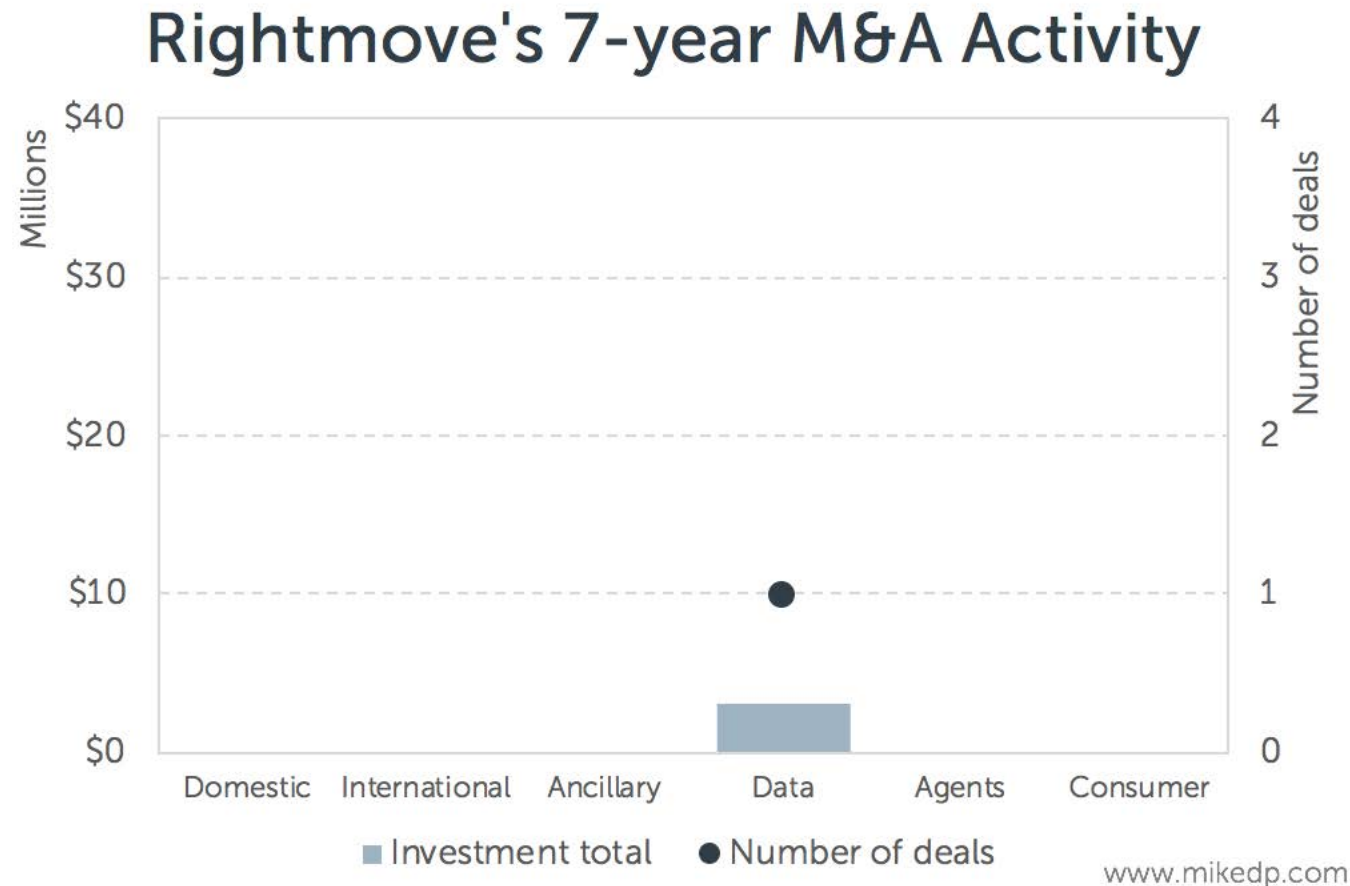
REA Group has invested massively in international expansion (India, U.S. and Southeast Asia).



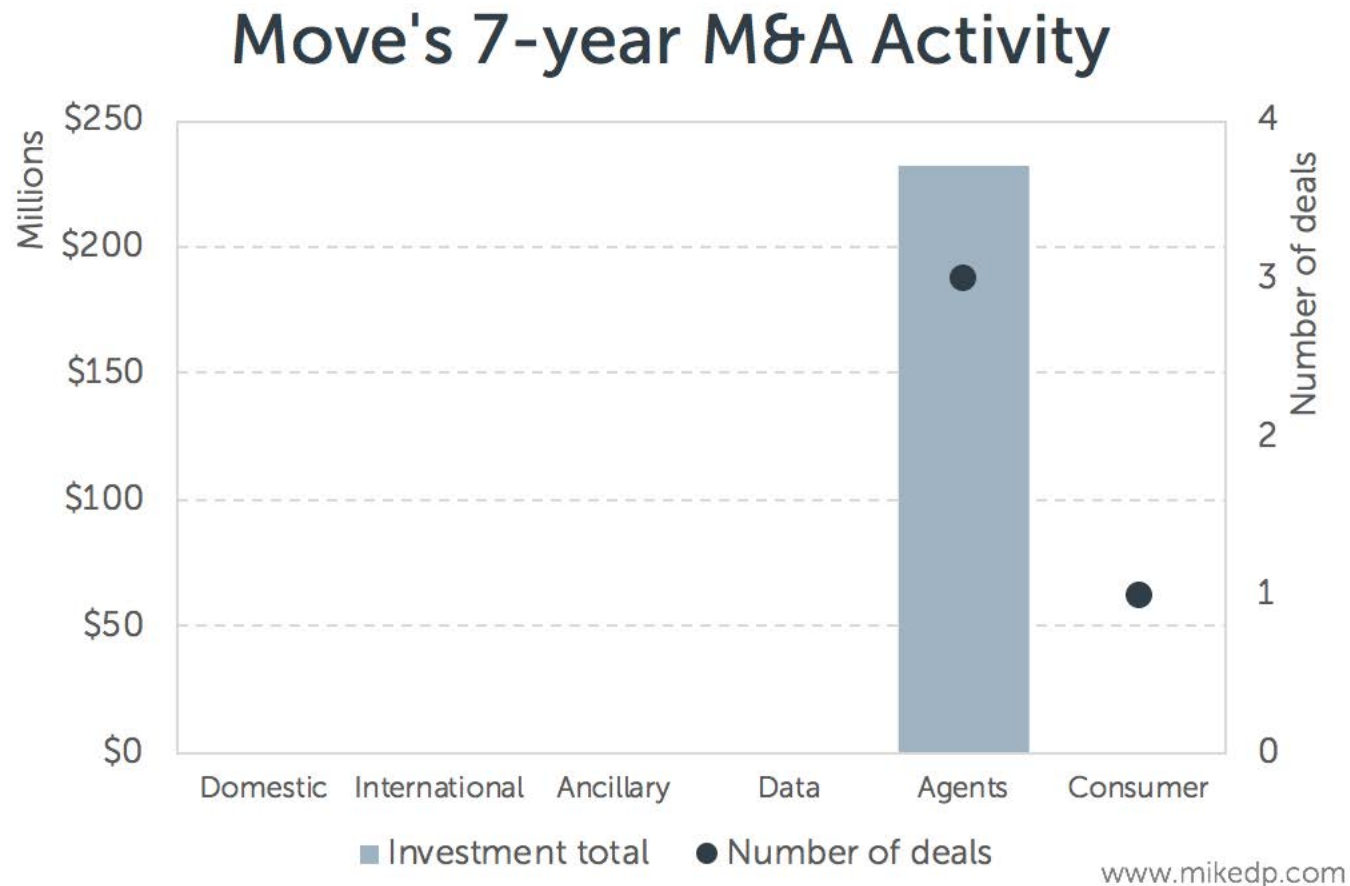
Zoopla is focused on ancillary and value-added services for estate agents.



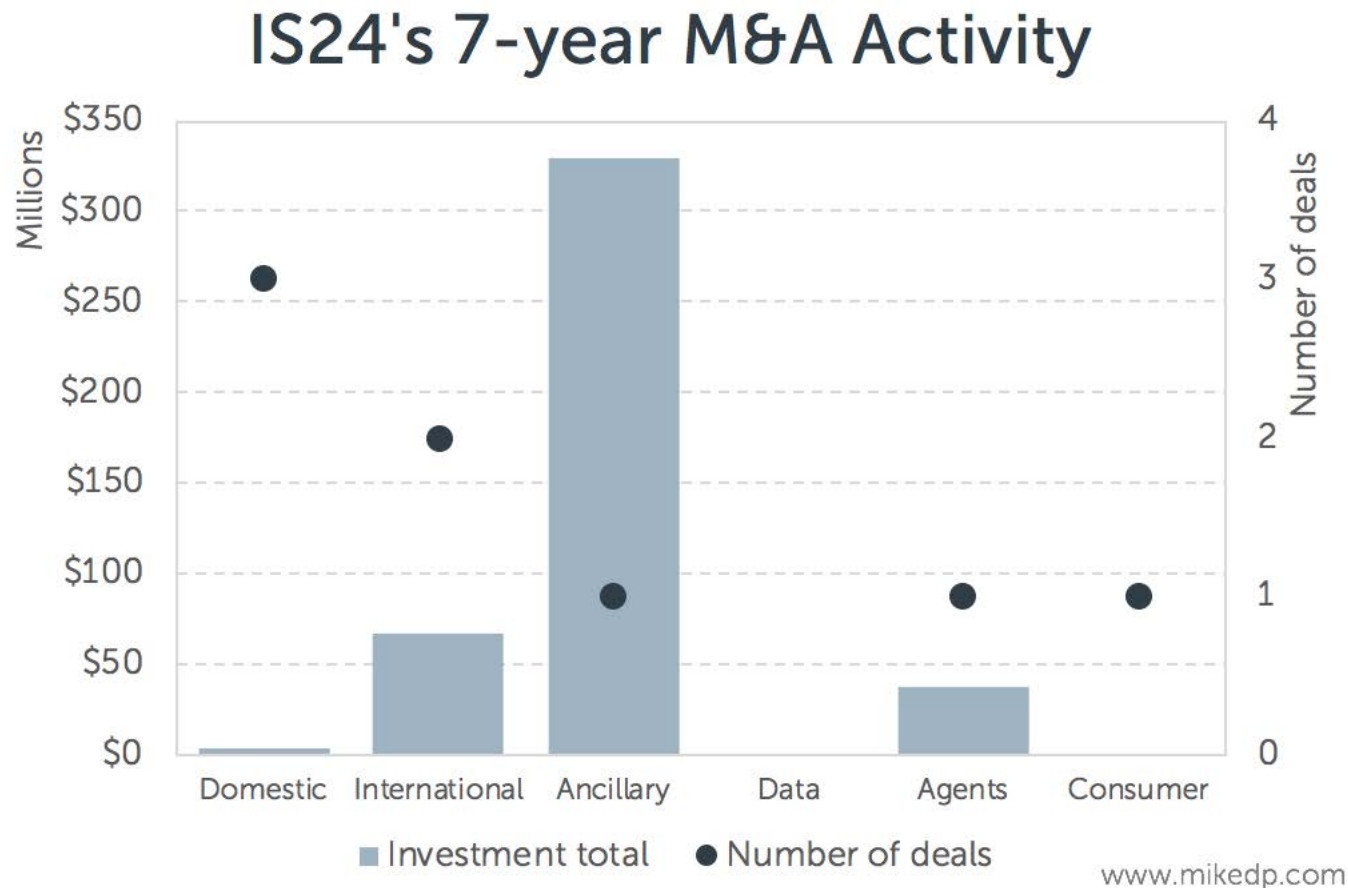
Rightmove made its first acquisition in 2016 in support of its agent-focused strategy.



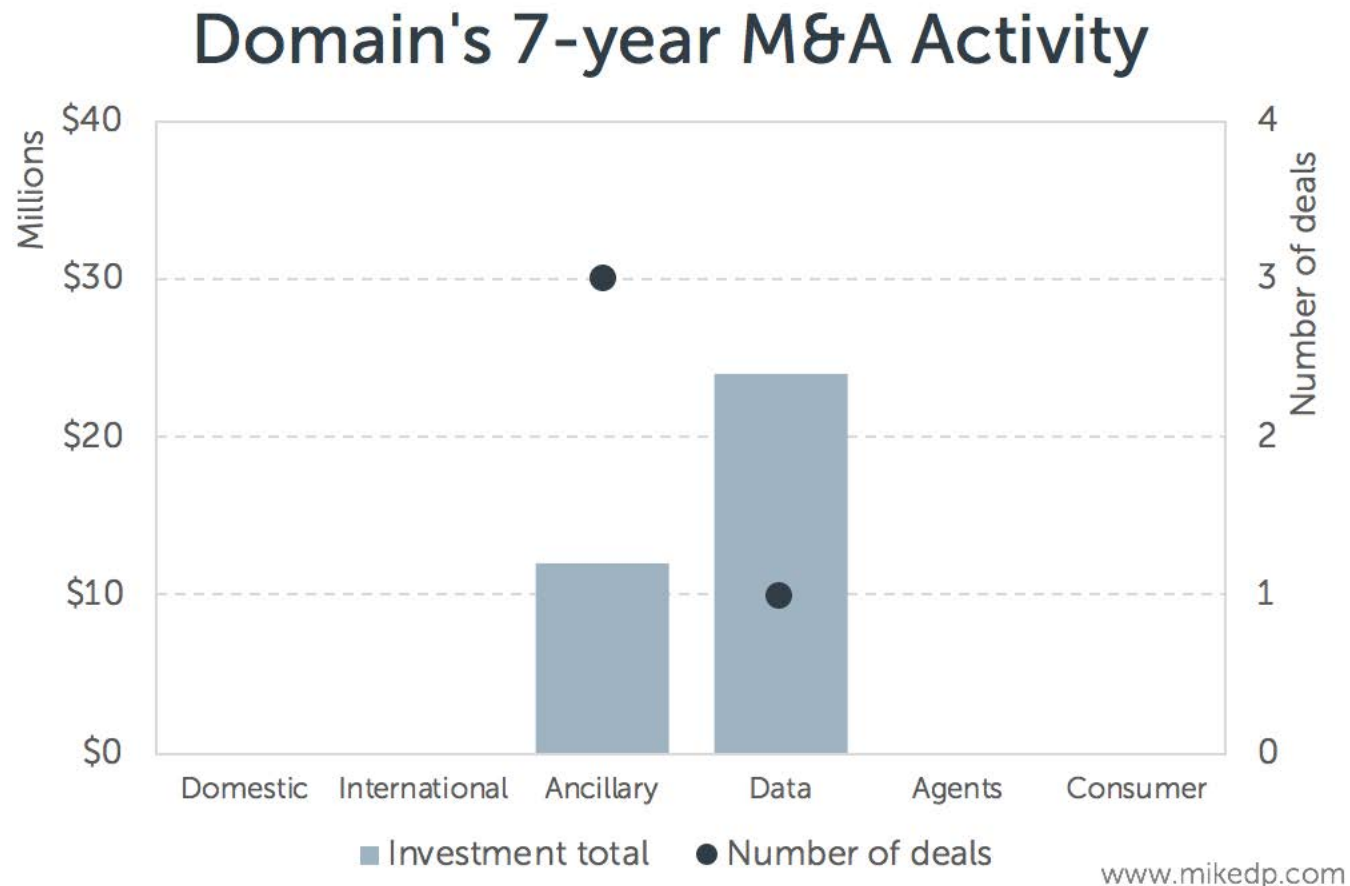
Move has invested massively in its agent-first strategy with its Opcity acquisition.



IS24 made an outsized investment in ancillary services with its acquisition of Finanzcheck.

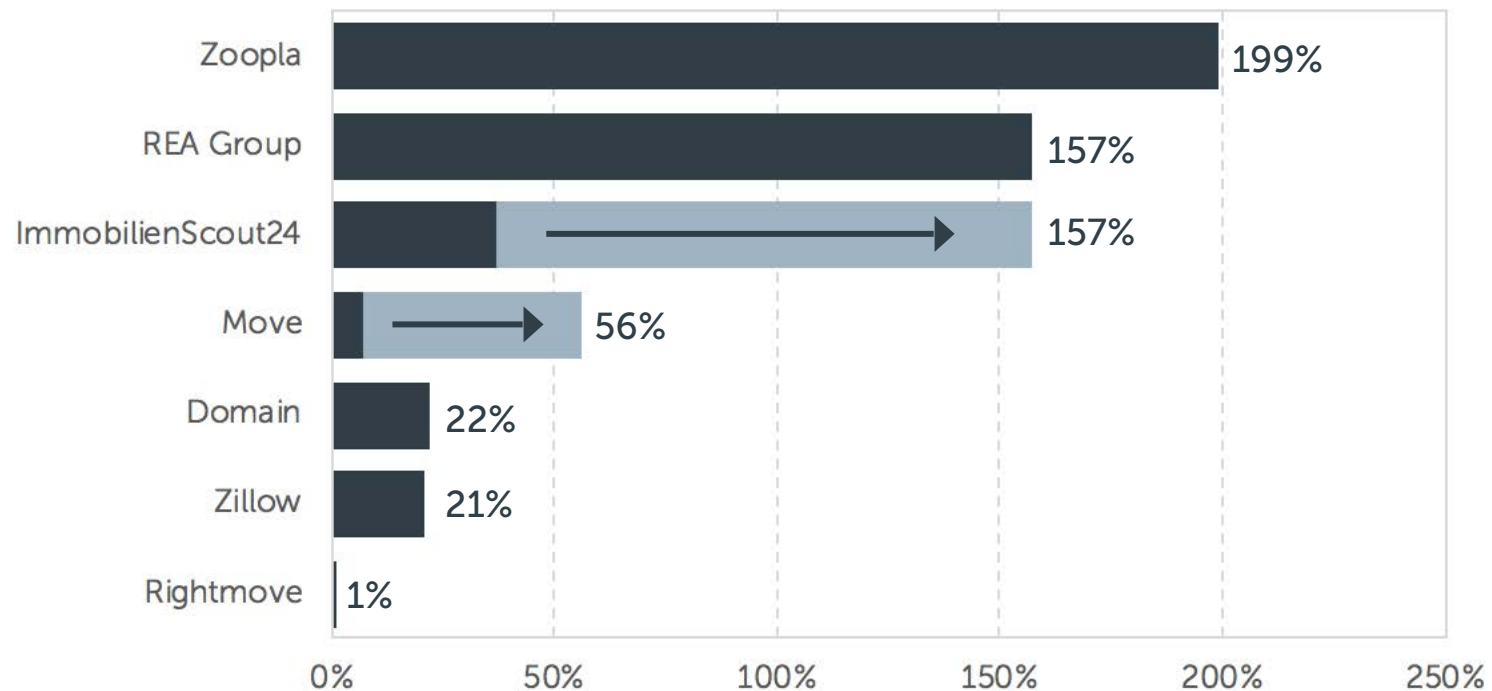


Domain has modestly invested in ancillary revenue streams and data acquisition.



With their massive acquisitions, Move and IS24 move up the rankings in overall activity.

M&A as a % of FY17 Revenue



www.mikedp.com

Note: Zillow does not include the Trulia merger.

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About the author: Mike DelPrete

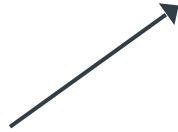
I'm a strategic advisor in real estate tech and a scholar-in-residence at the University of Colorado Boulder. I'm a former CEO, tech entrepreneur, and head of strategy at a major real estate portal.

I've travelled the world talking to and working with leading property portals and real estate tech businesses, gathering first-hand knowledge and insights on industry trends and themes. I advise corporates, work with startups, mentor founders and executives, and work on challenging entrepreneurial projects.



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- [Mailing list](#)
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I'm involved with a number of ventures across the industry, and always happy to chat.



University of Colorado
Boulder

I'm leading the University's new Real Estate Tech program, one of the world's first.

www.curealestatetech.com



Consultant

I'm a strategy and new ventures consultant for businesses of all sizes, with a focus on real estate portals and disruptive models in real estate tech. [Learn more.](#)



Advisor

I advise and invest in a select group of real estate tech start-ups and growth-stage businesses around the world. [Learn more.](#)

My other industry reports



FUTURE OF REAL ESTATE PORTALS

Prepared by Mike DelPrete, June 2018

This global research takes a deep look into the future of real estate portals. The focus areas include portals' expansion into adjacent revenue streams, closer to the transaction vs. more of the transaction, a deep dive into Rightmove's growth dilemma, the implications for investors, and more.



2018 Emerging Models IN Real Estate REPORT

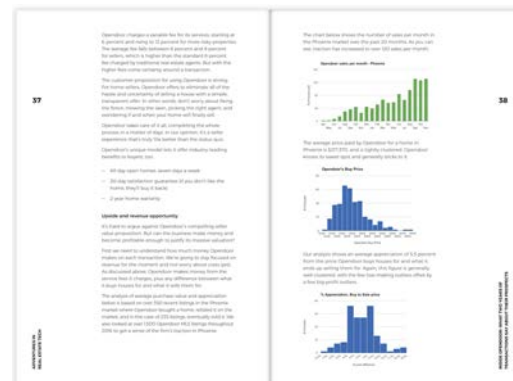
Prepared by Mike DelPrete, March 2018

A 190+ slide presentation where I take a global view of emerging models in real estate that are changing the way consumers buy and sell houses. It's a data-heavy, representative scan of the market that pulls out facts, highlights insights, and draws conclusions.

The Adventures in Real Estate Tech Book



Adventures in Real Estate Tech is a 110-page collection of my past insights, analysis, and articles from 2016 to today. My work offers a data-rich, evidence-based analysis of real estate tech, with a healthy dosage of strategic insights. I cover the trends that are changing the industry and the major players gaining traction around the world. The scope is global, because we all have a lot to learn no matter where we live. [Order a copy today!](#)



A note on data sources

The data sources include company reports, investor presentations, earnings calls (and transcripts), and supporting documentation. All information used is in the public domain. No confidential information has been used in this report. Some data has been estimated from financial statements and other known data points.