

When firm with few clients
loses one, it hurts **D2**

Winner, Best Business Columnist, Lee Schafer

Awarded by the Society of American Business Editors and Writers (2018)

Senate bill would protect
nail salon workers. **D4**

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BUSINESS

WEEK AHEAD

Local earnings
Monday: Mosaic, MTS
Systems, Northern
Oil and Gas, Otter
Tail, Tactile Systems,
IntriCon.

Tuesday: ANI
Pharmaceuticals, ASV
Holdings, CHF Solutions,
Electromed.

**Economic
releases**
Wednesday: Producer
price index for April.

Thursday: Consumer
price index for April.

**Annual
meetings**
Tuesday: 3M, Allele,
Pentair.

Wednesday: Nortech
Systems.

Thursday: C.H. Robin-
son, Mosaic, Qumu.

BIZ BLOGS

Point of Sale
Trends from retailers
with John Ewoldt and
Kavita Kumar
startribune.com/pointofsale

Just Listed
Twin Cities real estate
with Jim Buchta and
Nicole Norfleet
startribune.com/justlisted

Inside Track
Insights on Twin Cities
business and economics
startribune.com/insidetack

MARKETS

Dow industrials
24,262.51

▼ Last week: 0.2%
▼ This year: 1.9%

S&P 500
2,663.42

▼ Last week: 0.2%
▼ This year: 0.4%

Nasdaq
7,209.62

▲ Last week: 1.3%
▲ This year: 4.4%

**Piper Jaffray
Minnesota**
667.65

▼ Last week: 2.1%
▼ This year: 4.8%

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Winners 5-DAY
CHG.
Cardiovascular Sys +15.0%
Surmodics Inc +10.7%

A leaner TCF is back in favor with investors

ON SMALL BUSINESS
NEAL ST. ANTHONY

TCF Financial, in and out of Wall Street's good graces for a decade, has regained widespread investor favor in recent months.

"It takes time for banks to remake themselves, but TCF is underway with what will be a multiyear process of becoming a more focused, higher quality bank focused on middle-mar-

ket depositors and specialty lending," independent analyst Stephen Simpson wrote recently on investor website Seeking Alpha. "Although there will be some headwinds ... TCF's above-average asset sensitivity will ease some of those challenges."

TCF's stock price has climbed from less than \$15 within the last year to around \$25 per share in recent weeks. In April, the Plymouth-based

bank reported unexpectedly strong first-quarter earnings, a plan that seems to be working and a bright horizon.

TCF's first-quarter profits surged 59 percent to \$73.7 million on a 9 percent boost in revenue to \$355.4 million. Profitability bloomed from diversified businesses, bolstered by low-cost consumer deposits and a phone and online consumer strategy that is restraining noninterest expenses.

Thanks partly to higher profitability and the recent federal tax cuts, TCF has raised its shareholder dividend. It may buy back stock and will continue to invest in what's working, CEO Craig Dahl told analysts recently.

"As we look to build on our first-quarter momentum ... we are focused on driving shareholder value through strong execution of our strategy," Dahl said. "We are [reduc-

ing] the risk profile of our balance sheet to further lower our credit, operational and liquidity risks. We also maintain a positive outlook for our diversified lending businesses, including consumer real estate, commercial, leasing and equipment finance and inventory finance business from a growth, profitability and credit-quality perspective."

See **ST. ANTHONY** on D2 ►



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To launch Homesnap, John Mosey had to bring together multiple listing services in various cities and brokerages. It was like "walking a tightrope," he said.

Brokers launch a rival to Zillow

John Mosey helped develop an agent-focused competitor to apps from Zillow and Trulia.

By JIM BUCHTA • jim.buchta@startribune.com

Homesnap.com went live last year with real-time property listings, a direct link to a listing agent and not a stitch of advertising.

The site is the real estate industry's answer to the countless third-party property listing sites that have become influential in the sale of homes. Years in the making, a key player in its inception and launch is St. Paul-based John Mosey, longtime president of Twin Cities-based Northstar MLS.

"There was this grand notion that the industry could tap its resources to go head to head with the Zillows, Tru-

lias and Realtor.coms of our world," Mosey said.

The competition goes beyond that. In addition to the big names like Zillow and Redfin, there are hundreds of broker-run sites that compete for buyers. Many are funded by real estate agents and associates who pay to advertise on those sites, raising concerns about the accuracy and presentation of the information.

That led to the creation of the Fair Display Guidelines, a set of standards that dictate how listing information can be used.

See **MOSEY** on D3 ►

Brokers launch a rival to Zillow

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“Industry leaders got together to talk about what wasn’t working,” said Craig Cheatham, chief executive of the Realty Alliance, a network of the nation’s biggest real estate brokerages that now administers the guidelines. “Homesnap came into existence because of broker and consumer frustration.”

Companies that use that multiple listing service data are asked to adhere to those guidelines, but Cheatham said that none of the major websites would comply, so a group of brokers established an entity called the Broker Public Portal to come up with a strategic plan.

As vice chairman of the Broker Public Portal, Mosey helped identify the technology partner that could carry out their vision. Homesnap, a startup based near Washington, D.C., was an obvious choice because the company had already built a website and a popular mobile real estate app, Mosey said.

To move the project forward, he had to bring together the multiple listing services in various cities as well as brokerages together. It was like “walking a tightrope,” Mosey said. But he added, “It was the first time in 40-odd years in the industry that I’ve seen this level of collaboration between brokers and their MLSes.”

Mosey said that while Homesnap had a website for several years prior, it wasn’t what was needed to compete with the leading incumbents like Zillow, Realtor.com and Redfin.

“The rewrite of the Home-snap website was done as a condition of the BPP/Home-snap alliance,” he said. “It needed to be brought forward to best-in-class quality and be equal to the mobile side.”

It’s not the first time the real estate industry has tried to launch what it calls a more “agent-centric website.”

Shortly after the advent of the internet, the National Association of Realtors (NAR) entered into a partnership with a private firm to launch [Realtor.com](#). But there were operational glitches. Competitors swooped in, using public and private data to populate their own sites with listings that are obtained through individual agreements with multiple listing services all across the country.

Zillow, which eventually acquired its key competitor, Trulia, now dominates the market. [Realtor.com](#) is still in business, but is now operated by Move Inc., a unit of News Corp.

In a world that’s quickly migrating to mobile devices, a mobile-first approach was appealing to the BPP, which wanted to build a home search experience that encourages agent-to-consumer and agent-to-agent collaboration.

“BPP with Homesnap has the advantage of giving consumers access to the same professional data source used by agents without ads or misdirection to agents who have no relationship to the listings,” Mosey said. “Home-snap is built to help buyers find homes, not to sell them as leads.”

Individual brokerages are also competing in the same space. In the Twin Cities, house shoppers have access to several major brokerage-run sites.

Sharry Schmid, president of Edina Realty, said that an agent-specific Homesnap app is used by some agents to save searches for clients, but she noted that Edina Realty also offers an app as well as a responsive website.

“It’s [Homesnap] a nice option for agents who don’t have access to these tools through their broker and has been rated well for usability,” she said.

Edina Realty and other brokerages often offer more complete local listing data because of agreements they have with associations that don’t subscribe to multiple listing services.

Unlike Zillow and other sites that rely on advertising, Homesnap is funded by MLS dues, which increased slightly to help support the effort. Homesnap has also raised capital from investors, including venture capital firm Revolution Ventures. In February, the joint venture received a \$14 million investment from technology-centric venture capital firms.

For Homesnap and others, the opportunity is enormous. According to Hitwise, which tracks web statistics, nearly two-thirds of all property search traffic is now mobile-based. Since the BPP’s launch with Homesnap in January 2017, participation (listing feeds) has grown from 45 multiple listing services to more than 120 today, representing the listings of more than 800,000 real estate agents and brokers across the country.

That’s still just a fraction of the traffic that’s flowing to Zillow, which already has listing agreements with hundreds of multiple listing services across the country and also provides listing information that’s updated in real time, according to a company spokesperson.

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