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INDUSTRY

2 days in Chicago that could change real estate everywhere

At the Zillow vs. MRED/Compass preliminary injunction hearing, a judge listened to three irreconcilable theories. His ruling could have lasting consequences.



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Key points:

- Each party had its own spin on the facts: Zillow is pushing back against a harmful boycott; MRED is just enforcing its rules; and Compass has a right to choose its business strategy.
- Compass accused Zillow of hypocrisy, saying the portal adjusted its own listing standards so it could launch its Preview offering.

- Zillow, similarly, claimed MRED changed its rules in order to challenge those standards and cut Zillow's listing feed.

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The views expressed in this column are solely those of the author.

This week, I had the opportunity to spend two days in a federal courtroom in Chicago. The venue was host to a marquee fight the real estate industry has been waiting to see, argued for the first time in front of a judge.

Zillow squared off against Midwest Real Estate Data (MRED) and Compass in a [preliminary injunction hearing](#) over a question the two sides answer very differently: Is MRED enforcing a neutral data licensing rule — or conspiring with Compass to execute a coordinated boycott targeting Zillow?

Before I get into my takeaways, a disclosure is in order.

Zillow paid for my flight and hotel. If you want to read the whole backstory, [it's on my Substack](#). A couple of important notes: They didn't compensate me for my time, and they have no say in what I write. But I recognize that their role in funding the trip (and my public commentary about Compass) means I'm not just a dispassionate observer. That said, my goal here is to present a neutral view of the proceedings as they played out.

An series of unfortunate events

For those of you who haven't been following the case, it started on May 12 when [Zillow sued MRED and Compass](#), claiming they were "colluding" to hide listings. But that was precipitated by a series of events, beginning with Zillow's introduction of [new listing access standards](#) in April 2025. The policy created tensions with MRED and Compass that came to a head when the MLS and brokerage [partnered on listing distribution](#) in April 2026.

About a week after Zillow filed its lawsuit, MRED — which said Zillow's enforcement of its listing policy violated the MLS's rules — [cut off Zillow's access](#) to its data feed, causing roughly 43,000 Chicagoland listings to disappear from Zillow's site. A judge [temporarily ordered MRED to reinstate the feed](#), but also said Zillow could not apply its standards to MRED listings in certain ZIP codes.

All of which brings us to a Chicago courtroom, where I spent two days sitting on a hard wooden bench taking as many notes as I could.

3 conflicting perspectives

The opening statements, presented on July 1, laid out three irreconcilable theories.

Zillow's attorney framed the case as a boycott by dominant players causing immediate, irreparable harm to Zillow and consumers. MRED's counsel countered that the MLS was enforcing a neutral, longstanding rule applied evenly to all, and that Zillow was the one weaponizing data. Compass argued that Zillow free-rides on listings it didn't create, wants to police marketing strategies it dislikes, and manufactured its own harm.

Across the two days of testimony, several threads dominated.

On transparency, Zillow Chief Industry Development Officer Errol Samuelson defended the listing standards as protecting consumers from "false privacy" — listings advertised widely but withheld from the open market. Compass and MRED cast the same standards as hypocrisy, noting [Zillow adjusted them](#) around the launch of its own pre-market product, [Zillow Preview](#). Much of the debate centered on whether Compass's private listings differ meaningfully from traditional office exclusives.

Neither side pulled any punches. Zillow introduced communications between Compass and MRED, framing MRED as the MLS that would "protect [Compass agents] from Zillow" and pointing to a marketing campaign Compass prepared weeks in advance to capitalize on Zillow getting its feed cut.

Compass, in turn, revealed that Zillow had previously offered it a partnership worth an estimated \$1.3 to \$1.6 billion in annual revenue in exchange for Compass agents marketing exclusively on Zillow — an offer CEO Robert Reffkin said he rejected. He used this event to cast doubt over the sincerity of Zillow's claims to value transparency above all else.

Fair housing and the future of competition

The dispute also took on a fair-housing dimension. Zillow argued, [citing research](#), that privately marketed listings disproportionately disadvantage sellers and buyers of color by limiting exposure. Compass pointed to its disclosure that explicitly bars discriminatory use of Private Exclusives, and argued that its visible network is *more* accessible than truly hidden office exclusives. Reffkin pushed back sharply on what he characterized as Zillow manipulatively invoking racial harm to serve its business interests.

The economists who testified disagreed about the future itself. Zillow's expert, Dr. Lawrence Wu, described a market where MLSs, brokerages and portals increasingly

compete to distribute listings. He strongly testified that losing access to MRED's data feed could lead to irreparable brand damage and financial loss for Zillow.

Compass's expert, Dr. Debra Aron, described a structure in which those same entities do not compete, but complement one another. She challenged Wu's methodology in his findings that private listings sell for less. After changing a few variables she considered errantly biased, she showed how the data could demonstrate that homes listed in PLNs sell for more — not less, as Dr. Wu contested.

Defining 'objective criteria'

Beneath all the narrative sits a narrow legal question that may just decide the case: What counts as "objective criteria"? MRED traces its objective criteria filtering rule to a 2008 Department of Justice settlement barring MLSs from discriminating against brokerages by business model. Zillow contends its standards fit within the objective criteria, because they are filtering based on listing status, not by a specific agent or brokerage. MRED says listing status is not understood to be part of the objective criteria laid out in the MLS Grid display rules.

Zillow claims that MRED *changed* its rules to challenge their standards. MRED said they



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Here are three things I think the industry should be watching for:

First, the ruling. The judge is expected to decide within weeks whether to grant the injunction. A grant would protect Zillow's access as the case proceeds; a denial would let the feed suspension stand and hand MRED significant leverage as the case moves to trial.

Second, arbitration. MRED has [a pending motion to move the dispute out of the courtroom](#), and Zillow was given until July 6 to file an additional brief. If MRED's motion succeeds, much of this week could be relitigated not in a courtroom, but behind closed doors.

Third, and most consequential for the industry at large, the precedent. MLSs, brokerages and portals nationwide are watching what a ruling here would mean for private listing networks and for the rules that govern listing distribution. Several MLSs have reportedly held back from creating their own PLNs or partnering with brokerages on pre-marketing innovations as they await the outcome of this case.

The industry has argued about who controls listing data for years. This week was the first time a federal judge was given an opportunity to weigh in. His answer will have consequences well beyond Chicago.

[Find more takeaways](#) and Nick's candid assessment of the arguments on his *Realtor Gone Rogue Substack*.

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His popular Substack, [Realtor Gone Rogue](#), explores topics including real estate incentives, consumer advocacy and alternative service models.

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Wendy Gilch, Founder, Selling Later

July 6, 2026



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Day 1 of Zillow-MRED hearing: Collusion or contradiction?

Execs from Zillow, Compass and MRED testified in Chicago on Wednesday in a hearing that could have implications for how listing rules can be enforced.

Lillian Dickerson

July 2, 2026



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