



Competition Policy and the Real Estate Industry

A public workshop hosted by
the Federal Trade Commission and the Department of Justice



Agenda*

October 25, 2005

7:30 *Doors Open*

9:00 - 9:30 *Opening Remarks*

- Deborah Platt Majoras, Chairman, Federal Trade Commission
- Thomas O. Barnett, Acting Assistant Attorney General for Antitrust, Department of Justice

9:30 - 10:30 *Overview of the Real Estate Transaction*

Moderator:

- Maureen K. Ohlhausen, Director, Office of Policy Planning, FTC

Panelists:

- Robert W. Hahn, Executive Director, AEI-Brookings Joint Center
- Catherine B. Whatley, 2003 President of National Association of Realtors

10:30 -10:45 *Break*

10:45 - 12:15 *Issues Affecting Competition Among Sellers' Brokers*

Moderator:

- James C. Cooper, Assistant Director, Office of Policy Planning, FTC

Panelists:

- Aaron Farmer, Texas Discount Realty
- Thomas R. Kunz, President and Chief Executive Officer, Century 21 Real Estate
- Sam Licklider, Missouri Association of Realtors
- Colby Sambrotto, Chief Operating Officer, ForSaleByOwner.com
- Wayne Thorburn, Administrator, Texas Real Estate Commission

12:15 - 1:30 *Lunch*

1:30 - 1:45 *Remarks by Commissioner Jon Leibowitz*

1:45 - 3:30 *Issues Affecting Competition Among Buyers' Brokers*

Moderator:

- Lee Quinn, Attorney, Litigation III, Antitrust Division, DOJ

Panelists:

- Alexander Perriello, President and Chief Executive Officer, Cendant Real Estate Franchise Group
- Philip Henderson, Attorney, Government Affairs, LendingTree, LLC
- Catherine B. Whatley, 2003 President of National Association of Realtors
- Tom Early, National Association of Exclusive Buyer Agents
- Geoff Lewis, Senior Vice President/Chief Legal Officer, RE/MAX International, Inc.
- Steve DelBianco, Executive Director NetChoice Coalition

3:30 - 3:45 *Break*

3:45 - 5:00 *Empirical Evidence on Competition in the Real Estate Industry*

Moderator:

- Michael A. Salinger, Director, Bureau of Economics, FTC

Panelists:

- Chang-Tai Hsieh, Associate Professor of Economics, University of California
- Lawrence Yun, Managing Director of Quantitative Research, National Association of Realtors

5:00 *Closing Remarks*

- Susan A. Creighton, Director, Bureau of Competition, FTC
- J. Robert Kramer, Jr., Director of Operations, Antitrust Division, DOJ

* The views expressed in this conference are the views of the participants' alone, and are not necessarily the views of the Justice Department, the Federal Trade Commission, or any Commissioner. Likewise, the selection of any panelist or moderator does not necessarily reflect the view of the Justice Department, the Federal Trade Commission, or any Commissioner regarding the views or qualifications of any panelist or moderator.

Steve DelBianco, Executive Director NetChoice Coalition

Steve DelBianco is an experienced business leader and policy expert in Internet and information technology. He ran an IT consulting firm before helping to start two tech policy groups: the Association for Competitive Technology, and NetChoice, a coalition of e-commerce businesses and consumers. In addition, Steve was an investor and board member of eRealty.com, a startup brokerage that empowered Realtors with Internet technology to better serve home buyers who want the convenience of online search and communications.

Aaron Farmer, Texas Discount Realty

After graduating with a degree in marketing from Texas A&M University in 1995, Aaron Farmer obtained a Texas real estate license and worked with a traditional brokerage franchise. Farmer started his own business, Texas Discount Realty, about five years later. In 2002, Texas passed what is commonly called a “minimum level of service” rule. Farmer challenged this new rule by filing suit against the Texas Real Estate Commission. Since then, Farmer has become a vocal leader of the “alternative” business model movement in Texas and around the country. He has been a frequent guest on various radio, TV, and national print media outlets. Today, Texas Discount Realty sponsors close to 50 licensed real estate agents with its sister company, National Agent Network, which Farmer founded as well.

Robert W. Hahn, Executive Director, AEI-Brookings Joint Center

Robert Hahn is co-founder and executive director of the American Enterprise Institute-Brookings Joint Center, which focuses on regulation and antitrust. Previously, he worked for the Council of Economic Advisers. Dr. Hahn also has served on the faculties of Harvard University and Carnegie Mellon University. He frequently contributes to leading scholarly journals and general-interest periodicals, including the *American Economic Review*, *Yale Law Journal*, *Science*, and the *New York Times*. He is the author of *Reviving Regulatory Reform: A Global Perspective* (AEI-Brookings) and several other books. In addition, Dr. Hahn is co-founder of the Community Preparatory School—an inner-city middle school in Providence, Rhode Island, that provides opportunities for disadvantaged youth to achieve their full potential.

Philip Henderson, Vice President, LendingTree, LLC

Philip Henderson joined LendingTree in 1999 as legal counsel, where he helped to build the company's mortgage services business. As LendingTree expanded to include real estate services, Philip has held positions in both the legal and business strategy groups. Before coming to LendingTree, Philip was an associate with the law firm Kirkpatrick & Lockhart in Washington, D.C. working on mortgage banking matters. Philip received his law degree from the University of Virginia in 1993. RealEstate.com, operated by LendingTree, allows consumers to buy or sell a home through a suite of real estate services and tools, such as a personalized roadmap, more than one million home listings, Find-a-REALTOR® and Find-a-Builder services, home valuation tools, and customer care representatives.

Chang-Tai Hsieh, Associate Professor of Economics, University of California

Chang-Tai Hsieh is Associate Professor of Economics at the University of California, Berkeley. He previously held a position as Assistant Professor in the Department of Economics and the Woodrow Wilson School at Princeton University. Hsieh has published many papers in major economic journals, including “Can Free Entry be Inefficient? Fixed Commissions and Social Waste in the Real Estate Industry,” in the October 2003 *Journal of Political Economy*. He is currently a Faculty Research Fellow for the National Bureau of Economic Research, Co-Chair for the World Bank Research Department Advisory Committee, and a Visiting Scholar at the Federal Reserve Bank of San Francisco. Hsieh graduated from the University of California, Berkeley with a Ph.D. in Economics in 1998.

Thomas R. Kunz, President and Chief Executive Officer, Century 21 Real Estate

Thomas R. Kunz was appointed president and chief executive officer of Century 21 Real Estate LLC in June 2004. The CENTURY 21® System is the world's largest residential real estate sales organization with more than 7,500 independently owned and operated franchised broker offices in more than 39 countries and territories worldwide. A 31-year veteran of the real estate industry, Kunz has spent two-thirds of his career affiliated with the CENTURY 21 System, where he established a successful track record involving franchise sales and ownership as well as running all aspects of brokerage and franchise operations. Since starting with the company in 1982, he has been responsible for everything from field communication, franchise sales, systems implementation, system-wide recruiting, broker automation and regional development.

Alexander Perriello, President and CEO, Cendant Real Estate Franchise Group

Alex Perriello is president and chief executive officer of the Cendant Real Estate Franchise Group of Cendant Corporation, the largest franchiser of residential and commercial real estate brokerage offices in the world. In this capacity, Perriello oversees the CENTURY 21[®], COLDWELL BANKER[®], Coldwell Banker Commercial[®], ERA[®] and Sotheby's International Realty[®] real estate brands, which combined have more than 14,400 franchised and company-owned offices and 303,000 brokers and agents worldwide. In addition, Perriello is responsible for the Franchise Group's shared support services, which include franchise sales, operations, technology, learning and the preferred client group.

Catherine B. Whatley, 2003 President of National Association of REALTORS

Catherine B. Whatley (Cathy), a REALTOR from Jacksonville, Florida, served as the 2003 President of the National Association of REALTORS, America's largest professional association with over 1 million members. A REALTOR since 1969, Cathy is broker-owner of Buck & Buck, Inc., a family firm established by her grandfather in 1907. At the state level, Cathy was the President of the Florida Association of REALTORS in 1996 and received the REALTOR of the Year award in 1998. She currently serves as one of nine commissioners on Florida's Commission on Ethics and also is a member of the state's Impact Fee Task Force. Cathy resides in Jacksonville with her husband Fred. They have 5 children and 7 grandchildren.

Lawrence Yun, Managing Director of Quantitative Research, National Association of REALTORS

Lawrence Yun is the Managing Director of Quantitative Research at the National Association of REALTORS®, where he manages the Statistics and Forecasting Groups of the Research Division. He writes regular columns on real estate market trends, creates NAR's forecasts, and participates in many economic forecasting panels, including Blue Chip and Harvard University Industrial Economist Council. Dr. Yun has been quoted on the real estate market and the economy in the mass media, including the Wall Street Journal, the New York Times, and the Washington Post. He has also appeared on CNBC and Bloomberg TV. Dr. Yun received his undergraduate degree from Purdue University and earned his Ph.D. from the University of Maryland at College Park.