

Important MLS Questions Answered

For Brokers, Agents, MLSs and Vendors



Compiled By
T3 Sixty



Commissioned By
The MLS RoundTable



SECTION 1 - THE MLS ROUNDTABLE

Q: Who is The MLSRT?

MLSRT is an acronym for the MLS RoundTable, a thought leadership group, with the objective of advancing the broker's real estate business. It is composed of eight of the largest multiple listing service (MLS) organizations that serve over 300,000 brokers, agents, and appraisers. The goal of the MLSRT is to foster dialogue among industry participants and, when appropriate, issue an opinion.

Q: Why should MLS organizations act now?

The competitive landscape in residential real estate, over the next ten years, will be increasingly influenced and driven by technology. The brokerage cost structure is shifting, as the dollars previously expended on bricks and mortar facilities have been drastically reduced. Outside capital is flowing into real estate technology in unprecedented volume. Brokerage technology strategies, coupled with successful implementation, will define competitive advantage from now on.

Therefore, it is imperative for MLSs to have and maintain equally dynamic and progressive strategies and proven solutions to support the brokerage community and to reduce broker pain points. Change is clearly happening right now, and the pace will most assuredly increase as a result of the infusion of new investment capital and tech advancement.

Q: What is the MLS 2020 Agenda?

An extensive MLS industry research project that was commissioned by the MLSRT in Q3/2017 to identify the most significant issues facing the MLS industry between 2017-2020. It can be downloaded at mls2020agenda.com.

Q: Comments regarding the Department of Justice and the Securities and Exchange Commission.

On June 5, 2018, the MLS RoundTable published a detailed open letter to the Federal Trade Commission. The letter can be read at bit.ly/MLSDOJ



SECTION 2 - RETS AND RESO

Q: What is RETS?

Launched by the National Association of Realtors® and related groups in 1999, the Real Estate Transaction Standard (RETS) is a framework used by the real estate industry to facilitate the exchange of data. It was designed to address and overcome the difficulties associated with distributing and sharing real estate information across the real estate ecosystem that includes MLSs, brokerages, agents, tech companies, information providers, and Internet portals.

Q: How close is the change from RETS to a more modern Web API?

In April 2017, the Real Estate Standards Organization (RESO) announced that it had sunset the RETS Standards Workgroup. In June 2018, RESO announced that it had discontinued standards certification services for RETS, with the RESO Web API being the latest standard for accessing and distributing listing data. Subsequently, the MLSRT announced its intent to lead this adoption with a target date for phased implementation by its members in 2019. Original post at bit.ly/MLSRESO

Q: Who is RESO?

RESO was incorporated in November 2011 as an independent, not-for-profit trade organization that was previously a section of the National Association of Realtors®. The mission of RESO is to create and promote the adoption and utilization of standards that drive efficiency throughout the real estate industry.

Q: Why does the MLSRT support the new RESO Web API standards?

RETS isn't going anywhere in the short term, and the MLSRT recognizes that brokers' and technology companies' investments in the current dated methods of delivering and consuming MLS data are significant. It also believed that the inherent benefits of the RESO Web API standard for distributing and consuming real estate data are so significant and so important to the brokerage community that MLSRT members are willing to be the trailblazers in facilitating the industry wide move.

This change, from a 20-year-old, pre-mobile technology that requires specialized, industry-specific knowledge to adopt, to a standardized method of delivering data leveraging already-in-place global technologies will be huge for the industry. Sometime in 2019, MLSRT members will no longer give out new accounts utilizing the old RETS data feeds, but only Platinum-certified RESO Web API credentials for accessing MLS data.

Then as more and more of the brokerages and technology communities adopt the Web API, each MLSRT member will make an independent decision on when to shut down their current RETS access to their MLS data.

Q: Is NAR supportive of the new RESO Web API standards?

NAR has been very supportive of RESO and in 2015 the NAR Board of Directors passed a mandated resolution in the NAR MLS Policy requiring the adoption of the RESO Data Dictionary for all Realtor-owned MLS's as of January 1, 2016. Separately, the RESO Web API was required as of July 1, 2016, and additional language requiring all Realtor-owned MLSs to keep current by being certified for each new release of future RESO Standards within one year of ratification by RESO. Compliance with the NAR MLS Policy mandate can be demonstrated through official RESO Certification.

Q: How do MLSs become RESO Web API certified?

Becoming RESO Web API certified can be accomplished in a number of ways. Because the Standard employs technology that is widely adopted outside the real estate world, some MLSs have developed their own software implementation of the API. Others have partnered with their current MLS system software provider to deliver a compliant API.

Finally, there are outside technology companies that will provide a Web API to MLSs to certify them compliant to the RESO specifications. MLS data access is available to those that qualify for access to the MLS data via Web API. For more information visit bit.ly/MLSexecs

Q: What are the approximate costs for conversion and what resources will be required?

Adoption costs can vary greatly. Some options are being offered at no cost, other than the staff resources that must be dedicated to the project, which can widely vary depending on the chosen method of adoption. For many, this is something the MLS software and/or vendor can address.

Q: What is the best way for brokers to become RESO Web API compliant?

Become a member of RESO and learn about the multiple resources available to technology companies, MLSs and brokers. Talk to the data consumers (technology companies and brokerages) and encourage them to switch to the RESO Web API for the benefit of stakeholder groups. Reference RESO case studies and utilize the free RESO MLS Marketing Toolkit as material to encourage adoption. Details on RESO API can be found at bit.ly/RESOAPI

Q: What is the incentive for firms and vendors to switch from RETS?

Transitioning an industry from a decades old way of doing business will not be easy. The temporary pain must be mitigated by educating brokers and their technology partners about the importance of what the Web API offers the industry, and the benefits that can be realized after transitioning from RETS to the Web API. RESO has also created success-based case studies that demonstrate the benefits of converting from RETS to the RESO Web API (bit.ly/RESOstudies).

Brokerages and vendors that are in multiple MLS markets will have additional incentives to transition away from the old RETS technology, if the MLSs with which they do business coordinate their transition plans. This is why it is critical for each MLS to create its transition plan and timeline as soon as possible; one that makes good business sense for them and incorporates a migration timeline to be communicated broadly to the brokerage and vendor community. The MLSs know who the brokers and technology companies are that receive their data via RETS, so that part is easy. The migration plan is what requires some thought and planning.

Q: Why did the MLSRT adopt its position vis-a-vis the RESO Web API?

The adoption of the Web API should be a key element of enabling MLSs to attract and implement innovative new technologies into their product offerings. Agents and brokers are experiencing ever-increasing demands by consumers for more and better real estate information and tools. Therefore, it is imperative that MLSs adopt the RESO Web API standard as soon as possible.

Q: Who should brokers and technology vendors speak with to learn more about this issue?

The RESO website is the place for further information on the standards. The website provides MLSs, brokers and technology companies with: RESO Standards, membership, certification services, free tools for build solutions to access data, detailed information about each of the RESO Workgroups, and FAQs. All Realtor-owned MLSs must be certified on the RESO standards and maintain compliance within one year of each new update, which can be demonstrated through official RESO certification. The

RESO Data Dictionary Wiki (ddwiki.reso.org) provides a full view into the data dictionary standard in an easy-to-read format.

Q: Does creating consolidated database platforms allow smaller MLSs to avoid mergers or consolidation?

A consolidated, national platform is a solution that some MLSs may oppose. Similar to brokers and agents, MLSs must examine and respond to what their customers (brokers and agents) want. Their customers want one source of data for their market area and want to use their choice of applications to manage and market listings, market services, search, report, notify, and interact with their customers.

To accomplish this it makes sense for both large and small MLSs to deliver a national platform locally. The local value-proposition should determine whether a merger or consolidation is appropriate. However, if the proposed solution maintains arbitrary walls or barriers to accessing a market area, that strategy is likely to fail.



SECTION 3 - THE MLS GRID

Q: What is the MLS Grid?

The MLS Grid (mlsgrid.com) is a long-term brokerage solution to national market and data access issues. It was created by a network of MLSs and is designed to help brokers, MLSs and product vendors work efficiently together to affect cost savings by implementing RESO standards. The goal is to provide a single, standardized data access point to brokers for MLS access and management.

Q: How does the MLS Grid work?

The larger the number of MLSs involved, the greater the monetary savings for the brokerage community. The MLS Grid will advance innovation, because brokers and vendors will be able to concentrate their resources on technology as opposed to data aggregation and compliance with the many variations among MLSs. As of mid-2018, there are 10 MLSs serving over 200,000 brokers and agents that have joined, or are in the process of joining, the MLS Grid.

Q: Is the MLS Grid open to all MLSs?

Yes, the MLS Grid is a national effort and is open to all MLS organizations. As a result, its adoption of the RESO delivery standards it is neither proprietary or exclusive.

Q: Will the MLS Grid save MLSs or brokers money?

Based upon the latest RESO standards for software engineers, the MLS Grid technology allows a software engineer from any location in the world easy access to and use of the data coming from the MLS Grid. This will lead to increased competition among the vendors that provide technology to brokers, inevitably leading to decreased technology costs and wider broker access to a much larger vendor market from which to choose.

MLSs will save money because the MLS Grid business model is based on shared technology. It provides one license agreement among participating MLSs and delivers listing data from a single technology platform, enabling better service at a lower price.

MLSs are also better able to collaborate to ensure that vendors' data licenses follow the terms of the MLS Grid's agreement. The efficiencies created in this process will improve operations surrounding licenses and compliance, resulting in financial savings for MLSs and vendors that can be passed onto brokers.

Q: What is the cost to join the Grid?

The initial setup fee to become a MLS Grid member is \$10,000. Thereafter, the cost is \$0.31 per subscriber per month, with the cost declining as more MLSs join the Grid. Brokers and vendors will continue to pay the fees they already pay for data charged by each MLS.

Q: What is the strategy to get more MLSs on board with the MLS Grid?

The goal of the MLS Grid is to provide brokers and vendors one usable data feed for all MLSs in the MLS Grid. This means making the data fields and data field values congruous among the disparate MLSs.

Currently, the MLS Grid is in the process of onboarding the original 10 members – representing over 200,000 brokers and agents – for IDX and VOW data feeds. As each MLS is brought on board, the fields and data are modified to be RESO compliant and inclusive. The MLS Grid is comprised of MLSs from Florida to Washington, and with the onboarding process almost all “local-flavor” data elements are being addressed within the framework of the RESO Data Dictionary.

Once the database feeds are configured for the 10 MLSs to be singular and usable, the doors are open to any MLS to participate. The MLS Grid anticipates onboarding additional MLSs in Q1/2019.

Q: What does an integrated backend mean to MLSs?

MLSs are constantly updating their servers and spending money to adopt the latest RESO standards in a timely manner. An integrated backend among MLSs enables this to happen in one place at one time, with all costs being shared. Without the MLS Grid, technology companies will have a much more complex job in keeping up with each MLS’s development timeline when they decide to upgrade their servers with new standards. By consolidating technology, efficiencies are created across the network and updates happen concurrently from one source.

An integrated backend also results in more opportunity going forward as new standards are developed, such as analytics. Consolidating listing information into one place allows the platform to have a broader reach for brokers and vendors alike.

Q: How does an integrated backend help brokers?

A consolidated database platform allows MLSs to select vendors (providers for the main MLS system or ancillary services) based on functionality and user interface, as opposed to data interpretation or conversion issues. In addition, brokers who have inhouse systems will be able to integrate solutions across MLSs based on true RESO standards, using uniform data feeds and data elements.

Having a platform that makes powering technology with listing data much easier will help brokers bring more technology to the marketplace at a faster pace with lower costs, thus becoming more competitive in the process. As a recent study by RESO found, “moving to standardized data and the RESO Web API is saving... thousands of dollars in development time.”

Another benefit is the reduction of legal costs that come from standardized license agreements. Brokerages in multiple MLSs can easily and effectively share data with vendors that work with RESO platinum certified partners, such as the MLS Grid.

Q: How does an MLS join the MLS Grid?

To join the MLS Grid, contact Joseph Szurgyi (joseph@mlsgrid.com).



SECTION 4 - Broker Public Portal

Q: Why was the Broker Public Portal created?

Broker Public Portal (BPP; brokerpublicportal.com) was created by brokers from all over the country as a response to the increasing market power of the large real estate portals. Projecting a future where consumer access to critical listing information was increasingly shifting from broker and agent to third parties who in turn charged a toll back to the authors to access potential buyers and sellers, brokers determined that leaving non-industry players unchallenged in this contest was not an option.

In an unprecedented, nationwide collaboration between brokers and MLSs, the Broker Public Portal was designed with the objective of building an alternative consumer home search experience that was industry managed, not-for-profit and not-for-investor-enrichment extension of the MLS value proposition.

Q: How is the BPP operated and how many agents have access?

The BPP chose Homesnap as its technology partner and entered into Operating and Services Agreements that guarantees the platform will operate solely for the benefit of the brokers and agents. The BPP with Homesnap launched in January 2017 with MLS customers representing approximately 200,000 agents. The platform is currently available to more than 850,000 agents and is expected to serve over 1,000,000 in Q1/2019.

Q: What makes BPP different?

The BPP is rooted in the Fair Display Guidelines and the belief that direct connection to the real estate professionals who represent the sellers of listed property or whose clients request information and advice is paramount. Importantly BPP with Homesnap does not permit advertising or paid agent placement on any listings. The combination of Homesnap's position as the top-rated consumer mobile app along with broad MLS adoption ensures practitioner and consumer choice. All MLSRT members are proud to support this important broker initiative.

Q: How much does BPP with Homesnap cost?

On behalf of its members, MLSs pay \$1 per agent, per month, for the service. All leads are forwarded at no additional cost. For more information on the BPP with Homesnap please contact Victor Lund (victor@brokerpublicportal.com).



SECTION 5 - UPSTREAM

Q: How does the Upstream differ from the MLS Grid?

The MLS Grid and Upstream are vastly different. Upstream deals with a broker's input and control of the firm's listings. The MLS Grid is the access, licensing, and use of listing information from various MLSs. The MLS Grid and Upstream both feed listings coming from MLSs to third-party vendors, with Upstream as the initial contact for the listing data for each broker and the MLS Grid as the consolidated MLS data output for each MLS. The key differences are:

- The MLS Grid works with the entire listing inventory from each MLS, while Upstream is limited to listings from Upstream-participating brokerages, representing a subset of the MLS. Some vendor products could be better suited for one platform over the other. For example, Upstream can power broker back-office products like accounting software, CRM, etc., because they only require that brokerage's information. IDX vendors need the entire MLS inventory to power

multiple brokerage websites, and so the MLS Grid would be the most appropriate solution for IDX vendors and others which require the entire MLS listing database.

- In some markets, Upstream is also the initial point into which participating brokers submit their active listings instead of entering them directly into the MLS.
- License agreements and compliance are also handled differently. Brokers must provide vendors their own license agreement for use with Upstream and contract enforcement/compliance efforts are the responsibility of the brokerage. There is a uniform license agreement for the MLS Grid, which is standardized among participating MLSs. The MLS Grid is responsible for enforcement and compliance standardization.
- The financial models of the two initiatives are also vastly different. The MLS Grid is funded directly by the participating MLSs, while Upstream is funded by the National Association of Realtors® (at least initially) and participating brokers.

Vendors that require the entire MLS listing database will use the MLS Grid. Currently, the MLS Grid powers IDX websites, however in the future, it will also power selected software, such as market analysis products, CMAs, and MLS front ends.

Upstream has two goals. The first is to enable brokerages to input data into Upstream, and then have that data fed into MLS systems, and vendors. The second goal is for Upstream to take data from the MLS to power vendor software for a given brokerage. In both cases, Upstream is designed to manage individual brokerage data and does not contemplate products that need the entire MLS data set. Vendors that power back office brokerage software (accounting, transaction management, etc.) might choose to work with Upstream because the data is specific to that brokerage. Either way, the brokerage is given the options for what works best for its vendors.

About MLSRT

Members of the MLS RoundTable (with approximate membership numbers) are:



David Charron, Chair MLS RoundTable



Tom Phillips, CEO Bright MLS

85,000+ subscribers

For more information visit www.brightmls.com



Art Carter, CEO California Regional MLS

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