

Clareity's 2010 NAR Mid-Year Meeting Report

The Next Best Thing to Being There!

Around the Trade Show



Best Booth Attire – UFAQ

UFAQ is positioned as a new “green” online fax service similar to e-Fax. These guys tried to attract tradeshow attendees to their booth with fancy UFAQ branded light-up kicks. UFAQ gets an “A” for creativity.

Of course, those light-up sneakers are not exactly environmentally friendly – many of them contain mercury switches. We still think Instanet Solutions has had the green theme nailed for years, and the seedlings they give away could actually have a positive impact.



Best Booth Babes

There were no tradeshow “models” this year. Neither did we spot Austin Powers or any other celebrity impersonators this year, nor were there any Bond 007 girls anywhere on the floor – only geeks in green shoes!

Best SWAG

This year the best SWAG on the floor was the “blue ball” from Tarasoft. Yep, the MLS gurus from Canada had a sense of humor and were handing out blue balls that light up and flash when they are bounced, kicked, or squeezed ... they were a big hit at the show – and with our pets when we brought them home. Thanks guys!



Most Notable MIA

“The Scarf Man” was not in DC this year! What a bummer. What am I going to do for Christmas presents this year? I spoke with several people that were also dumbfounded. A few theories were circulating:

- The IRS finally caught up with Scarf Man and his all cash business.
- He overdosed on Kashmere
- He found a better tradeshow clientele than REALTORS®
- The Scarf Man retired on a yacht bigger than Tiger Woods’

Coollest New Idea

Everyone is working on ways to present content beyond the listings. It’s important, as Clareity’s survey showed (<http://www.realtown.com/clareity/blog/beyond-the-listings> - you do subscribe to the blog, right?). Some organizations provide the data, but make users leave your web application to visit their site – a non-ideal integration for the end-user and draining traffic from your site. Others require a “powered by” logo and attribution. Along comes W&R Studios with “RED Cloud” which provides two ways to seamlessly integrate valuable statistics into your web applications. The first way is “RED Cloud Rainmaker Widgets” - easy to cut-and-paste code; the second is “RED Cloud Data”, which provides an API, but gives you more control over display. What kind of content are we talking? Comparable sales, property value or value range, neighborhood valuation, zip code valuation, neighborhood % change over last 12 month, zip % change over last 12 months, average sales volume, zip median sales price, sales count by age of home for neighborhood, sales count by age of home for zip, sales price per sq ft for zip, new pre-foreclosure and foreclosure count for zip and total active pre-foreclosure and foreclosure count for zip. For more information, check out www.REDcloudAPI.com. This does not replace all other sources of content beyond the listings (for school, demographics, crime, etc.) but it’s a darn good start. RED Cloud widgets also give the website owner much more control over integration and display of content, add value to your site, and allows you be the expert, rather than drawing visitors away from your site and giving others all the credit.

Hottest Category – Mobile Apps and App-less Browsing

There are numerous new entrants in the mobile search and application market. Real estate information on the small screen is finally starting to make sense with 3G and 4G speed, combined with the larger screens like the Android, iPhone, and BlackBerry offer. A few new applications and solutions we saw were:

Homefinder has a handy new iPhone app for Open Houses that pulls from online real estate and newspaper sites. Buyers can easily see all the Open Houses near where they are at the moment.

Hawaii Information Services showed their new cross-browser mobile interface (image at right) that provides a really slick user interface regardless what phone you're on. There is no app to download or support, so this was appealing to other MLSs at the show. The HIS mobile solution is designed for subscribers to access the full MLS and for consumers to access the AlohaLiving.com public site. If you want to see it using your smart phone, visit www.alohaliving.com



The Realtor.com new and improved iPhone app is one of the hottest in the consumer-facing category, at least for folks that have iPhones. Users can easily find properties, take notes on or add ratings to listings, call the listing agent with “one-tap”, share with friends via e-mail, Twitter or Facebook, and lots more.

Best Place to Meet Somebody

The top of the escalators at the Wardman won for the 20th straight year. 😊



Best Party – Clarity Security and Point2

Dena Pope from Clarity Security planned a “Get Jazzed” party at the 18th Street Lounge just below Dupont Circle. The Lounge is actually the top three floors of a turn-of-the-century mansion, and the third floor party was a big hit with the attendees. Thank you to Saul Klein and the crew from Point2 for co-sponsoring the jazzy party.



People on the Move

Person	Old Gig	New Gig
Russ Bergeron	GM, SoCal MLS	CEO MRED (Chicago area)
Bud Fogel	CEO, MRED	We'll have to see where Bud's parachute lands him
Walt Baczkowski	AE, Macomb County, MI Association	Chief Sales Officer, VP of Industry Relations, Point2
Michael DelGaudio	Director of Research and Development, MRIS	Director of Training and Support, RPR
Ira Luntz	EVP, Listing Book	VP Data Products, LPS
Adrese Roundtree	Director of Operations, SoCalMLS	Promoted to General Manager
Kristen Carr	Bridge Interactive Group	RPR – Southeastern US
Kurt Van Wasmuth	VP, RMLS (Portland)	Promoted to CEO
Steve Allen	HP	Wasatch Front MLS
Michael Kidd	Alpha Design Group (and NAR prior to that)	Orlando Regional REALTOR Association AE
Belton Jennings	Consultant (and former Orlando Association AE)	Virgin Islands Territory AE
Carol Van Gorp	Columbia, MO Association of Realtors AE	CEO, REALTORS Assoc. of Palm Beaches
Tom Beverly	In between building and selling companies	VisualTour

VisualTour Hires the Photo Guru Himself

VisualTour currently has the lion's share of virtual tour activity on the web claiming upwards of 45% of all hits on real estate portals. The next closest competitor has about one-fourth the viewership (*Source: VisualTour and Hitwise.com Real-time competitive intelligence*). VisualTour listened to its customers and MLS partners who expressed the need for ready access to a national network of professional photographers for agents. Nobody has a national footprint today, so VisualTour brought industry veteran Tom Beverly on board to build the nation's largest network of photographers. The company expects a midsummer launch and will incrementally move into the top 100 metros and beyond to build out the network, and plans to expand into other imaging arenas as well.

Increased Competition in an Old Product Line Category - AMS

The real estate industry is highly competitive in most areas of software and technology. One sector that heated up considerably over the past few months is Association Management Software (AMS). Exciting competition is emerging between Fidelity's LAMPS, market share leader Rapattoni, newcomer Avectra, and the NAR led cooperative RAMCO project (based on the existing Cobalt product). Avectra made an impressive entrance in Washington and was a bright spot at the trade show. One state association leveraged their buying power and licensed Avectra for as many of their local associations as wanted it.

NAR Game Changers

A total of 14 projects that won NAR's 2009 Game Changer challenge were presented at a special session. Clareity had the privilege of working with the Peoria Area Association of Realtors® on the "Rate Your Experience" (RYE) project for the past six months. This web application goes beyond consumer's rating agents to rating all the participants in the transaction including loan officers, escrow, title, attorneys, inspectors, etc. and provides business intelligence back to brokers and agents as well as potentially providing a consumer view of agent satisfaction. RYE was well received and several associations are interested in deploying it late this year when it is completed and field tested. All Game Changer projects are "open source" (free) for any REALTOR® Association to use. For more information on RYE and the other 13 projects, see www.realtor.org/gamechangers. Ten minute streaming videos of each individual presentation shown in DC are available online.



Gregg with Brian Carroll, talented up-and-comer from Peoria

The MLS Brand and Domain Names – dotMLS vs. BLC (or dotBLC)?

There are two new and potentially conflicting ideas for future MLS branding and promotion that were discussed at Mid Year:

Broker Listing Cooperative (BLC) - NAR Game Changer Idea

A Broker Listing Cooperative proposes to offer the trademark term 'Broker Listing Cooperative' or 'BLC' as a means to develop a competitive national brand that REALTORS® own and control. In theory the BLC could be adopted by all participating member MLS as a term to be used when describing what it is and further what it offers. The BLC name idea was born in Indianapolis where the term is currently being used instead of MLS. See www.realtor.org/gamechangers for more details. Steve Murray, Editor, Real Trends is the Game Changer Coach to the Metropolitan Indianapolis Board of Realtors

dotMLS (.mls) as a Top Level Domain

Fifteen leading multiple listing services (MLSs) in the U.S. have formed the *MLS Domains Association*, a non-profit national association created to obtain, manage and promote the orderly use of the '.MLS' top-level domain (TLD) on the Internet. The Association will apply late in 2010 to the Internet Corporation for Assigned Names and Numbers (ICANN) under ICANN's new gTLD process. If successful, MLSs will be able to

obtain domains such as Maine.MLS, Chicago.MLS, etc. (see www.mlsdomains.com for more information).

These two new ideas each have merit. However, it would seem that an MLS considering the possible name and branding change to BLC would be unlikely to spend the money to purchase a .mls domain name. And likewise, the dotMLS supporters are unlikely to embrace the notion of a BLC name change. It will be interesting to see if brokers endorse the BLC concept that was developed by the Indianapolis area MLS.

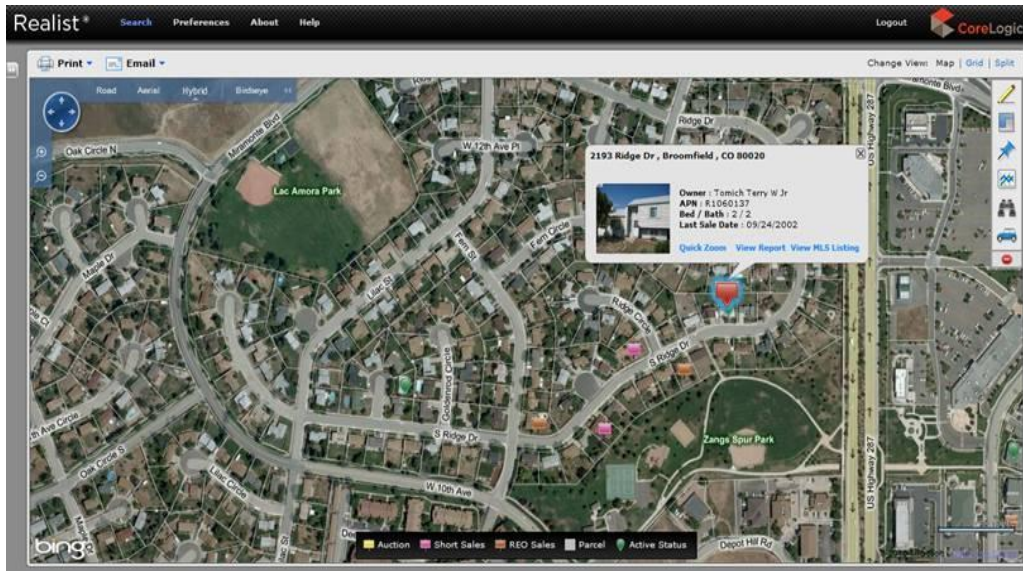
Foreclosures and REO Data

In some markets, foreclosures and bank owned properties are over 50% of the transactions occurring in 2010, yet many MLS systems do not offer this data for subscribers. In a recent Clarity survey (<http://www.callclarity.com/mls-beyond-the-listings-survey-2010.cfm>), when MLS users were asked how important MLS providing foreclosure/REO data is to them, **70% said very important, 19% said important, 8% somewhat important - only 3% said not important.** Following are two of the distressed property database offers we noticed at the show, and this data is also well integrated in the new RPR system.

RealtyTrac (www.realtytrac.com) has a new offering for MLS operators: "Expand Relevancy by allowing end-users to search, in real time, foreclosure properties ... including defaults, auctions and bank-owned REOs." MLSs can offer this to subscribers for \$19.95, which is 40 bucks off the \$59.95 retail. And there's also a revenue share.

MarketLinx CoreLogic distills distressed properties into one of three stages: pre-foreclosure status, auction status, bank-owned or REO status. Detailed information on distressed properties, bank-owned sales and short sales are richly integrated into Realist reports and maps, and they are searchable through either through a mapping interface or standard searches that offer numerous foreclosure-specific criteria. The solution is designed to support agents' marketing, research, and valuations.

Below is a pretty cool example of a Realist map that has plotted foreclosures, short sales, REO-sales, and active listings surrounding an active listing. This visualization can immediately help an agent understand and advise clients how market conditions in the vicinity might impact the value and marketability of a listing.



The cost of Realist is substantially less than RealtyTrac, but that assumes Realist is implemented system-wide vs. agent opt-in.

Multiple Listing Service Forum

There were two items on the agenda that stood out. The definition of “recognized search engines” as used in the IDX policy, and the mandatory submission of photos of listed property.

Item One: What constitutes a “recognized search engine.”

During the Multiple Listings Issues and Policies Committee meeting, Alex Perriello, the CEO of Realogy, made an interesting case that franchisor sites should be able to index IDX listings on a national basis. Mr. Perriello made an impassioned plea, using the fear (or boogey-man) card, and then soothed and seduced the audience with the “we’re all team Realtor-Blue” message. His presentation was positioned as an extension of the decision last year that IDX sites could be indexable by search engines. However, a franchise site is not a neutral search engine - it's a site designed to build a real estate brand lead toward a brokerage-consumer relationship. It's not just a 'conduit' site focused on directing consumer traffic to a variety of web resources. And if independent brokers are overmatched by Realogy and other franchise web sites, will they still want to cooperate via IDX?



On the other hand, franchises compete with national non-Realtor sites for traffic, so there's a reasonable argument to have the IDX restrictions removed to fairly compete at that level. This request wasn't settled at the meeting and was sent to a work group for further study. There's a lot to think about before November, when the committee will meet again and possibly make a decision. You may want to request input on this issue from the brokers in your market - and please forward that input to us here at Clarity and we'll share what we learn on our blog. (www.clareity.com)

Item Two: MLS Authority to Mandate Listing Photos

The mandatory submission of photos for all properties listed on the MLS was discussed with the thought centered on having at least one photograph per property. For single family homes, an exterior photo was deemed most valuable, and this probably applies to land as well. Obviously, an exterior shot of a high-rise condominium may be less beneficial than an interior photograph.

The following action was recommended and approved:

Multiple Listing Services may, as a matter of local discretion, require submission of a reasonable number of photographs or other graphic representations that accurately depict listed property except where sellers expressly direct that photographs of their property not appear in MLS compilations.

The Board also approved statements of policy regarding time-on-market and price-change data. MLSs are not required to include this information, but if they do, it must be open and accessible for clients and customers. According to the new policy, however, "classification as non-confidential does not authorize inclusion of such information in advertisements, including IDX display, of other participants' listings."

MLS Software Update

There's a lot going on this year – *much* more than we can sum up easily in this report. If you want to get an overview of twenty MLS systems (or just your top picks) Clareity can present "The 2010 MLS Landscape" to your board or committee by web meeting or in person.

Information Security Update

NAR's Business Issues Committee has decided that NAR should create a data security toolkit for Realtors. NAR's CRT already tried to do this back in the day with "Realtor Secure", a program with significant flaws that Clareity Consulting has been pushing NAR to fix since 2003. Hopefully this committee's decision will inspire CRT to reposition the program as we have recommended, and work with Clareity to finally provide the information, tools, and training our industry needs to protect confidential and consumer information. Clareity Consulting has helped more MLSs and Associations (and real estate tech companies, brokers and others) assess the state of their security and implement risk mitigations than all other companies combined. If your organization hasn't had a third party audit in the past few years, it's probably time to drop us a line.

Suggestion for Improvement Next Year

The Marriott Wardman's lobby bar has to have some of the slowest bartenders in the world, possibly even slower than the geriatric bartenders at the Omni. Not only are they slow, but there aren't enough of them. One would think that the Wardman's bar manager would know there are nearly 7000 REALTORS® and about 500 VENDORS™ in town (after all, we're there the same time every year - it's not like we surprised them and just showed up in busses), and they'd add another bartender or two after 3pm each day. The Marriott is losing money by selling fewer drinks due to its incompetent bartending staff and Mid-Year attendees are parched and cranky when they have to wait

10 or 15 minutes to get a drink at the bar. Maybe next year I'll call in advance and speak to a manager...☺

Well, that's it for this year. Thanks for reading my report. Please see the announcement below about Clareity's 2011 MLS Workshop in Scottsdale.

Gregg Larson
President & CEO
Clareity Consulting
Scottsdale, Arizona
Gregg.larson@callclareity.com
480-368-8100 x201



2011 MLS Workshop Announced in Scottsdale, AZ

Please consider joining us in Scottsdale, Arizona March 9-11, 2011 for Clareity's Tenth Annual MLS Executive Workshop. This MLS Workshop will provide timely updates and address the key issues facing MLS executives and leaders. The event web site is here: <http://www.callclareity.com/MLSworkshop/>

About Clareity

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:

- Strategic Planning
- Executive and technical staff recruiting
- MLS System Selection and Implementation
- Transaction Management System (TMS) Selection
- Information Security Assessments
- VOW Audits
- Business Continuity Planning
- Public Records Request for Proposal (RFP)
- Software design, quality assurance and scalability testing
- Contract negotiation
- Public speaking
- Member/Subscriber Surveys
- Focus groups
- Project and Program Management
- Regionalization facilitation
- Staff audits and compensation studies