

Multiple Listing Systems (MLSs) are aiding in creating healthy competition in the real estate industry through their participation in the Real Estate Standards Organization (RESO) and by defining processes within their own organizations to request access to home and property information.

In 2014, Brokerages, MLSs, and the National Association of Realtors® (NAR) collaborated to pass policy requiring MLSs to use the same data columns and type of data defined by RESO. A policy which removes cost barriers for technology innovators, startup companies, and brokerages to entertain business growth opportunities into new markets with a standardized data set across the United States.

Additionally, the industry provides free access to a reference server of test real estate data under the RESO standards for startups, new business models, or existing companies. A behavior demonstrated by the industry of supporting a healthy and competitive climate for business.

As a brokerage who is a member of the Board of Directors for an MLS, we have seen how the MLSs have exposed their services for organizations who are non-members of NAR and a local association to participate with members of the MLS. There is a 'no waiting' policy for membership who qualify to join the MLS. We feel this openness has created fair competition within the industry. All you have to do is meet the requirements of a licensed real estate sales associate or broker to begin to sell and list properties to the marketplace.

As a brokerage, we have seen a significant increase in pricing levels and service in selling and listing real estate over the past ten years. The real estate consumer dictates price and service in this climate. The amount of information that is available today enables consumers to be smarter buyers and sellers of real estate.

The increase in competition over the last 10 years has promoted more pricing options. This is displayed when reviewing the following examples of business models that were not around 10 years ago:

- Redfin is offering 1% list side commission with an employee sales force model.
- Purplebricks provides discount commission model with independent contractor sales model.
- OpenDoor, Offerpad, and Instant Offers will offer to buy a homeowner's property with cash and over the Internet.
- No-service or limited-service brokerage models provide a homeowner with very limited services to include their property for sale into the MLS portal.
- There is more competition today across all brokerage models. There is no standard commission model so consumers have the options to choose the model that best fit their needs.

Each one of these models offers consumers options to choose how they want to sell and buy their home.

Under state and local regulation and NAR MLS policies, the MLS we belong to offers the same fair and level playing field to the real estate brokerage business models. Any person or entity that has an active license in the state can request for service or data.

The standards for brokerages and MLSs are higher than those who leverage real estate information for their own business models. This is especially true in the area of advertising real estate for sale.

The real estate display rules set by NAR, MLSs, and/or local Associations only apply to members of the MLS. Examples of these display rules are the MLS legal disclaimer required on the display of property information on a brokerages and agent website.

Disclaimers are not required on property information web pages when distributed to media companies. Brokerages cannot add tax information, walking score, or school information within the MLS listing information box. Media companies have the privilege to blend information to provide an improved consumer experience with content that brokerage firms do not have.

Regulatory and/or institutional rules that could stifle innovation are more derived from the cost and effort to comply with state and local laws which have been designed to protect the consumer.

Overall growth in the economy in the last six years has introduced more innovation from technology companies and business models within the industry. Examples of models that are thriving in this market and are innovating in many different ways are Compass, Purplebricks, Zillow, Offerpad, OpenDoor, Discount brokerages, No-service or limited-service brokerages, and traditional brokerages.

New business models that have entered the field of real estate over the last 10 years have spurred innovation within the industry. New business models entering into the marketplace creates an economy forcing others to innovate to remain competitive. Within our brokerage, we had to focus, develop and train agents on new systems and sales/service methodology to provide value as a full-service real estate company to our consumers.

Our opinion is the industry would have eventually adopted the DoJ's "consent decree" practices on its own. The industry, as far back as 1999, was already beginning to recognize challenges with the portability of listing information. In 2002, NAR and industry leaders created the workgroup RESO and issued its first Real Estate Transaction Specification (RETS). While the data structure was still interdependent on the MLS requirements, the portability standards began to have a method to deliver the data.

Technology within many industries has become so ubiquitous it has spurred innovation over the last 10 years, it is difficult to imagine the real estate industry would not have leveraged the same technological benefits in creating a healthy and competitive ecosystem for consumers and businesses.

As a brokerage who has always been committed to the practice of excellence in consumer service and experience, we would love to see a list of minimum services for others to follow. Our experience is each transaction and consumer needs are unique and each consumer determines the services they need in real-time.

We also think developing a standard list of real estate services would limit price and service options to consumers. Additionally, governance and monitoring compliance would increase additional costs for MLSs and brokerages, which would be passed down to the consumer in some form of transaction expense – potentially to both buyer and seller.

There are more avenues today for consumers to find real estate for sale today than there were 10 years ago. Consumers have a plethora of resources to find real estate data from media publishers, brokerages, agents, MLSs, and public records through many different devices.

Consumers ability to find enough information about a property on the Internet is more than adequate.

Consumers have more information about properties for sale/rent today than 10 years ago. RESO Payload Workgroup has created an IDX standard payload of over 150 fields from the Data Dictionary 1.5 standard. This will climb to over 200 fields in the 1.6 standard by the end of the year. This doesn't include additional fields MLSs may add due to localization needs by a market.

It is our opinion that websites/apps or new business models that seek to advertise properties for sale/rent are able to successfully launch and build a business today. They have the same challenges –maybe even less – in building a business as a new brokerage startup or an existing brokerage trying to enter into a new market.

The creation of websites/apps that advertise properties for sale/rent have not made the consumer self-reliant during the showing and transaction stage of the customer relationship. They have disintermediated the consumer from the brokerage/agent during the research stage of the buying lifecycle only to then sell the consumer inquiry back to the brokerage industry who provided them with the original real estate information. A practice which harms small businesses who are local or regional. Funds that otherwise would be available for innovation are increasingly diverted to costly online advertising.

Real estate brokerages are adapting to new consumer demands and modernizing their technology and marketing services to current 'best practices'.

As with any business, if brokerages were stifling innovation and not meeting consumer's needs, the brokerage would no longer be in business. Our perspective is that the over the last 10 years, the industry has adapted to consumer demands with technology and has welcomed outside innovators.