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Bangalore-based realtor sues NoBroker.in

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Sobia Khan | 25 June 2015, 4:24 PM IST

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BANGALORE: Broker-free property search portal NoBroker.in is being served legal notice by B M Pounacha founder of Real Estate Heroes for airing a controversial advertisement and also the name of the portal "NO BROKER.COM".

B M Pounacha, who runs India's first real estate coaching company called

Real Estate Heroes has filed a writ through its lawyers Acculegal Services. "We have filed a writ petition against the company and its directors asking the honourable court to order them to stop the derogatory advertisement immediately" he said.

The legal notice served to No Broker Technologies Solutions along with Amit Kumar and Akhil Gupta, the co-owners of the portal says, "The advertisement that has been heard in radio is derogatory, defamatory and demeaning the brokers."

In the advertisement that is being aired on radio that gives an impression that brokers only cheat customers and offer no value to them. The advertisement aired on the radio says "Now owners and tenants can directly talk. The broker can go take a walk. No broker.... Nobroker.com..."

"Advertisements like this only demean the profession and make it difficult for over 50,000 brokers to earn their livelihood. I have no problem with them offering services for cheap, but not at the cost of brokers," said B M Pounach founder of Real Estate Heros. He is also MD, transactions, Ziplify Realty, a startup project marketing company having over 200 developer clients and providing service to over 1000 customers.

Nobroker, is a new home rental platform that helps in house hunting without paying any brokerage. It is being backed by SAIF Partners and Fulcrum Ventures. Founded in 2013 by IIT-ians Amit Agrawal and Akhil Gupta the portal currently caters to Mumbai, Bangalore, Chennai and Pune in the residential rental space. The portal adds about 12,000 listings on its website every month and boast of 1.5 lakh customers.

"Customer will go where they get value for their money and there is a niche for everyone. There are very few good brokers who says no to short term money," says Agarwal. "Our name shows value proposition and objectives. Over the next 3-4 years majority of the transaction will move to market place," he added. NoBroker plan to expand across top 20 cities by the end of this year.

Real estate brokers and consultants have hitherto been an unorganised work force in India with little or no systems, processes, qualification, training, education and regulation. "As a trainer I have seen that most brokers are struggling to survive with low income levels," said Pounacha.

For instance if one takes a city with around 5,000 full time brokers, less than 25 earn more than Rs 2 cr per annum. Of these at least half of them work for large property consultancy firm who get the benefit of a brand/system to back them up. So in reality hardly 0.25% of this class of professionals is successful. Currently, half a million dollars is a global benchmark to call oneself a successful broker realtor.

Currently, around 20,000 realtors, a term used by the National Association of Realtors for majority of real-estate brokers, earn more than 12 lakhs a year. The normal commission rate for 2015 for realtor has dropped in the last two years, impacting business that has fallen by around 40% for the first time since 2014.

The real estate market across India is collapsing due to slowing economy and lower investors' confidence. Additionally, delayed delivery of residential projects has become a significant issue on the real estate market, leading to high levels of anger among customers.

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