

Feedback, online style

Brutal web comments create new level of accountability, prompting changes to listings and projects September 01, 2010 07:29AM By Candace Taylor



Last month, Prudential Douglas Elliman agent Ellen Rick got an unexpected e-mail.

"A very nice young man e-mailed me and said, 'I wanted you to know that you're being trashed on StreetEasy,'" Rick recalled. Unbeknownst to her, a StreetEasy.com user had created an online discussion board entitled "Deception by Elliman broker, Ellen Rick."

The comments pointed out that two of Rick's listings at 30 Fifth Avenue -- units 4A and 10H -- displayed the same photos. StreetEasy users thought she was trying to pull the wool over their eyes, but Rick said the photographer that shot 10H had mistakenly loaded the photos for 4A as well. She immediately called the photographer to fix the snafu.

"I'm glad that somebody made me aware of that, and I corrected it," she said, adding that the incident has made her more vigilant about problems with her listings.

Readers who comment on sites like StreetEasy, Curbed, Yelp and even *The Real Deal* may think they're just venting about frustrating behavior or overpriced listings. But industry experts say this online form of vigilante justice is changing the balance of power in the industry, with real consequences for properties, brokers and developers. Critical commentary forces brokers to fix incorrect listing information and to confront larger problems, like unethical behavior. And in some cases, the feedback is having an effect on the specific features of new development projects, from prices to layouts.

"There's a sophistication and education to today's consumer so that they're able to provide helpful information, not just potshots," said Josh Guberman, CEO of Core Development Group. "If you have a \$6 million apartment and 23 people have commented that that apartment [should only be] valued at \$3.5 to \$4.5 million, that is an extremely useful resource."

But this new accountability can be a double-edged sword. Some posters write inaccurate comments that can damage reputations, often leaving their targets with little recourse. Online commenting "is really useful, and can be helpful to weed out unscrupulous people," said John Serpico, a real estate attorney at Serpico, Serpico & Siddiqui. "But ... it can be misused and cause grief for people who do the right thing."

These days, there is no shortage of online real estate information -- or opportunities to opine about it. Last month, for example, one Yelp commenter had this to say about a Manhattan Elliman broker: "Would rather sell my home for a dollar than use this woman."

In the city, StreetEasy's "NYC Real Estate Discussion Boards" have attracted a growing following. Discussions are only about 3 percent of the site's monthly traffic, but in a typical month there are about 10,000 comments, said Sofia Song, the vice president of research at StreetEasy. Because these forums are directly linked to listings on the site, comments hone in on specific projects and apartments, looking at everything from neighborhood to price to whether the developer is willing to negotiate.

In response to this brutally honest commentary, agents and developers have begun adjusting their listings -- or even entire projects.

Guberman said a member of his staff regularly does Internet searches for the company's properties to see what people are saying.

"It's very akin to tagging along at a broker's open house, when I'm getting on-the-ground information," he said. "Very often, comments would be posted that they would never say to me in person because they're trying to be polite."

For example, Guberman said, when he first started marketing new condo LUX 74, then slated to have 32 units, he checked out online chat rooms to gauge the response. "There was consistent feedback that the project lends itself to larger apartments," he said. "We took that information and reengineered the project to be 12 larger units."

Online commentary doesn't stop at building layouts, however. It often gets personal, and nothing elicits the rage of online commenters like brokers or developers who appear to exhibit unethical behavior.

In a recent thread entitled "Horrible Broker -- Ty Byrd," a commenter complained that Byrd, the managing partner at Manhattan firm Aventana, had kept a \$500 refundable deposit for an apartment that she did not rent.

In response to the post, StreetEasy users vowed to keep commenting on the thread -- keeping it at the top of the "latest discussions" page -- until the client got her money back. And comment they did, for about seven weeks.

When contacted by *The Real Deal*, Byrd said the poster misstated the amount of money she was owed by his firm, and that the dispute has since been "worked out," though he did not say if the money was returned.

He also denied any wrongdoing. "I just think that she was venting because she didn't get the apartment," he said.

Therein lies the rub: Brokers say they have little recourse when lampooned by commenters, who may have their own agenda.

"There are times when a broker will be attacked on our site and it is difficult to say whether it was provoked justly or it's just a personal grievance," Song said.

Serpico noted that all professionals, no matter how competent, occasionally encounter disgruntled clients, and have little control over what they say online.

"The complainers sometimes can be the person at fault, but they look to blame someone else," he said. "We've all experienced crazy clients. You can't please them. They're the ones that are going to complain about you."

And commenters are often quick to assume the worst, Elliman's Rick said. While she was happy to discover the mistake on her 30 Fifth Avenue listing, she was "outraged" when she saw how StreetEasy commenters had trashed her. She said she wishes that the original poster had e-mailed her directly rather than immediately starting a public discussion.

"They shouldn't be so quick to jump to conclusions -- mistakes happen," she said. She posted a message explaining what happened, and StreetEasy took down the thread.

If an online poster is outright lying with the intent of harming the person they're writing about, they can be sued for libel, Serpico said, though that can be difficult to prove (web service providers are protected under a federal telecommunications law). Still, recent court cases have resulted in the unmasking of anonymous online commenters. A court order last year, for example, forced Google to reveal the identity of a blogger whose "Skanks in NYC" site trashed model Liskula Cohen as an "old hag." But most online disputes remain uncharted territory where the law is concerned.

"Case law will evolve because of the new technology," Serpico said. In the meantime, "I hope all the users out there take everything with a grain of salt."