

Buying a home? Sellers may use cameras, microphones to spy on house hunters

Paul Davidson, USA TODAY Published 2:00 a.m. ET April 30, 2018 | Updated 9:20 a.m. ET April 30, 2018



(Photo: Feverpitched, Getty Images/iStockphoto)

[Home buyer \(/story/money/2018/04/05/home-buying-market-so-brutal-some-home-buyers-make-offer-sight-unseen/467173002/\)](/story/money/2018/04/05/home-buying-market-so-brutal-some-home-buyers-make-offer-sight-unseen/467173002/), beware! The seller may be watching. And listening.

A growing number of home sellers are using security cameras and microphones to spy on potential buyers as they tour their houses or condos. They then may use what they hear or see as leverage in price negotiations.

The trend has been fueled by the spread over the past five years of [inexpensive Wi-Fi enabled cameras and mics \(/story/tech/columnist/komando/2018/03/02/10-ways-fix-your-home-wi-fi-problems/383069002/\)](/story/tech/columnist/komando/2018/03/02/10-ways-fix-your-home-wi-fi-problems/383069002/) that

homeowners can buy and set up themselves for home security. Motion sensors notify them by text or email that a visitor is in their house, and they can then observe a prospective buyer on a computer, laptop or smartphone through the Internet. Alternatively, they can view a recording later.

“Recording devices are cheaper and more readily available,” says Leslie Walker, deputy general counsel of the National Association of Realtors.

Last October, a retired civil service worker bought a three-bedroom house in Richmond Hill, Ga., for about \$250,000, says Andi DeFelice, who represented the buyer as a broker at Exclusive Buyer’s Realty. After the retiree moved in, his next-door neighbor told him the seller “knew he had a buyer the minute you walked through,” DeFelice recounted.

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Pretend the seller is home

He was right. When DeFelice and her client toured the home, they both gushed that it was perfect for his need for an isolated workshop to tinker with computers and TVs. The property came with a detached small building with a kitchen, bathroom, living area and two-car garage.

DeFelice believes the intelligence the seller had didn’t affect the bargaining. The retiree paid \$15,000 less than the asking price. But “it’s not a comfortable feeling to know that you’re being recorded,” says DeFelice, whose agency represents buyers only and who heads the National Association of Exclusive Buyer Agents. “I was annoyed because my client was annoyed.”

Now, she says, she routinely tells potential buyers to curb their enthusiasm while they’re in the house. “Before we walk in the door, I say, ‘Pretend the seller is home’ or ‘Pretend somebody is listening.’ Because you never know.”

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70% would snoop on buyers

In a survey conducted by Harris Poll for NerdWallet this month, 15% of Americans who have ever sold a home said they've use surveillance cameras to monitor potential home buyers. And 67% say they would use such cameras if they were selling a home that already had them.

"In a competitive housing market, everything is fair game," says Holden Lewis, a housing analyst for NerdWallet, a personal finance website.

About 9.4 million U.S. homes, or 7.4% of the total, are equipped with Wi-Fi enabled cameras and mics, says Brad Russell, research director for Parks Associates, a consumer technology research firm. As many as 11 million or so have similar but more limited set-ups trained on the doorstep or outside the house, or embedded in a light fixture, Russell says. That means up to 13% of homes have at least one Wi-Fi camera and mic. The cameras often are visible but can be hidden in stuffed animals, like a "nanny cam," or concealed in bookshelves. This Web-enabled do-it-yourself home surveillance market didn't even exist five years ago, Russell says.

By 2022, as many as 50 million homes are projected to have at least one Wi-Fi camera, Parks forecasts. An average camera and mic costs \$122, Russell says.

Spying may be illegal

Yet snooping home sellers may be breaking the law.

Surveillance laws vary by state. Video monitoring is generally prohibited in places where someone has "a reasonable expectation of privacy," according to a summary of state laws compiled by the National Association of Realtors (NAR). Such privacy zones likely would not include other people's homes. In many states, however, eavesdropping or recording audio requires the consent of at least one person being recorded, and some require the sign-off of all the parties.

In other words, audio recording likely would be legal in many states if the home seller is accompanying the buyer. But not in the more common scenario in which the only ones monitored are the house hunter and his or her broker, both unsuspecting.

Sellers "need to disclose it, put a sign up or turn it off," says Lou Nimkoff, a broker at Brio Real Estate in Winter Park, Fla., and president of the Orlando Regional Realtors Association.

NAR recommends that listing brokers ask home sellers if they're using surveillance equipment, Walker says. If so, they should tell the buyer's agent or include a notice in the home listing that all brokers can see, she says. Some regional Realtors' groups now require home sellers to inform their brokers of any surveillance equipment as part of standard broker contracts, Walker says.

Shhh! Don't say you like the house!

Gea Elika, a New York City broker, estimates that up to a third of the condominiums he shows have surveillance equipment because most of them cost at least several million dollars. A few years ago, a client saw a camera move as she toured a condo.

"She kind of wanted to get out of there," says Elika, principal broker at Elika Associates. "She thought it was creepy" and didn't buy the unit.

Victoria Henderson, a broker at Buyer's Edge in Bethesda, Md., says she noticed a green light flash on a camera as she showed a young couple a four-bedroom house in Ellicott City about a week ago. She immediately told them, "Don't say anything like, 'I love this house.'" Now, she says, she also steers clear of criticizing features of a home while in it for fear of offending the owners.

Many home sellers and their brokers have a different perspective. A couple of years ago, sellers in Atlanta used a nanny cam to record what prospective buyers said because they wanted to know what they didn't like about the house, says their agent, Jen Engel of Keller Knapp. The house had been languishing on the market.

"In my opinion, if you're not comfortable with (home surveillance), that's your problem and not mine," says Engel, who has security cameras in her own house and believes buyers should always assume they're being recorded. "It's my house, and I can do it if I want to."

4/30/2018

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