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Start-up seeks to disrupt disrupters in real estate

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It's time to disrupt the disrupters in real estate.

Websites such as Zillow and Trulia have improved the real estate industry over the past decade. They were designed to be a one-stop shop for searching a vast centralized database of homes for sale or rent, allowing the consumer to get a clear picture of all available properties.

But Zillow's business model is showing its limitations.

Among other issues, Zillow's database of homes is frequently inaccurate. Many buyers inquire about a house they found on Zillow only to find out it was sold months or even years ago. Zillow's valuation tool, Zestimate, is regularly out of sync with reality in many markets. Hence, the lawsuits filed against Zillow by homeowners for the low valuation of their homes.

Fortunately, there are some new options coming online soon that should provide a better option for home buyers and sellers.

I have recently come across start-up firm REX, which could be the next generation in multiple-listing services. See its website at *www.rexmls.com*.

REX is creating a futuristic global multiple-listing service (MLS) built on three innovative technologies — the blockchain, data distribution and digital currencies.

If you are not familiar with these new technologies, start studying them now. In the next three to five years, many insurance companies, banks, online retailers, governments and technology companies will be run on these platforms.

Early adopters of pioneer digital currency, Bitcoin, are multi-millionaires now. Blockchain is the technology on which Bitcoin currency is built.

Simplified, blockchain is a system for crowdsourcing data, not unlike Wikipedia.

More precisely, think of a spreadsheet that is duplicated thousands of times across a network of computers. Each computer must approve all data input into the spreadsheet, thus eliminating corruption in the system. Once data is approved through this democratized system, it cannot be revised or deleted.

Since no single entity controls the data, it is completely public and verifiable. Thus, data on the blockchain is designed to be incorruptible, transparent, decentralized and secure.

By using blockchain technology, REX is creating a Zillow-like service purportedly without the limitations that consumers experience on Zillow.

Blockchain technology, as designed, allows REX to create an accurate database of properties available for sale — a database that has been verified and approved by multiple users in the system.

How exactly does it work?

If you list your home for sale on REX, you are rewarded for your participation in the system. In addition, other users in the system are rewarded for verifying and approving the information you have uploaded. By the way, you or your real estate agent can participate.

The reward offered is REX tokens, a digital currency whose value can be exchanged for services or products on REX, such as home inspection reports or comparable market reports. Users also can exchange tokens for FIAT currency such as dollars. The tokens are an incentive to participate in the system.

What does this mean for the consumer?

According to REX co-founder Stephen King, it means that there will finally be an updated and accurate database of homes to peruse. It means that users collaborate to provide a curated list of homes for sale which, in turn, creates a more accurate database for comparable research on homes sold.

"REX is a community-run platform with built in incentive programs that reward users for their participation," King says.

King says that REX will put control of real estate data back into the hands of homeowners, and away from sites that monopolize the data.

REX's grand goal is to take every separate MLS in the world and roll them into one democratized multiple-listing service. Later versions of REX will include tying into local governments for land titling using blockchain technology, which will allow less fraud and thus potentially reduce the need for expensive title insurance. REX also plans to use REX tokens as a means of funding the purchase of a home.

Before launching these futuristic applications, REX must first build a robust database of homes. REX is pre-selling REX tokens and will launch the multiple-listing service later this year.

Does REX hope to disrupt the real estate agent?

We will collaborate with the real estate industry, rather than create its demise," King said.

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