

## Zillow's Structural AI Advantage - Our Thoughts

2026-02-20

Given the current AI discussion across a number of industries, we want to share why we believe Zillow's AI advantage is structural and is accelerating our strategy. We are technologists at heart who have led through past technology evolutions and are now leading the future of vertically integrated AI for the residential real estate transaction.

AI-powered housing is not simply answering questions about homes, which will quickly become table stakes — it is about helping people act: find the right home, take a tour, get pre-approved, negotiate a price, and close a transaction. That requires:

- Inventory, across for sale and rentals
- Real-time tour scheduling live accurate home availability using our proprietary technology
- Integration across multiple systems and parties
- Compliance with industry, local, state, and federal rules, regulations, and licensing
- Trust built through a direct, persistent consumer relationship

### Why Residential Real Estate Is Hard for Horizontal AI

- Long transaction cycles. Homebuying typically spans months. Effective AI in housing requires persistent context across sessions — understanding where a consumer is in their journey, what they've explored, what they can afford, and when they plan to act. This requires a durable, direct consumer relationship, not a single-session interaction.
- Real-world complexity. Every transaction involves coordination across buyers, sellers, agents, loan officers, inspectors, title companies, and closing attorneys, among others — in person and online. AI that can answer questions but cannot orchestrate real-world actions across these parties has limited utility.
- Proprietary context is essential. The most valuable signals — touring behavior, financing capacity, cross-

shopping patterns, agent communication history, transaction outcomes — live inside proprietary systems. General-purpose AI does not have access to them.

- Regulation and compliance complexity. Housing is highly regulated (fair housing laws, state brokerage/licensing, and related consumer-protection rules). General-purpose LLMs are not designed, governed, or authorized to perform regulated real-estate functions. Zillow's AI is built and operated within a compliance-controlled, auditable framework and integrated with our licensed brokerage capabilities.
- Execution drives value. LLMs can tell you about a home. They cannot book you a tour, match you with an agent, pre-approve your loan, or manage your closing documents. The value is in the workflow that powers the conversation.

### Why Zillow is Best Positioned to Win in AI for Real Estate

- Scale and Direct Consumer Relationship
  - 70% of all U.S. buyers and sellers are on our apps and sites; roughly 80% of visitors come directly to Zillow.
  - Less than 5% of Zillow's traffic is from paid search — our consumer relationship is earned, not rented.
  - This gives us AI-captured conversational context (consumers telling us what they want in their own words, and through their actions across sessions), first-party intent data that aggregators or horizontal AI platforms can't replicate.
- Comprehensive Housing Inventory
  - Plus, a significant amount of new construction and single-family rental inventory is unique to Zillow.
  - Many consumers shop across Buy & Rent categories simultaneously — cross-shopping behavior that Zillow sees at scale with our breadth of inventory across For Sale, Rentals, and New Construction.
- Proprietary Rich Media
  - Rich media on Zillow becomes training data, differentiated content, and an agentic skill set — not just a display feature.
  - Proprietary technology (Showcase, 3D floor plans, SkyTour): Together, 3D floor plans and Showcase are on nearly 10% of for sale new listings — the largest immersive-media coverage in the industry.
- Integrated End-to-End Transaction Infrastructure
  - Agents using at least one Zillow product touch an estimated 80% of U.S. residential real estate transactions.
  - ShowingTime facilitates 90% of all in-person home tours in the U.S.; real-time touring converts shoppers at more than 3x the rate of other actions.

- Follow Up Boss powers more than 80% of the highest-volume agent teams in the country and nearly all Zillow Preferred agents — and it's now being transformed into an AI-powered workflow engine.
- Zillow Home Loans connects pre-approval directly into the shopping experience, with AI assisting loan officer productivity.
- Dotloop processes closing documents for 50% of U.S. residential real estate transactions — a unique dataset.
- Zillow Closing to be added over time as well.
- Integration of these assets provides context for unmatched personalization.

#### Competitors Do Not Have These Assets:

- Other Horizontal LLMs, real estate brokers, MLSs, and other ILSs lack our proprietary collection of assets that are integrated to provide unique consumer search and engagement experiences, personalization with our broad consumer context, and integrated end-to-end transactional capabilities in For Sale and Rentals. Each consumer interaction generates proprietary context that improves personalization, which earns deeper engagement, which generates richer data — a compounding flywheel that strengthens Zillow's benefit from AI over time.

#### AI Is Already Deployed and Producing Results

- Consumers
  - **Natural language search** was launched in January 2023.
  - **Zillow App in ChatGPT**: Consumers searching for homes in ChatGPT can explore listings, maps, photos, and pricing directly in the Zillow experience and can seamlessly continue on to Zillow's website or mobile app to book a tour, connect with an agent, or learn about financing.
  - Currently live testing our proprietary Zillow LLM assistant, which is rapidly getting smarter as we receive real user feedback, with broader rollout forthcoming.
- Real Estate Professionals
  - **Follow Up Boss smart messages** are driving measurable improvements in agent communication volume and efficiency, with more than 7 million messages sent in 2025 as the feature scaled nationwide.
  - **Smart summaries**: Real-time AI call transcriptions enable same-minute follow-ups. AI-powered CRM updates are in pilot, automating the most time-consuming agent workflow.
  - AI is assisting loan officers with lead prioritization, post-call workflows, and increasing productivity — helping drive an 11% increase in loan officer productivity in 2025, even as we added 40% more loan

officers, who take time to ramp up.

## Why Productive Real Estate Agents Become More Valuable — Not Less

- Zillow is providing AI-integrated workflow tools to further empower productive agents to keep winning more business, keep growing, and keep differentiating themselves.
  - The top 20% of agents or teams handle 80% of U.S. residential real estate transactions, and nearly four in five Zillow Premier Agent partners fall into that top tier.
- Productive agents are essential to the process of buying and selling a home, given that:
  - They have licensed expertise and can take licensed actions. AI alone cannot represent buyers or sellers in negotiations, execute legal documents, or assume fiduciary responsibilities. Every transaction requires licensed professionals.
  - High-stakes decisions demand human judgment. Homebuying is the largest financial decision most people make. Even well-informed consumers want expert guidance through negotiations, inspections, and closing.
- High-performing agents will leverage AI efficiencies and insights to help them differentiate, win more business, and better serve clients, as we've seen them do every time they are empowered with new technology.
  - AI tools drive agent productivity. Agents using AI-powered capabilities communicate more frequently and effectively — AI handles predictable work so agents focus on the high-value conversations that close deals.
  - AI creates better leads, not fewer leads. We believe consumers who arrive at an agent interaction already well-informed through AI-guided exploration will drive more transactions.

We are still in the very early innings of how AI will transform consumer experiences, but we strongly believe the critical differentiators between those who succeed and those who get left behind in our category will be user experience, quality of audience, proprietary real-world data and context that enables unique insights and personalization capabilities, and providing integrated transaction services across the mover journey instead of just top-of-funnel lead generation. We are technologists at heart, and just as Zillow has in previous technology changes, we feel incredibly well-positioned to lead in this AI transformation as we deliver vertically-integrated AI in residential real estate.

## Forward-Looking Statements

This communication contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that involve risks and uncertainties, including, without limitation, statements regarding our business strategies, the execution of those strategies, our competitive

positioning and market opportunity, and the impact of artificial intelligence on our business and industry. These statements are based on current expectations and assumptions, which are subject to change. Actual outcomes may differ materially from those described in these forward-looking statements due to technological and regulatory developments, changes in housing market or competitive conditions, and other factors described in Zillow Group's filings with the U.S. Securities and Exchange Commission. We undertake no obligation to update the forward-looking statements in this communication except as required by law.

