

Lawzuit

**By Reg P. Wydeven
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This past school year my daughter had a unit on William Shakespeare. She got to read several of his classical works, like every student does at some point during their school years. Of course, I remember reading Shakespeare back in school. My favorite was MacBeth, but I think I had to read Romeo and Juliet for at least two separate classes. I remember how Juliet laments that Romeo's family is a nemesis of her own and that if he only had a different last name, they could be together. Her famous line is, "What's in a name? That which we call a rose, by any other name, would smell as sweet."

Apparently Barbara Andersen, a real estate lawyer from Glenview, Illinois, is also a Shakespeare fan. Her lawsuit filed in Cook County, also asks what's in a name - that which we call a Zestimate still smells like an appraisal, no matter what name it goes by.

Andersen's suit, believed to be the first of its kind in the country, is against Zillow, the online realty juggernaut. Since 2006, the Seattle-based company has been offering "Zestimates," which are promoted as "a tool for potential buyers to use in assessing [the] market value of a given property," whether they are for sale or not. According to her lawsuit, Andersen claims the Zestimate for her home is too low.

Andersen listed her home for sale for \$626,000, which is approximately the amount she paid for it in 2009. The house overlooks a golf course and is in a desirable location. According to her complaint, larger houses across the street sold for \$100,000 more. However, the Zestimate for her home, one of about 110 million on Zillow's website, came in at only \$562,000. Andersen alleges the value is faulty, as it is based on sales of newly constructed houses from a different and less costly part of town. As a result, Zillow created a "tremendous road block" to selling her home.

So Anderson sued, stating that despite Zillow's claims to the contrary, Zestimates should be considered appraisals under Illinois law. Therefore, she asserts, Zillow should be licensed to perform appraisals and should obtain "the consent of the homeowner" before posting them online. She is seeking an injunction against the company and wants Zillow to either remove her Zestimate or increase it. At this time, she is not seeking monetary damages.

For years, homeowners, realtors and especially appraisers have complained about Zestimates, claiming their values are not accurate, sometimes by up to 30%. Some even contend that inflated Zestimates helped contribute to the housing bubble that led to the financial crisis a decade ago.

Andersen subsequently filed another lawsuit against Zillow on behalf of several property owners, seeking to have it given class action status. This would allow homeowners from across the country to participate. She is also considering bringing the issue to the Illinois attorney general.

Emily Heffter, a spokeswoman for Zillow, believes Andersen's litigation is "without merit." The Zestimate is "a starting point to determine a home's value and isn't an official appraisal," she explained. "Estimating value based on public information and statistics is a well-accepted practice."

Folks in the real estate industry will be following these cases closely to see if the courts decide that a Zestimate be or not be an appraisal; that is the question.

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