

ARIZONA STATE UNIVERSITY

CORPORATE & BUSINESS LAW JOURNAL FORUM

Volume 7

November 2025

Number 13

COMMENTARY

Real Estate Rivalry: Compass v. Zillow

BY ELLA WILLIAMS*

Compass, Inc., a leading real estate brokerage, filed suit this past June in the Southern District of New York against Zillow alleging that Zillow has violated antitrust laws. Compass has alleged that Zillow has used its monopolistic power to impose what Compass dubs the “Zillow ban” on the larger market, violating Section 2 of the Sherman Antitrust Act.¹ Compass also alleges that Zillow’s agreement with Redfin and eXp Realty to institute similar policies has acted anticompetitively, violating Section 1 of the Sherman Antitrust Act.² The Zillow policy at issue blocks listings that have been selectively marketed instead of being shared through a multiple-listing service.³ The policy therefore requires that agents who market selectively, upload the listing within 24 hours or forego listing on Zillow.⁴

What is This Fight About?

While multiple listing services have long been analyzed for potential antitrust issues,⁵ ‘pocket’ listings, or those that are not publicly available through MLS’s, have also incurred antitrust scrutiny.⁶ So what is this legal fight about at its core? The fight here is over listing

* J.D. Candidate, Class of 2027, Sandra Day O’Connor College of Law at Arizona State University

¹ *Compass Inc. v. Zillow, et al.*, No. 1:25-cv-05201 (S.D.N.Y. June 23, 2025)

² *Id.*

³ Laura Italiano, *Compass CEO Tells NY Judge that his Real Estate Agents Feel “Bullied” by the “Zillow Ban”*, BUSINESS INSIDER (Nov. 18, 2025, at 4:15 PM MT), <https://www.businessinsider.com/compass-ceo-real-estate-agents-bullied-zillow-ban-lawsuit-2025-11>.

⁴ Sulaiman Abdur Rahman, *SDNY Judge Compels Zillow Co-Founder Deposition in Home Listings Antitrust Case*, BLOOMBERG LAW (Sep. 24, 2025), https://www.bloomberglaw.com/product/blaw/document/XFBO92O0000000?criteria_id=3cb7c04712b2082d7391aac00a3f8ef3&navCriteriaId=ff840f8b721c25d193b2d8c86ee69ebd&searchGuid=196bf275-f3b4-424a-badc-6d2119c4a74c&search32=K7sDVNGfrwnezVQJ0B6Asw==RGOImyUj8Js8eGl-duNq4jMEgBmbhc02mUc68_Du2qs47Str_qvdI12nTtI2zwPfbtrErlyBYuBEHqBClogFA==.

⁵ See e.g. Arthur D. Austin, *Real Estate Boards and Multiple Listing Systems as Restraints of Trade*, 70 COLUM. L. REV. 1325 (1970) (discussing the antitrust issues associated with multiple listing systems five and a half decades ago).

⁶ James S Bradbury, *Revenge of the Realtors: The Procompetitive Case for Consolidating Multiple Listing Services*, 90 U. COLO. L. REV. 267 (2019).

information: who is getting access to it, when are they getting that access, and who makes these decisions. Zillow has stated, in response to the litigation, that their policy is simply to promote transparency in the residential real estate market by making listings equally available to agents and consumers.⁷ However, Compass argues that Zillow is wielding its power as a real estate listing portal giant to limit the ability of agents to market strategically for the seller.⁸ As Compass grows even larger, and continues to use its strategy of marketing its properties pre-market, if Zillow's policy is allowed to remain, it may "lock Compass out" of the market.⁹

How will the Residential Real Estate Market be Impacted by this Case?

It is noted that with platforms like Zillow, buyers are being shown a lot of data about an individual home, such as how many days it has been on the market and whether there have been price reductions to the property, which may give the buyer leverage to negotiate.¹⁰ In a market of skittish buyers who are wary of high prices,¹¹ pulling back that leverage may create buyers who are even more cautious. It is entirely possible that removing the "Zillow ban" will simply drive buyers back to brokerages for more information.¹²

Although, this may not be the destruction to transparency that Zillow purports it would be. Zillow, and other similar portals, have been criticized for the lack of transparency in their pricing models. Some criticism states that as fluctuations to these models' price estimates occur, this may hurt both sellers, through overpriced estimates keeping houses unsold, and buyers, leading them to overpay in a bad deal.¹³

⁷ Sulaiman Abdur Rahman, *Zillow Real Estate Listing Policy Faces Antitrust Challenge Alleging Market-Wide Harm*, BLOOMBERG LAW, (June 24, 2025), https://www.bloomberglaw.com/product/blaw/document/X996GG5K000000?criteria_id=3cb7c04712b2082d7391aac00a3f8ef3&navCriteriaId=ff840f8b721c25d193b2d8c86ee69ebd&searchGuid=196bf275-f3b4-424a-badc-6d2119c4a74c&search32=K7sDVNGfrwnezVQJ0B6Asw==RGOImyUj8Js8eGl-duNq4jMEgBmbhc02mUc68_Du2qs47Str_qvdI12nTtl2zwPftrErlyBYuBEHqBClogFA==.

⁸ Shaina Mishkin, *Compass and Zillow are Battling Over Private Listings. It Could Change the way Homes are Sold*, BARRON'S (Nov. 21, 2025, at 4:00 AM EST), https://www.barrons.com/articles/compass-zillow-fight-court-private-listings-marketing-homes-95420fc3?gaa_at=eafs&gaa_n=AWetsqcdwWt6EyJys9IF3UCViyUTkeg7IGIWH9nGzvyfNEEkCv4Gcm5yUSqoLtWX-E%3D&gaa_ts=6920d348&gaa_sig=UUQJDViCXBxnGnYAa8tvayCA2tdZxsQRbLFcbRtrt1WWdiDBSRmeheGk7E4Up-Bjxw9imaKn9_4GOgEI0yWb3A%3D%3D.

⁹ Rachel Reed, *The "Zillow Ban" makes Searching for Homes more Complicated. But is it Illegal?* HARVARD LAW TODAY: NAT'L & WORLD AFFS. (Sep. 10, 2025), <https://hls.harvard.edu/today/the-zillow-ban-makes-searching-for-homes-more-complicated-but-is-it-illegal/> (quoting Elettra Bietti, an antitrust expert and Associate Professor at Northeastern School of Law).

¹⁰ Michelle Chapman, *Compass Files Lawsuit Against Zillow over Home Listings Policy*, THE ASSOCIATED PRESS (June 23, 2025, at 1:21 PM MST), <https://apnews.com/article/compass-zillow-real-estate-mortgage-703ed6fe67f1dca6f9dce01c2f279a2e>.

¹¹ *Id.*

¹² Mishkin, *supra* note 8.

¹³ Nikhil Malik, *Is Zillow Making the Home Buying Problem Worse?: It's Time to Regulate the Algorithms Churning Out Volatile Home Value Estimates*, THE BOSTON GLOBE (Feb. 4, 2025), <https://www.bostonglobe.com/2025/02/04/opinion/zillow-redfin-estimates-distort-housing-market/>.

In a time where the U.S. faces uncertainty regarding housing availability and affordability, changes to how people will be able to access information about homes could have a major effect on the industry and public alike. No matter how this case comes out, it will be a critical decision worth paying attention to.