

# Partnering With Data Consumers

A CMLS Best Practices White Paper

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One of the initiatives of the Council of Multiple Listing Services (CMLS) is to provide a framework for efficient data access and distribution. An alliance between data consumers and multiple listing services (MLS) to expedite broker requests and bring new technology to market will directly benefit the real estate industry.

CMLS realizes that technology drives how real estate transacts between consumers and believes this document will help foster long-lasting relationships. For example, if you are acting on behalf of an MLS and responding to inquiries from outside vendors, this document can help guide you on what dataset should be delivered and how it should be delivered. It can also be used by any interested party as an introduction to understanding data distribution and to better formulate requests.

This document reflects a consensus among industry leaders, MLSs, technology vendors, and licensed real estate professionals. It is focused on solving business problems and is not intended to solve technical problems.

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## Definitions

To alleviate frustration, please consider the following when requesting data from MLSs.

**MLS:** The organization that enables cooperation between agents and brokers within a region. They maintain a database of all active, pending, and sold listings that is not available to the public.

**MLS Vendor:** Software companies that provide software to MLS organizations. Typically, this software enables agents and brokers to add specific listing details into a common database.

**Third-Party Vendor:** Companies that typically provide software to agents, brokers, and consumers that rely on data sourced directly from the MLS. These vendors rely on the MLS vendor for services that enable a data delivery system.

**Data Consumer:** Any person, company, organization, or association that requires access and delivery of listing data directly from MLS.

**Payload:** The minimal set of data that is required to be delivered by an MLS. The Real Estate Standards Organization has outlined the specifications, and more detail can be found here:

<https://www.reso.org/new-reso-workgroup-tackles-data-payload-standardization/>

**API (Application Program Interface):** An API is a set of tools and protocols that helps developers build software. An API generally takes requests and delivers responses. This programming tool is generally behind what most consumers have come to expect when using platforms like Facebook, Twitter, and search services. APIs make it possible for developers to integrate big data, devices, and almost everything on the web.

Below is a list of RESO approved APIs:

<https://docs.rprapi.com/>

<https://www.sparkplatform.com/docs/reso/overview>

<http://www.bridgeinteractive.com/developers-landing-page/>

<https://trestle.corelogic.com/Home/Providers>

## Demand API Usage

**Description:** Advances implemented by organizations such as the Real Estate Standards Organization (RESO) make it easier than ever for data consumers to build scalable products and deploy technology into new regions. These advances make building quality technology cheaper and more accessible to the MLS membership. If the MLS does not demand that vendors use API to power their technology, then the MLS is effectively supporting the stagnation of real estate technology.

**Best Practice:** Demand all new third-party vendors and data consumers receive data from an MLS using API approved by RESO. Create an organization-specific deadline to migrate all legacy vendors from receiving listing data via the Real Estate Transaction Standard (RETS) onto RESO approved API. Openly integrate with all available API focused transport platforms regardless of parent organizations. This democratic approach provides a buffet of choices and encourages healthy competition among platforms, thus creating a more robust marketplace.

### Tips:

- Put your RESO data dictionary certification to the test. Integrate with at least one vendor onto your API of choice before 2018.
- Be an industry leader by migrating all your vendor clients onto API in the next 24 months.
- Create a meaningful dialogue between the vendor, the MLS and the MLS software provider, educating each party on the fundamental benefits of API usage.

## Educate MLS Staff Members

**Description:** The new world of API usage in real estate data has created many questions while providing few answers. When technology moves forward, the documentation and education process must adapt to support the new needs of MLS staff who work with this technology. MLS vendors and API platforms must actively engage and educate MLS staff. MLS should also consider how third-party vendors will adopt this new technology. The MLS should be creating business rules that account for ease of access and create alerts that help avoid excess data consumption.

**Best Practice:** Every MLS should promote and educate an API specialist. Most importantly, this person must understand how to create and deploy access credentials to third-party vendors that have been approved for data access. They should fully understand the technical capabilities of APIs they work with. During the RETS era, the concept of duplicating an entire database was common and even encouraged. API provides developers with a new sets of tools that eliminate the need for data replication. This allows an MLS to manage access and secure data delivery based on the specific needs of a third-party vendor.

### Tips:

- Educate your MLS staff on the basics of RESO-certified APIs.
  - Each member should understand what API is and how it works.
  - Members should clearly understand how to deliver credentials that enable access to data via API.
- Encourage MLS staff to attend API workshops and workgroups hosted by CMLS and RESO.

## Deliver The Right Data

**Description:** Data fields delivered to a third-party vendor are decided by both policy and/or individual business decisions enacted by brokers and/or an MLS. Primary problems occur when vendors and MLSs do not clearly communicate data sources. For example, miscommunication may occur if a vendor requests a data feed on behalf of a broker and is instead delivered an IDX feed. Effective questions and requests for clarification can ensure that an MLS accurately determines what data feed access is needed and should be granted.

**Best Practice:** Each MLS should strive to quickly and accurately define the needs of the company or contractor requesting data. Not understanding the nuanced differences between similar business requests can lead to poor data distribution. If you received a data request that is vague, or if you recognize that their understanding of organized real estate is limited, this document serves as a recommended resource. An active conversation that expands beyond the status quo will ensure that the MLS remains the primary source of listing data. The MLS must also consider the evolution of technology and realize that lines may become blurred as new business models emerge. Do not let situations such as these result in automatic denials. Instead, encourage natural curiosity to ensure that requesting parties find the right data. The MLS should be focused on supporting technology with free flowing data, so the innovators do not instead supplement their products with similar but non-MLS derived data.

### Tips:

- Clarify what type of party is requesting data and what their exact needs are.
  - Misunderstandings arise when data requests do not properly articulate who will be using the data.
- Streamline API approvals for IDX and brokers. These are the easy requests and will free up much needed time for more complicated customers.

## Desire to Discover

**Description:** Many outside observers claim that the real estate industry has largely remained unchanged for years, if not decades. Once the curtains are pulled back, the average technologist may find the current state of this industry to be daunting and overly complex. When you combine the enormous amount of fragmented data with rule-associated fields, it is not surprising that innovation requires patience.

**Best Practice:** Executives and their technology committees should be compelled to discover new products and vendors. An MLS should invest in its immediately surrounding area by initiating contact with compelling technologies. At a minimum of once per quarter, there should be a technical demonstration by a new data-driven vendor, company, or startup. These products should be 50 percent inbound and 50 percent outbound opportunities. Outbound opportunities refer to invitations--initiated by the MLS--to potential participants in these technical demonstrations. The technology committee should be composed of dedicated experts who are required to participate in discovery.

### Tips:

- Connect with local co-working spaces and startup accelerators. Invite entrepreneurs to learn about organized real estate.
- Host a demo on new and emerging technology that might not be real estate specific. Most advances in real estate technology are first debuted in other industries.
- Host an information session on APIs and what kind of data can be made available to eager developers.
- Deploy a bounty program. Have a technical problem you need fixed? You may be surprised what can be solved in a few hours by smart and eager developers for a small fee (bounty).
- Be proactive, not reactive. Waiting or hiding from innovations in technology makes the MLS susceptible to approving bad technology.
- Be a strong technology advocate that your organization can trust.



## Demand Action

**Description:** The process of approving applications by brokers, agents, and MLS organizations can feel unnecessarily lengthy. Newcomers to the space can expect to wait months; some processes can take more than a year. This lengthy business development process sometimes encourages technologists to examine and explore alternative routes. In some cases, this leads newcomers to adopt practices that exclude participation and partnership with the MLS. This ultimately decreases the value of the Multiple Listing Services as vendors circumvent MLS data sources. Quite often, data consumers and vendors can be left waiting and wondering what is required by the MLS.

**Best Practice:** Clearly define the process for applying and accepting partnerships that utilize MLS listing data. This should include how often you accept applications and a rigid timeline for processing. Ideally, each MLS will include a rubric or road map that guides vendors toward a path of success. An MLS will also publicly document its process and inform prospective applicants about timelines, requirements, and expectations required for approval. The business negotiation process should never last longer than six consecutive months for any business deal not exceeding \$500,000.

### Tips:

- The organization has a duty to expedite all requests. The MLS does a disservice to its members when it ignores or complicates the vendor process.
- Create and enforce concrete timelines that startups, vendors, and other data consumers can depend on. The industry as a whole deserves this courtesy and allows emerging participants in our industry to focus their energy efficiently.

## Measure Success

**Description:** The consumption of listing data has never been higher and more coordinated. How often, how much, and by whom the data is being viewed and consumed is recorded and stored by every vendor. The Multiple Listing Service has a duty to request and measure the amount of data every vendor is consuming. This proactive requirement will help maintain a healthy and sustainable product catalog in each MLS.

**Best Practice:** Create data-driven KPI (key performance indicator) for each product that reflects the needs of your membership. Purge and regulate vendors that are consuming excess data that unnecessarily taxes your MLS infrastructure. Additionally, require data consumers to implement usage monitoring that delivers quantifiable metrics back to the MLS. Expectations regarding reliable usage analytics will help maintain a robust product offering to MLS membership.

### Tips:

- Suggest widely adopted analytical tools and require vendors and data consumers to employ a verifiable window of transparency.
- Purge under-performers. Review performance and compare with business pitch.
- Define metric-driven guidelines that determine success for your organization and make them publicly available to potential vendors.

## Listing Equality

**Description:** Each dues paying member of your association or organization should be represented fairly in all negotiations with data consumers. Each member's dues help to fund the technical infrastructure that delivers listing data to vendors. Each listing, from a data perspective, has equal weight regardless of outside factors such as listing price, broker size, or agent seniority. The importance of listing equality is to ensure that the MLS has the strongest negotiating power when protecting the interests of membership.

**Best Practice:** All listing data, when delivered by the Multiple Listing Service, should be presented visually and programmatically the same on public-facing technology. In an effort to promote fairness among all dues paying MLS members, when data is being delivered via MLS infrastructure, the listing should be required to be represented equally both on the front end and back end when displayed to consumers. Such fairness will benefit agents and brokers of all sizes, most notably in SEO. It ensures that a small broker that pays the same membership dues as a large broker has an equal presence on public-facing vendor websites.

### Tips:

- Democratize listings, regardless of agent, broker, or alternative affiliation.
- Treat each listing as an equal shareholder in negotiations.
- Demand that all listings powered by membership-supported systems be treated with superiority over alternatively accessed listing data.

## New Consumers To Real Estate Data

The following descriptions are intended to help newcomers navigate and request the appropriate data when engaging an MLS. These guidelines are fluid, and they are not intended to be definitive. Keep in mind that many of these feeds have strong similarities.

**IDX:** The Internet Data Exchange, more commonly known as IDX, was implemented by organized real estate in the early 2000s to help brokers and agents display a limited amount of listings on websites. Subsequently, each MLS is required to make these limited listing details available to MLS participants unless an agent or broker has opted out of IDX. Rules surrounding IDX vary from MLS to MLS, and policies reflect both association rules and state laws.

Data delivery varies from organization to organization. During the inception of IDX, data was delivered via FTP. In some cases this antiquated technique still exists. More recently, the Real Estate Transaction Standard, better known as RETS, created a more normalized technique of retrieving data. Presently, the preferred method of data delivery is via the RESO (Real Estate Standards Organization) web API. This modern delivery method is being adopted by MLS organizations around the country. When sourcing listings from an MLS, technology partners should request and require that an MLS delivers its listing feed using a RESO-compliant API.

IDX is the preferred feed when displaying listings to consumers regardless of their relationship with an agent or broker. IDX is ideal for websites built and operated by agents and brokers. IDX is also commonly used in consumer-facing websites and apps. When requesting an IDX feed, consider the end user, the operator, and the business model to determine if an MLS's IDX feed is appropriate.

IDX should not be confused with other feeds that are currently delivered to many popular syndication platforms and portals. These feeds are often ruled by a unique set of data distribution rights. Please be aware that data, although standardized by RESO and NAR, can be disparate based on local laws and policy. For example, NAR has mandated that Sold Listings be included in all IDX feeds. However, in non-disclosure states, such listing details are withheld.

Refer to this link published by the National Association of REALTORS for IDX policy:

<https://www.nar.realtor/sites/default/files/policies/2014/Internet-Data-Exchange-IDX-Policy.pdf>

**VOW:** The Virtual Office Website, more commonly known as VOW, is a more detailed feed of listing details when compared to IDX. Originally, VOW was created to allow brokers who did not have an office to compete with established brick-and-mortar brokerages. This is a highly contested feed and was subject to an investigation by the U.S. Department of Justice. Read more about that here:

<https://www.nar.realtor/topics/nar-doj-settlement/virtual-office-website-vow-policy-nar-doj-settlement-details>

In almost every instance, the recipient of a VOW feed must be a licensed broker and MLS participant. Although debatable, the biggest benefit to a VOW feed is the inclusion of Sold Listings. The inclusion of Sold Listing information in IDX has greatly decreased the advantage of obtaining a VOW feed versus an IDX feed.

**BACK OFFICE:** This feed is not available in all markets and is only made available to active participants of the MLS. As the name implies, this feed is to be used for in-house and back office uses. Agreements to obtain this feed are discretionary and made directly with the MLS. Any vendor or partner accessing this data on behalf of the recipient must also enter into an agreement with the MLS. This data is very detailed, often including information not found in either VOW or IDX feeds.

Potential uses of this feed include powering customer relationship management platforms and recruiting tools for brokers. The data, like VOW and IDX, should be delivered via a RESO-compliant API, but more often is treated like FTP with full data duplication. Confidentiality and security should be treated with the highest priority, as back office feeds contain data not intended for consumers.