



The “Private” Illusion

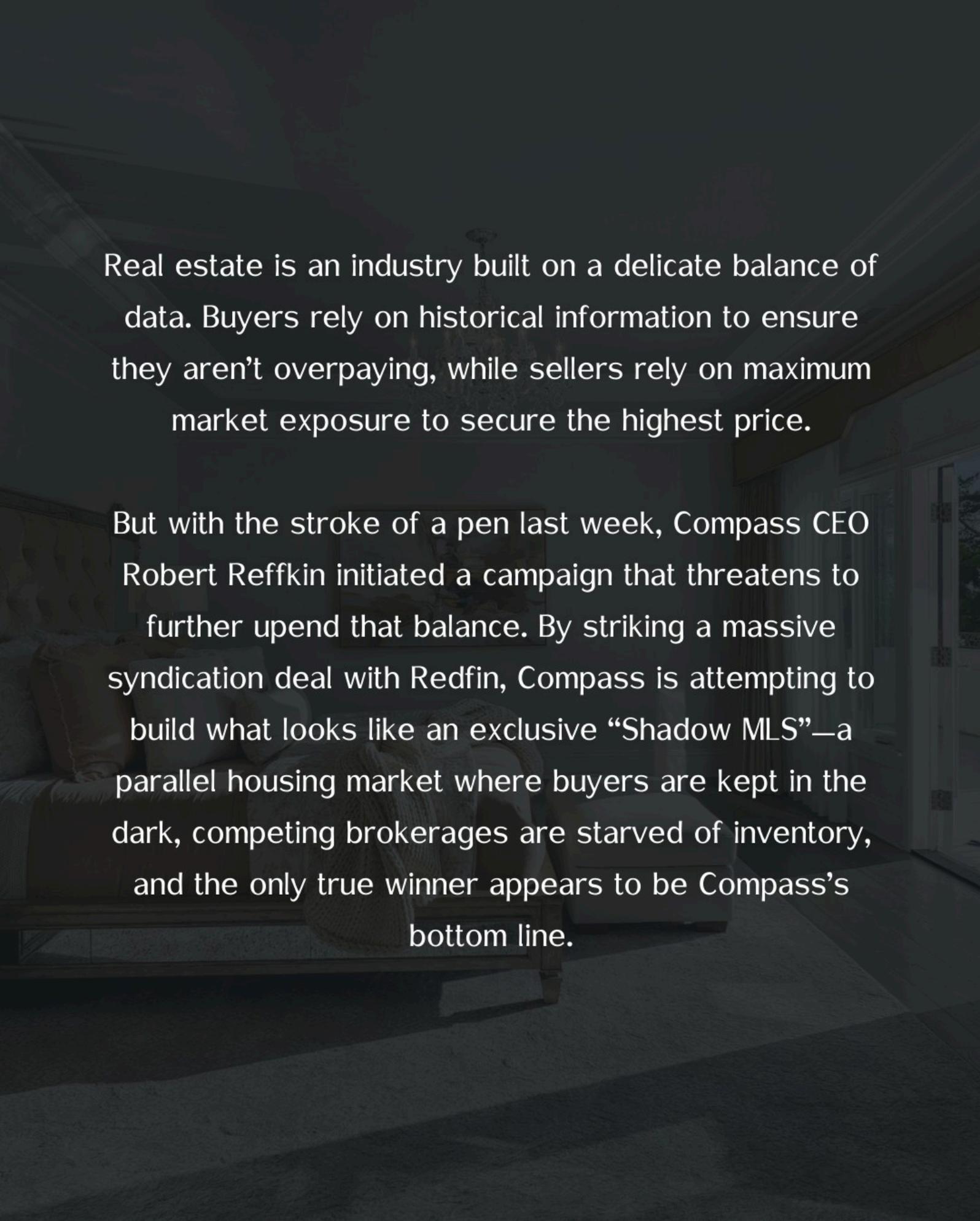
How Compass Is Weaponizing
Secrecy to Hijack the Housing Market

A must-read for real estate agents, buyers, and
sellers. Swipe to understand what’s happening



Inman Op-Ed by Jason Oppenheim

inman

A dimly lit, modern living room with a large sofa and a coffee table. The room is dark, with light coming from a window on the right side. The text is overlaid on the image.

Real estate is an industry built on a delicate balance of data. Buyers rely on historical information to ensure they aren't overpaying, while sellers rely on maximum market exposure to secure the highest price.

But with the stroke of a pen last week, Compass CEO Robert Reffkin initiated a campaign that threatens to further upend that balance. By striking a massive syndication deal with Redfin, Compass is attempting to build what looks like an exclusive “Shadow MLS”—a parallel housing market where buyers are kept in the dark, competing brokerages are starved of inventory, and the only true winner appears to be Compass’s bottom line.

Reffkin is selling this new Redfin alliance to the public under the virtuous banner of “Seller Choice.” The pitch is intoxicating to a nervous homeowner: “List your home with our 350,000-agent network and we will put it on Redfin for millions of buyers to see. In exchange, we will hide your ‘Days on Market’ (DOM), erase your history of price drops, and turn off automated valuation models so you never lose negotiating leverage.”

It sounds like a brilliant, consumer-friendly shield. But when you strip away the corporate buzzwords, it feels like nothing more than an anti-competitive data monopoly disguised as a consumer benefit.

The Illusion of Privacy

Historically, Compass marketed its “Private Exclusives” as a security measure for high-net-worth individuals or sellers navigating a divorce who wanted to keep their floor plans off the internet.

The Redfin partnership completely incinerates that argument. Let’s be entirely clear: when a property is instantly accessible to an internal network of 350,000 agents and simultaneously blasted onto a public portal that projects nearly 2 billion annual visits, there is absolutely nothing “private” or “exclusive” about it. Compass has essentially stripped the word of its actual definition, using it as a branding loophole to bypass the transparency rules enforced by the traditional Multiple Listing Service (MLS).

Furthermore, the “data shield” Compass is promising sellers is a technological illusion. Redfin may agree to leave the DOM field blank, but the internet never forgets. It will take tech-savvy sleuths mere days to deploy web scrapers that track and publicize exactly when a “Private” listing appeared on Redfin, including any price drops. The seller gains nothing; they sacrifice the open market’s massive reach for a shield made of paper.

The “Pre-Market Prep” Alibi

Compass frequently defends this practice by claiming sellers simply need a grace period to paint the living room and build anticipation without the punishing tick of the DOM clock.

But the traditional MLS already solved this. Under the National Association of Realtors' Clear Cooperation Policy, the MLS provides a "Coming Soon" status designed for exactly this purpose. It allows sellers to build hype and prep their homes without accruing Days on Market—while still keeping the property within the fair, transparent, and broadly accessible open market. Compass isn't inventing a solution for sellers; they are ignoring an existing one so they can hoard the data in-house.

The Slippery Slope of 'Seller Choice'

Compass has somehow managed to convince a segment of the industry that hiding Days on Market and price drops is just "innovative marketing." But if the only governing principle here is to protect the seller's leverage by withholding information from the buyer, where exactly do we draw the line?

While we're at it, why don't we exclude the property's previous sale history from Redfin, so buyers don't realize they are paying a 60% markup to a corporate flipper? Why not hide the \$1,200 monthly HOA fees so we don't "scare off" buyers? To really protect the seller's equity, maybe we should remove square footage and year built designations and stop publishing flood zones and local school ratings, too.

We instantly recognize the omission of those data points as unethical. Yet somehow, deliberately hiding the fact that 40 other buyers have already rejected a home at its current price is being celebrated as a revolutionary "Seller Choice." In my view, it isn't a choice; it's the weaponization of information asymmetry.

A Step Backward for Fair Housing

Perhaps the most dangerous consequence of Compass's strategy is the potential impact on housing equity. The open MLS system was designed to democratize real estate and ensure that every buyer has equal access to available homes. Redfin built its brand crusading against private networks, with its own Chief Economist famously stating that pocket listings feel "one step removed from those racial covenants of the 1960s."

By actively encouraging sellers to hide their properties within an exclusive network, Compass is essentially resurrecting the discriminatory “whisper networks” of the 20th century. Fair housing advocates have repeatedly sounded the alarm on pocket listings, noting that they systematically exclude minority buyers, first-time homebuyers, and out-of-towners who aren’t already plugged into elite agent networks. By scaling this exclusionary practice, Compass is inviting massive, well-deserved Fair Housing scrutiny.

Follow the Money: The Motives

If the seller isn’t genuinely gaining privacy, why is Compass pushing this so aggressively? The answer lies in the three pillars of modern brokerage dominance:

The Recruiting Weapon: Competing agents bound by MLS rules cannot legally offer to hide a seller's DOM. Compass is telling top-producing agents at rival firms:
The only way you can offer this to your sellers is if
you join us.

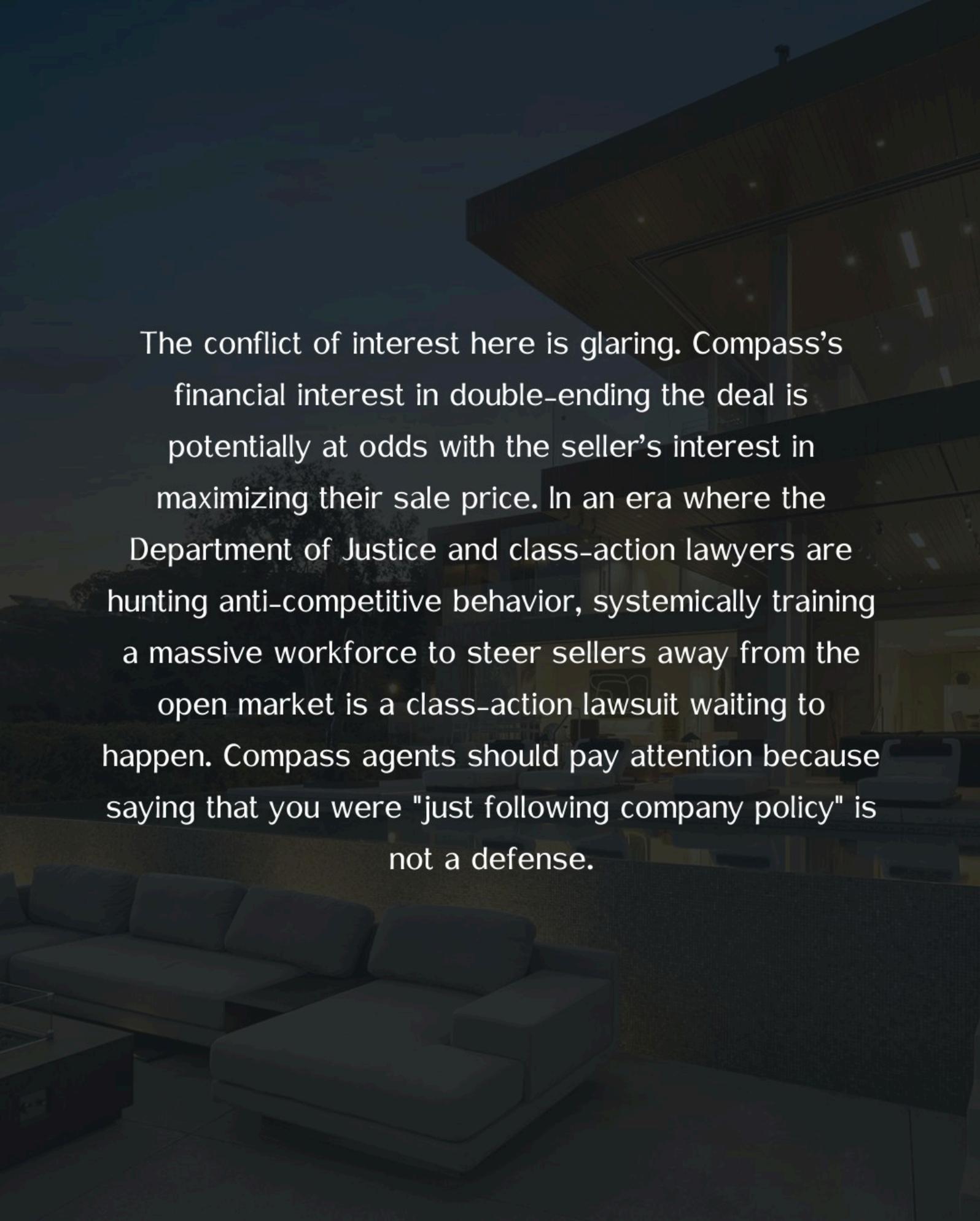
The Double-End Strategy: By keeping listings walled off within their own network for as long as possible, Compass dramatically increases the odds of representing both sides of the deal. Even when the listing hits Redfin, buyer inquiries are routed back to the Compass listing agent, creating a mechanism to double-end the lucrative 5-6% commission.

Starving the Competition: By pulling massive amounts of listings into this parallel system, Compass appears to be intentionally starving the MLS and independent brokerages of the inventory they need to survive.

The Fiduciary Time Bomb

This strategy isn't just a market shift; it is a legal landmine.

The bedrock of real estate law is fiduciary duty—an agent's legal obligation to place their client's financial interests above their own. Achieving the highest possible price for a seller requires exposing their property to the largest possible pool of buyers. In fact, significant industry studies consistently demonstrate that artificially limiting a home's buyer pool decreases the final sale price of the house.



The conflict of interest here is glaring. Compass's financial interest in double-ending the deal is potentially at odds with the seller's interest in maximizing their sale price. In an era where the Department of Justice and class-action lawyers are hunting anti-competitive behavior, systemically training a massive workforce to steer sellers away from the open market is a class-action lawsuit waiting to happen. Compass agents should pay attention because saying that you were "just following company policy" is not a defense.

Further, Reffkin openly promotes this network as a testing ground for ‘aspirational pricing’—industry code for overpricing a home. When a Compass agent represents a buyer on an in-house private listing, do they disclose that their internal network is actively engineered to test inflated, above-market prices, with listings that may have been sitting unpurchased on the platform for months or years?

Compass’s new Redfin loophole is not about giving sellers flexibility. It is about weaponizing a seller’s equity to build an anti-competitive machine that locks out vulnerable buyers. It’s time we stop calling it a “Private Exclusive,” and start calling it exactly what it is: the death of a fair and transparent housing market.