

5 MLS hangups dragging real estate down

“There has never been a better time for MLSs to support their subscribers in preparing for the future.”

That’s according to Denee Evans, CEO of the Council of Multiple Listing Services, in the release of CMLS’s 2017 Best Practices Survey Report.



Denee Evans

Evans has been one of the leaders at the helm of the MLS reform debate. [At the CMLS annual conference](#) in September, she urged MLS to make homebuying less stressful for buyers and more successful for brokers and agents.

MLSs are well-suited to assist in navigating change, safeguard the market and help real estate professionals meet the expectations of an increasingly sophisticated consumer, the CMLS survey found. But brokers continue to have a number of grievances about their MLSs, including haphazard data standards and sluggish consolidation efforts.

The CMLS survey revealed five ways MLSs can improve if they mean to, as Evans suggested, enhance the entire homebuying experience.

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1. Avoid complacency

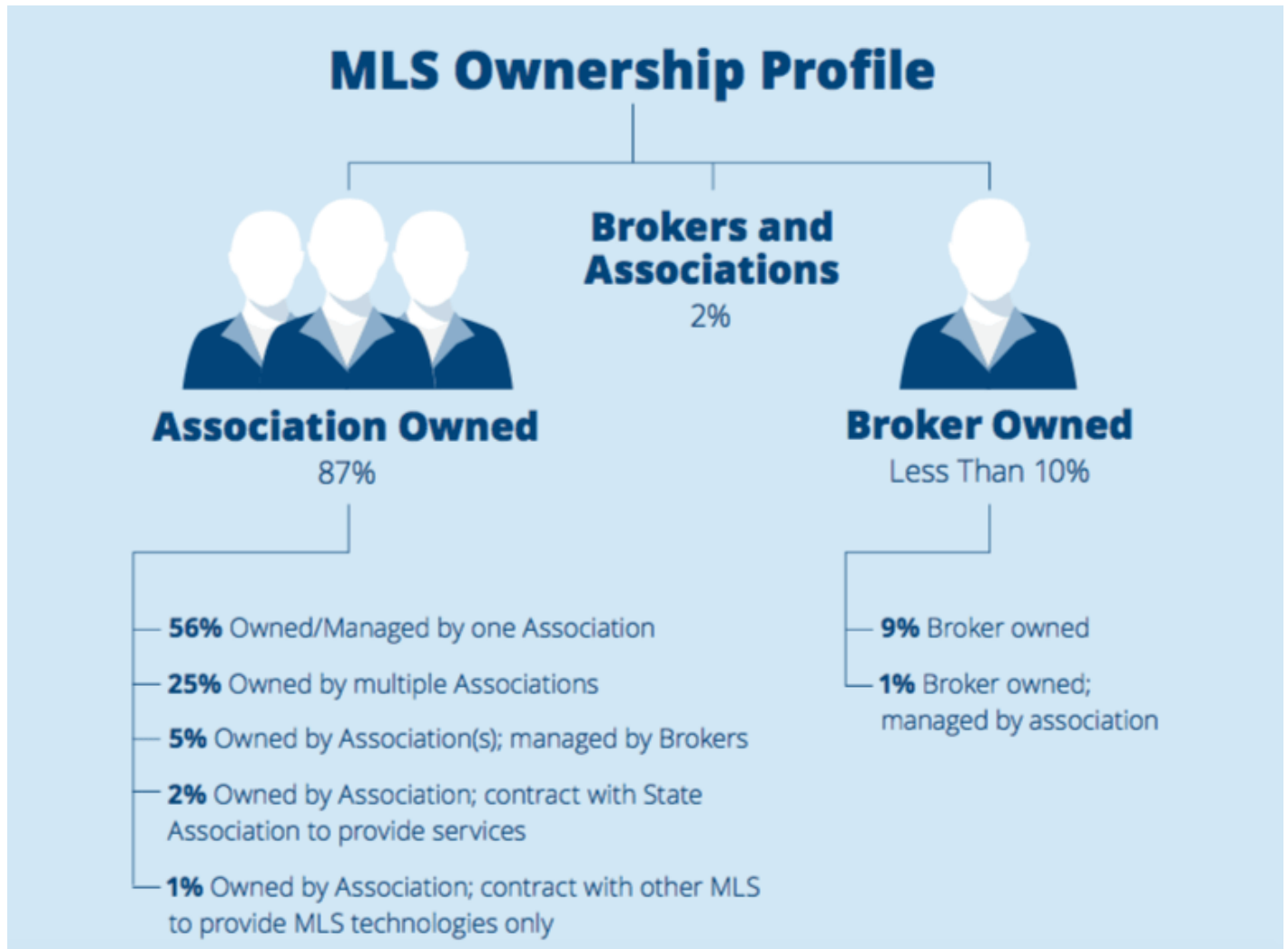
In August, [Evans gave some insight into the 2017 report](#), saying the results revealed that “successful MLSs are always looking forward” and know that “status quo is not a strategy” — the first key finding of the report.

According to survey respondents, complacency is the “greatest threat to the industry,” and successful MLSs are those that effectively manage IDX (internet data exchange) policy changes, market rules, and government relations and provide agent training in the form of live classes and online courses.

2. Review governance structures

Respondents expressed concerns about Realtor association-led governance structures in particular because “they can be a disadvantage when competing against highly-financed and for-

profit companies.” Furthermore, revised governance structures are important to reducing conflicts of interest, according to the report.



Source: CMLS

One respondent said there’s a problem when “industry-uneducated agents” govern the MLSs and make decisions on MLS systems and features, consolidations and other important industry issues that the MLS CEO should be weighing in on.

Decisions are made too slowly or not at all, and advice from the CEO — who understands current trends and issues — may not be taken by the board, the respondent said.

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“And the board can consist of members with personal agendas or vendettas against staff for enforcing rules that previous boards and NAR put into place,” the respondent added, suggesting extra qualifications be required to hold a position on the board of directors or assume an executive position.

3. Consolidate more and faster

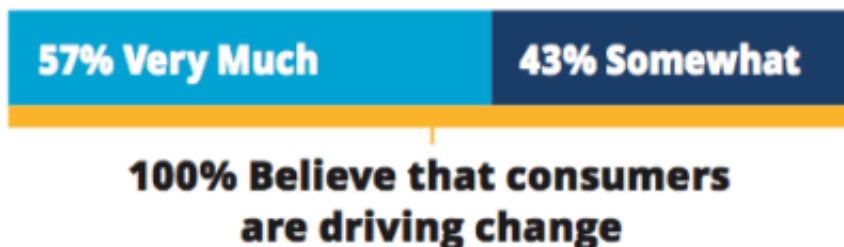
Respondents said they are more willing to consider consolidation due to the success of [Bright MLS](#) and [Smart MLS](#). Moreover, respondents said consolidation doesn't necessarily equate to a merger, especially since some MLSs have formed partnerships or cooperatives and shared services while maintaining autonomy.

4. Create safeguards

MLSs have to create solid safeguards in the face of an ever-changing real estate market influenced by disruptors inside the industry, according to the report.

“The biggest threat is probably the one we do not know about yet,” noted a survey respondent. “Keeping an ear to the ground, while also having a broad view of the future, takes a lot of multi-tasking for all of the different stakeholders in the MLS industry, from tech companies, MLSs and associations, Realtors, legislators and the consumer.”

The top way MLSs have chosen to provide safeguards is by creating written strategies for data quality and violation and fines (91 percent). From there, 70 percent employ data quality control software, 70 percent do manual reviews of new listings, 66 percent use reports from members and subscribers, 55 percent have stringent data compliance rules and fines and 47 percent offer ongoing training about how to submit accurate listings.



5. Help agents meet consumer needs

More than half of respondents, 57 percent, said consumers are “very much” driving change in the MLS industry.

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MLSs were originally created as a resource for agents and brokers, but with the advancement of technology and greater access to data, consumers are finding home information independently. Although respondents are aware of this, the majority said they lacked “well-defined strategies” to help brokers and agents meet consumer needs.

“Most real estate professionals define value in terms of listing appointments, leads and lead-to-client conversions; it is impossible for an MLS to deliver results without considering the consumer,” said one respondent.

About the report

CMLS commissioned Marilyn Wilson, founding partner of WAV Group and president of RETechnology.com, to field the 30-question survey. Nearly three-quarters of CMLS’s members, 71 percent, responded to the survey.

The full report is available to all CMLS member organizations, and non-member organizations can purchase it at councilofmls.org.

[Email Marian McPherson.](#)

Source: [click here](#)