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Local Brokerage Firm Seeks Room In Online Real Estate Market

By JENNIFER McENTEE
San Diego Daily Transcript

A La Jolla online brokerage firm hopes to overcome the tepid dot-com climate by enticing potential homebuyers with the promise of commission rebates and a search process devoid of "pushy" real estate agents.

La Jolla

HouseRebate.com, which officially launched this month, allows tech-savvy shoppers to take 360-degree virtual tours of homes listed on an industry data base. Unlike other real estate-oriented Web sites, company officials say HouseRebate.com offers residential addresses up-front, rather than forcing online users to first contact a real estate agent.

"The agent doesn't get involved in the process until the client says it's time," HouseRebate.com co-founder and CEO Brian Yui said Tuesday. "It leads to more efficiency."

In a move to usurp the brick-and-mortar real estate brokers, the local dot-com says it can save homebuyers up to 2 percent of the



Brian Yui

traditional 6 percent real estate transaction commission.

"When HouseRebate.com takes a listing, we are trying to pay the buyer's agent a full 3 percent. For example, if we take a 4 percent listing, HouseRebate.com will earn 1 percent and the outside broker will earn 3 percent," Yui said. "When we represent the buyers, we share up to 66 percent of our commission with the buyers while the listing agent keeps 100 percent of

their side of the commission, (which is) generally 3 percent."

In other words, the purchase of a \$500,000 home can earn a buyer a rebate of up to \$10,000, Yui said.

While Yui admits the equation is somewhat complicated, the means by which his company is able to make the commission cut is simple: low overhead. His office on Eastgate Mall lacks the frills of traditional brokerage firms, he said, while his 12 part-time and full-time agents work from "virtual offices" — otherwise known as their homes.

This Internet-roused shift in the dynamic of seller, buyer and broker responsibilities has been met with mixed success. While the **National Association of Realtors** says traditional brokers sold more than 5 million U.S. homes for about \$46 billion in gross commissions last year, Internet-based residential brokers sold only a few thousand homes combined.

Internet Home Services Inc. reportedly laid off 100 workers last month and is closing its bro-

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Online Real Estate Market

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kerage business, and **ExploreRealty.com** abandoned its business in July.

HouseRebate.com will survive the dot-com storm, Yui contends, because it still offers the local, personalized attention clients might get from a traditional broker.

"We're kind of a 'bricks and clicks.' To make our business more efficient, we're on the Internet," Yui said. "But people aren't going to buy a house entirely over the Internet."

Yui says 21 homes have been sold or purchased through the site since a soft launch in January, two of

those since the official launch Dec. 1.

"The main thing is we're trying to revolutionize how people buy real estate by letting them do a little bit of the work," Yui said.

He expects his online discount real estate brokerage firm to be profitable by this spring, and to expand its service beyond San Diego and into Orange and Los Angeles counties within six months. Yui — whose background includes commercial and residential real estate sales as well as five years as a CPA for **Price-waterhouseCoopers** — hopes to take the company nationwide within two years.

In addition to helping start HouseRebate.com, Yui is also a founding sponsor of the newly created NetHappyHour.com, a free monthly networking meeting attended by online entrepreneurs and venture capitalists. A group of 200 people meet at the Hyatt Aventine in La Jolla on the second Tuesday evening of each month, Yui said.

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Related Links

- ◆ www.houserebate.com
- ◆ www.nethappyhour.com

Record-Breaking Expected

By MICHELE BLA
San Diego

Local beach blankets on the record-breaking

San Diego

nearly \$5.2 billion according to the Visitors Bureau. The report states that hotels should remain open and average expected to increase \$111 a night.

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The San Diego Union-Tribune • Sunday, March 9, 2003

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Raffle gives you a chance to help others

By Roger M. Showley
STAFF WRITER

Brian Yui, a discount real estate broker, wanted to find a way to help some deserving renter buy a home and aid one of his favorite charities involved in affordable housing, Habitat for Humanity.

So, he came with the idea of a year-long, \$500,000 sweepstakes to be conducted over the Internet.

It typically takes a two-income family making at least \$100,000 to buy a house, the former accountant said.

His offer is a \$100,000 grand prize to the winner of the drawing from up to 100,000 participants who pay \$5 for each chance to win. He figures the odds of winning are much higher than in the state lottery, when the chances to score big bucks are millions to one.

The remaining \$400,000 will go to Habitat and several other participating charities, less

about \$75,000 in expenses. His company, HouseRebate.com, is not taking a cut of the proceeds.

If the ticket sales come up short, he pledged to make up the difference so that the winner will get the full prize.

Yui, a former executive at Sunroad Enterprises and the Dermot Co., said he is spending about half his time on the effort. But the details are simple because of the Internet connection. The local computer software firm Kintera is providing programming that allows participating charities to track sweepstakes chances purchased in their name.

Under terms of program, 25 percent of the net proceeds will go to Habitat International and the remainder will go to the local charities in proportion to the tickets bought in their name.

The participants are Habitat for Humanity's San Diego chapter, Fresh Start Surgical Gifts, Rancho Coastal Humane Society, Designated Drivers

Association, Rainbow Kids Integral School and Seaside Church.

Besides purchasing online, participants can buy at Frogs Club One or Sporting Club. Donors also stand to receive bonus gifts, including a free magazine with the purchase of three tickets.

Kim Cruz, development director of Habitat for Humanity locally, said she hopes to receive several thousand dollars from Yui's effort.

"Because we have a small staff, it's hard to get out there and promote it and work on selling tickets," Cruz said. "People can go online and pick a charity."

Besides HouseRebate.com, SignOnSanDiego, the Union-Tribune's Web site, San Diego Metropolitan magazine and Mortgage Loan Specialists are among sponsors of the fundraising campaign.

Details are available at www.1homeraffle.org.



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NEWSMAKERS

Edited by Patric Petrie
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Fund-Raiser To Highlight Issues of Affordable Housing

BY MANDY JACKSON
Staff Writer

Through e-mail, viruses and chain letters spread like wildfire.

San Diego-based **HouseRebate.com** hopes the same is true about publicity for a raffle benefiting local charities.

The discount residential real estate company organized the fund-raiser for Habitat for Humanity International and Others.

HouseRebate CEO Brian Yui said he wanted to do an **house rebate** online fund-raiser in a different way. It is being promoted through a viral marketing campaign, whereby people e-mail their friends about it and they e-mail their friends, and so on, in order to raise

\$500,000 through the sale of 100,000 \$5 raffle tickets.

The raffle winner will get \$100,000 to use for a down payment on a house or to pay off their mortgage.

"We wanted to address the housing issues in San Diego and tie it into an organization like Habitat for Humanity that helps people buy homes at a low cost," Yui said.

The median for a home, excluding newly built homes, was \$343,000 in December, according to the San Diego Association of Realtors.

Donors can buy raffle tickets online at (www.IHomeRaffle.com) and at Frog's Club

One location. Participants will get prizes for buying tickets, such as a guest pass for Frog's San Diego-based **Kintera Inc.**'s software called Friends

Asking Friends can be downloaded for free from the fundraiser's Web site. The software allows participants to create custom Web sites for their charity and send e-mail messages to friends and family members.

Kintera will get 10 percent of the money raised in fees. Another 25 percent will go to Habitat for Humanity, and 15 percent will go to Seaside Community Church as a donation and for administrative work it's doing on behalf of the fund-raiser.



Yui

The rest of the money will go to the remaining charities — Fresh Start Surgical Gifts, Rancho Coastal Humane Society, and Designated Drivers Association — in proportion to the amount of donations their teams raise.

Only 100,000 tickets will be sold through the end of 2003, or when the tickets sell out, whichever comes first.

"We kept the number low to lower the odds for people," Yui said.

HouseRebate and San Diego-based Mortgage Specialists are underwriting the fund-raiser; in case less than 100,000 tickets are sold.

Other contributing sponsors are **SignOn-SanDiego.com**, **Henry's Marketplace**, **San Diego Metropolitan** magazine, the **Sporting Club**, and **UltraStar Cinemas**.

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