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Name your neighborhood: the new wave in real estate search

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National real estate search sites are giving homebuyers who have fallen in love with a particular neighborhood the ability to type the neighborhood's name into a search box and see the properties for sale there.

Go to Realtor.com, Trulia, or Zillow, and type in "German Village, Columbus, Ohio." You'll not only see the homes that are for sale there, but Trulia and Zillow display the names of hundreds of other neighborhoods on an interactive map of the city, and make it easy to build searches around those neighborhoods.

If consumers are coming to expect such neighborhood-search capabilities, they are likely to be disappointed by many property-search websites -- including some operated by national franchisors, big-name brokerages and multiple listing services (MLSs).

Most will allow users to search by ZIP code, and some can also show properties for sale within a school district. But those are usually larger geographic areas that are likely to contain several neighborhoods.

It's often possible to enter a street name without an address in order to see what's for sale on a particular street, but that's not the most efficient way to find a home in a particular neighborhood. Neighborhoods typically have dozens of streets, and a given street may run through many neighborhoods or even cities and counties.

Map-based radius searches -- which allow users to search for listings within a certain distance of a location -- may pull in results from several neighborhoods with quite different characteristics.

Neighborhoods are the lingua franca of real estate agents and consumers -- a classification system that condenses a wealth of information about home prices, property types, demographics, proximity to schools and other amenities into a single, easy to remember term.

To those who are already familiar with it, a neighborhood name conjures up more than just statistics -- it's an image of a place and the people who live there.

For homebuyers relocating to a new city, neighborhoods are a way of breaking down what might otherwise be an overwhelming set of choices into more manageable subsets.

Describe your dream home to a friend or a real estate agent who knows the city you want to live in, and chances are they will be able to rattle off the names of the neighborhoods you'd be most interested in.

"If you are in a coffee shop in San Francisco, and you tell a person, 'Here is who I am,' they will say, 'You should look in Russian Hill, or the Mission District,' " said Mark Friend, vice president of sales and marketing for Maponics, which builds and licenses neighborhood boundary datasets used by Google, Trulia, Zip Realty, Roost, and others.

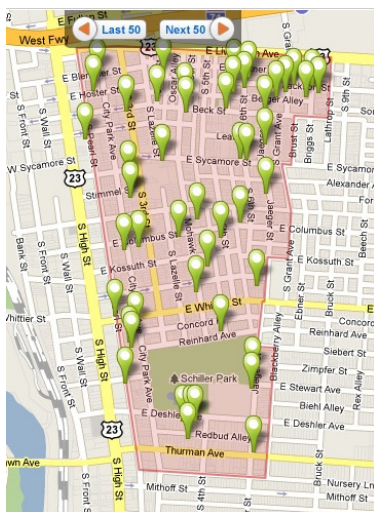
"People love our neighborhood search," said Ken Shuman, a spokesman for Trulia. "The feedback has been overwhelmingly positive."

Shuman said Trulia implemented a major expansion of its neighborhood search capabilities last year -- a project it wouldn't have embarked upon unless it was popular with consumers.

Trulia lets users type a neighborhood's name directly into a search box -- a fast way to pull up results if they already know the name of the neighborhood they are interested in -- or click on "more neighborhood options" if they don't.

Moving a mouse cursor over a map of the city reveals the names of any of 294 neighborhoods defined for Columbus, like the Olentangy neighborhood on the city's north side -- not to be confused with Olentangy Commons, Olentangy Glade, or Olentangy High Bluffs.

Zillow has similar capabilities, with boundaries for 278 neighborhoods in Columbus. Realtor.com allows keyword searches by neighborhood but lacks interactive map tools for discovering neighborhood names and tailoring search results.



A Trulia.com screenshot shows homes for sale in Columbus, Ohio's German Village neighborhood.

"Brick and mortar" sites lag

Traditional "brick and mortar" companies such as brokerages and MLSs "are ceding the market to other players" by not implementing neighborhood search, Friend said. "Zillow, Trulia, Realtor.com -- those companies have moved in and taken advantage of what people want."

While Maonics obviously has a vested interest in seeing more widespread adoption of neighborhood-based search capabilities, real estate technology consultant Brian Boero agrees that they are useful tools for consumers.

Boero -- whose firm, 1000Watt Consulting, helps real estate companies get the most out of the Web -- said it's not just the cost of providing neighborhood search that's standing in the way of adoption.

"From a user perspective, searching by neighborhood is often more natural than using a broad and rough parameter like ZIP code," Boero said. "It's a very user-friendly way to begin a search for consumer, but as with many things in real estate, it's politically thorny."

As every Realtor knows, there can be considerable disagreement about where a neighborhood begins and ends.

Many MLSs long ago established their own "MLS areas" that may not correspond with commonly used neighborhood boundaries, or which incorporate several neighborhoods into one MLS area.

Real estate agents and brokers may have their own ideas about where neighborhood boundaries lie, and resent having other boundaries imposed on them.

There are several third-party companies that compile databases of neighborhood boundaries and license them, including [Maonics](#), [Onboard Informatics](#), and [Urban Mapping](#).

In addition, Zillow has created [a database of more than 9,300 neighborhood boundaries](#) in 169 cities that anyone is free to use under a Creative Commons license. But companies using the boundaries must give Zillow attribution, a drawback for those focused on promoting their own brand.

Maonics [offers an application programming interface](#), or API, but the free version of the program is limited to providing the name of a neighborhood entered by a user.

Vendors who build IDX (Internet data exchange) listing sites use third-party boundary databases to provide neighborhood search capabilities to brokerages and other website operators. Individual listings are "geocoded" with a longitude and latitude, and assigned to a neighborhood.

Seattle-based brokerage John L. Scott offers users a "[Neighborhood Wizard](#)" tool that allows them to hand-draw boundaries on a map.

On the east coast, Virginia-based [Long & Foster's property search site](#) displays the names of neighborhoods on map-based searches, and allows users to enter neighborhoods by name as an additional criteria when searching for homes.

But many others have yet to follow the lead of those large regional brokerages.

In addition to the cost of building or licensing boundaries, incorporating neighborhood search capabilities into a website can open "a big can of worms" over boundary definitions, Boero said.

The last thing agents want is a call from a client who's upset that their listing broker's website has their property showing up in Westwood, Calif., when they think of it as being in Bel Aire, Calif., Boero said, using the Los Angeles suburbs as a hypothetical example.

Similarly, if a national franchise adopts boundary lines drawn by a third-party company for use on its public-facing property search site, those boundaries may differ from the ones their member brokers are accustomed to.

Instead of taking listings data and geocoding it in order to assign the properties to a neighborhood, another approach -- one taken by Coldwell Banker Real Estate LLC, for example -- is to let agents and brokers decide what neighborhood a home is in.

Coldwell Banker recently launched a [Beta test site](#) that allows "long tail" searches for special property characteristics including neighborhood -- if the agent inputting the listing has provided such information.

"If they don't put 'German Village' in, it won't come up," said Coldwell Banker spokesman David Siroti.

To take full advantage of the site's new keyword search capabilities, agents must realize "they are no longer beholden to writing a property description where they are paying by the word," Siroty said.

"No longer do you need to work in code that only you understand -- we are working diligently to unharness them, to train them to write really descriptive listings" instead of abbreviations.

(The brokerage's [main site](#) [13] offers a "Detailed search" page that may list some neighborhoods in a "city" drop box if brokers have provided that information, after users have elected a state, region and county).

The Switzerland of neighborhoods

One problem with leaving it up to agents and brokers to define what neighborhood a home is in is that boundaries can get fuzzy.

As anybody who's ever looked for an apartment on Craigslist can attest, landlords will sometimes take liberties in describing a rental unit's location, claiming it's in a more desirable

neighborhood than it really is. Agents, under pressure from clients, might be tempted to do the same with a for-sale listing.

Such concessions are a "net zero sum game" because those agents and brokers also risk offending other clients who actually live in the preferred neighborhood, said Maponics' Friend.

"We position ourselves as the Switzerland of neighborhoods" when drawing up boundaries, Friend said. "We don't have a vested interest -- our only interest is in drawing these lines as accurately as possible."

This week, Maponics announced it had increased its neighborhood boundaries coverage to include new neighborhoods in 100 cities in the U.S. and Canada, also adding new cities in South America, the Middle East, Africa, and Asia.

Maponics has boundary data for about 90,000 neighborhoods in the U.S. and Canada, Friend said, covering about 40 percent of the U.S. population. While the database will never include some rural areas, it's growing at a rate of about 10,000 neighborhoods per quarter, he said.

"If we're not in the neighborhood in your neck of the woods, we will be very soon," Friend said.

The company is establishing itself as the dominant player in the field, with big names like Google, Trulia and Lender Processing Services (LPS) licensing its boundary definitions.

Because LPS is the data provider for the National Association of Realtors' Realtors Property Resource, [a national property database for Realtors and MLS members](#) [14], Maponics may be on its way to establishing its boundaries as an industry standard.

Friend said the company's boundaries are built from both public and private sources, "to leverage what's on the street." In 2007, for example, Maponics purchased a boundary dataset from Homegain that's now the basis of about 7 percent of the company's database, he said.

Maponics has also paid real estate agents who are knowledgeable about neighborhoods in the markets they work to help the company build boundary datasets.

Such datasets require "a lot of work" before they are ready for release, he said. Maponics runs its boundary data through proprietary algorithms and uses imagery and other techniques for validation.

"It's a little bit like legislation -- it's not always pretty, but at the end of a very sophisticated process, it produces the most accurate boundaries," Friend said.

Keeping neighborhood boundaries up to date with new construction is also a never-ending task. Like Zillow, Maponics welcomes feedback from end users if they have differences over the way neighborhood boundaries have been drawn.

Many data sources

But Maponics is far from the only provider of neighborhood boundary data. The many datasets in use mean there's still plenty of room for disagreement.

Searching for listings in Columbus' German Village neighborhood on Realtor.com, Trulia, and Zillow, for example, produces varying results.

Trulia uses Maponics neighborhood boundaries, which are similar but not identical to Zillow's boundaries. While Realtor.com would not disclose how its neighborhood boundaries are determined, the site returned properties outside of the boundaries used by Trulia and Zillow.

In Realtor.com searches, some listings will show up in more than one neighborhood, indicating some overlap in boundaries or multiple sources of boundary data.

"Because neighborhood (boundaries) are not cut and dry, one home could be in multiple neighborhoods," said Julie Reynolds, a spokeswoman for Realtor.com operator Move Inc. "The plus side is that a home receives more exposure when users are looking for a home in or near a particular neighborhood."

Friend begged to differ.

"Our boundaries don't overlap, which is really important," Friend said. "You don't want properties to be appearing in more than one neighborhood."

That's because it's not just househunters who are making use of neighborhood boundary definitions, but mortgage lenders and servicers including clients of LPS and also Fannie Mae.

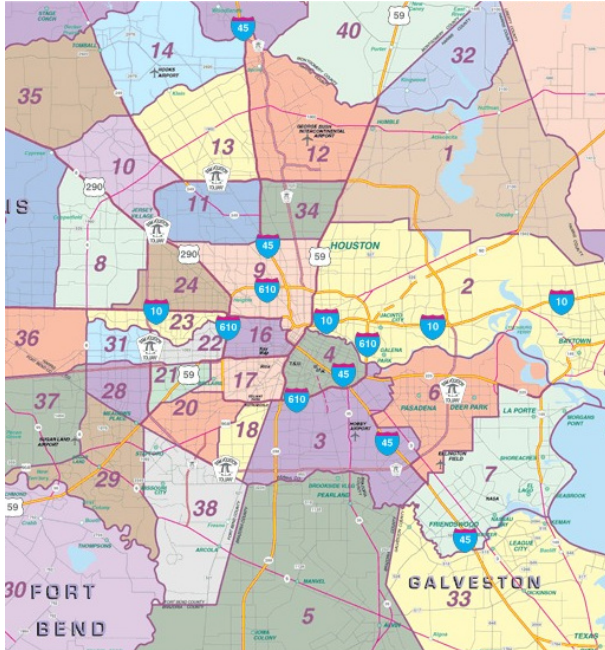
Fannie Mae, Friend said, uses Maponics neighborhood maps to look at adjustments appraisers have made in valuing properties and in selecting "comps," or comparable properties, to back those valuations up.

Neighborhood boundaries can also be useful information to plug into automated valuation models, or AVMs, used by lenders and loan servicers, Friend said.

MLS areas

While there are several third-party sources of neighborhood boundary datasets, many MLSs already have "Z areas" defining parts of towns and "Y areas" made up of subdivisions within those areas.

Some, like the MLS operated by the Houston Association of Realtors, HAR.com, offer consumer-facing property search sites that allow homebuyers to search for listings by MLS area. HAR.com also offers advanced search tools that allow users to search for homes in particular subdivisions, or define their own search areas by drawing polygons on a map. .



This image shows "MLS areas" defined by the Houston Association of Realtors.

Some brokerage and franchisor websites take advantage of the existence of MLS area or subdivision fields in listings in order to provide search tools to consumers. Remax.com, for example, allows users to refine search results by entering the name of a neighborhood or subdivision in a box.

California's largest MLS, [SoCalMLS](#), works with a third-party company, The Inside Tract, to group properties by builder tract or subdivision, which is especially useful in areas where there's been new-home construction, said CEO Russ Bergeron.

SoCalMLS' members are encouraged to use those tract definitions, although they are free to use third-party neighborhood boundaries if they wish.

On its own consumer-facing site, [SoCalMLS.com](#), users may enter the name of a city, a more narrowly defined location, or a school into a search box to find properties, with "predictive" capabilities. Start typing in "View Park," for example -- an area in unincorporated Los Angeles County -- and the site offers suggestions in a drop box, including "View Park (Neighborhood)" and "View Park Prep (Senior)," a high school.

But Bergeron said that with map-based search becoming easier to use, and listings now geocoded "down to the rooftop level, I feel we will be getting away from the 'old school' marketing areas (tracts) and focusing on the geography (neighborhoods) -- after all that is what my customers buy and sell."

Bergeron acknowledged that it takes a lot of work to build the mapping boundaries, and said, "At this point I am not sure that it is cost-effective since there are so many other ways of burrowing down into the data offered on various websites."

The Houston Association of Realtors is also planning to move away from MLS areas as a search tool for consumers, said Shawn Dauphine, the association's director of MLS.

From a consumer's standpoint, the problem with MLS areas is that often they were developed long before listings were being made available to consumers, Dauphine said, and tend to be "Realtor centric." They often have nondescript names, such as "Northwest," that are not used or known by consumers.

A property that shows up in HAR's MLS Area 28, for example -- the "Alief Area" -- is described by Realtor.com and sites that use Maponics neighborhood boundaries as being in Houston's Westchase neighborhood.

That will change when HAR starts using neighborhood boundaries that it's now developing in a process that includes holding town hall meetings with Realtors to seek their input.

While companies like Maponics have done a good job building a national database of neighborhood boundaries, Dauphine said HAR and its members have the knowledge and expertise to develop their own local database of neighborhood boundaries.

The initial phase of the project is expected to roll out by the end of the year, Dauphine said, with all five counties in the MLS' coverage area being brought on board in phases.

"I think consumers are looking toward doing more map-based searches, while Realtors are used to text-based forms," Dauphine said. "For brokers, when it hits the map, we had better make sure that the map is right. They don't care how we do it, really, as long as it works."

Dauphine expects the importance of geocoding properties and providing neighborhood-based search to grow with increased adoption of location-aware mobile devices like smartphones.

Boero agreed -- but only to a point.

"When you are out in the field, it's less about searching for and finding properties, but gathering info about what's around you," Boero said of the usefulness of neighborhood search for mobile applications. "You don't go out in your car and do a radius search for properties, but you may want to get details on a particular listing."

Maponics' Friend sees neighborhood search as a valuable tool in the field, too.

"It's kind of nice to be able to say, 'This is where I'm at -- I want to see homes that are close to me,' " he said. "But that's a pure radius function. What you might mean is, 'I want to see homes half a mile in one direction, but I don't like that neighborhood half a mile in the other direction.' "

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