

Clareity's 2005 NAR Tradeshow Report and MLS Update

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We've had a few people ask, "Where the heck is your report?" Sorry we are rather tardy publishing this rag this year. I made the mistake of taking a family vacation for 10 days just after NAR, and I'm just now getting caught up ... that's my story and I'm sticking to it. OK, let's get started.

Around the Trade Show

Clareity's team of consultants visited many exhibitors and we saw plenty of technology at this year's show, but we all agreed that there seemed to be a lack of truly new or "break-through" technology compared to previous years. Maybe everyone was just being more practical and making their current products better (which could be a good thing) and maybe we'll see more brand new technology next year.

Before we get technical or serious, let's talk about the fun part of conventions, the best parties!

Best Party Award for 2005

Fidelity hosted a totally first class party on the top floor of the Bank of America building Saturday night with a view that was "to die for!" eNeighborhoods had a late night party at the Black Magic Voodoo Lounge that overflowed onto the streets of San Francisco. However, these two parties were tied for Runner Up for the coveted Best Party Award this year.

Interealty's "Pumpkin Bash" on October 30th at San Francisco's trendy W Hotel was the clear party winner this year. And it wasn't the venue that made this party rock - it was the band, the costumes, and the bats! Interealty had about 20 staff people there dressed in creative and fantastic Halloween costumes. They also had costumes, masks and hats for the first 100 or so guests that showed up. People really got into the Pumpkin Bash/Halloween theme and the party was hopping late into Sunday night. So what were the bats? Interealty's staff handed out little black plastic bats that functioned as drink tickets. It was fun trading a bat for a drink and as one Clareity partner put it, "A glass of Maker's Mark costing only one bat is a wonderful thing - when you have bunch of bats in your pocket!" Others felt the same. There was no fear of bats at this party. They were our best friends

The party was popular with consultants too. Steve (Ted Kennedy), Kevin (horny devil), and Mike (with his favorite Doctor...) seemed to enjoy the party.



The Interealty Staff costumes were so good that many of the employees were hard to recognize.



Great job, Interealty - you know how to have fun and 200+ people thank you. OK, enough about the party. Let's get into the serious stuff.

Best New Technology at Show

We really liked the new, improved rDesk product from Realigent. rDesk is a "dashboard" product that provides a gateway to MLS and Transaction Management systems and delivers enhanced functionality to the agent, regardless of which MLS or TMS they use. rDesk provides a RETS search interface to the MLS and added functionality such as a CMA publisher, contact management, neighborhood information, school data, forms, a document management system, calendaring, lead management, client tracking, email marketing campaigns, calculators, and more. It provides the agent with a whole new breed of IDX web site, and a sophisticated - but easy to use - 'back end' that provides a solid connection with the consumer. Best of all, it has numerous mechanisms to make sure the data can't easily be scraped off the broker and agent

sites. The folks from Realigent (the artists formerly known as Homeseekers) kept their heads down for a few years building rDesk ... and Clareity thinks it may have been worth the wait. rDesk has won some market acceptance, including a contract with the super regional SoCal MLS.



eNeighborhoods WyldFyre

eNeighborhoods has successfully integrated WyldFyre into the eNeighborhoods Marketing System, with the release of eNeighborhoods WyldFyre 7. They have also upgraded over 25,000 users to the new eNeighborhoods CMA, BuyerTour, and Mapping applications, which serve as an upgrade for both the eN applications and the WyldFyre CMAPro/Buyers Tour applications. WyldFyre has been the leading desktop or distributed database application for MLS for many years and its new 7.0 version is getting rave reviews from agents. At Regional MLS in Florida, 2,500 users upgraded to 7.0 the first week it was available.

Fidelity MLS – LAMPS

In late October, Fidelity MLS completed the acquisition of the LAMPS Association Management System (AMS) from BravePoint, an Atlanta based software consulting and development company. LAMPS is a modern, web-based AMS application that is becoming popular with local and state associations, and is a new competitor to Rapattoni and MMSI in the AMS segment. The Georgia State Association and the Phoenix, Arizona Association of Realtors are two of the larger associations currently running on LAMPS. Terry Tanner, the Sales and Product Manager for LAMPS, has

joined the Fidelity team and will help facilitate a smooth transition for all of the LAMPS customers. In case you were wondering, LAMPS stands for Leading Association Management Software.

Best Digital Camera – Sony’s ICD-CX50

This clever digital camera takes pictures, or records video, and voice to make it easier than ever to create and edit slide shows and movies of real estate for online marketing purposes. Lots of cameras do voice over video, but this tiny camera actually has video editing functionality built into it that make it super easy to use. Quicktime movies of properties are becoming more and more popular on web sites, and are besting virtual tours for multi-media marketing sizzle. We believe that movies of properties will also soon make their way onto MLS systems, and several MLS providers are considering the disk storage and bandwidth requirements to support video. Small, affordable and easy to point, shoot, and narrate devices like this one are certain to make “home” videos more prevalent in the future.



Best Booth

Nothing really jumped out at us, so no Best Booth award was granted this year. I think we need some doctors or nurse to revive the same old repeat booth action... ☺

People on the Move

Since the last convention a few people have moved around. Here are some of them we noticed:

Person	Old Gig	New Gig
John Holley	Sandicor MLS, San Diego	CEO of NTREIS, Dallas
Ray Ewing	Sandicor CTO	Promoted to CEO at Sandicor
Ginger Downs	Seattle Association of Realtors	CEO, Chicago Association
Art Carter	Pac West Association CFO	CEO of MRMLS (a Clareity executive placement)
Lloyd Graves	Northwest MLS Exec. Staff	SOAR Solutions (HouseValues.com)
Walt Clark	Stewart Title SureClose	Fidelity TransactionPoint

Congratulations and good luck to the people on the move in their new jobs.

Hot Topics at Private Clareity Sessions

MLS Network Security and Disaster Recovery

Clareity Consulting continues to provide IT Security Audits and Business Continuity Planning for brokerages and MLS networks. More organizations understand the need for improving their network security and for having up-to-date and comprehensive security policies for their employees to follow. The value of professional Business Continuity Planning (and Disaster

Recovery) was also realized this year by several MLSs affected by the hurricanes, and one MLS that just had a fire next door that caused serious smoke damage to its facility. Twelve (12) MLS organizations have deployed the SAFEMLS™ security solution so far, and many more are planning to implement strong authentication for MLS subscribers in 2006. Clarity Security, Secure Computing, RSA, and Rapattoni MLS have all announced strong authentication security products for the MLS industry. Threewise has also been busy installing protection for data exports for several MLSs.

Transaction Management Systems (TMS)

TMS has been deployed in several large brokerages company-wide and on an MLS-wide basis. Individual agents and teams continue to adopt TMS as well. The 12,000 member CLAW MLS in southern California made integrated TMS available on its MLS system this year and has had tremendous success. The excitement and high adoption rate of TMS at CLAW is a direct result of CLAW's creative hands-on training that includes using "live" listings and actual real-world transactions. Kudos to Annie Ives and her team for developing the best TMS training program we've ever seen or heard of.

MLS Policy Committee / Forum Summary

Ann Bailey gave the MLS Policy Committee and industry update. The message continues to trend along the path of ensuring the MLS organizations are aware of their broker's issues and needs. Large broker movement to organize and/or privatize the MLS activity is occurring in some markets where the MLS (or MLS's) are not meeting the needs of their brokers (particularly large brokers). On-going concern about the Department of Justice and NAR is prompting brokers and REALTOR organizations alike to examine all of their policies and options to mitigate their risk. Clarity is aware of at least two REALTOR/Association owned MLSs that are taking the necessary steps to convey ownership of the MLS to the broker members.

Laurie Janik gave a brief update on the DOJ lawsuit.....bottom line, NAR plans to defend their position as updated in the policy changes that were reflected in the new ILD Policy <http://www.realtor.org/mempolweb.nsf/pages/ILDPolicy>. It is anticipated that this lawsuit will last well into 2006. Officially, NAR does not recommend that the MLS's adopt the new "ILD" policy until the lawsuit with the DOJ is resolved. In addition, MLS's who adopted the now ill-fated "VOW" policy have been advised to rescind the policy or at a minimum not enforce the "selective opt out" provision, the clean page rule, or the restrictions on referrals.

During the MLS Policy Committee business meeting, the following action items were taken:

At the recommendation of the MLS Committee, The BOD adopted new model MLS rules addressing cooperation among MLS participants. The new rules would take four Standards of Practice and apply them to all MLS participants. These rules further define what is required of an MLS "participant". At the recommendation of the MLS Committee, the BOD also:

- 1) adopted a policy that prohibits MLSs from requiring that a listing be submitted to the MLS to put a lockbox on the property;

2) delayed the effective date for a statement of multiple listing policy addressing ownership of listings and listing content until June 1, 2006, and

3) increased from \$1,000 to \$5,000 the fine that associations and MLSs can impose for a violation of lockbox rules.

Only in San Francisco Department

Every Friday in the City, thousands of people, some pretty normal and some kind of freaky wearing unique outfits, ride their bikes through downtown SF and have a police escort so they don't snarl traffic too badly. Why? Because its fun, I guess.



And in San Francisco you meet the most interesting people on the street!



MLS System Provider Round Up

There were many great improvements to MLS applications in 2005, and here are a few highlights from some of the larger companies and also for a few others we happened to see at the NAR show. Apologies in advance to those companies that we did not include – these are just some of the highlights!

MarketLinx – MarketLinx continues to improve and update Tempo’s popular user interface, including ‘look and feel’ enhancements, as well as improving the speed with which users can accomplish tasks, especially the advanced and open house searches. Mapping improvements include adding polygon, radius, advanced address zooming, and multi-point driving directions. The new email editor provides a spell checker, formatting bar, domain verification, opt out and advanced error checking for emails not successfully delivered. MarketLinx is also integrating Clareity’s SAFEMLS™ security solution, offering it as the preferred security solution, and plans to make it available to all customers. An important new initiative from MarketLinx will be coming in early 2006, DBI (Database Integrity System). This optional service will provide sophisticated listing validation, violation marking and review, and more. DBI will make rules enforcement a more automated and efficient task for staff - and is theoretically self funding in that rule breakers fund the initiative. The product was originally conceived and created by the Houston Association of Realtors, and First American acquired the rights to the DBI product. MarketLinx recently had six customer renewals totaling over 60,000 subscribers and won two new MLS accounts.

Fidelity MLS – In October 2005, Clareity performed a ‘spot check’ survey of Fidelity MLS customers, and 9 out of 10 said things were improving at Fidelity – that’s a pretty good report card. Recently, Fidelity added a number of features to Paragon 3, including CAN-SPAM email opt-out compliance, PDF viewer integration, improved listing auditing, summary statistics for search results, and various home page and navigation improvements. Paragon was also integrated with a professional printing solution and with mortgage rate providers, so that better calculations were available to users. Also, like most other MLS and other real estate software vendors this year, Fidelity added support for Clareity’s SAFEMLS™ security solution, offering it as the preferred security solution, and has already installed it for several customers.

Interealty – Clareity expects Interealty’s forward momentum to continue after its recent acquisition by First American. Major features of MLXchange 2.0 include a new CMA module, improved listing maintenance capabilities, enhanced prospecting functionality, and a new online report editor. Interealty added support for Clareity’s SAFEMLS™ security solution, offering it as the preferred security solution, and has already installed it for a large MLS customer. So far in 2005, Interealty renewed 11 customers and signed 6 new accounts. The new primary accounts include Statewide MLS (RI), Northwest Arkansas MLS, Rogers Board of REALTORS (AR), Kitchener-Waterloo Real Estate Board (ON) and Regional MLS, Inc. (FL). MLXchange was also installed as a parallel system at Regional MLS of Minnesota.

Rapattoni – Rapattoni continues its rapid pace of enhancements in MLS Version 10. Appearance and usability are improved, with agents able to customize their post-login (home) page by dragging modules to different screen locations. Agents can also search for properties by listing number, price or address right from the post-login page, which

also includes local weather information. Rapattoni also enhanced the sorting and organization capabilities on search results, enhanced printing and pagination capabilities, added a new PDA interface, added a variety of user options, and made a number of other enhancements. Rapattoni has had strong sales momentum this year, and according to a recent press release expects to soon exceed 230,000 users served.

Offutt Systems – Offutt continues to enhance its already robust mapping system with Polygon searching and a map comps feature. New enhanced prospecting features include the ability to schedule the frequency of outbound emails and notification of how many times a prospect has viewed an email. Offutt also announces a new wireless interface for Blackberry. On the security front, Offutt has integrated the Clarity SAFEMLS solution in two of its markets, the Southwest MLS in Albuquerque NM, and the Capital Area AOR, in Springfield, Illinois. On the infrastructure front, Offutt announces a significant investment in its co-location facility in the furtherance of its commitment to 99.99% uptime on all of its systems. Offutt's sales of its Innovia MLS system have been red hot in 2005, with 12 new accounts installed and 11 renewals. They continue to rack up new sales and are an interesting company to watch because they are moving up the "food chain" and serving larger MLSs, and adding many mid-size MLS customers, with 1000-4000 members.

Stratus Data Systems – Stratus added a custom forms designer that allows users to create quality personalized reports to better market their listings. Users have the ability to upload listing photos, file images and insert text fields. Association staff can easily create new templates for all users and individuals have the choice to share or not to share their forms as well. Like most other MLS vendors, Stratus added support for Clarity's SAFEMLS™ security solution, offering it as the preferred security solution. Stratus continues to maintain its record as the system with 100% up-time.

FBS – FBS added a new presentation module, including a seller's presentation and listing tour presentation with enhanced branding. They also added a 'GeoTour' presentation featuring interactive maps with multiple layers such as aerial photography, parcel maps, zoning, flood zones, and more. The GeoTour feature is very cool. The new mapping module includes radius and polygon searching, as well as one-click map printing. The system also now includes printable listing input forms – allowing for client review and signature. FlexMLS also added a photo editor for resizing pictures while uploading them to MLS. FBS signed twelve (12) new MLS contracts, including three deals with more than 1500 MLS members.

Tarasoft - Tarasoft made a number of improvements to their system this year, including wireless MLS access, instant hotsheet count access from the login page, a custom report module, and integrated Google maps. It has been an excellent sales year for Tarasoft, breaking through the 100,000 subscriber barrier and winning three new accounts (Whistler/Blackcomb, GSBRLS and the GPRES), deploying two of them as stand alone systems. Tarasoft also fully deployed as primary system for RMLS in March and went live as a parallel system for MRMLS in July (slated to be the primary system soon) and of course with MRIS turning off their legacy system in April, Tarasoft is now the default system for 56,000 subscribers in MRIS, where they received a multi-year contract extension this year.

Solid Earth - This year Solid Earth renewed another six contracts, giving them a rate of 95% this year, and they merged two adjacent MLSs into existing regional systems in

Louisiana and Alabama. Functionally, Solid Earth expanded the statistics functions of the MLS system to include price range and market comparison charting, released a new colorization function to the LIST-IT Gateway IDX tools that allows a subscriber to match the colors of their IDX search tools and results to their web site colors, created a new geographic comp selection module as part of the LIST-IT Comp Filter allowing a 'select closest x per status' option, and released new pure '.NET' consumer portal software featuring a new smart price selection, map guide and a new 'others nearby' option for consumers to virtually browse the neighborhood.

RealGo – RealGo released a cool feature that they call “Transaction Checklist” functionality. This feature helps agents and staff track the events and documents that need to occur for each transaction. It is integrated with the MLS and links listing information, contact information, and document management.

ARIS – ARIS added contact management, a new CMA module, improved the statistics module, and also added a unique feature to listing file attachment - converting a wide variety of file types to Adobe Acrobat format when uploaded.

Valet Data Systems – Valet made a number of upgrades to their primarily PC-based software, including automatic software updates, support for assistants, and enhanced market watch and notification abilities.

Technology Concepts – Technology Concepts released a new version of their MLS system called “MyPlace Connection” that is quite advanced from their previous releases. This system allows users to create sophisticated market trend and pricing analysis and provides web sites that encourage consumer interaction.

Conclusion

Thanks for reading Clarity's 2005 NAR Tradeshow Report and MLS Update. This may have been a slower than average year for new technology releases, but with the DOJ v. NAR lawsuit, large brokers demanding MLS governance/ownership reform, and attorney David Barry's recent call to Washington to create a national MLS, there is plenty of action to keep an eye on. Change seems to be accelerating in residential real estate. As my good friend, Ed Krafchow, from Prudential California says, “There will be more change to our industry in the next two years than we've seen in the past 10.” Hold on to your hats folks, he could be right!

Merry Christmas, Happy Hanukah, Happy Kwanzaa (and of course Happy Holidays for those who have a generic religion) from everyone on the Clareity™ team. Bless your Holiday Season!



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About Clareity Consulting

Founded in 1996, Clareity continually strives to provide our clients a truly independent and unique perspective. Clareity has successfully executed a vast array of consulting projects for our clients, related to:

- IT Security Audit and business continuity assessment
- Development and analysis of RFPs for MLS systems, public records, broker systems, and TMPs
- Mergers and acquisitions and strategic alliances
- New product marketing and business plans
- Product integration specifications
- Competitive analysis
- Contract negotiation
- Project management and implementation assistance
- Quality assurance testing
- Market research including agent, broker, and staff electronic and telephone surveys, as well as onsite focus groups
- Expert witness in software and technology disputes

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