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Zillow CEO Blames Home Shortage for Fueling America's Housing Crisis

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With home sales plunging to a three-decade low in 2024, many Americans are struggling to find affordable properties to buy. However, while much of the housing sector stumbles, Zillow, the largest real estate platform in the United States, continues to thrive.

Zillow Chief Executive Officer Jeremy Wacksman, who took the helm in 2023 after over a decade with the company, recently spoke with The New York Times to discuss what's driving the country's housing problems—and why Zillow remains a dominant player in the industry.

Wacksman believes the core issue behind unaffordable housing is higher interest rates and a long-standing shortage of available homes.

“We have an affordability crisis, which is driven by an availability crisis. It is a supply-side problem,” he explained.

The Federal Reserve's rate hikes have certainly made borrowing more expensive, but Wacksman argues that rising mortgage costs are only part of the problem. He emphasized that skyrocketing home prices are the bigger concern for would-be buyers. “The real problem for a home buyer is home prices are up 30, 50, 70, 100 percent, depending on the market, from pre-pandemic levels. Incomes are not up that much.”

Wacksman also pointed out that the root of the shortage goes back more than a decade. According to him, the construction sector never fully recovered after the 2008 global financial meltdown and has been falling behind ever since. “We have been chronically under-building since, really, the global financial crisis,” Wacksman said. “Less supply and a lot of demand is going to keep home prices elevated.”

Zillow estimates that the average home value in the U.S. is nearing \$370,000, with only around 1.3 million homes listed for sale nationwide. Yet despite the tight inventory, Zillow is pulling in massive traffic. The site attracts hundreds of millions of visitors monthly, including countless users who are not actively shopping for homes.

These casual browsers, often called “Zillow surfers,” scroll through listings for inspiration, future planning, or escapism. And Wacksman sees their behavior as a strength, not a problem.

“Zillow Surfing is pretty pervasive, regardless of if it's a buyer's market or a seller's market,” he said. “You spend all this time window shopping and escaping and dreaming. You are getting a little smarter about what you might want, and then something happens, and you pull the trigger.

Wacksman added that from a marketing perspective, there's no better endorsement than the sheer number of people using Zillow for entertainment and inspiration. The platform profits by selling ad space to real estate professionals eager to reach those users. However, Zillow enforces a strict rule: listings must be posted within 24 hours of hitting the market, or they won't appear on the site at all. This policy has drawn criticism from some competitors,

including brokerage firm Compass, which has filed a lawsuit accusing Zillow of monopolistic behavior and enforcing what it calls a “Zillow ban.” Wacksman pushed back on that claim, saying the lawsuit is more about resisting openness in the market.

“The heart of the issue is the U.S. real estate market currently exists with a unique amount of transparency,” he said. “So you and I, as a buyer and seller, can see all available listings, and that empowers us to shop on our own. There are a few companies that are looking to put the internet back in a box, hide inventory, and force you to pay them... The lawsuit is about challenging that consumer benefit and that transparency.”

Zillow's next phase is focused on evolving into a “super app” for housing, offering users access not just to listings but also to related services like mortgage lenders, rental tools, and home viewing tech such as 3D walkthroughs. This is part of a broader plan to support agents and buyers with software that streamlines the entire real estate experience.

“That's why we spend so much time on the software to help agents do their job well,” Wacksman said.

As the U.S. housing market grapples with affordability and inventory challenges, Zillow's continued success and efforts to adapt show that innovation and transparency could offer a way forward in a tightening industry.