



## Survey: Initial Feedback on HouseLogic and Realtor Property Resource

November 11, 2009

Clareity Consulting conducted a brief survey to gather some initial feedback from MLS industry leaders regarding NAR's two new initiatives, HouseLogic and Realtor Property Resource (RPR) that were presented Friday November 6th via a national webinar. Since time between the webinar and the NAR annual meeting was short, the response was limited – but with a nice mix of MLS executives responding from various size organizations nationwide, we learned some valuable information about how HouseLogic and RPR were perceived.

### HouseLogic

Respondents were somewhat more favorable than not about how valuable the site will be for consumers:

How valuable do you think this site will be for consumers?	
Very valuable	17.39%
Valuable	34.78%
Somewhat valuable	26.09%
Not at all valuable	13.04%
Not sure	8.70%

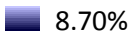


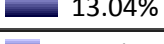

Keep in mind that NAR's stated target audience for the site consists of "Responsible Proactive Homeowners" – it's not clear how big an audience that really is, or if 100% participation from that audience would be enough to meet NAR's goal of having one of the top 10 real estate sites. Perhaps the target market for the site will expand over time and additional valuable content will be created. It's unclear how this site will perform competitively against sites that have both content *and* listings, in terms of providing value for consumers.

43% of the respondents think that "HouseLogic will improve the Realtor brand strength with consumers":





Do you think HouseLogic will improve the Realtor brand strength with consumers?	
Yes	43.48%
No	17.39%
Not sure	39.13%

Respondents were less favorable about how valuable the site will be for agents and brokers – but 78% believe that agents and brokers will find at least *some* value in the Realtor® Content Resource. Plainly at

the local level agents will still need to differentiate from each other with unique content – they can't all use the same content from HouseLogic.

How valuable to you think this site will be for agents and brokers?	
Very valuable	 8.70%
Valuable	 21.74%
Somewhat valuable	 47.83%
Not at all valuable	 13.04%
Not sure	 8.70%

39% of respondents indicated that the site content could be used to benefit their local site. More than 34% weren't sure – it's probably too early to tell how useful the content will really be just from the initial webinar presentation.

Do you think the NAR developed and provided content will benefit your local site?	
Yes	 39.13%
No	 26.09%
Not sure	 34.78%
N/A – no local site	 0.00%

When asked to say what they liked most or least about the HouseLogic site and its strategy, respondents said the following:

- The content is valuable to consumers and it will keep the REALTOR value in the forefront. It will allow REALTORS to stand apart from other practitioners
- The general concept is good, however as with RCSMLS, RIN, DXM, and realtor.com, NAR frequently has execution problems. I am also concerned about the possibility of large brokers and franchises feeling that HouseLogic unfairly competes with their efforts and existing websites- "leveling the playing field".
- If the site gains enough visitors and is easily available through local association and MLS sites, it could help with the "R" image. Least: it does not do much for the individual members. Why not just enhance realtor.com since consumers already come there?
- The connection between agent and Realtor.com and how the consumer is going to find an agent from the HouseLogic site.
- Strengthens the value the Realtor family brings to the buying and selling publics...should ultimately re-establish the Realtor as the expert on all information related to real estate
- Least: consumers still can't tell difference between agent & realtor, some parts of site aren't useful such as consumer's tracking their projects.
- Consistent messaging adds value to the trusted brand - REALTOR
- Potential for influence with respect to housing related issues
- I don't believe that homeowners will leave their trusted on-line sources to use a Realtor-branded resource, particularly when they find that they may be asked to assist NAR in their political agenda (i.e. consumer "call to action").

- Seems to put NAR out in front of members
- Real Estate is still local, consumers are still going to get advice from agents personally, sounds like HGTV to me.
- The details on how the site was developed and crafted. I'd like to provide the webinar at our next board meeting. Is this possible?

**Answering that last point, the webinar is available online at the following location:**

[http://www.realtor.org/about\\_nar/stinton\\_webinar\\_110609](http://www.realtor.org/about_nar/stinton_webinar_110609)

## RPR - Realtor's Property Resource

77% of respondents found the presentation "Very informative" and "Informative".

Did you find the RPR presentation informative?	
Very informative	40.91%
Informative	36.36%
Somewhat informative	9.09%
Not at all informative	9.09%
Not sure	4.55%

Almost 32% of respondents indicated that they thought the RPR site will be valuable for agents and brokers initially – this doubles to 64% when asked about the value in five years.

How valuable do you think the RPR site will be for agents and brokers initially?	
Very valuable	9.09%
Valuable	22.73%
Somewhat valuable	45.45%
Not at all valuable	18.18%
Not sure	4.55%

How valuable do you think the RPR site will be for agents and brokers in five (5) years?	
Very valuable	36.36%
Valuable	27.27%
Somewhat valuable	13.64%
Not at all valuable	9.09%
Not sure	13.64%

The majority of respondents said that LPS/CyberHomes is a better strategic partner for RPR than Move.com – only 14% did not think so (note that this seems to correlate most heavily with tax data quality in each market). One third of the jury is still out on this question.

Do you think that LPS/CyberHomes is a better strategic partner for RPR than Move.com?	
Yes	52.38%
No	14.29%
Not sure	33.33%




Less than 5% of respondents don't think that MLS listing data and cooperation is key to RPR's success.

Do you believe the RPR's success is dependent on MLS listing data and the cooperation of a majority of regional and local MLS operators?	
Yes	86.36%
No	4.55%
Not sure	9.09%





The respondents were almost evenly split on the idea of using MLS data to develop the RVM (Realtor Valuation Model).

Do you like the plan for the RPR to use MLS data to develop RVM (Realtor Valuation Model) as a new "gold standard" for property valuations?	
Yes	40.91%
No	36.36%
Not sure	22.73%






Half of the respondents did not like the idea of the RVM (and possibly other derivative data products) to be a primary source of revenue for RPR.

Do you like the plan for the sale of the RVM (and possibly other derivative data products) to be a primary source of revenue for RPR?	
Yes	 31.82%
No	 50.00%
Not sure	 18.18%







Over 40% of respondents did not think that the RPR would save their MLS money on public records.

Do you think that RPR will save your MLS money on public record costs or in other areas?	
Yes	 13.64%
No	 40.91%
Eventually	 22.73%
Not sure	 22.73%





Of those that had assessed the quality of LPS tax records in their market, half said the quality was “Great” or “Good” and half said it was “Fair” or “Poor”. Since the primary value proposition in the proposed trade for MLS data is the tax data, this points to an important RPR opportunity for improvement (the more negatively inclined might say it’s a serious flaw in the model).

Have you assessed LPS (formerly Fidelity) as a tax record provider and if so how would you assess the quality of their tax data in your market?	
Not sure of quality / Have not assessed	 45.45%
Great quality	 4.55%
Good quality	 22.73%
Fair quality	 18.18%
Poor quality	 9.09%





How soon their contracts for public records expires may be one factor that plays into MLS cooperation with RPR. 36% of respondents' contracts don't expire until 2011 or later.

When does your current contract for public records expire?	
Can leave with notice at any time	 9.09%
2010	 18.18%
2011	 18.18%
2012 or later	 18.18%
Do not know	 9.09%
N/A – we gather public records ourselves	 27.27%

Respondents were split as to whether RPR poses a significant threat to existing local and regional MLS operators – if you add the “Yes” and “Eventually” answers, 54% see the threat coming down the road.

Do you view the RPR as a significant threat to existing local and regional MLS operators?	
Yes	 27.27%
No	 27.27%
Eventually	 27.27%
Not sure	 18.18%

Regarding sending MLS data to RPR, respondents were again split, with 59% saying they would do so (at least eventually), 27% being unsure, and 13% indicating that they do not intend to do so.

Do you think your MLS will cooperate with RPR and send its listing history, current listings, photos, and virtual tours to the RPR?	
Yes	 31.82%
No	 13.64%
Eventually	 27.27%
Not sure	 27.27%

When asked what pre-conditions their MLS might have to cooperate with RPR, answers were as follows:





- We would want license agreements specifying the details of how RPR could utilize the data and which data elements could be used.
- I say eventually because I believe that NAR will put us in the position of having to do this via the "free" approach to members. We'd be looking for proper licensing of the content to RPR for specific uses only; agreement limiting the scope of what RPR will do - no compete as far as

services, etc. better outline of the future plans; how the site will be monetized beyond selling the RVP to governmental agencies; some type of alternative to "free public records" which won't be truly free to MLSs.....still too many unanswered questions to be more specific here.

- Ability to enhance RPR data and relicense to produce revenue for MLS company (not in the MLS business any longer)
- Many will hold out for compensation of some sort.
- Any data provided from MLS will have to be exclusive to the Realtor family only. Can't be sold to third parties.
- Possible revenue sharing
- Not sure, perhaps paid for the information just as any third party vendor who wants our MLS, which we no longer entertain, by the way.

Clareity suggests MLSs read this excellent post on the subject of pre-conditions from the FBS blog: <http://wordpress1.flexmls.com/blog/what-are-the-terms-youll-require-for-nars-rpr-to-use-your-mls-data/>

The majority of respondents said that RPR would drive some MLS operators and software vendors to innovate and improve their service, and 66% said this competition is good for the industry (6% said "No," and the rest weren't sure).

Will RPR drive some MLS operators and software vendors to innovate and improve their service?	
Yes	 36.36%
No	 13.64%
Eventually	 13.64%
Not sure	 36.36%

Finally, Clareity Consulting asked for respondents to tell us what they liked most or least about the RPR presentation and strategy. Responses were as follows:

- Like the aggregation of public records, foreclosure data made readily available to local and regional MLSs. Concerned that local nuances may be left out. Would like to see revenue sharing ideas on the table.
- REALTORS will continue to have the most current information on homes for sale and those that are pending so our interest in the RPR should help maintain REALTORS as key to real estate transactions as the RPR becomes the most important resource to the industry.
- I am concerned about the concentration of power that this will likely vest in RPR over the entire industry. I am also concerned this may evolve beyond public records and demographics into a true nationwide MLS database, a database that would likely be a very attractive target of interest to the DOJ and FTC.
- Least - only enough info to see how they will sell it to members, not enough info about the full business plan. Liked: great platform - even if it does look like an MLS :-)
- Lack of details - do "we" get to integrate Cyberhomes products FOC into our MLS product/website? A camel is a horse designed by a committee, and I see a lot of "committee" mentality on the RPR BoD.

- The agents will love it! They won't use much of it, but they will love it!
- This tool creates a huge information resource for Realtors and equips the agent with more real estate research data than the consumer could obtain, and better quality data as well once the MLSs cooperate
- I am GREATLY disturbed by the RVM development which will be greatly misunderstood by consumers and purchasers of this developed data. The developed data will very likely be misused and eventually misleading to the consumer. I think that part was a very poorly conceived idea. No input was allowed by professional third party licensed and certified appraisers in its development of the RVM.
- Will potentially streamline and consolidate MLS's in common service areas; it potentially will reduce the cost for MLS's purchasing public records; it will provide quality data for a quality REALTOR to REALTOR platform.
- Very robust...perhaps too much so for the average Member.
- It looks like an MLS to me. The NAR directors could give the OK to offer compensation at any time, and we have an MLS.

## Conclusion

At this point, Clarity Consulting is not trying to issue an opinion on either of the NAR initiatives. This report is intended to provide our industry colleagues and clients objective information to help them understand industry reaction to these two projects, share feedback, and discuss important questions about the many details that are still in the process of being determined.