



## MLS Collaboration and Competitive Enabling Technologies

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Multiple Listing Services all over the country have been working to address the inefficiencies caused by subscribers needing to belong to more than one MLS or aggregate data from multiple geographically overlapping or adjoining MLSs. This is a condition commonly referred to as overlapping market disorder (OMD). While the greatest operational efficiencies typically come from regionalizing and forming an MLS covering the entirety of a market area, regionalization has slowed over the past decade as a number of major market areas have effectively consolidated and reduced or eliminated OMD. Some have predicted that there will be increased MLS consolidation and regionalization in the years to come, but as an alternative to further regionalization, MLSs have been looking to data share technologies to provide enough efficiency for subscribers that the push to regionalize is lessened or eliminated while allowing them to improve the subscriber benefits that include competition on price, service, product offerings and innovation.

Some of the efficiencies desired by participants are not necessarily driven by technology. For example, uniform MLS and IDX rules, and uniform policy and compliance enforcement can be driven independently. However, other efficiencies are dependent on the technology approach taken – and a number of approaches have been developed over the past few years. This article will first review long-standing approaches and then describe some of the new, exciting approaches being taken.

Clareity Consulting recently conducted a survey for a client where over 500 real estate professionals rated how important different methods of, and efficiencies created by, MLS collaboration were to them. The following are the methods and efficiencies rated most highly by respondents, as a percentage combining “Very Important and Important” ratings:

- Same MLS system for both MLSs - 87%
- Single download to get all the listings from both MLSs - 86%
- Enter and maintain listings one time, in one system - 85%
- Reciprocal offer of cooperation and compensation - 84%
- Same listing/profile forms and statuses for both MLSs - 84%
- Uniform MLS and IDX rules for both MLSs - 76%
- Maintain different MLS systems - but each has all the data from both organizations - 48%

It's important to note that each market is different and Clareity Consulting likes to start regionalization engagements by working to fully understand local history and requirements that may drive different statistical results that help inform decisions regarding selection of a method for MLS collaboration.



The oldest approach, and one with little operational efficiency, involves a **reciprocal agreement**, where the MLS status quo is maintained – but subscribers from one MLS can access another MLS system, sometimes using single sign-on (SSO) for ease of moving between systems. Usually - unless the vendors have also duplicated data between the reciprocal systems - this approach means that subscribers can't search or make other use of all the listings at once, have duplicate entry of listings and must enter them using different listing forms. Subscribers may also still have multiple MLS fees, and unless all participating MLSs select the same MLS vendor, subscribers have to learn and use more than one MLS system and deal with more than one data feed for IDX, listing syndication and other purposes.

A different efficiency is gained using an agreement to **share IDX data**, where each MLS allows the other to pull IDX data and combine it with their own for the single efficiency of providing one data feed for IDX, listing syndication and other purposes. Most MLS vendors are easily capable of aggregating this data and providing the single data feed without new technology being implemented, although there is some effort involved. This approach does not require much change on behalf of a participating MLS vendor or operator, however deciding the degree to which data should be combined into a single data format requires additional effort. Also, any approach that involves reciprocal use of IDX data will be well served by evaluating the degree to which IDX rules can be merged. One recent example of this approach that is working well for some MLSs is the Carolina Data Share (CDS) where Wolfnet Technologies provided a solution that aggregates MLS active listing information. In this example, a real estate broker who opts to participate in the data share from any one of the participating (currently six) MLSs can display listing data from all six MLSs on their web site. Even though the preceding two approaches provide limited efficiency for subscribers, they are ways for MLSs that have historically not collaborated with each other to experience success in cooperation with quick and positive results.

An approach that provides greater efficiency, but requires MLSs to cooperate to a far greater degree is to have **multiple MLS operators share a single MLS system**. Some MLS vendors can provide functionality so that each MLS operator can have different MLS rules or unique data from other operators. This approach allows subscribers to search and use all of the information in the database, enter and maintain listings once, have a single data feed, pay for only one system, learn only one system – while still retaining separate MLS organizations and identities. Most of the advantages of regionalization are implicit in this approach. In some ways, this is regionalization in everything but name and entails many of the same challenges as regionalization. However, by maintaining separate MLS operators, each operator can provide different levels of service and add-on products and compete on service, products and price. The NEOHREX system in Ohio, powered by Rapattoni Corporation, is one example of this approach. In the NEOHREX example, each organization maintained its own Boards of Directors and shareholder Association of REALTORS® while using a common MLS system and merging all input sheets, property classes, fields, reports, and search screens as well as instituting common MLS rules and regulations.

Some MLSs have adopted a model where they regularly **pull data from cooperating MLSs into their existing MLS database**. This allows participants to use all the features in their favorite MLS system while utilizing all the data from the cooperating MLSs. For this model to work well, the databases need to be

significantly standardized and still, sometimes duplicate records end up in the databases when listings have been entered in more than one system. Technically a single data feed for all participants could be offered from one MLS, but that may or may not be permitted in the MLS collaboration agreement. Much of the energy and innovation of MLS collaboration has recently been focused on the newer variations of MLS data sharing, as follows:

## CURE Solutions Group LLC

Cure Solutions Group LLC (CURE) is a subsidiary of MRIS in Rockville, Maryland. Perhaps the best known of the data sharing solutions because of its use in the high-profile California CARETS initiative, the CURE™ product pulls data, typically every ten minutes, from participating MLSs into a centralized repository where the data is standardized – making it easier to use. Then each participating MLS pulls the aggregate data back into its own system, which can be modified by its vendor to accommodate the aggregated data. Each participating MLS can have its own system modified to use the data in whatever ways it sees fit – for searches, CMAs, prospecting, and other MLS functions. Each MLS also can provide its own unified data feed. Subscribers only need to enter and manage listings in one place and it is replicated to the repository for use by all participating MLSs.

This approach encourages competition and innovation among participating MLS, because rather than selecting a common MLS vendor and eliminating unique data, MLSs collaborating using the CURE product can decide how much they standardize business rules and data on their own systems, can keep their own distinct MLS rules if they want to, can retain their own MLS vendor, and compete for subscribers based on unique products and services offered. It's an easy approach for MLS subscribers, who use their single MLS of choice – now incorporating data from the data share. CURE creates an opportunity for MLS operators to share data while still retaining their own MLS autonomy if the local market is not ready for regionalization or consolidation. It enables partnerships while maintaining competition and local service delivery and member support.

CURE™ is used to support MRIS subscribers as well as to power MLS data shares in California, Michigan, Oregon, Pennsylvania, and Wisconsin – supporting over 300,000 real estate professionals.

## FBS

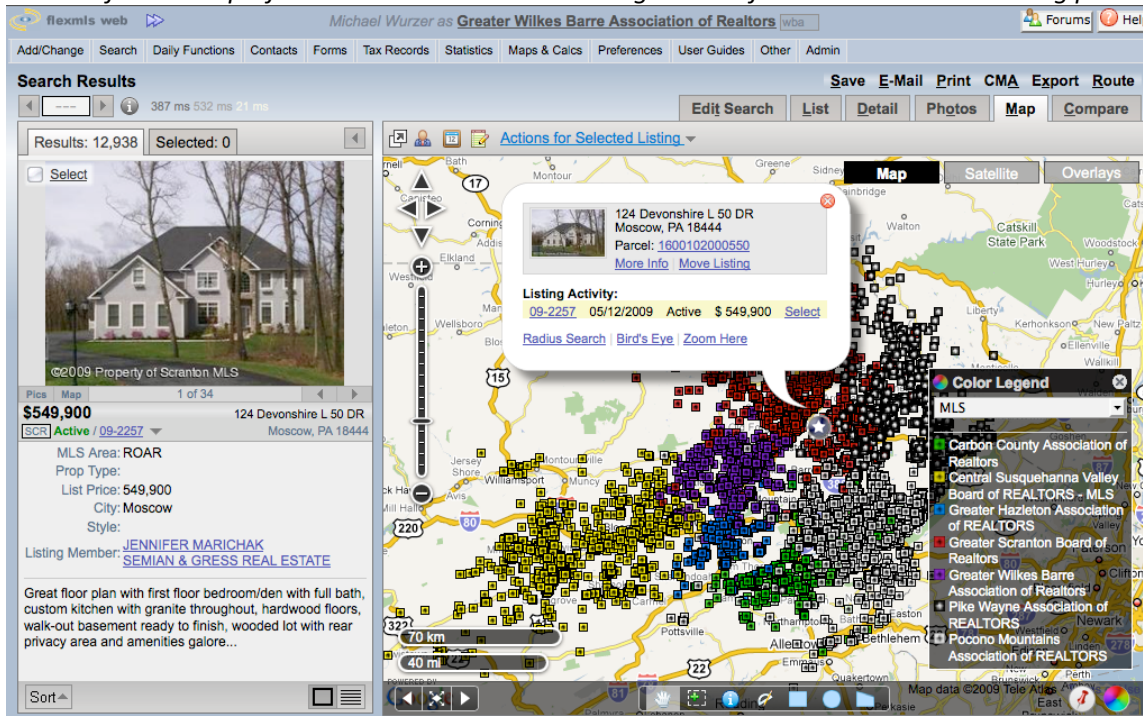
The flexmls® Web Data Sharing product works by pulling data from participating MLS RETS servers or using a central repository. It replicates the data onto FBS servers periodically – usually every 15 minutes. FBS flexmls customers can then use that information inside their MLS system. Each user can choose to search across all shared MLSs or each one individually. If multiple MLSs are selected, the system automatically presents the user with the common fields for those systems. If a single MLS is chosen, the user can search every field made available by that MLS.

MLSs using another vendor can pull the consolidated RETS feed into their own system, which they would need to adapt to use the new data – or they could contract with FBS to access the data through a flexmls system. This technology provides much efficiency for flexmls customers, supporting single-entry and maintenance for listings and subscribers using the aggregated data for searches, CMA, and prospecting. Since subscribers can use all the data they only need to learn and use a single MLS system. Depending on MLS operator agreements, it could facilitate a single data feed for multiple MLSs and for agents to only need to belong to (and pay for) one MLS subscription.

Some MLS data sharing methods require MLS organizations to agree on a common database, which is often a politically impractical task. While FBS can help MLSs consolidate to a single data format if desired, it is not required. This approach provides all of these efficiencies without requiring separate MLSs agree on uniform listing forms and business rules - each MLS retains complete control over their database and determines when and how neighboring MLS members are able to search and view the data. Administrative controls ensure that each MLS stays in control of its own data and can control data sharing and the field level and restrict or shut off the sharing as quickly as it was started. Control provides comfort and comfort makes decisions easier.

The flexmls® Web Data Sharing product is being used by seven or eight FBS customers in Pennsylvania, three customers in Oregon, and four customers in Minnesota.

*Illustration of a search performed across seven MLSs using the FBS flexmls® Web Data Sharing product.*



## LPS Real Estate Group

LPS Real Estate Group (LPS REG) provides a tool called reInsight™ Data Share, which leverages RETS (or FTP if need be) to aggregate and standardize MLS data, integrate with public record data, and make the results available in an easy to use, browser front-end with a robust user interface written in Adobe Flex. The solution can base the standardized database on the RETS 2.0 schema or can use a custom schema based on local requirements.

The robust front-end LPS REG provides has the ability to search all fields in the database and includes map search (polygon, radius and freehand drawing; inclusions and exclusions for shapes). Subscribers can customize the interface, including saving defined search fields as a template and saving a user defined results grid, which is fully sortable and can be displayed alongside a map as illustrated below. The front end includes some statistical reports and also includes a “lite” CMA with no adjustments for comparables, but the user can select or auto-generate comparables. LPS is also building prospecting into the front end but this functionality may be optional.

Criteria Summary - (4) Properties	Listing ID	Address	Price	Bedrooms	Baths	Status	Building Area	Sq Ft	Year Built
Price 4500000+	40379593	1817 CALLE ARRC	\$4,500,000.00	5	4	Active	5381		1918
	40351646	463 KILKARE RD	\$4,500,000.00	7	3	Price Change	7343		1890
	40362208	50 BELLEVUE AV	\$4,995,000.00	5	4	Temporarily Withd	6249		1933
	40327093	11670 BYRON HK	\$4,995,000.00	5	4	Price Change	6800		1998

MLSs can choose to provide this interface to their subscribers, providing the convenience of Single Sign-On (SSO) using the SAML standard or if participating MLSs agree, they can pull the data back into their MLS and integrate it into their ‘home’ MLS as well. The reInsight™ Data Share tool also provides a single source for data feeds, which is highly configurable by participating MLSs.

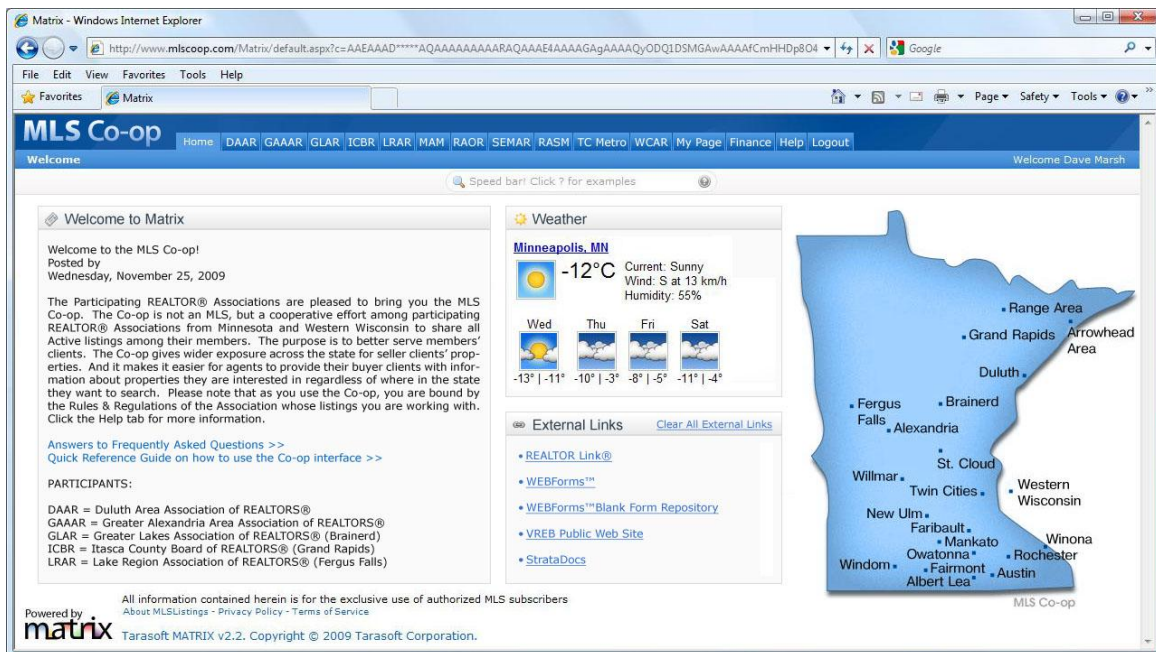
The LPS REG Implementation Team has performed over 300 MLS conversions in four years and can implement this solution cost effectively. LPS is currently completing deployment for multiple MLSs in the Bay Area and is in the process of finalizing agreements with two other data shares.

## Tarasoft

Tarasoft's engagement with many of the nation's largest MLS providers has led Tarasoft down a path of providing many unique data sharing solutions.

Tarasoft was the first vendor to successfully deliver CARETS data to southern California agents.

Tarasoft also worked closely with MLSs in Minnesota to launch MLS Co-op, a method of collaboration involving pulling data from many MLSs into a single database and making it searchable by agents using a central site. The Co-op is not an MLS, but a cooperative effort among participating MLSs to share all Active listings among their subscribers so they can better serve clients, providing wider exposure for seller clients' properties and providing their buyer clients with information about properties from other MLSs. In the Minnesota implementation, listing data is not redistributed to any other third party as a data feed.



Tarasoft's Matrix MLS platform also has the ability to link to neighboring MLSs via RETS on-the-fly calls for each MLS search. Matrix searches a local system using a standard SQL database connection, but links out on-the-fly to neighboring systems over RETS to instantly pull search results, without the need to aggregate the remote data into local servers.

More recently, Tarasoft has unveiled the "Intralink" feature, a proprietary form of Single Sign-On (SSO) that lets Tarasoft subscribers click through to a reciprocal login at another Tarasoft MLS. This feature provides on-the-fly account creation at the remote Tarasoft MLS. This SSO mechanism could be implemented as custom programming by a third party MLS vendor. Intralink currently joins Tarasoft customers MRMLS in Southern California with MLSListings in Northern California.

Tarasoft works with each customer to determine the best data share solution for their unique market.

## MarketLinx

MarketLinx has developed a new approach to MLS data shares, referred to as the "Data Co-op", that it has just started offering to MLSs. The MarketLinx solution reduces complexity, cost, and time frame from other common data aggregation methods, which in large-scale efforts can cost millions of dollars for hardware, staffing and MLS system modifications and take months of work for MLSs to agree on data standardization. The way it works is that an MLS signs up for the Data Co-op, MarketLinx pulls all of your MLS data into a nationwide, centralized database and standardizes it to a nationwide data standard. Your MLS is provided access to a Control Panel and can decide what to share with each other co-op member as well as deciding what data your subscribers see from participating MLSs that have granted your MLS permission to view their data. From the Control Panel one can make sharing changes at any time and those changes are effective immediately without changing any of the technology. In your MLS platform you would put a link to the Data Co-op search, which provides search capability and reporting (including print and email) across approximately 150 common MLS fields. The functionality does not currently include CMA, prospecting or other features, and does not provide a common IDX data feed.

This doesn't replace the current MLS system, so MLS operators don't have to worry about subscriber loss – but subscribers that need robust MLS access and data feeds from more than one system still must belong to more than one system. But, this inexpensive approach solves a problem for professionals that want to work on a referral basis - an agent can help a client find a property from another MLS and then can make a referral to that broker. There may also be cooperation and compensation - but that decision is separate from participation in the Data Co-op. The interesting part of this approach is that it can easily provide data connections between disparate geographies with no extra effort on behalf of the participating MLSs. For example, if New York and Florida MLSs participated and granted each other permission to use their respective data, New York brokers and agents could easily help their 'snow bird' clients look for homes in Florida and then make a referral to a Florida professional. Probably the best description of the Data Co-op to date is that, "MLSs can design the national MLS that makes sense to them."

## Stratus Data Systems

Several boards in Ontario, Canada came up with another model for data sharing, called CONNECT. Implemented for the Toronto Real Estate Board by MLS vendor Stratus Data Systems, Connect involves having participating MLSs implement a real-time access to each others' MLS listing information. When a subscriber executes an MLS search, the MLS queries the relevant MLS CONNECT-RETS servers and compiles and standardizes the data for display – all on the fly, without any of the costs of centralized aggregation or having the MLS store other organizations' data in its database. This approach does not offer a common IDX data feed, but does offer members the ability to search and view the active listings and recent sales history of all other participating organizations in their own local MLS format, without the complexities or security risks of actual data exchange.

While it provides access to important information, CONNECT does not serve as a substitute for separate MLS membership or offer the full functionality of an organization's MLS system. Based on the business rules agreed to by the participating Ontario Boards, listings cannot be loaded to or through CONNECT, and although they can be printed, listings cannot be emailed through the CONNECT system. This model provides MLS of choice while maintaining each organization's autonomy.

## Bridge Interactive Group

Bridge Interactive Group offers a data share solution called "RETS IQ Network" which uses RETS proxy, mapping and caching technologies to enable data sharing without data aggregation. Rather than collect and store data, when a search is performed the data is retrieved from participating MLS databases via RETS, the data is standardized to a single format and returned on the fly in a single real-time feed which the MLS or third party tool can use according to rules agreed to by participating MLSs.

Security and other restrictions are handled just the way they are today, by each individual MLS RETS server. Any RETS-enabled MLS or other RETS client application can access every participating MLS when their RETS user has permissions in that MLS. So, if a real estate professional belongs to multiple MLSs and has RETS accounts at each one, they can access all MLSs simultaneously via the RETS IQ Network.

The RETS IQ Network can scale beyond MLSs and can bridge more than one regional data share. This solution does not require the MLS to change its database structure or conform to a specific set of rules because of the on-the-fly translation. Also, when a new MLS enters the collaboration, it just needs to be mapped to the RETS IQ Network - the other MLS participants don't need to change anything. The flexibility of this solution lets MLSs leverage their existing RETS investment, get a data share started quickly, stay in control of their data, and provides a cost-effective method of real-time data sharing.



## Solid Earth

Solid Earth has created a virtual national database including all 243,077 active listings from the 24 LIST-IT systems - plus 38,000 from the non-LIST-IT MRIS system in Virginia and Maryland, imported for Solid Earth's customer in Charlottesville. This database is accessible from any LIST-IT MLS so that now, all 2.5 million listings in Solid Earth's network can be made available to any subscriber.

Brokers with listings in multiple MLSs can now receive seamless RETS access to their combined data. To the extent that licensing agreements allow, each broker can receive a seamless IDX or VOW feed of their combined data. Solid Earth IDX and VOW products can now also access this virtual database and present the full scope of listings in their market area.

The MLS administrator has full, category-by-category, field-by-field control of data sharing. Some MLSs may decide to share, for example, fields from their Land category with the entire state, but may decide to share the Residential category only with their neighbors. The data may also be restricted by Status so that it can contain only active listings, or restricted by location and contain only the overlapping counties, or other limiting criteria. Restrictions can also be easily removed or adjusted so that as the needs of the project change over time, the scope of the sharing can be widened or narrowed.

Using this type of solution, there is no longer a technical barrier separating MLS data: availability is only restricted now by the extent of the licensing agreements between MLS systems.

## Conclusion

Multiple Listing Services that wish to collaborate must make their own choices about the level of operational efficiency desired, balancing subscriber benefits, cost, effort, data control, MLS identity and other factors to choose the best solution for their market. Besides the models mentioned above, there are many variations of each method and also ways that they have been combined by vendors and MLSs to provide additional benefit. Each method and solution has been deemed the "right solution" for their market by MLS executives working hard to eliminate overlapping market disorder and provide subscribers access to more information. Each solution has merit.

Clareity Consulting is pleased that our industry has a great track record of competition driving continuing innovation, and that so many MLS collaboration options and solutions are available to our consulting clients as we facilitate their efforts to overcome the disorder caused by overlapping MLS markets and improve the scope of data available to MLS subscribers. Some of the new tools available also enable MLSs to affordably share data with any MLS they wish and offer the potential to allow MLS operators to effectively create their own statewide or national MLS.

## About Clareity Consulting

Clareity Consulting has provided management and IT consulting services for the real estate and related industries since 1996. Clients include Multiple Listing Services (MLS), real estate associations, brokers, franchises, as well as other software and service providers. Clareity has successfully executed a vast array of consulting projects, including but not limited to:

- MLS System Selection and Implementation
- Regionalization facilitation
- Strategic planning
- Public speaking
- Information security / business continuity assessments
- VOW process audits / and VOW audits
- MLS Public Website Review / RFP
- Transaction Management System (TMS) Selection
- Software Project and Program Management
- Staff audits and compensation studies
- Market Research / Surveys / Focus Groups
- Executive and technical recruiting
- Expert witness in software and technology disputes

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