

MLS 2020 AGENDA

Redesigning A New MLS Industry



Researched and Compiled By
T3 Sixty



Commissioned By
The MLS RoundTable



Preamble

Excited, yet concerned about the future of the MLS industry, a group of progressive MLS organizations together formed a strategic thinking forum – The MLS RoundTable. The goal: to identify and address issues of mutual and industry-wide benefit.

The group's first project was to commission a study to determine the most significant and important issues that the MLS industry should focus on over the next few years.

The MLS 2020 Agenda study was undertaken by T3 Sixty, a leading real estate management consulting company, between June and August 2017. This Report summarizes their findings.

We hope that this Report will facilitate serious discussion and stimulate positive action.



- Bright MLS
- California Regional MLS
- CarolinaMLS
- Midwest Real Estate Data
- MLS PIN
- Northwest MLS
- RealTracs

Preface

Almost everyone interviewed for this study feels that the MLS industry has meandered aimlessly for over a decade. There are of course various reasons, but the dominant contributing factor is the fact that most MLS organizations are owned and governed by Realtor® associations. And Realtor® associations, and their fragmentally managed committee structure, are simply not geared to compete in today's new, bold, fast-paced technology arena.

It is evident that the MLS value proposition is not really being questioned, but the business model is deemed to be outdated. The value proposition—cooperation, compensation and the aggregation of data—remains as valuable today as it was decades ago. Almost everyone wants it to continue to serve as the industry's internal highway that transports data between brokers and agents. It is unequivocally critical to the home buying and selling process. The challenge, however, is to ensure that the vehicles used for the delivery need to be current and timely, so that data delivered can be complete and relevant.

I personally interviewed each participant for this study. It includes executives of the three largest MLS organizations in the U.S., as well as a selection of other MLSs. In addition, I spoke to a cross section of their clients, from the largest real estate franchisor in the U.S., to

big independents and smaller brokerage companies. Furthermore, we invited input from various other key constituents in the MLS industry: MLS technology vendors, RESO, The Realty Alliance, UpstreamRE, RPR and of course the National Association of Realtors®.

They were all asked the same pointed question: "What do you think are the top two issues facing the MLS industry over the next two-to-three years and what is your proposed solution?"

We attempted to capture everyone's comments in their voice and compiled it in this study without spin or agenda. We obtained everyone's approval of their publish comments as their official view, so that we can all see where everyone stands. Total transparency.

You now, for the first time, have many of the key players opinions in one study. After reviewing it, think how you can contribute in your region or organization to help the MLS industry regain and redesign what the MLS in tomorrow's technology-infused landscape should look like.

Stefan Swanepoel

Author/co-author of over 35 books and reports
Chairman and CEO: T3 Sixty, LLC

T3 Sixty

T3 Sixty is a leading provider of strategic research and analysis in the real estate industry. It produces award winning market intelligence reports such as the annual Swanepoel Trends Report, the Swanepoel Power 200 (SP200) and the T3 Tech Guide. The group also manages the annual T3 Summit, residential real estate's premier think-tank for CEOs; T3 Fellows, a business acceleration program for high-growth real estate brokerages and teams; and T3 Sixty, an extensive cadre of management consultants experienced in creating and implementing winning strategies.

T3Sixty.com | T3Summit.com | T3Fellows.com | RETrends.com | SP200.com

Foreword

Change doesn't occur because everyone wants it. It occurs because a need has been identified and that need must be met. Most importantly, change is loyal to no one.

Change invariably finds its genesis in a much smaller group of people. People who recognize consumer frustration. People who embrace technical innovation. People who see opportunity.

Once it gets legs, change destabilizes the status quo. And if those of us charged with creating the future are too wedded to the status quo, if we choose to be institutionally blind, if our past success is too alluring, then innovation suffers, protectionism intensifies and growth stagnates. We hunker down. We cocoon. We wait for the storm to pass. We end up complaining or fighting about how others are disrupting us, rather than seeing opportunity and innovation.

This has to stop. Now.

The future of our industry will be determined by the consumer's trust in technology and the acceptance of risk to drive the largest transaction in their lives. Increasingly, consumers will be able to "swipe" their way to greater efficiency and, thus, their future. What are we doing about it? How can we further ensure that the broker is invited into the conversation with the consumer?

I believe:

- it will take more than adding a few fortifications that can withstand these change agents, some of them very big and with enormous momentum.
- broker profitability and agent relevance can improve.
- pressures on cooperation and compensation will continue.
- brokers compete yet cooperate. Why can't MLSs?
- consumers will increase their demand for transparency and ease of access to critical information.
- the pressure to contain costs will increase for all industry participants.

And because we know the headwinds we are experiencing are not simply a few rogue waves, but instead represent tidal shifts, we need to act now.

We are well beyond disruption. Call it the new reality—one that has far less certainty—one that is inevitable. It's time to start ringing some uncomfortable bells. This paper is intended to do just that.

Brokers are besieged with issues surrounding regulatory reform, recruiting and retention, new business models, technology investment and consumer mind-share, to name a few. MLSs of course have little to do with those challenges. But, if we essentially "pile on" and create additional, unnecessary hurdles associated with managing and maximizing the value of the data they own and create, it's no wonder they become ill-tempered when their ability to survive and thrive is squeezed further.

The moment of truth for MLS leadership must be in understanding that much of what has gotten us here will not carry us further.

Much of what we created 10-20 years ago is worthless. Dead. So, standing down, or worse, building walls of protectionism, in the face of such enormous change does not properly depict who we are or what we aim to be.

Successfully innovating on our base and our business model is a tricky maneuver. We have worked so hard to get here! But our primary mission is helping brokers succeed! It's on us to band together; be that small group that enacts the change that advances our industry.



David Charron
Chief Strategy Officer
Bright MLS, Inc.

Table of Contents

Preamble
Foreword
Preface

- | | | | |
|----|--|----|---|
| 6 | ARMLS
Insight by Matthew Consalvo | 20 | Long & Foster
Insight by Cindy Ariosa |
| 7 | Black Knight Financial Services
Insight by Ben Graboske | 21 | The Menkiti Group
Insight by Kymber Lovett-Menkiti |
| 8 | Bright MLS
Insight by Tom Phillips | 22 | MLSListings, Inc.
Insight by Jim Harrison |
| 9 | Century 21 New Millenium
Insight by Boyd Campbell | 23 | Move, Inc.
Insight by Luke Glass |
| 10 | Clareity
Insight by Matt Cohen | 24 | MRED
Insight by Rebecca Jensen |
| 11 | CMLS
Insight by Dennee Evans | 25 | NAR
Insight by Bob Goldberg |
| 12 | CoreLogic
Insight by Chris Bennett | 26 | Randall Realtors
Insight by Mike Schlott |
| 13 | CRMLS
Insight by Art Carter | 27 | Realogy
Insight by John Peyton |
| 14 | Crye-Leike
Insight by Gurtej Sodhi | 28 | The Realty Alliance
Insight by Craig Cheatham |
| 15 | FBS
Insight by Michael Wurzer | 29 | RESO
Insight by Jeremy Crawford |
| 16 | HomeServices of America
Insight by Dana Strandmo and Alon Chaver | 30 | RPR
Insight by Dale Ross |
| 17 | Howard Hanna Real Estate
Insight by Helen Hanna Casey | 31 | UpstreamRE
Insight by Alex Lange |
| 18 | John L. Scott Real Estate
Insight by Lennox Scott | 32 | W+R Studios
Insight by Greg Robertson |
| 19 | Larson Skinner
Insight by Mitch Skinner | 33 | Zillow Group
Insight by Errol Samuelson and
Curt Beardsley |

**Takeaway
Proposed Action Plan
About The MLS RoundTable**



A major multiple listing service in Arizona

ISSUE #1

As an industry, we have outdated technology that is the result of the community we represent resisting change. There are perhaps 30 to 40 MLSs across the country that have it right or are moving toward the right direction, but there are also 650 MLS organizations that are continuing to rest on how they have done it for decades. They are ignoring the fact that the marketplace and the needs of the user have changed, and their failure to respond is spiraling the MLS industry to the bottom.

PROPOSED SOLUTION

The MLS vendor community does not extract enough money to robustly invest in R&D and the MLS community holds the vendors down to the lowest possible price. We must realize that both MLS organizations and MLS vendors need to invest in R&D to remain competitive. The success of the MLS is dependent on good research and sound thinking.

“The MLS industry must stop playing to the lowest common denominator and recognize that some MLS organizations are not going to transform. And that’s okay, but that should not hold an entire industry back.”

KEY ISSUE #2

There is a broken decision-making model within the MLS community and it needs to change. It is too often grounded on an association-based mindset because, historically, the Realtor® associations own the MLS organizations. While there is no concern with regard to association-based ownership, an association-based decision-making model is disastrous for the MLS.

PROPOSED SOLUTION

The needs of the MLS organization require a faster response from the identification of a challenge to the solution, one that is faster than the Realtor® association model allows for. The MLS of the future can be built upon a strong association foundation, but we have to recognize that they have different missions and core values and therefore decision-making models. Instead of being the great firefighters that we are, we need to become better architects.



Matthew Consalvo
Chief Executive Officer

*Official view of ARMLS, as provided by Matthew Consalvo,
Chief Executive Officer, in an interview in July 2017.*



A national multiple listing service platform provider

ISSUE #1

New models such as instant offers are threatening the role of the traditional brokers/agents and that will result in a decline in their number. In turn, this will lead to a decline in the pool of real estate professionals using the MLS, placing the MLSs at risk. Logically, brokers/agents should be working with the MLS to address these threats yet current channel conflict between the parties is creating a disservice to organized real estate.

PROPOSED SOLUTION

The current sub-par consumer experience affords a great opportunity for improvement. Technology companies have enabled brokers and agents to offer a better consumer experience than what is currently available through the MLS. If the MLSs were thinking about their membership over the long-term, they should step up and take some responsibility in providing better tools, data, analytics, training and the institutional support necessary to the real estate industry.

“Wake up and smell the coffee. It's time to deal with the challenges of fragmentation and industry channel conflict, now.”

ISSUE #2

The consumer finds the home buying and selling transaction incredibly cumbersome and wants a better experience and real-time collaboration, but the industry has not collectively stepped up due to the continued fragmentation that curtailed cooperation, innovation and best practices. Concurrently, politics, resistance to consolidation and fear of disruption are further holding the MLS industry away from focusing on serving the best interests of real estate professionals.

PROPOSED SOLUTION

It's time to get past the differences and politics and be on the same side again. It may be argued that it's not the MLSs' responsibility to serve the consumer, but at the same time MLSs are uniquely positioned to help the real estate professionals to compete with outside third parties to serve the consumer better than any other party.



Ben Graboske
SVP, Data & Analytics Division

Official view of Black Knight Financial Services, as provided by Ben Graboske, SVP, Data & Analytics Division, in an interview in June 2017.

The Mid-Atlantic region's consolidated multiple listing service

ISSUE #1

As an industry, we don't do things quickly and efficiently. There are too many MLSs with too many rules, too many processes and too much disjointed decision making. Real estate is a fast-paced industry and we have done a disservice to ourselves and the brokerages we support by not keeping up with the needed pace of change.

PROPOSED SOLUTION

The MLS organization itself needs to be redesigned for the future of this business. Consolidation must be used to create a modern organization that will keep brokers competitive in a modern marketplace. This is an opportunity for the MLS. We can use consolidation to put stronger organizations in place that will bring back the efficiency and spark the innovation that the brokerage industry needs.

"The purpose of the MLS is to create and deliver an efficient, natural marketplace to the brokers, but over time we have allowed that marketplace to become less efficient than it should be."

ISSUE #2

We have an aging MLS industry and we are not attracting youth in the industry in the numbers we need. Almost every major brand in the industry is experiencing retirement and change at the top. The MLS industry needs to understand that transition and what can be done to address its evolution.

PROPOSED SOLUTION

We need to challenge the accepted norm of traditional workplace models, the environments where people work, how they work and their availability. We need to prepare for the transition of an aging industry by rethinking MLS organizations with an eye on generational differences, especially considering what the next generation will want and expect.



Tom Phillips
Chief Executive Officer

*Official view of Bright MLS, as provided by Tom Phillips,
Chief Executive Officer, in an interview in June 2017.*



A large real estate brokerage franchise

ISSUE #1

The need to demonstrate the value proposition of the MLS to the real estate professional, over and above preserving cooperation with compensation. What value does the MLS bring to the practitioner and Realtor® that he or she cannot get elsewhere?

PROPOSED SOLUTION

The MLS needs to step back and determine what a typical day looks like for a real estate professional (their subscriber) and then focus on making that experience more functional, more productive and less stressful.

“Virtually every real estate transaction is born in the MLS.”

KEY ISSUE #2

MLS introspection. Who is the MLS today? Are they still a data resource company for real estate practitioners or has the MLS changed and become a technology company or maybe even a marketing company? Should the MLS have a public-facing portal? Why not? Should it make the leap from providing a service to its subscribers to providing a service for their brokers and their agents? There are more questions today than answers. Let's start addressing them.

PROPOSED SOLUTION

Most of the angst in the MLS industry concerns third-party marketing companies when in fact they and the MLSs are apples and oranges. The MLS needs to “pick a lane” and stay in it and become the best that it can be in what it does. And the way for the MLS to find its proper lane is by first looking at who pays their bills. Focus on your subscriber and provide them with the very best service possible.



Boyd Campbell
Associate Broker

*Official view of Century 21 New Millennium, as provided by Boyd Campbell,
Associate Broker, in an interview in August 2017.*

ISSUE #1

The industry's current planning mode is not a strategic one, it's in a risk management mode. That needs to change in order to expand what "co-operation" via the MLS means. At the present, it's just a place to advertise homes, and that makes it vulnerable.

PROPOSED SOLUTION

The industry needs to become more precise in its conversations. The process must be deliberate, and to accomplish that the MLS will be required to take a number of actions including:

- Develop and discuss core standards for MLS business rules, as many MLSs don't have robust rules.
- Establish compliance and enforcement of data standards, business rules, distribution activities, online advertising, IDS/VOW compliance, etc.
- Develop and implement standards for real estate professionals regarding cooperation, responsiveness to fulfilling requests, participation in a secure electronic communication, a transaction management platform, etc.

"The industry needs to elevate the importance of the conversation and define what needs to happen, by when and who is going to manage that process."

ISSUE #2

For the MLS, the "Front End of Choice" needs to provide a core pipe of information, free services, rule management, and allow for product choice. But most MLSs are not ready to unbundle the "Front End of Choice" as there are extensive incompatible licensing processes.

PROPOSED SOLUTION

This process of standardization is expensive and difficult. It's easier to just stay with a single vendor suite and a few integrated products due to both the licensing model and the data standards. There are some early attempts—Cornerstone and AMP—but more research and development work needs to be undertaken.

*Official view of Clareity Solutions, as provided by Matt Cohen,
Chief Technologist, in an interview in July 2017.*



Matt Cohen
Chief Technologist



CMLS
Council of Multiple Listing Services

The professional trade association that serves the MLS organizations

ISSUE #1

Organized real estate is undergoing a transformation and the MLS industry is being challenged to keep up. Some MLSs are moving forward, but the industry itself is too fragmented, too political, and in need of a unified vision. To date, individual agendas and politics have consistently derailed progress to the detriment of the collective.

PROPOSED SOLUTION

Complacency is considered one of the greatest threats to the industry, which is why MLSs must implement effective changes by continually looking for ways to improve standards, services and safeguards over politics. MLSs must evolve their organizations and governance models to be nimble and operate like businesses. They can combine forces and resources, locally and nationally, in an effort to provide solutions that maximize broker value and deliver excellent service to agents, ultimately meeting the demands of the end consumer.

“The industry needs to have greater appreciation for the key role MLSs play in making the market work.”

ISSUE #2

What the consumer wants — and how the MLS of tomorrow will meet that need — must become an integral part of the conversation with the real estate industry. If the consumer is not getting the information they want from their agent, they will go somewhere else to find it even if that leads them to an unproven data set that someone else created.

PROPOSED SOLUTION

MLSs have an opportunity to get ahead of consumer expectations by bringing various industry stakeholders together to create an industry-wide vision for what consumer demands might look like in the future. As consumers want more information about property history, energy efficiency, and transactions, MLSs will best serve their subscribers by sharing their expertise in how real estate data flows and functions and providing pre-emptive direction on how to meet future consumer demands.



Deneé Evans
Chief Executive Officer

*Official view of CMLS, as provided by Deneé Evans,
Chief Executive Officer, in an interview in June 2017.*



National provider of real estate-related information and MLS software services

ISSUE #1

Brokers and agents should never find themselves in the position of being unable to provide the service that consumers can get themselves. As a professional, you always need to have better tools and data than the consumer.

PROPOSED SOLUTION

Third-party MLS software vendors and MLS organizations must work closely together with the goal of always keeping real estate professionals ahead of the consumer's needs and wants.

"We need to get past the place where real estate professionals are on one side and MLS organizations are on the other."

ISSUE #2

It's not about having every single feature or providing a multitude of different services. It's about keeping the data as accurate, complete and current as possible.

PROPOSED SOLUTION

Going forward, all MLS organizations must commit to minimum standards and a minimum industry base level of service. Above that, MLS services should be delivered on a tiered basis to enable those brokers and agents that wish to compete at a higher level to do so.



Chris Bennett

VP and General Manager
Real Estate Solutions

*The official view of CoreLogic, as provided by Chris Bennett, VP and General Manager
Real Estate Solutions, in an interview in June 2017.*



KEY ISSUE

There is a complete lack of consensus with respect to the direction real estate should be going. Organized real estate is being driven by fear and as a result there is a tremendous amount of angst about the influence being inserted by outside third-party players. The MLS industry has lost sight of where the consumer is going because we are caught up in the concept of what the industry should be doing.

Organized real estate and the MLS industry are facing billions of dollars' worth of investment by Wall Street in the real estate business in an attempt to capture the mind of the consumer. If the MLS industry doesn't understand what the consumer is looking for and how the consumer-facing industries are enticing the consumers' eyeballs, we're in trouble.

"The MLS industry is being driven by fear and good decisions are never made when motivated by fear. We need to change this because if the MLS fails, so will organized real estate."

PROPOSED SOLUTION

Outside third parties like RPR, Upstream and the Broker Public Portal are not truly threats to the viability of the MLS industry, but they could be if taken in the wrong direction. As long as strong leadership at all levels understands the viability and importance of MLS—and communicates that much better to the members—the next three years could be a time of strengthening. The only solution for the real estate business—organized real estate, the brokerage community and MLSs—is to all get on the same page and move in the same direction.



Art Carter
Chief Executive Officer

*Official view of CRMLS, as provided by Art Carter,
Chief Executive Officer, in an interview in June 2017.*

ISSUE #1

As the industry itself transitions and goes through a substantial change in its operational structure, the MLSs have to also hone in on what the key factors are that are enablers for their future viability. Are the MLSs technology entities, are they regulatory entities, are they an operational support and service institution focused on collaboration, or should they try to be a hybrid of all of the above? The reality is also that some of them are suited to play a role while many do not have the inherent capability.

PROPOSED SOLUTION

Change creates an opportunity for MLSs to take an unbiased look inwards and assess what their core competencies are and then either divest themselves of areas that don't align with the core competencies, or build upon the areas where they do have those abilities.

“Can we be partners, real partners?”

ISSUE #2

Unless all the parties involved are able to understand the value each one delivers upon, the system will remain fragmented and get suffocated by the inherent inefficiencies that have traditionally existed in our industry. And this not only chokes innovation, it also creates an unstable environment for the entire industry to get disintermediated from the end consumer, which ultimately leads to erosion in value of services offered to them.

PROPOSED SOLUTION

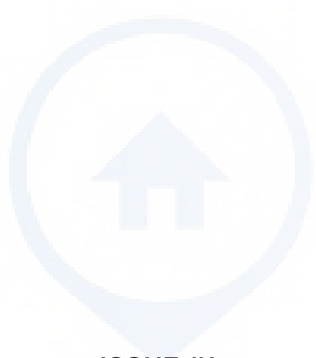
A mind shift of the MLSs is required so that they can become an active part of the collaboration that is going to shape the future of this industry. This is not collaboration for the sake of the word but truly an alignment between MLSs, agents, brokers, vendors and ultimately the public/consumer. The industry is finally beginning to appreciate the potential of a value-defined ecosystem and platform strategy.



Gurtej Sodhi

Chief Information and
Operations Officer

Official view of Crye-Leike, as provided by Gurtej Sodhi, Chief Information and Operations Officer, in an interview in August 2017.



flex



flexmls
Created by FBS

A multiple listing service software platform provider

ISSUE #1

The biggest challenge for the MLS is that their brokers are operating across multiple markets, some even nationally, and yet the MLS remains local or regional.

PROPOSED SOLUTION

National standards like those created by RESO have the potential to solve many of the pain points from overlapping markets, but simply creating and implementing the standards is not enough, they also need to be used. The MLS can help brokers and agents, by requiring all software vendors with whom they contract to use standard APIs to ensure agent and broker created data—not just listings but also customer data—is available whenever and wherever they need it without duplicate entry or complicated processes. For example, when an agent gets a lead through a website or other product, it should flow through a standard API in order to ensure that every other application has access to that information.

“The MLS needs to stay focused on its core purpose of making the market work for competitors and that requires a focus on platforms.”

ISSUE #2

MLSs often get caught up chasing “the next big thing” and buying or building that for their members, which can lead to short-term solutions that don’t create long-term value.

PROPOSED SOLUTION

As the new CMLS marketing campaign says, “MLS makes the market work.” The core value of MLS is in building the foundation for innovation, which fosters competition among brokers, agents, vendors, and others in the market. To make an analogy, MLS needs to create the highway and the rules of the road so that those inventing the next Tesla have somewhere to drive. Building the roads and rules may not always seem flashy or important, but it’s the innovation that is core to the MLS value proposition and making the market work.



Michael Wurzer
President and CEO

Official view of FBS, as provided by Michael Wurzer, President and CEO, in an interview in June 2017.



A national real estate franchise and brokerage

ISSUE #1

The large number and great variability in MLS ownership and governance structures have created a high level of uncertainty about the future business model of the MLS. In some local markets, MLSs are still primarily focused on serving their local real estate practitioners, while in other markets MLSs are increasingly focused on generating “non-dues” revenues by providing an assortment of products and services. Some of these products and services compete directly with products and services brokers provide their agents, creating uncertainty for real estate brokers who share information with them.

PROPOSED SOLUTION

Brokers and MLSs need to work together to reduce the uncertainty about the future “business model” of the MLS. A dialogue is needed, between central voices such as CMLS, RESO, The Realty Alliance, or Leading RE, to clarify the relationship between real estate brokers and the MLSs to which they provide their information.

“The long-standing partnership between brokers and their MLSs is under pressure from MLS business model uncertainty”

ISSUE #2

Our real estate data is becoming increasingly identifiable as homeowner data, attracting a growing number of cyber-attacks. Brokers and agents have fiduciary responsibilities to their customers. By providing sensitive and valuable homeowner data to a greater number of third parties who are not properly securing it, MLSs undermine broker and agent effort to secure customer data.

PROPOSED SOLUTION

As stewards of the data, MLSs must work more diligently to protect consumers, agents and their brokers. A proposed first step is for MLSs to move quickly and assertively, away from “Opt-out” feeds and toward “Opt-in” feeds. MLSs can support their agents and brokers in their efforts to manage their customers’ data responsibly, and reduce their own liabilities by requiring affirmative action to disclose sensitive and identifiable consumer data to third parties. Our industry must become more vigilant and work together to manage our data responsibly



Dana Strandmo

SVP and Chief Administrative Officer



Alon Chaver

Chief Information Officer

Official view of HomeServices of America, as provided by Dana Strandmo, SVP and Chief Administrative Officer, and Alon Chaver, CIO, in an interview in July 2017.



One of the largest real estate brokerage companies in the country

KEY ISSUE

By their charters, MLS organizations have to agree that the brokers are their customers as they are the ones paying to keep the MLS model alive. But today there are so many variances between the MLSs in each different market and each one has different rules and regulations—agent rules, broker rules, API rules, technology platforms, etc. We need MLS technologies and services that speak to all customers (brokers) across the country based on the same set of data and participating rules.

“The biggest challenge facing the MLS today is the very core reason the MLS exists in the first place.”

PROPOSED SOLUTION

Action needs to happen with:

- **Accuracy** – There’s not sufficient crosschecking of the MLS data that comes in from the agents and it is not as clean/accurate as it should be.
- **Completeness** – The data provided by the MLS today isn’t truly reflective of the market since it’s only the properties sold in the MLS causing agents to not be equipped with full data to do a CMA. In the outside world, however, consumers are getting access to all kinds of additional data and often more comprehensive data.
- **Timing** – Because of market share and competition and the jealousies between brokers, MLSs have created a situation where many of them will not record the data unless it was sold after it was already in the MLS. Some will only let you enter partial data, while others won’t let you put it in at all; it doesn’t even appear as a comp.
- **Distribution** – With so many different MLSs competing, brokers are wasting valuable resources in coordination that could otherwise be allocated to meet today’s challenges.
- **Standards** – As an industry, we have to come up with better and more comprehensive standards with respect to what can or can’t be done with the data so that consumers can rest assured that the data from a broker/agent/MLS is the best available anywhere.



Helen Hanna Casey
President

*Official view of Howard Hanna Real Estate, as provided by
Helen Hanna Casey, President, in an interview in July 2017.*

One of the largest real estate brokerage companies in the country

ISSUE #1

Consolidation should have happened 20 years ago for both the MLSs and the Realtor® associations. There are too many MLSs that have been stuck in this conversation. If we don't move ahead immediately, real estate will be completely commoditized and it will be our fault.

PROPOSED SOLUTION

The problem is the fiefdom mindset of small MLSs that is holding everything up. They don't want the agents from the MLS next door to come over and sell their listings. Technology has changed everything and is now going over the top of small MLSs. MLS consolidation is now logical, easier and more cost efficient. If we begin now, in earnest, it will take another 10 years to get it done, which is still too long.

**"The MLS has neutered its own purpose.
Change is needed, and needed today, not
tomorrow. We have so many big issues that need
urgent attention, but our industry is stuck in
administrative malaise."**

ISSUE #2

Many of the executive officers and volunteer leaders simply don't understand the intensity of what is going on in the marketplace, in the velocity with which change is occurring. Today is all about pushing instant information. MLS leaders say it's the vendors holding us back, but it is not them, it's the MLS leaders themselves not taking action.

PROPOSED SOLUTION

Time to step up and lead the charge. Every year the portals and technology companies take another step ahead of the industry. Zillow recently stated at a meeting that they want 25 to 40 percent of the industry's revenue. Executive officers and volunteer leaders, what are we waiting for? Take action now.



Lennox Scott
Chairman and CEO

*Official view of John L. Scott Realtors, as provided by Lennox Scott,
Chairman and CEO, in an interview in June 2017.*

ISSUE #1

MLSs looking to consolidate need to redefine their MLS/association relationship and consider how a change of that relationship could help achieve their goals. That relationship can create serious structural issues that are often difficult to address, given that associations own most MLSs. The relationship is further complicated when MLSs are being simultaneously directed to operate more like private for-profit businesses, but also pushed to make decisions in a non-profit consensus model.

PROPOSED SOLUTION

MLSs need to work with owner-associations and broker-customers to clearly define goals of any consolidation effort. A clear summary of goals can drive a process that may better enable MLSs to identify solutions. For example, if an MLS's goal is data consolidation, there are technology solutions to facilitate that outside of an organizational consolidation. Similarly, a solution does not necessarily need to be tied to a specific geographic area, depending on an MLS's goals.



Mitch Skinner
Managing Member

“MLSs directed to act like for-profit businesses via a non-profit consensus model need to reconcile the mixed messages.”

ISSUE #2

One of the key issues to resolve is access to listing content across markets. In some markets it is unclear when which listing content is provided to whom for what purposes, which sometimes a broker-participant pain point. It is clear that MLSs need to redefine, clarify and reinforce their current value proposition as data-access points.

PROPOSED SOLUTION

MLSs need to be able to clearly answer questions about their data distribution practices and understand how they can morph their business model to better position their organizations in a changing marketplace. MLSs should clarify listing content access and consider expanded access to address broker-participant demand. Also, using multiple distribution platforms, which has the positive effects of increasing technological competition and reinforcing the MLSs' role in the marketplace, could address demand for content liquidity.

*Official view of Larson Skinner, as provided by
Mitch Skinner, in an interview in June 2017.*



One of the largest real estate brokerage companies in the country

ISSUE #1

Mid-sized and large brokerages that operate across states and regions face unique challenges in having to belong to multiple MLSs, and that can be costly, redundant and inefficient. Many of the different systems have individual policies and rules and as a result our current environment can be fragmented and inconsistent, which does not always deliver the best experience for the public as they're shopping for or selling their homes.

PROPOSED SOLUTION

As real estate brokers and MLS executives, we need to put our own individual priorities aside and focus on what benefits the overall industry and the consumer. The process will require open conversation and continued cooperation by everyone. Taking these steps requires strong leaders with the right people on their team. It is time for everyone to step up and engage in meaningful conversations about how to best manage our industry's invaluable data.

“Working together and standardizing our approach will enable our industry to invest in better technology at a quicker pace, subsequently ensuring a better level of service for our agents and our consumers.”

KEY ISSUE #2

We have more choices for listing data entry and storage mechanisms than ever before, and the broker now has front-end choice of which system to use. Managing this data is a critical and valuable function that MLSs' provide for the real estate industry, but it has become very complicated.

PROPOSED SOLUTION

With data standardization, the industry can drive efficiencies, make it easier for brokerages to comply with industry requirements, and better serve the public. Taking a consistent approach with standards is in the best interests of buyers, sellers, real estate agents, real estate companies and the industry. It is the direction we should all strive to take.



Cindy Ariosa
Senior Vice President

*Official view of Long and Foster, as provided by
Cindy Ariosa, SVP, in an interview in August 2017.*

An integrated real estate services company in the DC Metro area

ISSUE #1

Ensuring access to all data property data. Today the public often has equal or better access to a broad selection of property data than what the broker actually has because the MLSs are limiting themselves in what they provide professionals. This is especially true when it comes to historical data as MLS data is often outdated because, in today's world of instant access and real-time information, the industry is behind the technological curve.

PROPOSED SOLUTION

So much data is available from third parties, for example: mortgage balances, city and county records, foreclosures, pre-foreclosures and short sales, etc. MLSs simply have to aggressively move forward and become a data leader again.

“The MLS is trying to be all things to all people and that may very well be its downfall. We do not want all the possible real estate tools and services inside of the MLS. We simply want accurate and high quality property information.”

KEY ISSUE #2

Ensuring access to accurate property data. MLS data needs to be more accurate on a much broader scale than it is today. Unfortunately, many times it's wrong at the source as a result of agents incorrectly entering the data into the MLS at the outset. There needs to be a better way to confirm and lock data into the system in a more standardized format to ensure consistency and accuracy.

PROPOSED SOLUTION

The MLS needs to once again become the most trusted source of property data. The industry must eliminate the extra work that brokers and agents are now being required to perform in hunting down and verifying the data that is presented to the customer to ensure its accuracy.



Kymber Lovett-Menkiti
President, Sales

*Official view of Menkiti Group, as provided by Kymber Lovett-Menkiti,
President, Sales, in an interview in August 2017.*



A multiple listing service in Northern California

KEY ISSUE

The MLS has a business model problem. The industry has forgotten who their customers are. The industry's longstanding "product in a box" solution is no longer valid and the platform it is delivered on is antiquated. In essence, the MLS is still trying to operate as a gatekeeper and continues to block real estate professionals from having access to the best-in-class products they need to help them do their job

Cisco Executive Chairman, John Chambers' prediction rings true for us all: "If the companies in the Silicon Valley don't transform from the information age to the digital age with better technology and updated platforms and focus on serving their customers the way the new era demands, then 40 percent of them will not exist in 10 years." Big chunks of the MLS industry have ignored this sound advice for far too long.

"In 2017, most MLS organizations still deliver an antiquated product on an outdated 1990s platform."

PROPOSED SOLUTION

These current practices must stop:

- Running a technology business by committee. MLSs have been trying to do this for the past two decades. It just doesn't work.
- Trying to serve the customer without talking with them or knowing them. The MLS needs to get out of the box (and the office) and talk with the customer. Find out what it is they really want.
- Ignoring new platforms such as apps and mobile platforms.

The MLS industry needs to restructure its organized real estate legacy constraints, including all of the political anchors that permeate the industry and hamper the innovative process. It needs to identify what the Millennial customers of the future want and how they want to use MLS data. Only then can MLSs provide services and design platforms and apps to deliver relevant service built for the customer.



Jim Harrison
Chief Executive Officer

*Official view of MLSListings, as provided by Jim Harrison,
Chief Executive Officer, in an interview in July 2017.*

move[®]

Operators of real estate websites for consumers and professionals

ISSUE #1

The MLS is the primary engine for driving standards in the industry, but most discussions end at either the data dictionary or some other technological data delivery system. There are many other ways for the MLS to drive standardization that would make the market more efficient for consumers and industry constituents.

PROPOSED SOLUTION

The solutions include: working with their associations to standardize forms across borders; consistent brokerage reporting on listing/agent/office hierarchy; consistent market/economic reporting; manage duplicate listings across MLS markets; etc. The MLS must find ways to standardize parts of the process that will grease the wheels of innovation and remove friction from the process.

“MLSs have a huge opportunity ahead of them that they should take, but most probably won’t.”

ISSUE #2

Consumers increasingly want more detailed content, but most MLSs continue to collect just the basic data. Now, with over \$3 billion being invested into real estate technology by outside parties in 2017, the MLS industry needs to quickly figure out how they will participate going forward, before the opportunity is gone forever.

PROPOSED SOLUTION

The MLS wasn’t designed to be the engine of innovation. It was designed to provide an invaluable service by creating an advanced data framework for all to operate in. The first step in that process is for the MLS to begin collecting more comprehensive property, community and other lifestyle related data from the agents, and to become the vehicle that timely and accurately provides that data back to their members across all borders according to industry-wide standards.



Luke Glass
Executive Vice President

*Official view of Move, Inc. as provided by Luke Glass,
Executive Vice President, in an interview in June 2017.*



A regional multiple listing service for Chicago and the Midwest

ISSUE #1

Leadership throughout the industry is changing and new alliances are being formed. Companies are merging and major acquisitions are happening. Existing players are making big moves (such as Zillow's Instant Offers or Redfin's IPO). Outside investors are funding technology as never before. If you are not moving forward, you are quickly falling behind.

PROPOSED SOLUTION

Keep abreast of new developments, maintain an open dialogue and create opportunities to build relationships. Promote and develop leadership. In this competitive marketplace, it's important to evolve the way business is conducted and to remove roadblocks that inhibit adoption.

**"MLSs are part of the next S-curve adoption cycle.
Timing is everything. You are either at the table or you
may end up on the menu."**

ISSUE #2

Billions of dollars are being invested in the real estate industry. Technology can be disruptive. Brokerages and MLSs must be ready to embrace new opportunities. Standardization and platforms (such as The MLS Grid and Upstream) drive uniformity and ease of access to MLS information. As they become mainstream, technology adoption will be easier and change will happen faster.

PROPOSED SOLUTION

Invest in R&D. Foster electronic transactions. Participate in data cooperation initiatives such as The MLS Grid. Support standards initiatives such as RESO. Look for new sources of value in data. Pay attention to disruptors and follow them closely. In short, position your organization to take advantage of new technologies and initiatives; anyone could be a winner tomorrow.



Rebecca Jensen
President and CEO

*Official view of MRED, as provided by Rebecca Jensen, President
and CEO, in an interview in July 2017.*



NATIONAL
ASSOCIATION
of
REALTORS®



NATIONAL
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REALTORS®

America's largest trade association and Voice for Real Estate™

ISSUE #1

At the end of the day the consumer is going to make a choice, and if we are stumbling around fighting amongst ourselves no one is going to want to participate in our sandbox. Someone else will come in and create a better tool and the consumer will select them. Then we all lose; brokers, agents and organized real estate.

PROPOSED SOLUTION

NAR needs to assist where appropriate to facilitate MLS consolidation because that is a necessary play for our broker community. It is the best way to create better efficiencies in the market without brokerages having to belong to multiple MLSs. And no, that does not mean a national MLS, that determination will be made by the market. What Bright MLS did with its consolidation and roll up is a good example of how it can work. It helps Realtors®, it helps the brokers, and in the end it helps consumers.

"The MLS is the lifeblood of the local market and it has the responsibility to make it more efficient for everyone in the real estate industry."

KEY ISSUE #2

It is critical for MLSs, as stewards of the brokers' intellectual property, to ensure that they are responsive to their needs. They cannot make decisions that are in favor of the MLS as opposed to the needs of the brokers.

PROPOSED SOLUTION

Let's move past the noise and get all issues out in the open. This study is a great initiative as there are no hidden agendas. Now let's breakdown this big elephant by starting to work together as an industry and tackle the issues one by one. NAR needs to participate in the conversation and the process, not as the architect but as a partner. We are ready to do that.



Bob Goldberg
Chief Executive Officer

*Official view of NAR, as provided by Bob Goldberg, CEO,
in an interview in August 2017.*

A real estate brokerage in Southern New England

ISSUE #1

The consolidation of the MLS industry. Given the state of technology today there are just too many MLSs, too many different business models, too many territorial conflicts and too much regional thinking. Consolidation is absolutely necessary in order for the brokers, agents and consumers to be better served.

PROPOSED SOLUTION

Not that all small MLSs are doing a bad job, but we cannot continue with small, undercapitalized entities. They need to be absorbed into larger organizations, as larger MLSs are the way of the future. This should, however, be accomplished in a way in which we find a win-win without forcing consolidations that are not advantageous.

“Pollyanna answers cannot continue to be the default response. But this is going to require the industry to deal with the real fact that it is caught up in politics.
Time for honest answers.”

ISSUE #2

There is no consistency of data or in the delivery of that data. There is inconsistency everywhere. It is causing the industry to deliver a substandard experience to the customer and undermines the value of both the MLS and the Realtor®.

PROPOSED SOLUTION

The controlling of the data has to be done on multiple levels, and MLS organizations are certainly a big part of that answer. However, NAR is the only organization that has the muscle and the power to effect change across a broad spectrum of the industry. Ultimately that means that NAR has to take some ownership of this issue and help create a framework under which real estate information can be monitored and regulated.



Mike Schlott
President

*Official view of Randall Realtors, Kinlin Grover R.E., and Page Taft, as provided by
Mike Schlott, President, in an interview in August 2017.*



A global residential real estate franchisor and brokerage company

KEY ISSUE

No market or industry remains static forever. They change constantly over time. Currently the residential real estate business is changing significantly, and we are incorporating new technology and online portals into our marketing and operations. The MLS industry needs to reinvent itself as well.

“The MLS industry, and therefore the brokers and agents they serve, would be better aided with a more unified MLS voice.”

PROPOSED SOLUTION

That means re-evaluating and, if necessary, addressing the current model to see if current business rules still hold true today. Although we can often still ask the same questions we have been asking for years, we need to listen very carefully as today's answers are very different.

Are we still serving our customer the best way we can? MLSs around the country are so fragmented, which results in varying levels of sophistication, procedures and service offerings. That must change. The MLS industry needs to:

- Continuously and logically follow organized consolidation from a consumer perspective to deal with the overlap and address the competition coming from third-party providers in order for the MLS to remain relevant.
- Review and add value and new technology and functionality for agents and brokers and, perhaps, be even more consumer oriented in order to remain competitive and strengthen their position against national portals or other innovative technology platforms.



John Peyton
President and CEO

Official view of Realogy, as provided by John Peyton, President and CEO of Realogy Franchise Group, in an interview in July 2017.

KEY ISSUE

With the advancement of analytics, MLS data has become much more valuable. MLS organizations run the risk of becoming a competitor in a race they cannot win. MLS has been of great value to agents, but their loyalty to the MLS is waning. They are now looking for the best service provider and as a result MLSs can no longer automatically count on them to look to the organization for their products and services.

“The MLS must return to its core business by being the neutral hub of the marketplace and keeping that marketplace flowing.”

There are now others providing brokers and agents faster and cheaper services that are in a format conducive to more efficiently and effectively serve their consumers. These initiatives are coming from vendors outside the industry—data aggregators, technology firms, etc.—and while most initiatives are still incomplete, they reflect real threats to existing MLS paradigms.

PROPOSED SOLUTION

For the first time, the industry has entered a world where there are realistic and legitimate attempts to create alternatives to the MLS that exists today. This means that MLSs must:

- Become more “nimble” as brokers and agents are looking for better and faster functionality today.
- Become more and more “cooperative” and better manage the dynamics of their relationships with others in the marketplace.
- Actively interface with the portals and the technology companies, as more services and support with respect to their data are being offered and managed by others.
- Yield some of the ancillary services and products they have accumulated over the last 10 years or face fierce competition.



Craig Cheatham
President and CEO

*Official view of The Realty Alliance, as provided by Craig Cheatham,
President and CEO, in an interview in June 2017.*



Real Estate Standards Organization

ISSUE #1

A large number of leaders in the MLS industry with over 20 years of experience and leadership are retiring and, unlike typical corporations in other industries, the MLS industry has no succession plan. MLS boards of directors are supposed to provide MLSs with the necessary vision and direction to remain at the forefront, but many are failing due to rapid turnover and limited board of directors' experience. This is an issue as some long-held elected positions haven't conducted real estate transactions in over a decade, resulting in a disconnect in the needs of the current marketplace.

PROPOSED SOLUTION

More leaders need to be groomed and mentored to be full-time executive officers as well as elected leaders. There should be operational and skill requirements for serving on the board as well as term limits to ensure renewal and modernization and requirements that directors run active brokerages with a minimum number of transactions per year.

“Leadership, or lack thereof, is a huge concern for the future of the MLS, and it impacts decisions made, or not made.”

ISSUE #2

There are too many legacy rules, regulations and policies in the MLS industry. In some cases, licensing agreements, policy guidelines and operating procedures are so outdated that, if contested, they may actually be found to be illegal today. This tracks back to a leadership contingent that has served for decades, multi-term board members and a lack of vision and prioritization to update the legacy rules and regulations.

PROPOSED SOLUTION

MLS organizations need to be proactive and do an audit that takes a strategic look at their existing rules, regulations and policies to determine which are dated. Make sure every practice is up with the times and is continually updated for the world we live in today, providing the support brokerages need in an ever-changing business environment.



Jeremy Crawford
Chief Executive Officer

Note: As RESO obviously promotes real estate standards, Jeremy suggested discussing other important issues.

*Official view of RESO, as provided by Jeremy Crawford,
Chief Executive Officer, in an interview in June 2017.*

ISSUE #1

MLSs are challenged when attempting to serve the needs of all brokers with the same products when they all have very differing needs and technology resources. When MLSs go beyond their core proposition and provide additional tools and services, they assist small and mid-sized brokers, but face strong resistance from the large brokers who have invested millions of dollars to enhance their market share and differentiate their companies to both agents and consumers.

PROPOSED SOLUTION

All services provided by MLSs could be considered universal, or “leveling the playing field.” One option is for MLSs to return to a core value proposition of providing the best service for the aggregation of listing data, while offering choice for more advanced, non-core products. While large brokers want differentiation, it’s important to remember that only 25 to 30 percent of their listings are sold in-house. Most listing sales are the result of cooperation. So large brokers need successful small and mid-sized brokers.

ISSUE #2

Although MLSs have technology assets, much of it is legacy technology that is expensive to keep current. Many times the goals and expectations of both Millennial agents and consumers coming into the industry are not being met by those systems. One primary obstacle is the fact that most MLSs operate closed systems at extremely low price-points. In addition, they which are not taking advantage of evolving API technology and are not open to multiple third-party apps that give professionals the tools they need and that consumers expect.

PROPOSED SOLUTION

MLSs need to charge a fee for their services that allows the companies building the technologies to reinvest in R&D. Price suppression has been prohibitive to innovation by the vendors. By charging for premium services, rather than the lowest price point, for leading edge products and features and leveraging standards put forth by RESO can accelerate the process. MLSs would be able to offer an array of API-driven applications, bringing both choice for agents and brokers and a much needed expansion of opportunity for vendors, all working from a common platform.

*Official view of RPR, as provided by Dale Ross,
Chief Executive Officer, in an interview in July 2017.*



Dale Ross
Chief Executive Officer



UPSTREAMRE™

A collaborative broker initiative to manage real estate data

ISSUE #1

Off-MLS transactions are on the rise as brokers are increasingly holding off entering their listings into their MLS in an attempt to raise their chances of capturing both sides of the transaction. The decline in MLS data may not be a decreasing inventory, but rather a decline in full MLS participation.

PROPOSED SOLUTION

Capturing the off-market data would require brokers, associations and the MLS to align on pre-listing statuses as well as distribution and timing rules. Scenarios should be sought that allow brokers to improve their listing capture rate during “seller” markets while staying true to the spirit of cooperation and compensation. Consistently re-evaluating why we create policy as well as how we implement it is a healthy exercise.

“The MLS, the brokers and the associations are not on the same page with respect to the best interests of the industry.”

ISSUE #2

Association ownership and involvement continues to create an obstacle for MLSs. Core MLS services are under \$5, but pricing to members is typically in the \$40 range. The industry is paying, but MLS software companies aren't seeing large enough margins to justify reinvesting into R&D and improving the MLS software. This often leaves an MLS to seek alternative revenue models that may compete with their brokerage clients, such as offering vendor products as an alternative to brokerage offerings.

PROPOSED SOLUTION

There are hundreds of business models used both inside and outside of the industry. Associations and their respective MLSs might be better served by looking at more holistic revenue models and treating their relationship as a joint venture. It's not uncommon for one entity to subsidize the R&D or the operational expenses of a partner to serve their own interest in other industries.



Alex Lange
President and CEO

*Official view of UpstreamRE, LLC, as provided by Alex Lange,
President and CEO, in an interview in June 2017.*



W+R STUDIOS

A cloud-based software provider for the MLS industry

ISSUE #1

Welcome to the “war of listing input modules.” It’s all about control, and everybody wants it. The real estate professionals at one stage had control of the listing data, but they allowed the genie to get out the bottle. Now, they desperately want to go back to being the gatekeepers of all listing information. That is not going to happen.

PROPOSED SOLUTION

The Internet has evolved from 15-years ago and has introduced and brought a whole new set of vendors to the table. There are now varying listing input software programs that are presenting the industry with a lot more choices. So, brokers and MLS organizations need to find new ways to redefine their value proposition. They certainly have the option of being the gatekeeper of data, but that’s not going to work.

“The industry continues to follow the “false premise” that relevancy is the result of having control of the listing data.”

KEY ISSUE #2

MLSs have to offer better tools, but they continue to push 15-year-old legacy software as the front-facing system their members have to look at every day. This is a very big disservice to the real estate professional and a very big reason why third-party vendors are able to successfully enter the industry.

PROPOSED SOLUTION

The MLS industry hasn’t caught up with 2017 because many MLSs are not willing to expend the necessary resources. They keep building reserves like their non-profit association’s parents instead of investing in the future like technology companies. “Front End of Choice” is going to change that. Other progressive MLSs are starting to tier services by providing base level access with upgrades to additional features. This affords MLSs the opportunity to cleverly look at what services and tools MLSs are using and focus on functioning more like a real technology company and offer better choices in the future.



Greg Robertson
Co-founder and President

*Official view of W+R Studios, as provided by Greg Robertson,
Co-founder and President, in an interview in July 2017.*



Online real estate portal and database company

ISSUE #1

The financial viability of many MLS organizations is tied to their membership count, and yet a meaningful number of those members may be low-producing or technically unsophisticated. This business model breaks down if the number of agents declines as a result of market changes that drive unproductive agents out of the market. A second, related challenge is that many larger brokerages want MLSs to offer only “core services,” rather than offering advanced technology and thereby “leveling the playing field.” Finally, some MLS technology selection committees focus only on cost, rather than benefits to the MLS’ subscribers. The result is that many MLSs suffer from a technology deficit and are nervous about making long-term investments in new technology.

PROPOSED SOLUTION

The time has come to change the MLS business model. By undercharging their members, MLS organizations don’t have the funds required to buy technology at the scale they need in order to remain relevant and current. Start charging more, have a base fee for usage and establish additional levels (and corresponding fees) for add-on services. Allow brokers to differentiate by integrating with the MLS, rather than positioning the MLS like a walled garden where it is difficult to enter data or extract data.

ISSUE #2

MLSs have been slow to adapt to the changing scope of the content they manage and technical demands of their users to access it. Example: in many areas, the listing input form has not changed over the last 15 to 20 years. It is still capturing and managing a similar set of data as it did two decades ago, and the number and quality of photos that can be uploaded has lagged. Meanwhile, the demands and needs of their brokers and advertisers have changed dramatically.

PROPOSED SOLUTION

MLSs need to invest in systems that allow them to manage a more comprehensive set of data and move away from single platform systems that limit their flexibility towards adjunct systems that allow them to scale faster and be more nimble to market demands. .



Errol Samuelson

Chief Industry Development Officer



Curt Beardsley

Vice President, Industry Development

Official view of Zillow Group, as provided by Errol Samuelson, Chief Industry Development Officer, and Curt Beardsley, Vice President Industry Development, in an interview in June 2017.

Takeaway

The top 3 issues that need to be addressed are:

#1 – Technology and the essential tools necessary for brokers to successfully compete.

The most frequently raised issue was technology, and of course this covers a very broad range of issues. Many people observed that large parts of MLS technology are around 15 years old. This is predominantly because many MLSs are underfunded and are not investing substantial dollars into R&D and innovation.

In today's environment, where technology is the primary driver of business, you need to run state-of-the-art systems or you fall further and further behind, slipping into irrelevance and being replaced with new firms.

As technology, however, becomes more powerful and the MLSs roll out more products and services, the old issue of “leveling the playing field” is once again becoming a major frustration. Smaller brokers usually support MLSs to include more services while the larger brokerages, who already have many of those services included in their own offering, don't want the MLS offering services that compete with theirs.

With new firms already delivering to the consumer products and services built with new innovative technologies, the MLS industry has little choice but to be competitive if they wish to hold on to their seat at the table.

#2 – Raising the standards for access to and use of the data by those who own and create it thus ensuring better decision-making for the entire ecosystem.

MLS is all about data. So, for the MLS to serve its subscribers at the highest level, it needs to remove all arti-

cial barriers and different business rules allowing data to be shared more openly.

Many believe that all MLS organizations should deliver on the same business rules and standardized data sets. The industry has come a long way with standardization and RESO has made great progress with the technology vendors.

Standardization is, however, not just with regard to the sharing of data but the actual data itself. From a quality of service perspective, it is important that all participants in the real estate industry make a strong drive toward achieving standardization across all levels.

#3 – Market consolidation must be accompanied by innovation, responsiveness and efficiency.

Many real estate brokerage companies now operate in multiple areas and even in numerous states. As a result, they now have to belong to multiple MLSs and pay multiple fees in order to effectively service their agents (customers).

For the most part, MLS organizations have failed to keep up with brokerage expansion, which has resulted in wide-ranging territorial issues resulting in the MLS offer becoming a major frustration rather than an asset. If brokers and agents really want uniformity, better software and lower costs, they are going to have to step up and force MLSs to consolidate ASAP.

There are simply too many MLSs that are too small to compete in a meaningful way in today's high-tech world, and they are standing in the way of achieving what brokers and agents say they want.

Proposed Action Plan

Most of us make good decisions when we understand the landscape. But, solid decisions become more difficult (though not impossible) when the landscape is changing.

To be sure, the MLS business has enjoyed a great run. It is possibly the greatest social contract of our age. Competitors cooperate to create, sustain and evolve an effective market exchange. But, the keys to continued success rely less on what got us here and more on our collective ability to constructively innovate.

So what should we do?

Consider what it is that has enabled our success. And more importantly, what is it that will allow us to help our brokers succeed in an increasingly dynamic marketplace? As evidenced in the preceding pages, for the MLS to be relevant in the future, it will require far more than controlling listing and sale data and counting on a “one size fits all” pricing approach.

Let’s open dialogue between all appropriate parties and start meaningful conversation that ideally leads to a redesigned and contemporary MLS.

Here are some preliminary questions that could be considered:

- How can we balance the “leveling the playing field” argument with improved technology some of which could compete with the broker?
- How many broker owners are not participating in our MLS conversation? What are we doing about it?
- How many of our brokers and their agents are paying multiple fees?
- Is our MLS resisting consolidation because it’s not

on terms we think are best?

- If we could start over, what would our MLS look like?
- Is our decision-making process aligned with brokers? Are they really our partners or do we just think they are?
- What specifically are we doing to foster greater cooperation amongst and between contiguous markets?
- Are we an island? Do we think we are really so unique? Are we really that special? Why?
- How does our service area map to our customer’s market? To the consumer’s market?
- Are our association revenues and profitability disproportionately tied to MLS?
- Are we constructed to withstand an economic shift? Can we easily scale up and down?
- Why do we exist and for whom?
- Is our governance and decision-making process contemporary?
- Do we follow CMLS best practices? Do we insist on complying with RESO standards?
- Are our Directors comprised of active, engaged, objective and successful people?
- If our MLS succeeds yet our brokers and their agents struggle or worse fail, will we declare success?
- Importantly can we really suspend our judgement and give honest answers to these (and other) questions?

Past success is a seductive, an almost irresistible force. Too often we think we need to protect our MLS as currently constituted. Let’s rather take it to the next level.

About

The objective of the MLS RoundTable is to discuss industry issues and when appropriate, foster dialogue or issue an opinion. Its sole purpose is to advance the broker's business and, by extension, that of the industry's participants. It is intended to add to the good work being done by other industry stakeholders.

Members of the MLS RoundTable (with approximate membership numbers) are:



Tom Phillips, CEO Bright MLS and David Charron, CSO Bright MLS

85,000+ subscribers

For more information visit www.brightmls.com



Art Carter, CEO California Regional MLS

81,000+ subscribers

For more information visit www.go.crmls.org



AnneMarie DeCatsye, CEO CarolinaMLS

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Kathy Condon, CEO MLS Property Information Network

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Rebecca Jensen, CEO Midwest Real Estate Data

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MLS 2020 Agenda

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