

ZILLOW GROUP: MANAGING CHANGE AT INTERNET SPEED

Spencer Rascoff, Chief Executive Officer, Zillow Group



#ZGMultifamily



What's happening...

globally

SYRIAN CIVIL WAR



GLOBAL REFUGEE CRISIS



theguardian

Swift response to refugee crisis rests on Obama summit after UN talks fail

GLOBAL TERROR



Tragedy in Nice: Why is France the target of another terror attack?

BREXIT



NORTH KOREA



PROXIMA B



CONFIRMED: DOGS UNDERSTAND US



Their Masters' Voices: Dogs Understand Tone And Meaning Of Words

BRANGELINA BREAKS UP



Angelina Jolie files for divorce from Brad Pitt



What's happening...

nationally

THE ELECTION



VS.



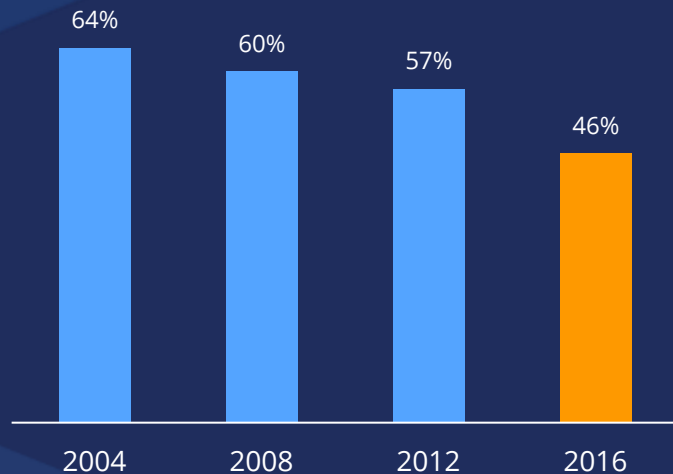
BIGGEST ISSUE: CONSUMER TRUST

6 in 10 voters say each candidate isn't honest and trustworthy



Source: Washington Post-ABC News poll, September 10, 2016

Consumer enthusiasm for the campaign is the **lowest** in recent presidential election years



Source: CNN/ORC Poll Results, September 7, 2016



What's happening...

in tech

- Bots
- Autonomous vehicles
- Virtual reality

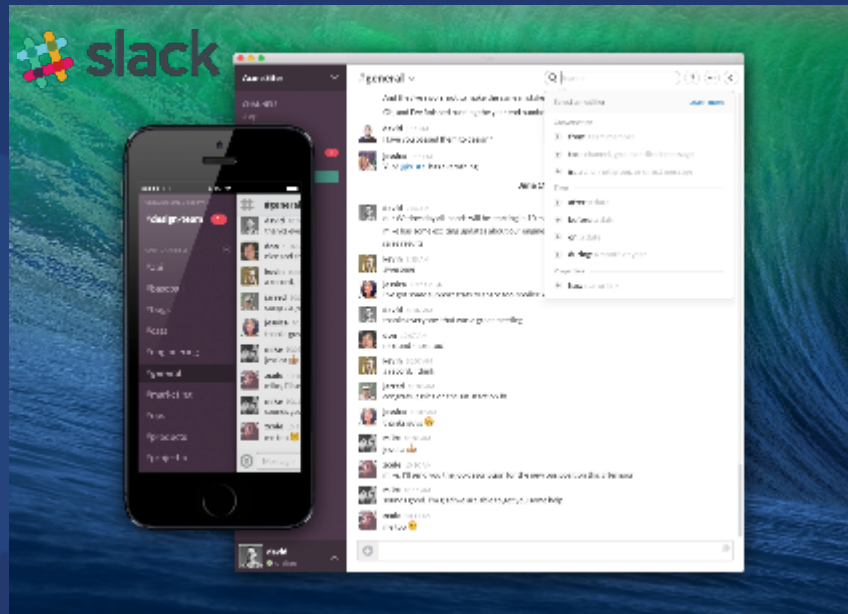
BOTS... WHAT ARE THEY?



Bots respond to simple commands to deliver information or complete tasks.

TAKE OFF OF MESSAGING APPS...

Enterprise bots



Consumer bots



WeCHAT: *THE* BOT IN CHINA



Launched **Jan 2011**

806M monthly active users

WHO IS BOTTING, AND WHY IS IT A BIG DEAL?



Messenger



Siri



Google Now

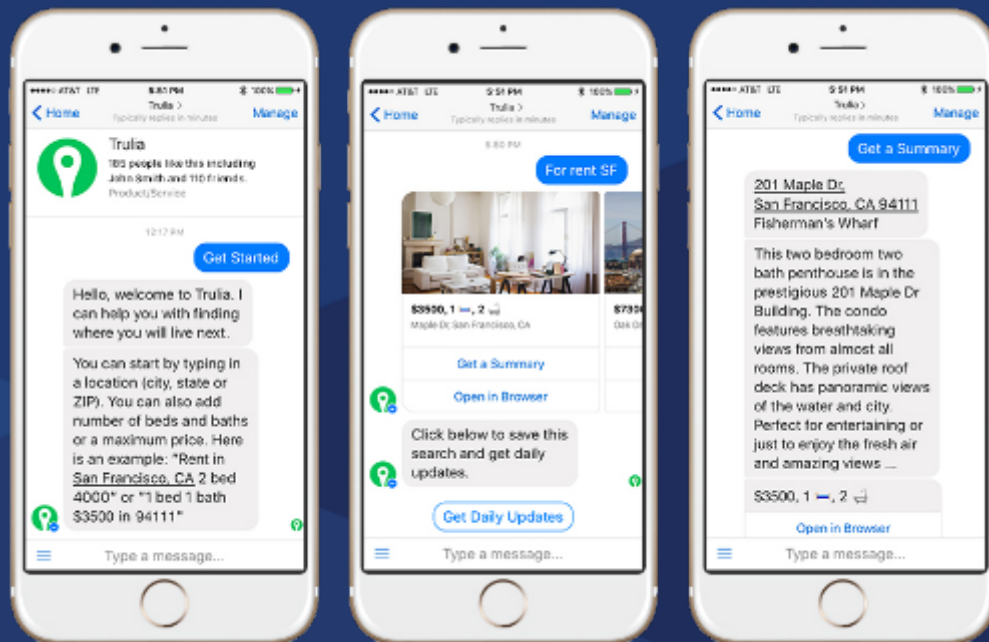


Alexa



Cortana

HOW WILL BOTS IMPACT RENTALS?



SELF-DRIVING CARS



USA TODAY
Google seeks changes in Michigan self-driving car bill



The Boston Globe
Driverless cars get real test: Boston



TechCrunch
Uber acquires Otto to lead Uber's self-driving car effort



TIME
Why Self-Driving Trucks May Be the Next Big Thing on the Road



THE VERGE
Volvo will sell its self-driving car tech to other automakers



San Francisco Chronicle
Major job losses feared when self-driving cars take to the road

WHO ELSE IS IN THE GAME?



**FORD RESEARCH AND
INNOVATION CENTER**
Palo Alto



Autoliv



Microsoft

SELF-DRIVING CARS: A FIELD GUIDE

Level 4



Robot is in total control

humans are cargo

Level 3

UBER

Human on standby

robot controls with supervision and intervention by human

Level 2

TESLA

Attentive autopilot

hands remain on wheel, driver pays attention

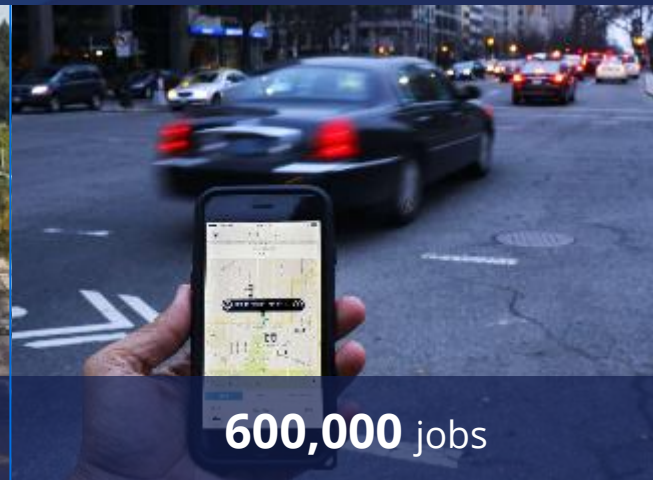
Level 1

Most
automakers

Human drives with help

cruise control, auto braking, stability control

WHEN CARS AND TRUCKS BECOME DRIVERLESS, WHAT HAPPENS TO THE DRIVERS?



VIRTUAL REALITY



VR IS READY TO SCALE

Display technologies + **tracking** technologies + **graphics** power



WE'RE ON OUR WAY



WE'VE ALREADY WITNESSED THE DEMOCRATIZATION OF LISTING VIDEOS...



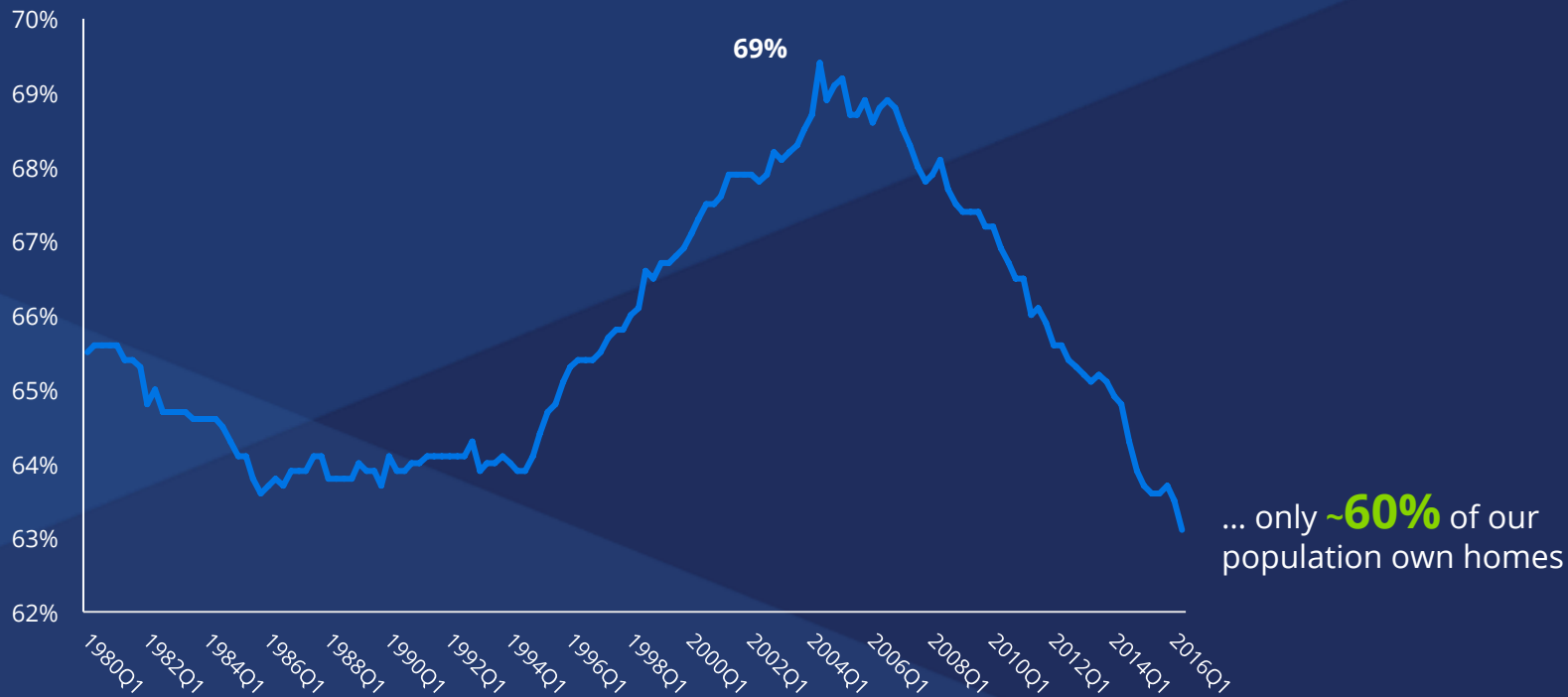
When will we see the
democratization of
virtual reality?



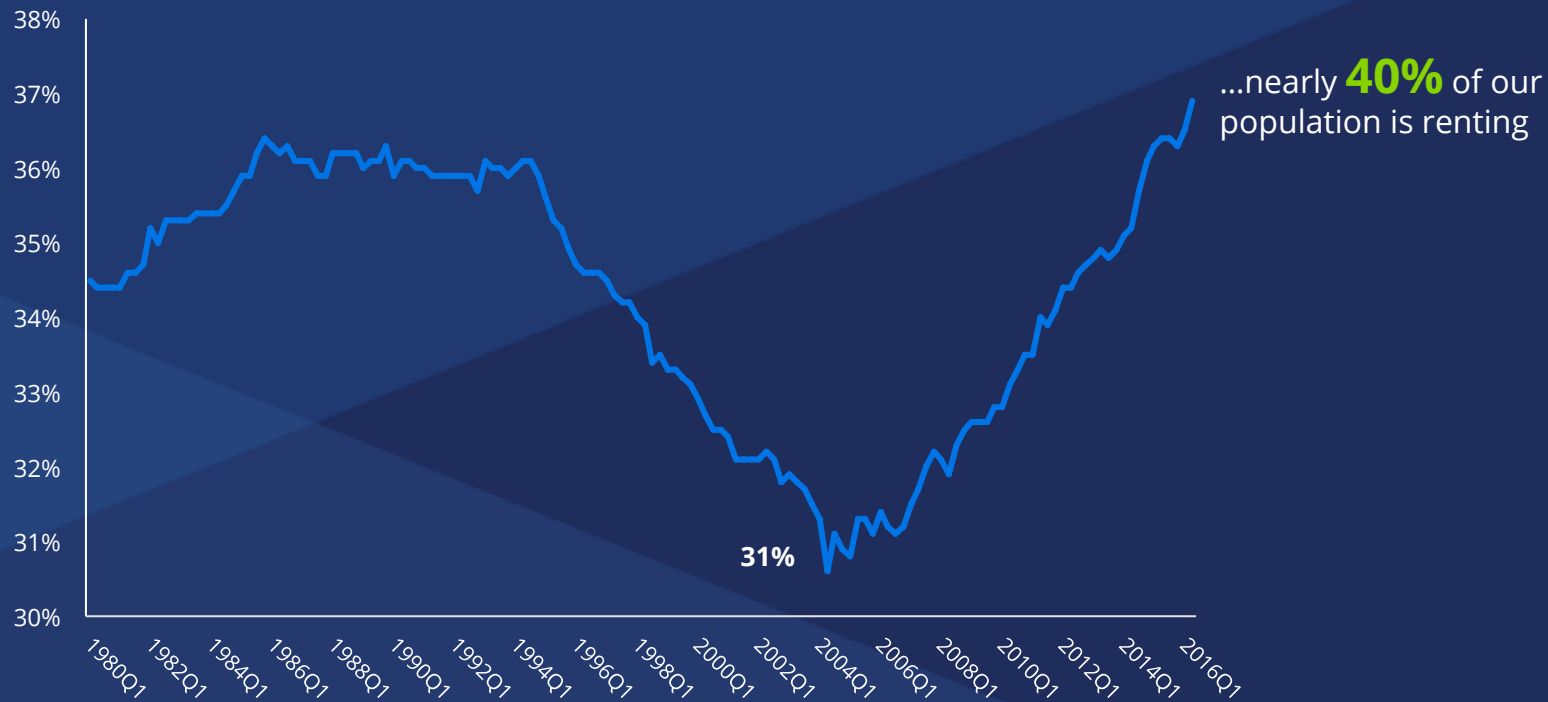
What's happening...

in rentals

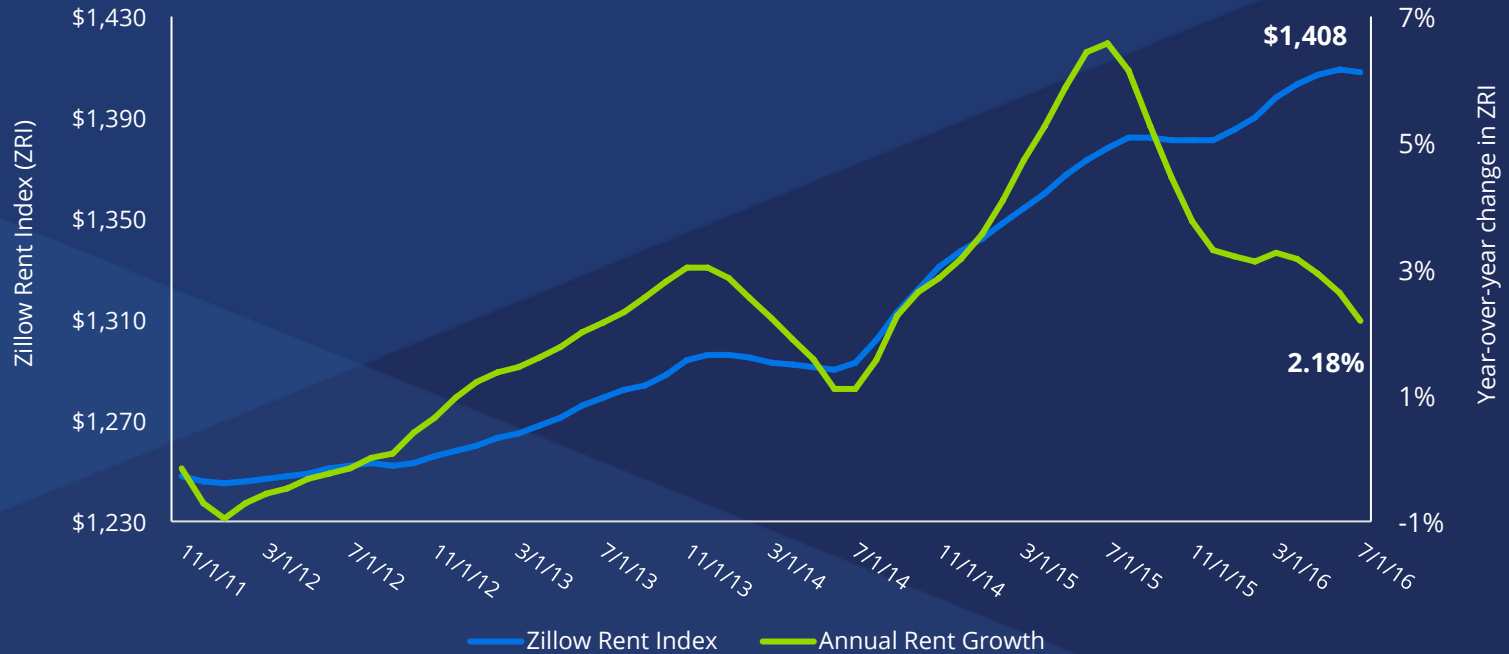
HOMEOWNERSHIP IN THE U.S. IS AT ITS LOWEST IN DECADES



RENTERSHIP IN THE U.S. IS AT ITS **HIGHEST** IN DECADES



RENTS CONTINUE TO CLIMB, BUT THE PACE IS SLOWING



Source: Zillow, July 2016

LEADING TRENDS IN MULTIFAMILY

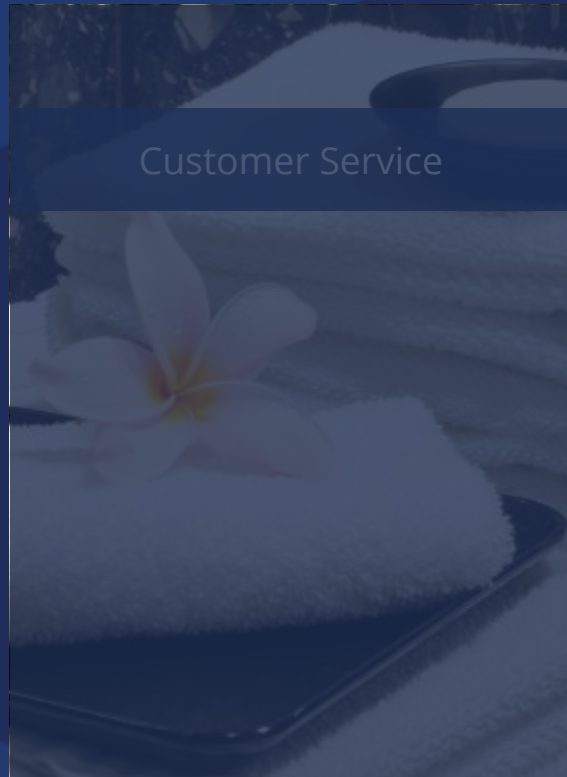
Affordable Housing



Amenity-Rich Communities

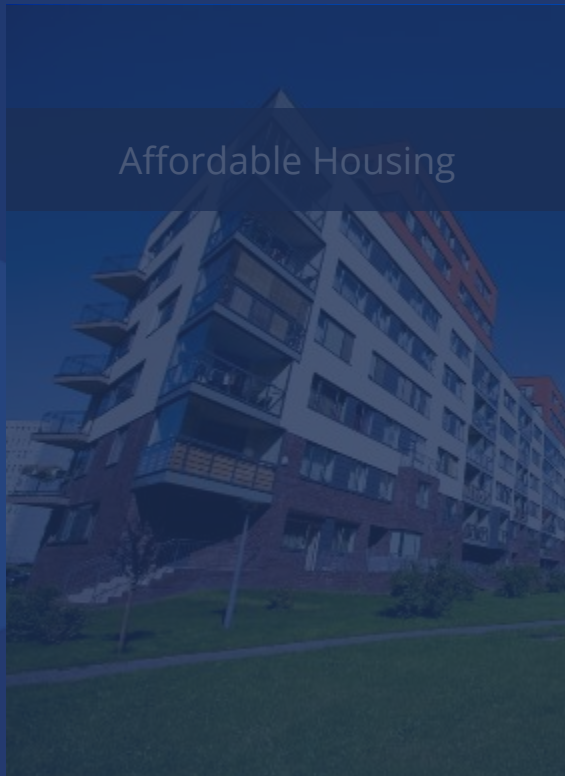


Customer Service



LEADING TRENDS IN MULTIFAMILY

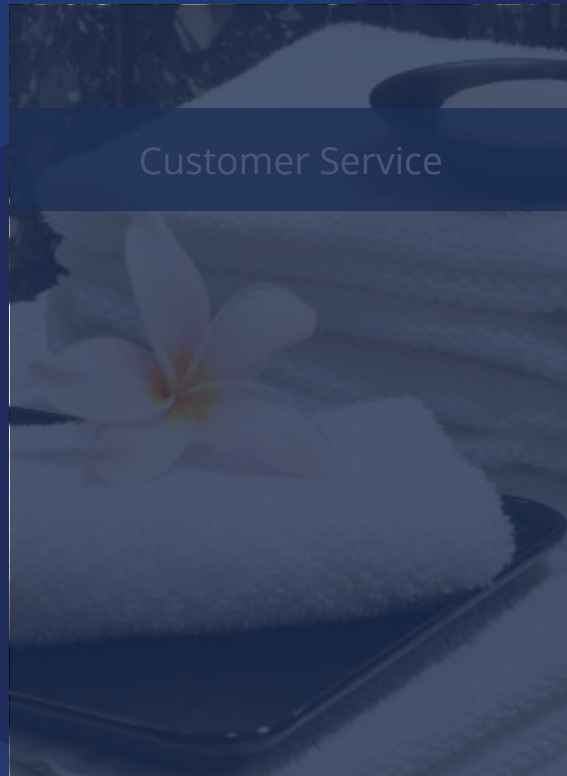
Affordable Housing



Amenity-Rich Communities

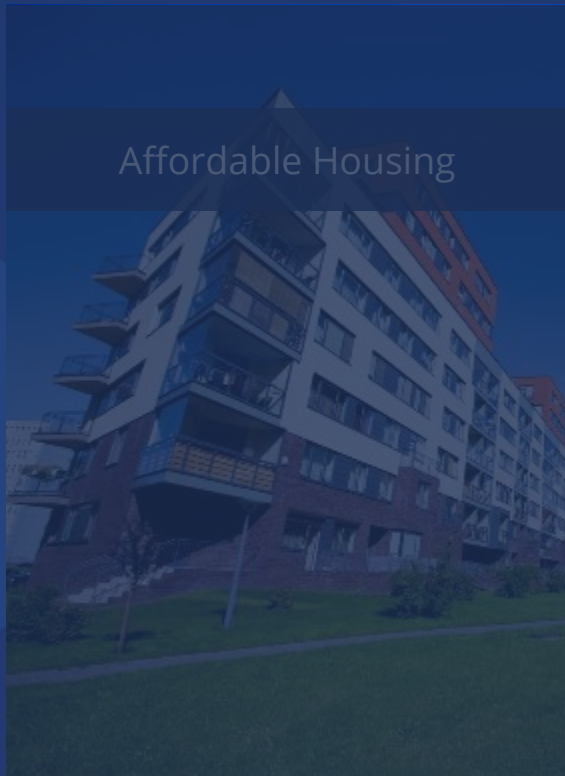


Customer Service

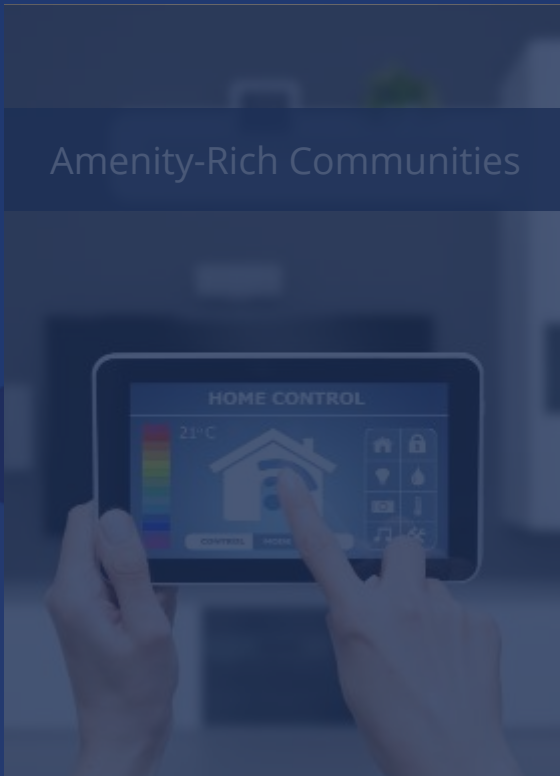


LEADING TRENDS IN MULTIFAMILY

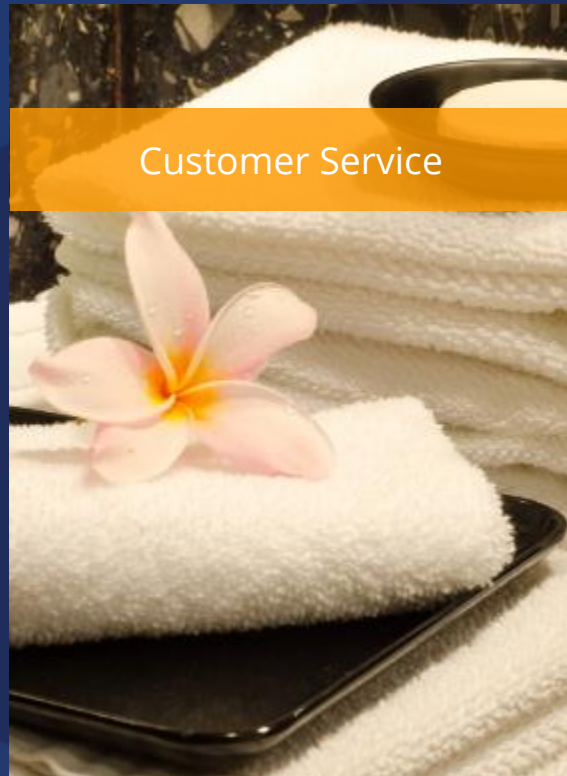
Affordable Housing



Amenity-Rich Communities



Customer Service



Bottom line:

Things are changing, and change is accelerating.

How do you not just keep pace with change,
but get ahead of it?

It comes down to **leadership**.

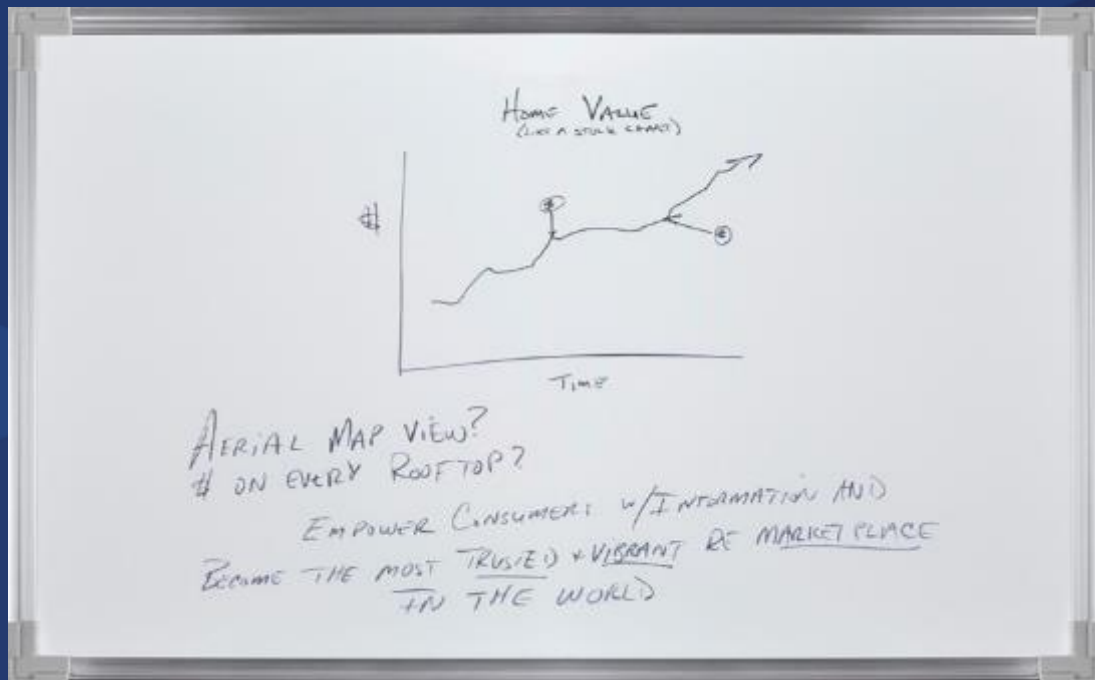


How to stay ahead...

leadership in thought

START WITH SOMETHING THAT PEOPLE CARE ABOUT

Whiteboard snapshot: Our big idea in 2005



ZILLOW'S FIRST DAY

Zillow.com Beta
Your Edge In Real Estate

Hello Amy! | Favorite Homes | Sign out

Home | Map & Search | Post For Sale | Real Estate Guide | My Zillow

Zestimate™ values and more on 70,000,000+ homes
(...free and on your own terms)

Find Homes

Address OR Street OR Neighborhood (optional) City, State OR ZIP

[About Zestimate™ values and accuracy](#)

Buyers

 Find homes for sale

Sellers

 Sell homes on Zillow

Owners

 Make Me Move™

Professionals

 Market listings for free

Home Q&A [Learn More](#)

Chris
 4409 39th Ave SW, Seattle, WA
 This rebuild looks fantastic. Do you have more pictures that show off the interior?

in
 17807 SE 13th St, Vancouver, WA
 Could I see more view of rooms and backyard?

What's New [Hear our take on our new features](#)

Snapshot

Top Cities

	For Sale	Make Me Move
Los Angeles	1,812	655
Orlando	1,946	505
Seattle	837	1,228
U.S. Total	110,109	42,616

Updated: 05/02/2007

THE IDEA WAS SO POPULAR, THE SITE BROKE

THURSDAY, FEBRUARY 9, 2006

IS ON THE P1
Seattle Post-Intelligencer

BUSINESS
SECTION D
CONTACT BUSINESS AT 206-408-8000

INSIDE
Toys going upscale: Toys featured at the American International Toy Fair that opens in New York Sunday are more likable than ever before. And responding to a trend of parents buying expensive things such as iPods for children, they're increasingly high tech. Seventy-five percent of the toys at the show have some sort of microchip in them — often by falling chip prices. That said, the price of many of the complex toys is more than \$200. **SEE D2**

MARKETS RISE

Dow Jones	10,806	↑
S&P 500	10.87	↑
Nasdaq	2,266.98	↑
Nasdaq	22.02	↑
Nasdaq	1,265.65	↑
Nasdaq	3.27	↑
Nasdaq	2,410.66	↑

Major markets: Lower prices and strong earnings pushed stocks higher.

The Harris Washington 100: The fair has slumped \$3.66 to \$100.63 a day after it predicted first-quarter revenue would be \$49 million, less than the \$54.1 million analysts expected. Cell Therapeutics Inc. was among the day's most active trading stocks, up 10 cents to \$2.83, on news that a liver cancer drug was placed on a fast track. **SEE BELOW**

COMING
How do businesses & their true value? Tips to prepare for sale partnership even a divorce. Read Sue Schwab's column TOMORROW.

his may be the Year of energy — really
BILL VIRGIN

Zillow swamped, crashes
Home-valuation Web site attracts millions of visitors

BY JOHN COOK
Pioneer

Ron Boesiger read about Zillow.com's new home-valuation tool in a news story Wednesday morning and was so intrigued with the idea that he immediately tried to determine the value of his 2,150-square-foot home in

McKinney, Texas. Unfortunately, the 45-year-old project manager didn't get very far. Like thousands of other customers who were curious about the high-profile Seattle startup, Boesiger was greeted with a message indicating that the site was not working because of the overwhelming demand.

"For a company with what \$32 million in (venture capital), it sounds like they really dropped the ball," Boesiger said. "It makes me wonder what type of response they expected."

Stories about the startup online real estate service as major U.S. newspapers — including The Wall Street Journal, The New York Times and Los Angeles Times — helped swamp Zillow's servers throughout the morning and early afternoon. By 7 a.m. Wednesday, the company had already served up more than 300,000 pages. By 4:30 p.m., the total had surpassed 2 million.

"It is certainly a number higher than we thought," Zillow.com spokeswoman Amy Holmbeck said.

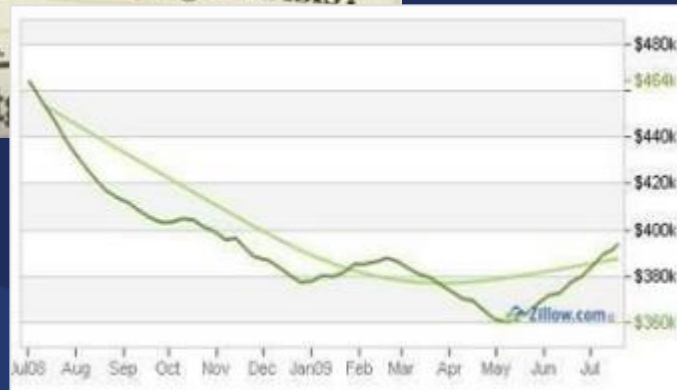
She said the newly launched Web site experienced "some capacity issues" because people lingered on the site longer and requested more pages than the company had planned. As an example, Bohadsky said she heard from a friend who was viewing the home website on her Christmas.

"The outage probably caused much damage to brand if it is correct next couple of days, in fact, it could create a success."

"If it is down here

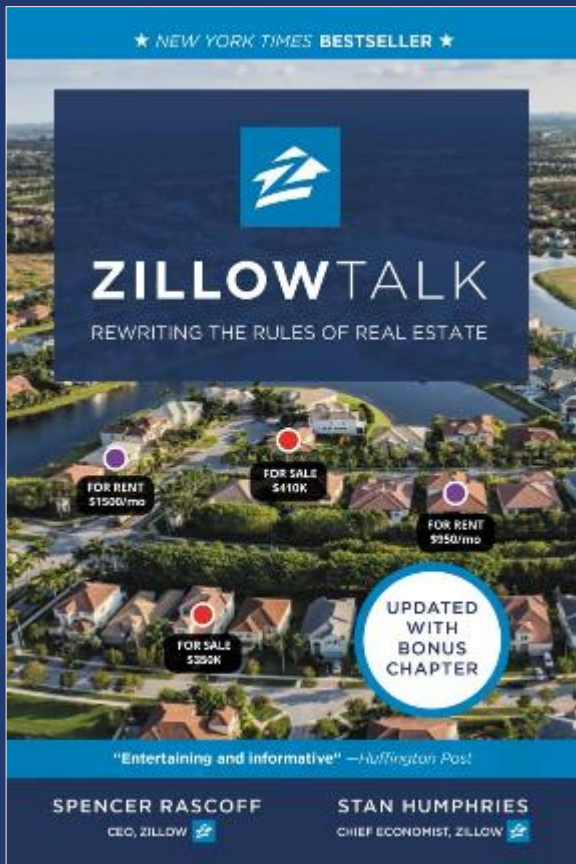
SEE ZILLOW, ON

IN 2008, HOME VALUES WEREN'T FUN TO TALK ABOUT ANYMORE. STILL, WE TOLD THE TRUTH.



ZILLOW BECAME A CONDUIT TO THE PEOPLE



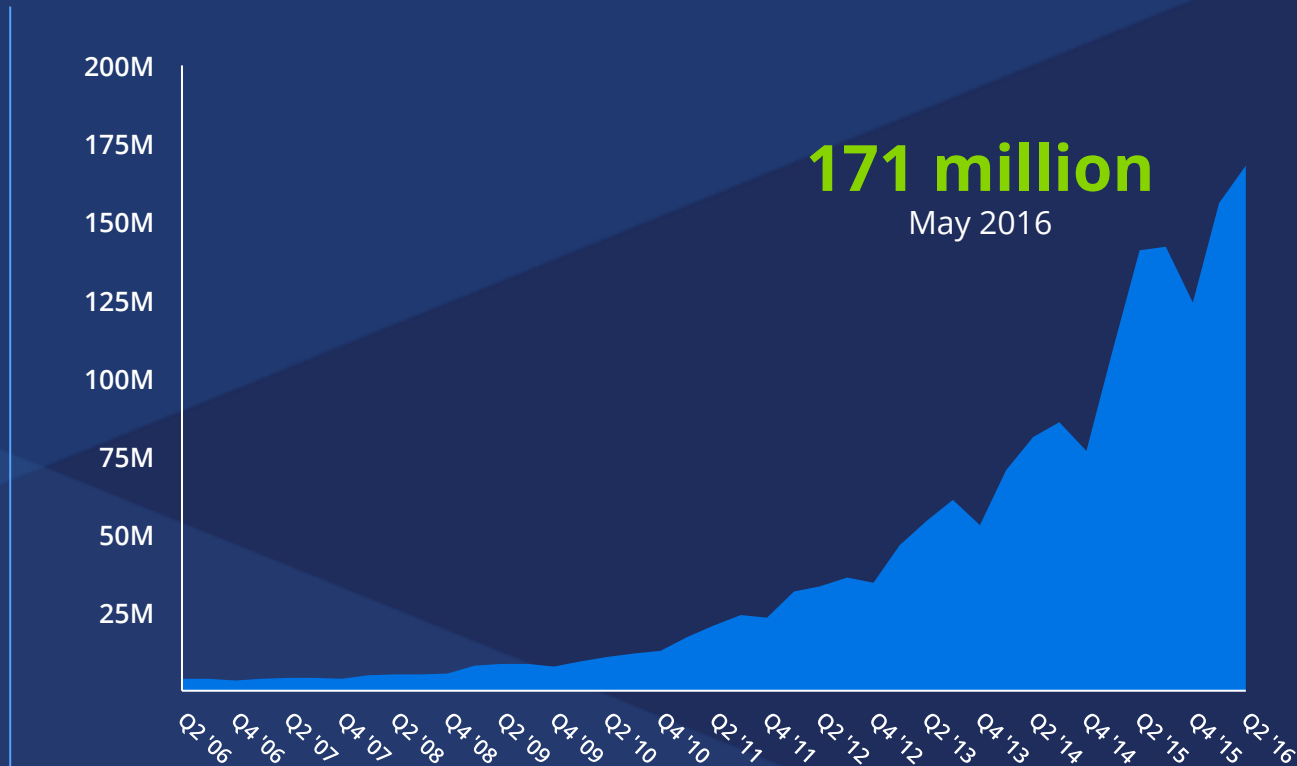


*"Our thinking about homeownership is rooted mostly in **sentiment**, not **statistics**."*

*"A picture-perfect suburban family may find that it **makes better financial sense to rent**... let the data be your guide."*

CONSUMER TRUST LEADS TO AUDIENCE GROWTH

Zillow Group
monthly unique users





How to stay ahead...

leadership in technology

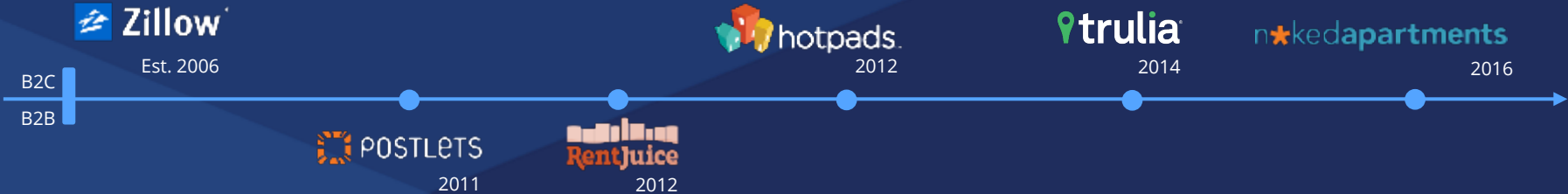
BIG BETS

2007: iPhone launch

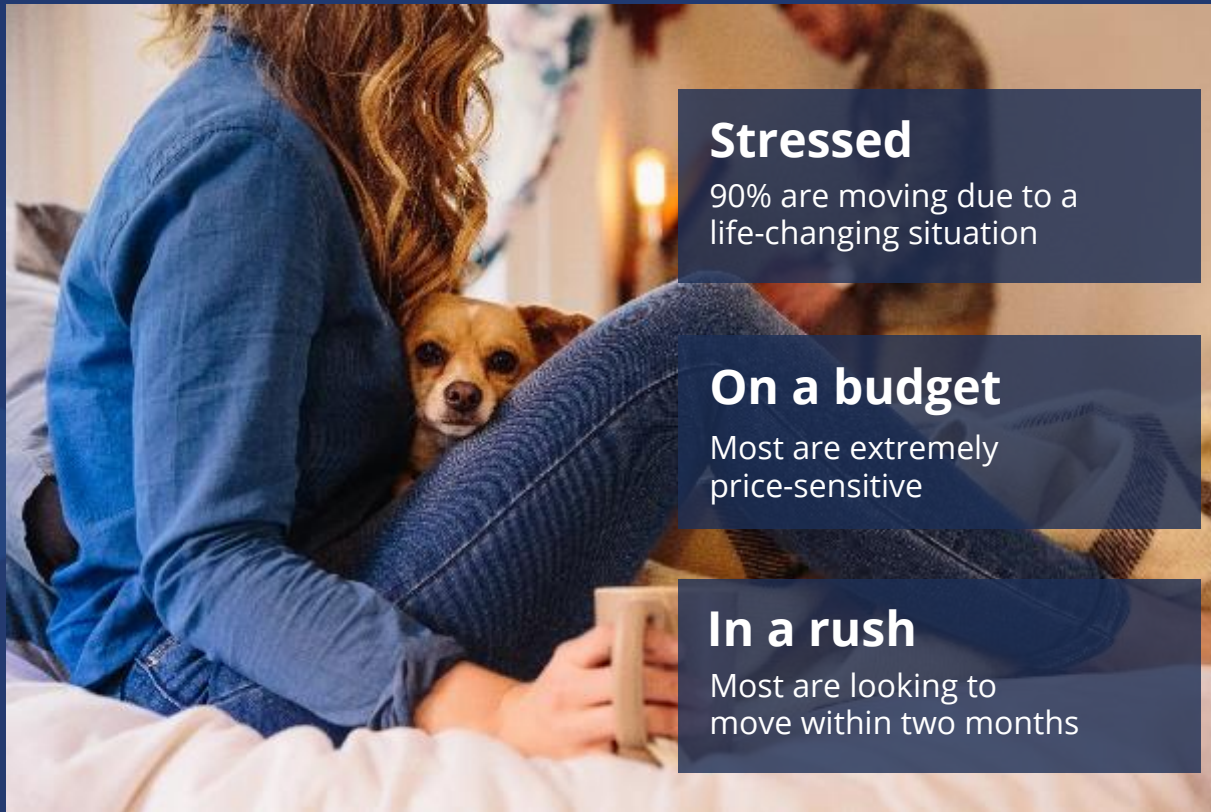


BIG BETS

Investing in rentals



TODAY'S RENTER



Stressed

90% are moving due to a life-changing situation


On a budget

Most are extremely price-sensitive

In a rush

Most are looking to move within two months

MADE WITH THE RENTER IN MIND


New Contact

John Smith says:

"Hi! I'm interested in 123 Main Street, Seattle, WA 98101. I'd love to set up some time to come by and check out the apartment. Would you have time this week? Looking to move as soon as possible."

Employment



Job Title	Marketing Manager
Employer	Amazon
Since	03/2011
Pay	Microsoft


Income and timeframe

Credit score	700 to 800
Yearly income	\$80,000
Move-in period	ASAP
Lease length	18 months

Ideal rental

Home type	Mid-rise Community
Need Parking	Desired

 Johnsmith@gmail.com
  655.565.1234


Your Listing


FOR RENT
 \$800+
 1 to 3 beds
 123 Main Street, Seattle, WA 98101

Rental resume


CONTACT MANAGER

NEMA
 CH Management Services LLC
 ✓Verified Source




This property is income-restricted affordable housing. To live here, your household income cannot exceed:

PEOPLE	ANNUAL INCOME
1	\$41,300
2	\$45,850
3	\$48,345
4	\$52,780
5	\$55,235
6	\$48,940

 1 quality

Affordable housing

1 BEDROOM



1 bed • 1 bath • 673 sqft

Contact manager

\$1,665	Available 1/2	Unit E514	...
\$1,680	Available now	Unit E103	...
\$1,680	Available now	Unit E102	...
\$1,760	Available now	Unit E207	...
\$1,830	Available now	Unit E214	...
\$2,061	Available 1/13	Unit E814	...

Unit availability



How to stay ahead...

leadership in management

LEADERSHIP STARTS WITH A MISSION

Zillow Group's mission:

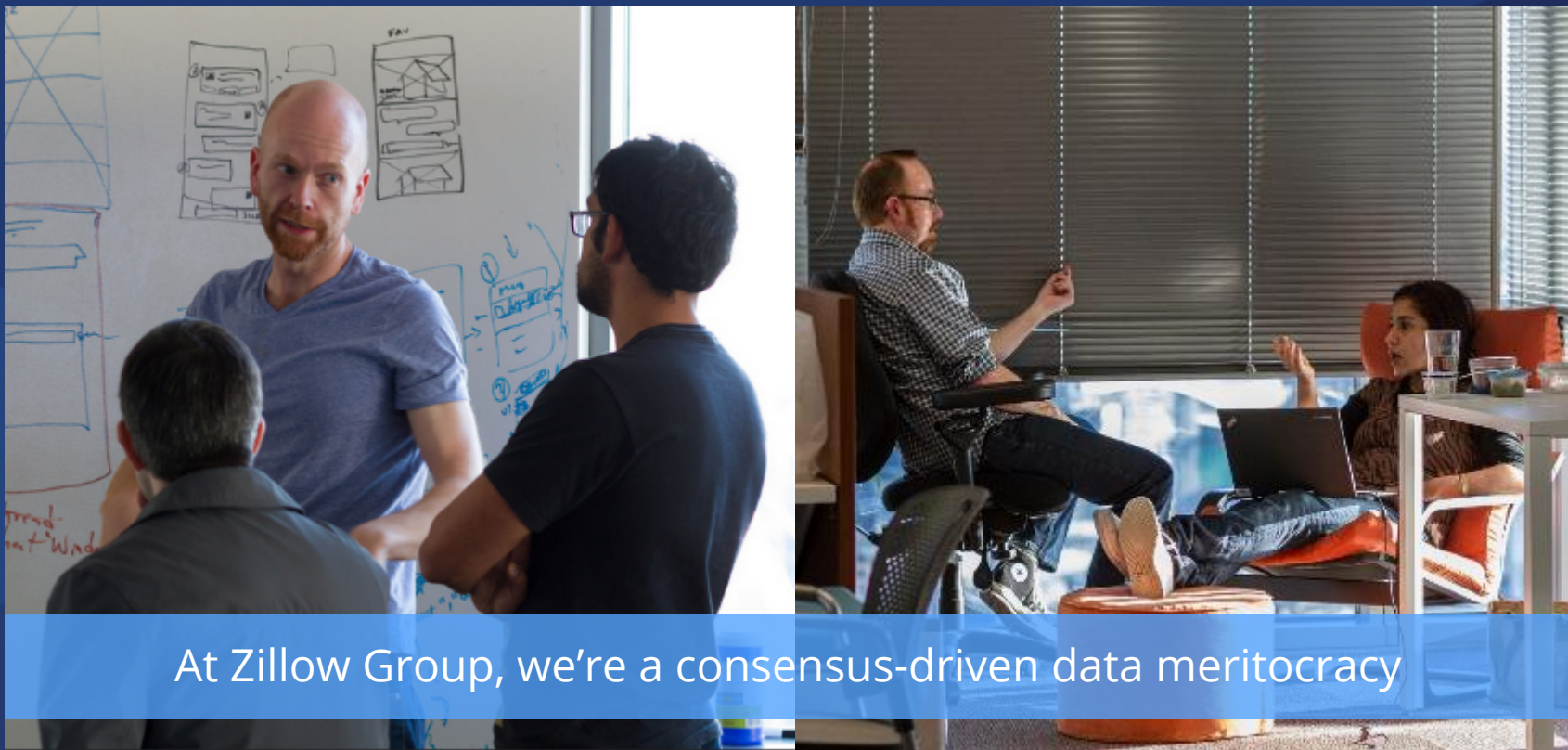
To build the largest, most trusted and vibrant home-related marketplace in the world.



GOOD LEADERS ARE GOOD COMMUNICATORS



GOOD LEADERS MAKE DATA-DRIVEN DECISIONS



At Zillow Group, we're a consensus-driven data meritocracy



How to stay ahead...

leadership

- ✓ in thought: Tell the truth
- ✓ in technology: Place smart bets
- ✓ in management: Have a mission