

# Research on the Regulation of the Abuse of Market Dominance of the "Haozan Agreement" on the Beike Platform

Yuxi Li

*China Jiliang University, Hangzhou, China*

**Abstract:** The "Haozan Agreement" was launched by Beike platform, ostensibly providing value-added services to property owners, but in reality, it is a tool for the platform to seize the market and mark urgently sold properties through self-preferential behavior. This paper takes the abuse of market dominance by the agreement as an entry point, and uses literature research, case analysis, etc., to address the problems such as the unscientific market dominance definition standards of current Internet real estate intermediary platforms in China and the lack of regulation of the Haozan Agreement, drawing on the experience of the MLS system, integrating current market definition methods, and determining qualitative and quantitative market dominance definition standards. It is clear that the "Haozan Agreement" has abusive behaviors that infringe upon the interests of consumers and disrupt the competitive order, and ultimately proposes regulatory strategies such as confirming the agreement as invalid or ordering it to be suspended and modified, and opening up the common system for housing transactions for co-governance.

**Keywords:** Internet Real Estate Agency Platform; Beike Platform; Haozan Agreement; Abuse of Dominant Market Position

## 1. Introduction

The digital economy has driven the real estate agency industry into an Internet model, and although a new real estate agency platform economy model has been formed, the problem of disorderly market competition has become prominent, and the platforms have implemented monopolies more implicitly through improper self-preferential practices, making identification and regulation more difficult.

The "Haozan Agreement" of the Beike platform

may constitute an abuse of dominant market position. In recent years, cases such as "One Company v. Liu over a Contract for Entrusted Sales of Commercial Housing" and "Xiangyang over Charges for Housing Intermediary Services" have all reflected the real problems of this service. Judicial rulings are often not based on anti-monopoly laws, and the regulation of such behaviors has not been fully implemented. By analyzing the service purposes of Internet real estate agency platforms and the essence of the "Haozan Agreement", and combining the theory of abuse of dominant market position with international judicial practice, this study conducts an in-depth analysis of the Haozan Agreement from aspects such as the definition of dominant market position, the determination of dominant market position, the specific manifestations of abuse behavior and the harm it causes.

Based on theories and judicial practices at home and abroad, this paper presents a set of methods for defining the dominant market position of Internet real estate agencies and regulatory strategies for their abuse of dominant market position. The aim is to expand the scope of application of anti-monopoly laws, thereby more effectively regulating the operation of the real estate market and protecting consumers and a fair competitive market environment.

## 2. Relevant Definitions of the "Haozan Agreement" on the Beike Platform

### 2.1 The Service Tenet of the Real Estate Agency Platform under the "Internet Plus" Model

#### 2.1.1 Information function and agency nature

Real estate agents are essentially information agents. In the digital economy environment, Internet real estate agency platforms, as the online platforms of real estate agencies, are far more informationized than ever before. The ability to gather information on both the housing source and the home buyer markets, as well as

the volume of such information, almost determines the competitiveness of Internet real estate agencies in the market [1]. In the context of big data, the informatization of the real estate industry is a process for the entire real estate industry chain to maximize the social and economic benefits of information, and there is necessity and urgency for all related industries and departments [2]. The platform can achieve rapid matching of supply and demand through massive information, improve transaction efficiency and optimize the allocation of real estate resources.

Brokerage agency is an important function of Internet intermediary platforms, which originated from traditional intermediary services. The main means of profit for real estate agents is to provide corresponding brokerage services to both parties of the transaction and thereby collect commissions. Therefore, facilitating the transaction between the property owner and the buyer is an obligation [3] of Internet real estate agents.

#### 2.1.2 Service tenet of the beike platform

The Beike platform, also known as "Beike Find House", is an Internet real estate agency platform launched by Lianjia based on the ACN network and the real Property management system. It is an enabling service platform, a sign of Lianjia's shift from a vertical direct operation model to an Internet platform-based business model, essentially a shift in the core of real estate agency from transaction to service. In addition to Lianjia, other practitioners can also join the Beike platform in various forms.

Through big data technology, the platform collects dynamic information such as property rights and static information about the condition of the houses themselves, and combines it with an internal database of basic listings to enable online viewing of houses. At the same time, it generates customer profiles, locks in customer groups, predicts demand, and interprets customer sources. In addition, digitize the house transaction process, optimize brokerage agency service functions, and quickly connect the property owner, broker, and home buyer [4].

## 2.2 The Business Model of the "Haozan Agreement" and Its Essence and Characteristics

"Haozan Agreement" is a value-added service launched by Beike platform. The official platform defines it as "a package of high-quality

value-added services provided by brokerage firms to property owners by integrating online and offline resources, services and sales capabilities to help property owners sell their houses quickly, thereby enhancing property owners' trust and satisfaction".

### 2.2.1 Business strategy of the "Haozan Agreement"

The "Haozan Agreement" requires the property owner to pay an additional service fee in exchange for priority display and other promotion services for the full online and offline cooperation of the Beike Find House platform, shortening the property transaction cycle. The core includes seven-day home page recommendations, private domain promotion by brokers, "Bei-style" intermediary linkage recommendations and search priority display, as well as VR and AI combined online house viewing services.

To sign the "Haozan Agreement", one must first meet the rating requirements of the property, and the rating criteria may vary by region. The service fee consists of a down payment and a final payment, generally 1% of the transaction price of the house, and the fees vary by region. The down payment is the Haozan Agreement commission, and the down payment is the remaining portion of the house transaction price. When signing the contract, the property owner is required to pay the first installment of the commission. If the contract period ends and the property has not been sold, then Beike will refund the commission received. Conversely, if the property is sold during the contract period, the owner must pay the full balance. In addition, if a "Haozan" property is sold on another platform, Beike will not refund the promotion fee.

### 2.2.2 The platform's self-preferential behavior under the "Haozan Agreement"

Based on the analysis of the above business strategy, "Haozan Agreement" are often targeted at landlords who are in urgent need of selling their properties, which is related to the core service mechanism of "Haozan Agreement". The core of the "Haozan Agreement" shortening the house transaction cycle is the traffic tilt of the online platform, which can mainly be summarized in forms such as home page recommendations, traffic top placement, intermediary linkage and broker recommendations. However, the Beike platform may disguise its true purpose through a series of

self-preferential behaviors on digital platforms. Digital platform self-preferential behavior refers to the situation where the platform operator, in relation to other operators on the platform, gives more preferential treatment to its own business by setting platform rules or using its unique resources. This leads to a series of drawbacks hidden in the Haozan Agreement [5]. The home page offers a wide variety of recommended properties, but the display is chaotic, and it has limited effect on new users and those who are unsure about their home purchase intentions. There are two major problems with the so-called "top-pinning" property: First, the transaction cost of the property is high, homebuyers will still focus on non-top-pinned properties when searching, and the top-pinning traffic bias effect is weak and the service fee conversion rate is low; The second is that the top placement includes both "Haozan good properties" and "must-see properties". The latter has the advantage of high cost performance, while the former, due to the low price required by the rating criteria, has landlords who are in urgent need of selling, willing to lower the price and pay additional fees to shorten the transaction cycle.

Secondly, the promotion data of "awesome properties" is controlled solely by the platform. The back-end data of the Beike platform is independently supervised by it, with low operating costs and the platform's self-preferential behavior being covert, leaving users of the "Haozan Agreement" in a disadvantaged position. It is difficult to verify whether the promotion effect of the listings meets the standards, and the problem of data fraud cannot be effectively verified. For homebuyers, even under the same conditions, they will have priority access to the information of "Haozan", which may not only reduce the efficiency of transaction matching but also mislead them to equate such properties with quality ones.

In addition, "Haozan Agreement" are exclusive. If a signed property is sold through another platform, Beike does not collect the final payment but still does not refund the first commission, which to some extent restricts property owners from listing properties on multiple platforms.

Finally, the "Haozan Agreement" has different names in different cities and among other affiliated platforms of the Beike group, and

some of the value-added contents included in the agreement, such as property analysis reports and exclusive sales services, are actually basic services that the platform itself can provide for free.

### 2.2.3 The essence of the "Haozan Agreement"

In summary, the "Haozan Agreement" has essentially become a product tool used by the Beike platform to mark landlords of urgently sold properties through self-preferential behavior on the digital platform in order to increase commissions and commissions and optimize intermediary channels to gain the upper hand.

## 3. The Determination of the Abuse of Dominant Market Position by the "Haozan Agreement" on the Beike Platform and Its Behavioral Manifestations

### 3.1 Determination of Beike Platform's Abuse of Dominant Market Position

The "Haozan Agreement" itself has the characteristics of "non-public + technical barrier + platform dominance", and it is difficult to determine its illegality under the significant information disadvantage [5]. Therefore, to determine whether it abuses its dominant market position, it is necessary to first clarify its relevant market scope, define whether it has a dominant market position, then identify whether the agreement has abusive behavior that excludes or restricts competition and its specific manifestations, and combine the legitimate reasons of the enterprise, relevant laws and regulations, and use economic analysis tools to make a comprehensive judgment.

#### 3.1.1 Definition of market dominance

The determination of whether an Internet intermediary platform has a dominant market position requires a comprehensive consideration of various factors in light of its particularity. The Internet real estate agency platform connects the two markets of the housing source and the home buyer, and is a typical representative of the platform economy. Its information function makes its ability to form a monopoly different from that of other enterprises [6]. The marginal cost of its services is so low that it cannot apply the traditional method [7,8]. As a typical two-sided market, the Internet real estate agency platform mainly serves two different consumer groups and the value of the platform stems from the interaction between the two groups: mainly the buyer or tenant market and the seller or

lessor market [9]. This article's "Haozan Agreement" itself focuses on both the buyer and the seller of houses.

There are different standards and analytical tools for the analysis and judgment of market dominance in academia and practice. The methods used by China's Anti-Monopoly Law to define relevant markets mainly include the hypothetical monopolist test, demand substitution, and supply substitution.

The Anti-Monopoly Guidelines on the Platform Economy only introduced the SSNIP method for the hypothetical monopolist test, which remains the dominant method for assessing whether a hypothetical monopolist can make a small, significant and non-temporary price [10] increase for a product or service without losing a large number of customers. It is generally assumed that a firm (or a group of firms) in a market is a monopolist, and then it is evaluated whether raising the prices of its products or services by a certain percentage (typically 5% to 10%) would lead to a significant shift of consumers to alternative products or services. If there is no significant decrease in demand, it indicates that the relevant market definition is narrow; If demand drops significantly, the scope of the relevant market needs to be expanded to include products or services that can be effectively substituted [11].

But SSNIP exposed its flaws in the Internet industry in the case of Qihoo 360 v. Tencent for abuse of dominant market position (hereinafter referred to as the "3Q case"). In this case, the applicability of the SSNIP method became the focus of controversy. 360 questioned the scientificity and accuracy of the first instance court's direct application of the SSNIP method to define the relevant market in this case, arguing that it was mainly applicable to regular-priced products, and the products in this case were provided free of charge, making it impossible to conduct an effective analysis of relative price changes. 360 proposed that at least the indicators of quality decline should be used instead of price changes. The Higher People's Court of Guangdong Province said in its first-instance ruling that factors such as consumers' affordability of prices should be taken into account when defining the relevant market in this case. However, as the Internet industry generally implements a free service strategy, the price increase behavior of monopolists assumed by the SSNIP method lacks actual calculation

basis and thus cannot conduct precise quantitative impact analysis [5]. This case demonstrates that the SSNIP approach may need to be adjusted or combined with other methods in specific industries and markets to more accurately define the relevant market and assess market dominance [12, 13].

In the real estate industry chain, the SSNIP approach has the following limitations: First, the real estate market has regional characteristics, low transaction frequency, information asymmetry, etc., which together make it difficult to accurately identify differences between markets, slow to respond to price changes, and not applicable to the basic premises of this approach; Second, the real estate agency industry also involves competition for a number of non-price factors, and this method is not comprehensive; Third, real estate transactions are subject to a variety of legal and regulatory requirements, which limits price adjustments and affects the validity of the analysis.

Therefore, when applying the SSNIP method to Internet real estate agency platform enterprises, adjustments should be made accordingly, or other economic analysis tools and market definition methods should be considered to assess market boundaries and competitive conditions more accurately.

The core of demand alternative analysis is to examine the flexibility of consumers to switch products or services in the face of price adjustments or quality changes [10]. In the Internet real estate agency industry, this method has the following drawbacks in defining the market dominance of Internet real estate agency platforms: First, it neglects supply substitutability. In the real estate agency industry, there are entities such as property management companies that can provide similar alternative services; Second, it is difficult to quantify: Due to the diversity of services and market dynamics, quantitative data is hard to obtain and the analysis results are uncertain; Third, demand substitution analysis may struggle to cope with the differences brought about by the strong regional nature of properties.

Supply substitution analysis is a method that assesses the ability of other firms to rapidly increase production in response to a price increase in a particular firm. If other enterprises are unable to increase supply quickly, then that enterprise may have a dominant position in the market. This approach focuses on whether other

companies can offer similar products or services within a reasonable time frame, taking into account the possible responses of new entrants or existing competitors to market changes in the rapidly changing Internet industry. Other competitive dimensions such as product quality, service, and innovation are taken into account. But the approach has its limitations: one is that it requires a lot of data about market players. Such data may be difficult to obtain, especially in emerging markets or fast-growing industries; Second, the method assumes the ability of other companies to adjust their production and supply within a certain time frame (such as 1-2 years). This time frame does not necessarily apply to the Internet industry where technology is changing rapidly; At the same time, it ignores demand substitutability. Overall, the approach provides an important perspective, but also needs to be adjusted according to the particularities of the market.

To sum up, the Internet real estate agency platform, as a typical representative of the platform economy in the bilateral market, is currently facing the following predicament with various mainstream analytical methods:

(1) Its strong regional nature makes it difficult to define dominant market position; (2) The wide range of services provided by the platform leads to blurred boundaries of the relevant market; (3) Cross-network externalities in bilateral markets make traditional metrics such as market concentration difficult to measure; (4) The platform has a low marginal cost, a fast expansion rate, and the ability to actually dominate the market even if the market size does not reach the prescribed standard.

In light of the characteristics of the "Haozan Agreement" and the market features of Internet intermediary platforms, the relevant market definition should take the consumer groups involved in the transaction market, such as the housing source and the home buyer, as the main body of the bilateral market, and exclude non-transaction markets beyond the service core, such as advertising and financial services, to distinguish from the service scope of other Internet platforms. Avoid the confusion of the market scope caused by the cross-externalities of the Internet and quantify it precisely. The approach to defining the relevant market should take into account a variety of factors, employ multiple economic analysis tools and market definition methods, and combine their respective

characteristics and applications to form a comprehensive approach for a more accurate assessment of its market power and competitive situation:

Among them, the demand substitution analysis method, as a consumer-oriented approach, can be used in the Internet real estate agency market to assess consumers' demand elasticity for different platform services, including sensitivity to factors such as platform functionality, user experience, and price [14].

Supply substitution analysis is more suitable in the Internet real estate agency market for assessing the ability of other agency platforms to provide similar services and the ease with which new entrants can enter the market.

The SSNIP test is more suitable for price-based services in the Internet real estate agency market and needs to be adjusted. It can be combined with the cost-based SSNIC method, which takes time cost and attention cost into account, and is applicable to the free market. A more accurate analysis of market forces and market boundaries can be obtained by assessing consumer responses through the SSNIP method, and by testing the responses of businesses within the market to cost increases and their ability to pass costs on to consumers through the SSNIC method.

Combining the three methods can result in a comprehensive assessment of the market dominance of the Internet real estate agency platform. And multiple factors need to be taken into account, in addition to the above methods, the special nature of the Internet real estate agency platform, such as network effect, platform competition, speed of innovation and other factors [6].

As of 2023, the market share of new homes on the Beike platform was about 8.1%, and that of second-hand homes was about 33%. In terms of market share alone, Beike has grown to be the largest real estate transaction and service platform in China, but still does not meet the criteria for determining market dominance as stipulated in Article 19 of China's Anti-Monopoly Law.

At present, the platform is not yet "winner-takes-all", but the basis is sufficient to create a single homing effect, which means that although there are multiple competing platforms, users tend to use only the services of one platform. Real estate transactions are costly and time-consuming, and the platform has much

more data than other similar platforms, making it easier to form a single host effect and thus gain a monopoly position [15]. Both supply and demand sides tend to favor larger platforms, and based on the bilateral network effect, they will inevitably promote the growth of the buyer and seller groups. Combined with demand substitution analysis, consumers have less flexibility in their choices and are less likely to favor other platform services. The Beike platform is unlikely to be overtaken in the short term. New competitors have low trustworthiness, high entry barriers, and high actual influence. The SSNIP and SSNIC methods need to be combined to further quantify the data [14].

To sum up, based on the previous discussion on the definition of the dominant market position of Internet real estate intermediary platforms and the application of various methods, it is insufficient and unscientific to judge whether Beike Pingyuan Tai has a dominant market position only by the market share theory, even if it does not meet the requirements of the market share theory with the support of analytical methods and quantitative tools. The influence of the platform is far greater than that of other types of enterprises with the same market share, and it should be considered that the Beike platform has established a dominant market position [16].

### 3.1.2 Definition of abuse of dominant market position

The abuse of dominant market position regulated by the Anti-Monopoly Law may cause two kinds of damage, namely the disruption of the competitive order and the reduction of the welfare of users (consumers) and the public interest. After defining the relevant market of the Internet real estate agency platform, the following factors should be taken into account to determine whether the self-preferential behavior of the platform constitutes abuse:

(1) The behavior of the platform guiding users to be single-belonging. Internet platforms are highly substitutable, and they tend to take exclusive actions, such as restricting the entry of other operators, which leads consumers, especially property providers, to prefer the single affiliation platform [17]; (2) The bilateral network effect leads to mutual attraction between home buyers and property suppliers [18]; (3) The key to determining whether self-preferential behavior constitutes abuse lies in whether it achieves an effect sufficient to exclude or limit competition; (4) Abuse of

market dominance by Internet real estate agencies can be divided into price abuse and non-price abuse. The former includes monopolizing prices by setting unfair high sales or low purchases and predatory pricing. The latter refers to the abuse of dominant market position outside of price by the platform, such as demanding exclusive deals, tying, and attaching unreasonable conditions, where exclusive deals are very common due to the "jumping problem". Judging whether there is an abuse of dominant market position, in combination with relevant Chinese laws and regulations and academic consensus, usually involves the following aspects: (1) whether there are manifestations of abuse such as unfair pricing, transaction rejection, restriction of consumer rights, exclusive transactions, tying and attaching unreasonable conditions; (2) Exclusion of justifiable reasons; (3) Examine whether the conduct has the effect of excluding or restricting competition and whether it has infringed upon the rights of consumers or other competitors; (4) Use economic models and tools comprehensively to assess the market power of the enterprise and the extent to which its conduct affects the market, and analyze the compliance of its conduct in the case and in accordance with relevant laws and regulations.

In conclusion, all factors should be taken into account and based on the two possible damages caused by the abuse of dominant market position regulated by the Anti-Monopoly Law, the infringement manifestations of the "Haozan Agreement" on the Beike platform should be explored to prove the abusive nature of its behavior.

## 3.2 Manifestations of Abuse of Dominant Market Position by the "Haozan Agreement" on the Beike Platform

### 3.2.1 Infringement of the legitimate interests of consumers

The "Haozan Agreement" on the Beike platform has caused certain infringements to the legitimate interests of both the housing source and the home buyer market entities.

The first to be affected is the property provider. The "Haozan Agreement" targeting landlords who are in urgent need of selling their properties may be "taking advantage of the situation", with the most direct impact being an increase in agency service costs and a decrease in landlords' expected income. It is a means for Beike to

charge extra high promotion fees on the premise that it should have fulfilled its obligation to promote the allocation of housing resources, and the effect, attached services do not match the value and are difficult to verify. In addition, when a property owner makes a deal through another platform, Beike does not refund the first commission of the agreement. This exclusive agency behavior infringes upon the property owner's right to choose independently and forces the property owner to accept all kinds of unreasonable transaction conditions of the platform. Cases such as "A company v. Liu over a Contract for Entrusted Sales of Commercial Housing" and "Xiangyang Housing Intermediary Service Fee Dispute" ended in consumer victory. Although judicial practice recognized the infringement, the judgments in these cases were not based on the relevant laws of the Anti-Monopoly Law and only supported platform refunds, which increased the litigation burden on the property owners and treated the symptoms rather than the root cause.

The right to free choice and fair trade of the home buyers has also been violated. Relying on the market size advantage and the high cost of housing transactions, home buyers are more inclined to choose the Beike platform in order to find sufficient housing sources and reduce cross-platform transactions. The platform controls market information through agreements and selectively displays information, leaving home buyers lacking comprehensive and accurate information when making decisions. As a result, the agreement limits the opportunities of other competing real estate agency service providers, thereby reducing the diversity of listings and services in the market and prolonging the cycle for consumers to match houses. In a market environment where there is not sufficient competition, the Beike platform may not have enough motivation to provide high-quality services, and consumers have limited options.

Therefore, under such a harmful impact on consumers in both markets, the "Haozan Agreement" does have the nature of abusing dominant market position.

### 3.2.2 Disruption of the competitive order

The strong control of the Beike platform is prone to creating information monopolies. Its system covers property suppliers, home buyers and sales brokers, etc. The platform formulates supervision transaction rules and directly

participates in service provision, facilitating self-preferential behavior, thereby reducing its own costs, strengthening control, suppressing the innovation and development of competitors, restricting consumers' access to quality services, and undermining market vitality.

The network nature of the real estate agency platform breaks the traditional geographical restrictions. The Internet model enables it to actually control properties in areas where offline strength is weak through online platforms. By leveraging its vast user base, it exerts unfavorable conditions on group operators in the region, undermines competition and expands rapidly, further consolidating its competitive edge.

The exclusive agency property terms of the "Haozan Agreement" restrict competition. Through the "Haozan Agreement", the Beike platform requires sellers to only list properties exclusively on its platform, otherwise the first commission will not be refunded, which increases the operational risks for other intermediary platforms and in fact causes some property data to be blocked, raising the cost for other intermediary platforms to access key market information. At the same time, if the Beike platform lowers the prices of the "Haozan Agreement", homebuyers will be more inclined to choose the Beike platform, thereby attracting more listings, which effectively limits the market participation and expansion of other intermediaries.

To sum up, the "Haozan Agreement" of the Beike platform is in fact a self-preferential behavior that abuses its dominant market position.

## 4. Lessons Learned from the MLS Model for Regulating Abuse of Dominant Market Position

### 4.1 Operating Mechanism of the MLS Model

The U.S. MLS system, which originated in the 1930s, is a real estate marketing strategy and information sharing system widely used in intermediary agencies and real estate development and sales. It consists of two levels: local MLS and regional MLS. The local MLS is established by the association of real estate agents within a city, which integrates and discloses information on listings and demands of all member companies within the region; A regional MLS is formed by the combination of

multiple local MLS systems. The National Association of Realtors has also established a unique national MLS system that brings together supply and demand information from most parts of the country, forming a unified national platform. Local MLS systems have to comply with both local real estate agency regulations and the management of the National Association of Realtors [19].

Under the MLS model, real estate agencies join as member alliances and can share property information to improve transaction efficiency. The system contains data on houses as well as agents and sales agents, maintaining competitive order and consumer choice. The system is based on an exclusive agency agreement between the homeowner and the broker, which clearly states that the broker represents the homeowner's interests and grants them a monopoly on the sale of the property for a certain period of time.

The MLS model has been successfully applied in countries such as the UK, the US and Japan over a long period of time, and it is easy to operate. It relies on exclusive agency, resource sharing and commission-based incentive mechanisms to provide members with a unified and standardized way of operation and improve the efficiency of real estate transactions and rentals.

The MLS system requires an exclusive agency contract as a prerequisite, which is not suitable for China's current open agency relationship and consumer habits. And it conflicts with the current state of development of Chinese real estate enterprises and the ERP management system, lacking legal and practical basis. The direct transplantation of MLS could lead to the abandonment of the existing system, resulting in a waste of enterprise costs. But there are still many things worth learning from.

#### **4.2 MLS Model's Experience in Regulating Abuse of Dominant Market Position**

The experience of the MLS system can provide guidance for regulating the market dominance of Internet real estate intermediary platforms in China. Based on the characteristics of China's real estate market, it is particularly instructive for regulating the abuse of market dominance in China's Internet real estate in terms of multi-subject development and data sharing systems.

##### **4.2.1 Development of multiple subjects**

The MLS model has developed a multi-subject co-governance structure that includes not only

real estate agents but also multiple subjects such as the government, industry associations, developers, and buyers and sellers. These entities have promoted the development of the model through cooperation and consultation, creating a relatively fair and transparent market environment.

China could draw on the experience of the MLS model to build a multi-subject co-governance structure. Encourage the participation of multiple parties, thereby effectively regulating the abuse of dominant market position by Internet real estate agencies and maintaining fair market competition.

In addition, the MLS system is usually managed and supervised by industry associations or organizations that formulate industry norms and standards to ensure fair competition among brokers and the quality of services. Therefore, it is necessary to strengthen the construction of professional industry associations to review and supervise various behaviors that constitute abuse of dominant market position. Strengthen institutional management capabilities to effectively enhance market transparency and information matching efficiency [6].

While drawing on the experience of the MLS system, attention should be paid to its exclusive agency agreements, information sharing and the infrastructure of the network platform.

##### **4.2.2 Data system sharing**

The key to the success of the MLS system lies in the unified data sharing system, which has far-reaching implications in the U.S. real estate sector. The MLS system in the United States enables real estate agencies to share key information such as listings and transaction data by establishing a unified data sharing platform. Sellers' brokers upload listings, buyers' brokers search to facilitate transactions, and sellers pay commissions to both brokers. Creating a similar online property information sharing platform can provide a fairer trading environment and reduce the influence of agents. This data-sharing system further enhances transaction efficiency and creates a more transparent market environment [20].

#### **5. Proposals to Regulate the Abuse of Dominant Market Position by the "Haozan Agreement" on the Beike Platform**

##### **5.1 Establish Relevant Responsibilities**

5.1.1 Determine that the "Haozan Agreement" is

invalid

The "Haozan Agreement" of the Beike platform, in commercial practice, has the intention of taking advantage of the disadvantaged position of consumers against landlords of urgently sold properties. It not only infringes upon the legitimate rights and interests of consumers, but also substantially excludes and restricts fair competition, goes beyond the scope of proper commercial conduct, and violates the fair, just and open competitive environment advocated by the market economy. According to the Contract Law, the "Haozan Agreement" is an unequal clause that consumers are forced to accept when they are in an information asymmetry and disadvantaged position, and the process of its establishment lacks fairness and should be deemed invalid.

In addition, antitrust laws prohibit the abuse of dominant market position to exclude or restrict competition. As a major player in the market, Beike's "Haozan Agreement" has actually constituted an abuse of dominant market position, causing serious disruption to the healthy competitive order of the market.

Therefore, from the perspectives of contract law and anti-monopoly law, there are sufficient reasons to declare the "Haozan Agreement" of the Beike platform invalid and to legally regulate and sanction its behavior.

#### 5.1.2 Order to stop or rectify the "Haozan Agreement"

In addition to declaring it invalid, more proactive measures such as ordering the Beike platform to rectify or stop the "Haozan Agreement" service may also be available. The platform could open up the housing supply and demand information system to share resources or make public the "push stream" information of Haozan, or modify the terms of the agreement to make the content more fair and reasonable, and eliminate the negative impact of its actions.

In conclusion, in order to maintain the normal competitive order and the legitimate rights and interests of consumers, multiple measures should be taken against the "Haozan Agreement" of the Beike platform, which should be deemed invalid, ordered to rectify or cease services, in order to maintain the fairness and justice of the market.

## 5.2 Control Information Monopoly

### 5.2.1 Open the common system for housing transactions

The core of the real estate agency market is

housing information, and large agencies are prone to unfair competition by taking advantage of their information superiority. Public housing information can curb cut-throat competition, draw on the successful experience of MLS to build a system similar to Internet information sharing, centrally display housing, reduce costs for both parties in transactions, break the "marginal squeeze" effect, balance pricing power, and promote the transparent and fair operation of the market [21].

To build a universal market-based legal mechanism for Internet real estate agencies, it is advisable to encourage platforms to open up housing data, share customer profiles, and establish a new housing transaction system to avoid resource waste and improve information matching efficiency; At the same time, the system should be supervised by anti-monopoly law enforcement departments or government professional departments in conjunction with the real estate association, and appropriate compensation should be given to the platforms that have built the system at a high cost in the early stage.

### 5.2.2 Establish a multi-cooperative governance system for the real estate sector

Under the "Internet Plus" model, Internet intermediary platforms can easily form monopolies and take the initiative. A model of multi-party participation in governance can be adopted, allowing them to return to their essence of information matching and principal-agent, stripping away non-core roles.

The government's role in the MLS system is to provide policy support and supervision, ensure fairness and transparency of the system, and prevent monopolistic and unfair competition practices. The housing data open system should have the participation of government departments in management and supervision. In addition, the real estate industry association should be improved and developed, and as the main body for formulating industry standards, it should be involved in supervision. For minor abuses, the real estate industry association may take education or certain measures permitted within the industry to stop them; Serious abuse is the responsibility of the government. Combining the two to improve governance efficiency [22].

Relying on an open system can reduce the overlap of functions between sales brokers and the platform, reduce their excessive reliance on

the platform, enhance the professionalism and authenticity of services, and achieve better deals. Consumers, as the subject of public oversight, as a vulnerable group, bear the burden of proof that their interests have been damaged by complaints, and the platform should bear the burden of proof that it has not abused its dominant market position.

## 6. Conclusion

The application of the Internet platform model in the real estate agency industry, while enhancing market efficiency, also brings risks of disorderly market competition and abuse of dominant market position. The "Haozan Agreement" of the Beike platform poses a challenge to supervision and regulation because of its secrecy and complexity. This paper reveals the theoretical basis for the abuse of dominant market position by dissecting the platform's service purpose and conducting an in-depth analysis of the essence of the "Haozan Agreement", combined with foreign legislation and judicial practice, constructs methods applicable to defining the dominant market position of real estate intermediary platforms, and explores strategies for regulating their abuse. These research findings aim to provide a new perspective for the application of anti-monopoly laws to better regulate the real estate market, protect consumer rights and interests, and maintain a fair and competitive market order. In the future, the regulation and management of Internet real estate agencies will need to be more refined and intelligent to ensure the healthy and sustainable development of the market.

## References

- [1] Zhao Huaping, Zhang Suodi. Construction of Evaluation Index System for Informationization in the Real estate industry. *Science and Technology Management Research*, 2011(2):209-211.
- [2] Xu Xianchun, Wang Yang. Application of Big Data in Enterprise Production and operation. *Reform*, 2021(1):18-35.
- [3] Zhao Yanhua. Buyer's Agent indispensable. *China Real Estate*, 2003(1):75-77.
- [4] Wang Ying. Ke.com: The Transformation of Lianjia's platform-based Business model. *China Prices*, 2021(6):91-9.
- [5] Huang Mao-qin, Xu Yu-jin. From self-favor to self-regulation: Governance strategies for anti-monopoly compliance of digital platforms. *Journal of Henan University of Economics and Law*, 25, 40(05):31-44.
- [6] Deng Jie. On the Legal Regulation of Monopolistic Behaviors of Real Estate Agencies in China. *Journal of Jiyuan Polytechnic*, 2017(12):72-76.
- [7] Mark Armstrong, Julian Wright. Two-sided Markets, Competitive Bottlenecks and Exclusive Contracts. *Economic Theory*. 2007(2).
- [8] Julian Wright. One-sided Logic in Two-sided Markets, *Review of Network Economics*, No.07(2013), pp.663-695.
- [9] Wu Hanhong, Meng Jian. Review of Theory and Application of Two-sided Markets. *Journal of Renmin University of China*, 2014(02):149-156.
- [10] Song Jianbao. Research on the Application of the System Prohibiting Abuse of Dominant Market Position in the Digital Platform Market Field. *Application of Law*, 2024, (06):152-164.
- [11] Luchetta Giacomo. Is The Google Platform A Two-Sided Market? *Journal of Competition Law and Economics*, No. 01(2014), pp.185-207.
- [12] Ding Chunyan. On the Improvement of the Method for Determining "Relevant markets" in the Application of China's Anti-Monopoly Law - Also on the Limitations of the SSNIP Method in defining network-related markets. *Politics and Law*, 2015(3):89.
- [13] Zhang Shiming. The Essence of Market Definition related to Digital platforms. *Gansu Social Sciences*, 2024, (05):125-139.
- [14] Xu Guangyao. Anti-monopoly Law adjustment for Abuse of Dominant Position in the Context of Bilateral Markets in the Internet Industry: Also commenting on Qihoo v. Tencent. *Legal Review*, 2018(01):108-119.
- [15] Hou Liyang. The alienation and Response of monopolistic behavior from the Perspective of Platform Form Evolution. *Legal Research*, 24, 46(01):184-204.
- [16] Liu Jia. Research on the Application Difficulties and Countermeasures of Anti-Monopoly Law for Internet Platforms in the Context of Big Data. *Journal of Chongqing University of Posts and Telecommunications (Social Sciences)*, 2019(03).
- [17] Ji Hanlin, Zhang Yongqing. Competition

- strategies for bilateral Market platforms under the condition of multiple user affiliations. *Economic Issues Exploration*, 2009(5):101-107.
- [18]Jiao Haitao. Platform Interconnection under the Anti-Monopoly Law: An Analytical Framework for Abusing Dominant Market Position. *Journal of Anhui Normal University (Social Sciences Edition)*, 24, 52 (04):110-120.
- [19]Liao Junping, Lin Qing. MLS model: How China can draw on it. *China Real Estate*, 2006(12):71-73.
- [20]Liu Jianli. A Comparative Analysis of China's Real Estate Brokerage Information Sharing Model and MLS. *Modern Management Science*: 2015(10):118-120.
- [21]Meng Yanbei, Zhao Zeyu. Rational regulation of self-preferential behavior of super platforms under the Anti-Monopoly Law. *Journal of Central South University (Social Sciences Edition)*, 2022, 28(01):70-82.
- [22]Jia Yuanyuan. Legal Path for Information-based Governance of the Real Estate Market in the Era of Big Data. *Economic and Social Development*, 2017(4):32-40