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More 'Whisper Listings' Than Ever Before?

Off-market real estate deals, also referred to as "whisper listings" or "pocket listings," appear to be on the rise in major housing markets — and they're not just for luxury properties at \$20 million or more. These top-secret listings, which are marketed off the MLS, are now happening among transactions below \$1 million, as more sellers try to test the market without the commitment of officially putting their properties up for sale.

In Manhattan, for example, "sellers feel cocky. Sellers feel like they have the ball," Brian K. Lewis, an associate broker at Halstead Property, told *The New York Times*. He says he has taken on seven whisper listings in the past six months from clients who did not want to list their apartments on the open market. The sellers, however, were still willing to accept offers from all potential buyers. "In an improving economy with no inventory, they have the asset people want," Lewis says.

Off-market listings seem to be rising most in markets with inventories that are particularly stretched thin, such as San Francisco, Los Angeles, and Miami, the *Times* reports.

"There's more of it now than ever before," says Shaun Osher, CEO of New York brokerage CORE. "We as brokers know everything is always for sale at a price."

Some sellers are opting to go the route of whisper listings because they believe, by keeping their homes off the open market, they won't have to deal with the hassle of constantly getting their homes ready for showings.

New technology also is causing a growth in whisper listings. Yapmo, a mobile software company, is one such innovation. Its mobile app allows brokers to share information about properties with each other before the properties hit the market. Chicago firm @properties, which adopted the software in January, says an average of 41 properties per month — or 5 percent of the firm's transactions — have gone into contract before being put on the market.

Still, some real estate professionals say they have a distaste for these under-the-radar deals. Those who represent buyers may like that there's less competition, but on the seller side, some brokerage firms argue that these deals inevitably shut some brokers out. Also, sellers hoping for a quick full-price sale are limiting their buyer pool and their chance of securing the highest price possible.

"It's sort of like saying, 'Achieve this great price and do all of this, but don't tell anybody about it,'" says Brown Harris Stevens President Hall F. Willkie.

But sometimes you just have to do what the client wants, other real estate professionals say.

“It’s really up to the seller in terms of how they want a real estate broker to represent them,” says Neil Garfinkel, broker counsel to the Real Estate Board of New York.