

October 20, 2005

Federal Trade Commission - Office of the Secretary
Room 135-H (Annex F)
600 Pennsylvania Avenue, NW
Washington, DC 20580

Re: "Competition and the Real Estate Workshop" -- Comment, Project No. V050015

The Real Estate industry is very competitive but it is not without its faults. It is very easy as a REALTOR® to serve a localized market and actively compete for business every day. Fierce competition is fueled by the uniquely intense and personalized nature of the service we provide to our clients -- which, in turn, determines our future success through referrals and return business.

Barriers to entry are low. If you are willing to take the time to learn the business in your local market, pass the state license examination and adhere to the REALTOR® code of ethics, there is nothing to stand in the way of success in this industry. I had to learn the business and pass the state licensing examination, but it is my own work ethic, commitment to professional standards and dedication to client satisfaction that determine my success. All of that speaks volumes for the competitive nature and professionalism of the business.

On the other hand, there are issues within our industry that are anti-competitive. As a REALTOR®, it is difficult for me to expand beyond my local market. I experienced this first hand as I live in San Diego but my family owns properties in Los Angeles County. I needed to sell one of the properties and experienced a great deal of frustration doing so. My local multiple listing service (MLS) did not have agreements in place with those in LA County, so use of the MLS tool was not available to me – UNLESS I joined yet another association and subscribed to another MLS service. Unfortunately, not only was I required to join but my broker also would be required to join and pay even more fees. While this was frustrating and an impediment to my selling the property, I still was able to sell the property. While this proves you can work without the MLS, this definitely was a hindrance to my performing my duties as a REALTOR®. It is my opinion the Multiple Listing Services should not be “owned” by local associations which unfortunately leverage that ownership to help protect their local turf.

The other aspect of our industry that I feel is anti-competitive occurs when an Agent's association dues are used to fund commercial concerns. The most recent example of this is when the National Association of Realtors invested over \$1,000,000 in a company developing a Realtor-centric transaction platform. I find this to be an anti-competitive activity as an association should be focused on creating the standards around an activity and let the open market adopt and develop products to meet the needs of Real Estate

Agents. There seems to be an underlying pattern of this activity which inherently limits the ability of other companies to compete.

Overall the real estate industry is very competitive and individuals have many choices. The system works for the consumer but it can work even better. I believe the associations exert too much influence over their locales, creating fiefdoms which limit broader competition. Furthermore, the associations should focus on creating open standards and not on running software businesses.

Sincerely,

Norman A. Decker, REALTOR®
Member NAR, CAR, and SANDICOR

Crosspoint Investments