

2019 MLS Strategic Analysis



PURPOSE

The MLS Strategic Planning Task Force was created to complete a 360 degree evaluation of the current MLS Landscape, trends in the industry, existing issues, customer feedback, evaluate MLS alternatives, and to provide recommendations to the Board of Directors.

“DATA DRIVEN, MEMBER FOCUSED”



PROBLEM SUMMARY

MLS Listings is facing challenges competing in the marketplace to provide best-in-class products and services to members at affordable prices.

Some member owners of MLS Listings are dissatisfied with their services and wish to switch to a different product offering.

New MLS Providers are available in the marketplace that offer a larger suite of tools at affordable prices and are more attractive for Associations' bottom line.

Consolidation of MLS's and creating a statewide MLS is a big initiative by NAR and CAR.

Due to territorial exclusivity agreements and ownership structure of historical data, the neighboring AOR's feel locked into a bad agreement.



SCOPE SUMMARY & METHODS

The Task Force has been formed to evaluate every angle of the problem, including opportunities, challenges and risks with every alternative.

Methods of analysis shall include historical and trend-based research, customer surveys, financial analysis, interviews with other AOR's, product evaluations, scenario modeling and legal opinions.

HISTORICAL SUMMARY

“In the early 1980s, the MLS was beginning to hear about the invention of the Internet. Brokers in Northern California suspected the 1990s would be a time for change.

As third-party companies began their formal foray into real estate consumer services, California brokerages in the mid ‘90s requested that MLS’s in our area consolidate. Even then, the thought of MLS barriers and limitations to real estate property data was an undesirable condition. Influential brokers of the greater Bay Area led an effort to solve that condition which resulted in reducing the number of MLSs from 17 to fewer than half a dozen.

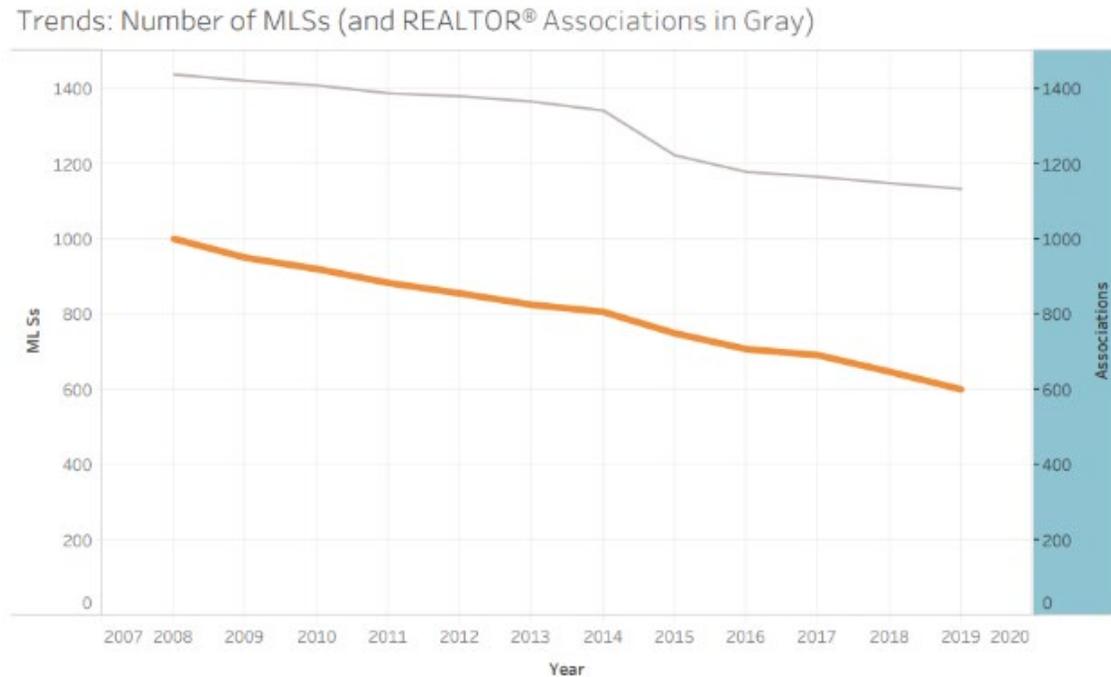
The brokerage community formed the Northern California Real Estate Exchange. It was made up of area MLS’s committed to breaking down real estate data barriers. *These MLS’s agreed to the principle of the consolidation of a single set of data.* Another significant change in the marketplace was the creation of a different kind of MLS in the region. It was a consolidated MLS named, Real Estate Information Link, or REInfoLink, owned by seven real estate associations.

REInfoLink was a unique MLS; broker created and governed and committed to the mission to seek consolidations and improve service to brokerages. Ahead of its time, REInfoLink became MLSListings by the late 2000s. It has continued the foundation and philosophy of broker relevance and the commitment to regional consolidation of real estate data.

While there are regional and national undertakings toward MLS and data consolidation, the brokers who created MLSListings were early visionaries in that effort. *As an organization, we recognize that a single data set and unrestricted property data is part of a natural industry evolution*, locally, regionally, and nationally. This commitment is part of the MLSListings DNA.”*

INDUSTRY TREND

Number of MLSs organizations and Realtor Associations is shrinking
(MLSs down 40% from 2007 to end of 2019 estimated)



Why is this happening?

- MLS's struggle to evolve technologically.
- Brokers looking to grow geographically and looking for efficiency, they need an MLS that can grow with them.
- MLS's struggle to provide modern technology and service levels due to lack of resources and staffing.
- MLS's are siloed in local regional databases that don't share data freely with their neighbors.
- Larger MLS's are achieving economies of scale and streamlined data sharing.

Source: Inman News: What the MLS Landscape will look like in 2019.

TRENDING ARTICLES

The Great Debate: What the MLS Can Be, and What It Should Be

<https://arizonaeliteproperties.com/the-great-debate-what-the-mls-can-be-and-what-it-should-be/>

California Brokers: MLSs Need to Catch Up

https://magazine.realtor/daily-news/2018/01/11/california-brokers-mlss-need-to-catch-up?DailyRealEstateNews_%28Daily_Real_Estate_News%29=

The Big Merge: Realtor Associations Consolidating MLSS

<https://myrealtyle.com/the-big-merge-realtor-associations-consolidating-mlss/>

MLS Consolidation: Challenges and Obstacles

<https://www.nar.realtor/sites/default/files/documents/MLS-Consolidation.pdf>

Decoding the Broker/MLS cold war on consolidation

<https://www.inman.com/2018/01/22/decoding-the-broker-mls-cold-war-on-consolidation/>

Statewide MLS initiative presents its cause to agents and brokers

<https://www.inman.com/2015/05/01/statewide-mls-initiative-presents-its-cause-to-agents-and-brokers/>

WHAT NAR MEMBERS WANT FROM MLS*

- **Brokers and Agents – REALTORS® want at least as much information as consumers have, to enable them to do their job and make a living.**
- **Complete, accurate, and timely data and the best software and tools available from any sources.**
- **Significant value and low-costs for the most part.**
- **MLS services which are without borders with unrestricted information access for the professionals.**
- **No longer necessary to join and pay multiple MLS providers.**
- **One standard set of MLS rules, policies, data compliance, and enforcement.**
- **Single source listing feeds for IDX, websites, and back-office that follow uniform formats and rules.**
- **Single point of entry available for those who need it.**
- **On-demand access to the information they need to conduct business at a competitive cost.**
- **Accurate and consistent statistical information and reporting.**
- **MLS software which does not require extensive training to learn how to use it.**
- **Listing brokers control the distribution of their listings from a single source of their choice.**
- **Every market area is served by at least one high-quality MLS provider with multiple choices where possible.**

*NAR: <https://www.nar.realtor/about-nar/policies/mls-consolidation-resources/challenges-and-obstacles>

INDUSTRY PUSH FOR MLS CONSOLIDATION

NAR believes that the proliferation of MLSs have created disfunction and disorderly data in the marketplace.

NAR goal is remove barriers that create inefficiencies and instead facilitate a truly orderly marketplace that empowers their Participants and Subscribers to focus on serving the consumer. In the end, eliminating dysfunction.

C.A.R. policy supports the ultimate development of a Statewide MLS and initiatives along the way to expand its Member's unfettered access to the widest breadth of MLS data possible. This stance remains highly relevant, especially in the context of MLS entities and local AOR's failing to enter into or retain desirable data sharing arrangements, as well as rapidly changing developments with listing syndication and the big business of real estate listing portals (Zillow, Trulia, Realtor.com, etc.).

C.A.R. Six Guiding Principles are that:

- (1) MLS data needs to be fully standardized with local options for data field variation;
- (2) California REALTORS® should have universal access to all MLS data;
- (3) use of MLS data and its distribution to third parties should be controlled by the brokers who provide the data;
- (4) MLS entities should exist for the benefit of participants and subscribers;
- (5) MLS rules should be uniform and enforced consistently; and
- (6) the MLS board of directors should include broker owners with appropriate regional representation.

EMOTIONAL OBSTACLES TO CONSOLIDATION

1. Fear of the Unknown
2. Loss of Income
3. Loss of Control
4. Desire to Keep Others Out of the Market
5. Pride in What We have Built/Created
6. Don't Know how to accomplish or believe the transition is Too Hard/Expensive

*NAR: <https://www.nar.realtor/about-nar/policies/mls-consolidation-resources/challenges-and-obstacles>

MLS's IN CALIFORNIA

BAREIS

Big Bear Association Of Realtors®

Calaveras County MLS

Central Coast Regional MLS

Coastal Mendocino MLS

CRIB – CrisNet / CLAW / iTech

Desert Area MLS

Del Norte AOR

FresnoMLS

Golden Empire MLS

Greater Antelope Valley AOR

High Desert AOR

Humboldt AOR

Imperial County AOR

Kings County MLS

Mammoth Lakes BOR

MAXMLS – EBRDi

MAXMLS, BayEast and Contra Costa

MetroList MLS

MLS Listings, RE Info Link

Nevada County MLS

Orange Belt Board Of Realtors

Plumas AOR

Ridgecrest Area AOR

Rim O' The World AOR

San Diego County Regional MLS

San Francisco Association of REALTORS

Shasta MLS

South Tahoe AOR

Sutter Yuba MLS

Tahoe Sierra MLS

Tehama County AOR

Tulare County AOR

Tuolumne County AOR

Ventura County / CSMAOR

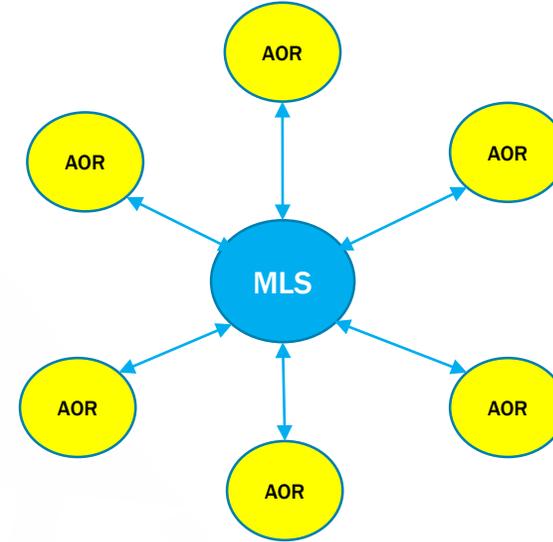


MLS OWNERSHIP MODELS

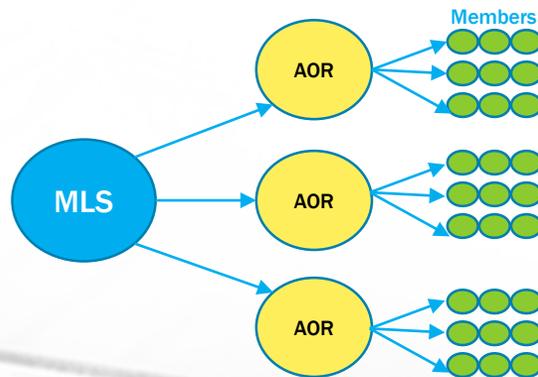
AOR Own/Manages
their own MLS
(BayEast)



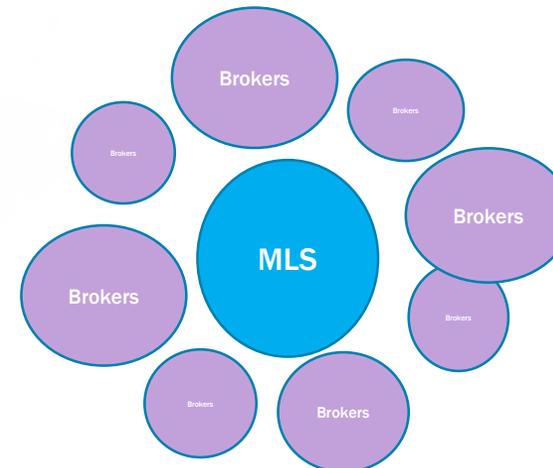
Mutual Benefit Corp
Several AOR's have ownership share (MLSListings)



Reseller Model
(CRMLS)

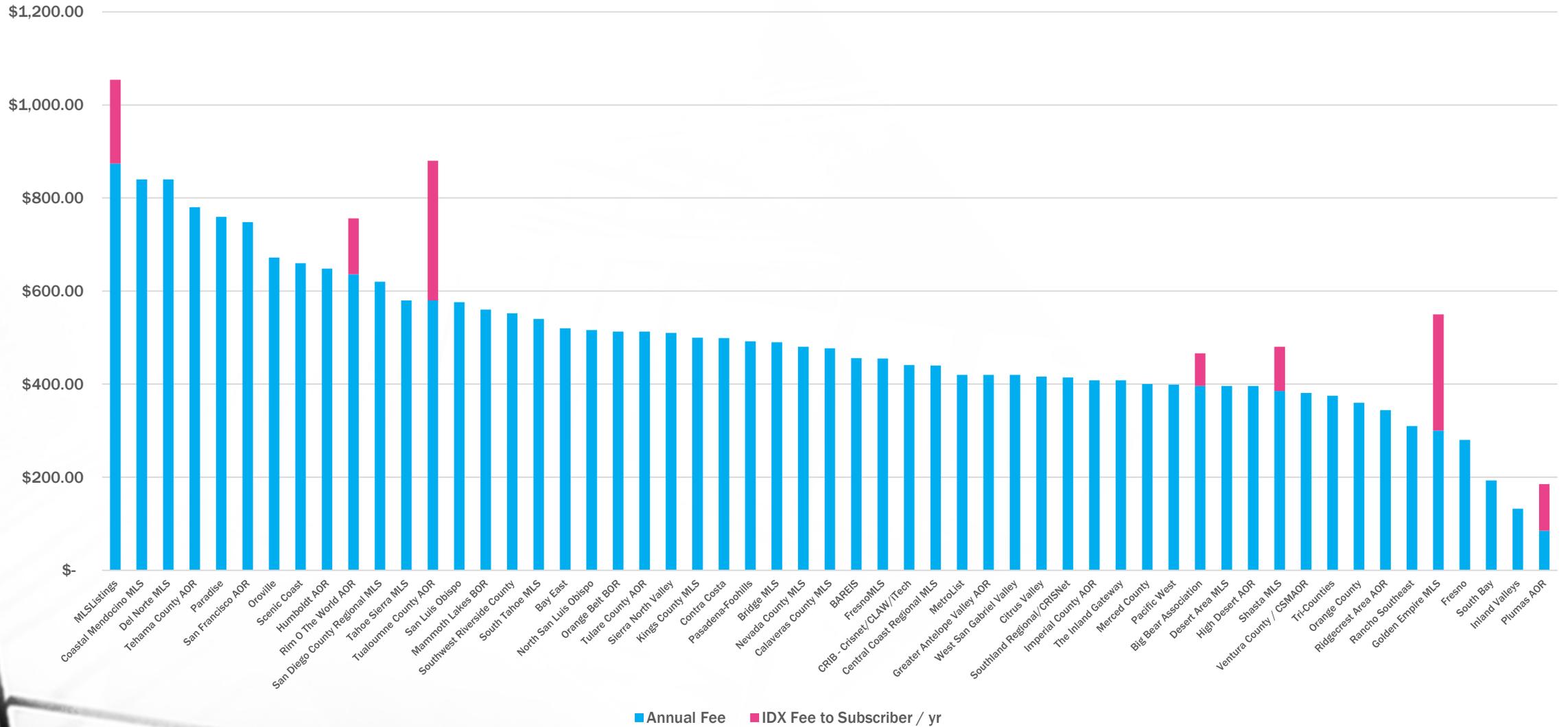


Broker Owned (BAREIS)



HOW DO MLS LISTINGS FEES COMPARE?

MLS Fee Comparisons



Side by Side Comparison		
Application Included in Subscription	CRMLS	MLS Listings
Cloud MLX	✓	
RPR	✓	✓
LionDesk	✓	
Remine	✓	✓
Listhub	✓	✓
Cloud CMA	✓	
Cloud Streams	✓	
Infosparks	✓	
Aculist		✓
eProperty Watch	✓	
RatePlug	✓	
Realist	✓	✓
CRS Data	✓	
MLS Touch	✓	✓
CRMLS App	✓	
HomeSnap Pro	✓	
Proxio	✓	✓
New Home Source	✓	✓
ShowingTime	✓	
MLS Marketplace	✓	
Association Product Co-op	✓	
Matrix Front End	✓	✓
Paragon Front End	✓	✓
Flex MLS Front End	✓	
Free IDX Feed	✓	
Member Service Hours	M-F 8:30AM-9:00PM Sat-Sun 10:00AM-3:00PM	M-F 8:00AM-6:00PM Sat 8:00AM-4:00PM