

*Submitted Via Online Public Comment System*

Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

U.S. Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, DC 20530-0001

June 13, 2018

**RE: Comments on June 5, 2018 FTC-DOJ Workshop: What's New in Residential Real Estate Brokerage Competition**

Dear Commissioners:

We are the CEO's of eight multiple listing services (MLS), serving hundreds of thousands of brokers, agents, and appraisers, and we write to report on the dramatic advances that the nation's leading MLSs have made since the Justice Department's 2007 Report on Competition in the Real Estate Brokerage Industry. In our view, competition in the residential real estate market has never been more fierce. This is in part because we facilitate the national promotion of local real estate in ways that were not possible ten years ago, allowing more real estate brokers and agents to promote, search, and analyze data for more homes across more access points than ever before. Importantly, it is the consumer who ultimately benefits from these advances.

MLSs like ours serve state-licensed brokers, agents, and appraisers, and their affiliates (all of which are our customers) around the country to create, distribute, and use vast amounts of real estate listing information. Our customers use our systems to facilitate cooperation to bring together sellers and buyers, and to agree individually amongst themselves on how to share any attendant transaction-based compensation. They choose to promote their clients' homes through our services because of our superior data quality management, scale, and our competitive fees. This means that consumers also have more choices about how to promote their homes.

Ten years ago, MLSs were still grappling with the extraordinary expansion of demands on their technology, including distribution of real estate listing information to an exploding number of websites, portals, brokers, and other users. MLSs struggled mightily at the time to keep up with the new demands for data.

While we are still working hard to maintain the highest quality real estate data and to keep it flowing, the landscape is fundamentally different than in 2007. This is due to the massive shift to online commerce including mobile, competition for consumer website traffic, and other consumer technology trends.

Each of us is independently engaged in facilitating competition on many fronts:

- We each deliver real estate information to thousands more websites and mobile apps than we did 10 years ago, with each one being updated with the latest information as fast as just a few minutes from when a listing is created.
- We each are using advanced data-management and cloud-storage tools to allow brokers and agents to include virtually unlimited photos, videos, virtual tours, and other media with their clients' listings, enhancing their ability to promote home sales.
- We each enable our customers to choose (in a variety of ways) where to send their listing information, whether to their own websites, third-parties' sites, mobile apps, newspapers, or for use in their own company specific software.
- We each are facilitating our customers' use of cutting-edge data analytics tools to bolster their ability to compete for clients and home sales.
- Each of us is constantly expanding the number of customers we serve, allowing thousands of new brokers and agents every year to utilize the most advanced listing-promotion tools. Our services also are able to expand cooperation between brokers and agents through increased access to MLS listing data by overcoming the barriers to market entry arising from jurisdictional claims. This leads to maximizing the promotion of their clients' listings.
- We each are incorporating hundreds of additional components of information into real estate listings, including more in-depth public records information like mortgage and foreclosure information; drive-time searching and mapping; flood data; detailed map layers including property parcel, demographic, neighborhood and school boundaries; and more.

The competitive landscape of the next ten years will be even more technology driven. Brokerages' costs structures are shifting. Dollars spent on bricks and mortar facilities have been drastically reduced because of mobile technologies, requiring and enabling greater investment in new technologies. Outside capital is flowing into real estate technology with unprecedented volume. Brokerages' technology strategies will define their competitive advantage in the future. So we continue to keep our MLSs instrumental to those unfolding strategies.

First, all eight of us are adopting the Real Estate Standards Organization (RESO) data dictionary standards. These standards are being adopted by MLSs across the country (more than 600 as of March 2018) and are expected to drive standardization across MLSs in the fields for most real estate listing information. Standards like these are one mechanism for the industry to keep up with technology that powers brokers' innovation strategies.

Second, we have each independently committed to replacing our aging Real Estate Transaction Standard (RETS) data feeds to third parties with the new, RESO-standard-based web API. This will deliver significant efficiencies for third parties to access and manage data feeds from multiple MLSs.

Third, most of us will independently commit to delivering a data feed of real estate information to the MLS Grid, a separate company formed two years ago by several of us, along with other MLSs. Its purpose is to reduce costs and increase the quality of real estate information that flows to websites across the country. This platform delivers aggregated, RESO-standardized data, as well as standardized licensing terms, which greatly improves efficiencies for MLSs, brokers, and technology vendors.

We are hopeful that other MLSs will see the value of these initiatives for their customers and will invest in them as well because, as more MLSs adopt these steps, brokerage' costs will decline, which allows them to further reinvest in serving their clients' needs and interests, and in improved consumer welfare.

Of course, the above efforts are in addition to the progress we each are making to more efficiently manage the massive amounts of real estate data being created and distributed, with each of us independently keeping the cost of entry for new brokers and agents to a range of only a few hundred dollars a year.

These developments – producing real estate listing information that is vastly more robust, more widely available, and more efficiently accessed than it was 10 years ago – lead us to conclude that competition remains strong in our industry for real estate data management and services. Forecasts for the next 10 years include falling costs for these services across the country. This will further increase competition as brokers invest their saved dollars into bringing new consumer technologies to real estate, such as digital transactions, artificial intelligence, virtual reality and consumer analytics. Competition in these areas and many others is well underway.

We thank the FTC and DOJ for facilitating the thoughtful workshop discussion on June 5, 2018. The information presented confirmed that MLSs like ours are procompetitive and have created widespread distribution of quality listing information for consumers. In the simplest terms, MLSs facilitate competition in the industry – benefiting consumers without bias toward real estate business models.

One question arose during the workshop that we believe calls for clarification: Can MLSs publicize commission rates to improve market pricing transparency? MLSs, like ours, aggressively avoid entanglement in how commissions are individually negotiated by agents. We collect only listing brokers' offers of cooperative compensation to buyer agents. MLSs do not collect data on the commissions actually offered or paid by the seller or buyer, and we believe doing so would greatly heighten the risk that MLSs or their customers violate the antitrust laws. We therefore do not believe that MLSs are an appropriate pathway to publicize commission rates.

Thank you for your consideration.

Sincerely,

**Bright MLS, Inc.**

Tom Phillips, CEO

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