



March 2015

CAR's Statewide MLS Initiative: Its Past, Present and Future

Introduction

Does C.A.R. have an “official position” on MLS consolidations in general, and a statewide MLS in particular? Yes.

C.A.R. policy supports the ultimate development of a Statewide MLS and initiatives along the way to expand its Member's unfettered access to the widest breadth of MLS data possible.

This stance remains highly relevant, especially in the context of MLS entities and local AOR's failing to enter into or retain desirable data sharing arrangements, as well as rapidly changing developments with listing syndication and the big business of real estate listing portals (Zillow, Trulia, Realtor.com, etc.).

Here is a look backward and forward:

Past

For many years, C.A.R. Members complained of a highly fragmented and inefficient MLS landscape where brokers had to join and pay for multiple MLSs, with incompatible systems and varying rules in order to conduct business over different, yet nearby and contiguous geographic MLS areas. In order to confront and alter this environment, in 2005, through its Directors, C.A.R. adopted its official Six Guiding MLS Principles.

The Six Guiding Principles are that: (1) MLS data needs to be fully standardized with local options for data field variation; (2) California REALTORS® should have universal access to all MLS data; (3) use of MLS data and its distribution to third parties should be controlled by the brokers who provide the data; (4) MLS entities should exist for the benefit of participants and subscribers; (5) MLS rules should be uniform and enforced consistently; and (6) the MLS board of directors should include broker owners with appropriate regional representation.

By 2007, these Six Principles led C.A.R. to formally approve the development of a Statewide MLS. For the next 3 years, C.A.R. and its many dedicated Members up and down the State worked doggedly on this grand endeavor. It created the Statewide MLS structure known as calREDD®. The history written on calREDD® will reveal both successes and great challenges. It encountered vendor struggles, not to mention



great resistance, political barriers and the self-interest of the existing MLS structure. These hurdles ultimately prevented it from fully taking hold as the statewide vehicle it was intended. However, the pressure exerted by the statewide initiative produced some sought-after results C.A.R. Members were seeking in the MLS environment. Many existing MLSs started aggregating more aggressively. Vendors started making their software platform-neutral. These dynamics ultimately led to greater consolidation, regionalization, and data sharing than had ever existed before.

By 2010, the most promising way to scale C.A.R.'s statewide MLS initiative was to merge with an existing large regional MLS: the marriage of Multi-Regional Multiple Listing Service, Inc. ("MRMLS") and calREDD® occurred to carry forth the concepts of statewide coverage.

Present

The marriage of MRMLS and calREDD® produced what is known today as California Regional MLS ("CRMLS"). CRMLS (www.crmls.org) is the inheritor of the vision for a Statewide MLS. C.A.R. is still contractually connected to CRMLS, but CRMLS is a separate and independent entity carrying forth the Statewide MLS banner.

Since the merger, CRMLS has grown its footprint significantly. At 75,000 members, it has become the largest MLS in the country and offers choice and variety in the way it works with Associations as well as technology front ends for users. It has made great strides in moving towards a statewide data share with other MLSs. And it is still firmly behind the initiative to create a statewide MLS. In so doing, it has the support of C.A.R. behind it.

In support of this initiative, CRMLS has launched the "It's My Business" campaign to further data sharing in California and to see that access to real estate listing data is unfettered by people, politics or geographical borders. You can visit www.ItsMyBusiness.me to take action and sign up for updates about the movement.

Future

Wide-scale data sharing between MLSs is a significant benefit to REALTORS®. It enables connectivity into other areas that would not otherwise exist. However, it retains duplicate systems requiring participants to bear the cost of those duplicate systems and the messy mapping that can produce less than current data with imperfect translation.

Going forward, C.A.R. still believes a singular Statewide MLS with multiple front ends of choice is best in terms of serving the needs of California's REALTORS®. The technology and expertise exists to do it, and the cost savings alone would seem to be reason enough.

But there are other compelling drivers that make complacency in the fractured status quo a dangerous choice. In today's incredibly complicated world, one in which technology constantly changes and Wall Street money fuels nimble third party portals and others who feed off brokers' listing data, never before have so many outside the industry had such an interest in directing real estate's future. REALTORS® certainly want to have the primary seats at their own industry table. C.A.R. still believes a strong broker-directed, association-driven Statewide MLS would be a powerful force ensuring broad access to and control of data for California REALTORS® on their own terms.