

Ed Neves:

Good afternoon. I'm Ed Neves, 2020 State President, and I would like to thank you for joining the Illinois REALTORS® online MLS Forum. The MLS Forum began a few years ago to keep the REALTOR® community up to date with the rapid changes in MLS services, data and technology. With the challenges that we've all faced in 2020, it is especially important that you receive this valuable information this year. First on today's forum, you'll hear from a panel moderated by Rebecca Jensen, President and CEO of MRED, with panelists Denee Evans Hofer, and CEO of the Council of MLS and Sam DeBord, CEO of the Real Estate Standards Organization.

The panel will discuss what's on the horizon that MLS and brokers should be paying attention to, and how the pandemic has affected our industry. The panel will be followed by two presentations, the first on emerging technology trends with MRED Chief Technology Officer, Chris Haran. Then the forum will close with a presentation by Gay Cororaton, NAR Senior Economist and Director of Housing and Commercial Research. She will provide information on how MLS data and housing stats can be used strategically in your business and marketing efforts.

To get our panel discussion underway, I would like to introduce Rebecca Jensen, CEO of MRED. She has worked in the MLS industry since 1998, and has well over a decade of experience as an MLS CEO. She currently serves as board chair for RESO and the MLS Grid, and she is a board member at the California Regional MLS and the Broker Public Portal. She is on committees for NAR, CMLS, realtor.com and Homesnap. Rebecca has spent years on the Inman 100 Most Influential People in Real Estate list, that is quite the accomplishment and the Swanepoel Power 200. She has also been honored with the WCR Chicago's Elevate award, and RISMedia's Futurist Award. At this point, I will turn it over to Rebecca, so she can introduce our panelists and get the session underway. Thank you very much, Rebecca. It's all yours.

Rebecca Jensen:

Great, thank you so much, Ed, and everyone at Illinois REALTORS® for giving us this opportunity to share what's happening in the MLS industry. I would like to first start out by introducing my two panelists, Denee Evans and Sam DeBord. They have spent a long time in the industry and they definitely know how to keep current on everything that's happening. In fact, when we were preparing for this session today, Sam told me that he's also moderating panels at the Inman conference, and so I promise to get him out on time.

But for those of you that don't know them, let me just tell you a little bit about their background. Denee Evans is the CEO of CMLS, also known as the Council of Multiple Listing Services, which is an organization that represents more than 200 of the nation's leading multiple listing services. She's nationally recognized as an industry leader, she's been named as the REAL Trends game changer, and RISMedia newsmakers. She's also been included in the Swanepoel Power 200 and the Inman Top 100 Most Influential People in Real Estate. She currently serves on the board of Second Century Ventures, the advisory board for Pearls Certification, a member of the Freddie Mac task force for affordable housing, and a member of the President's Associate Council of the University of Nevada, Las Vegas. Thank you very much, Denee for being here.

Sam DeBord at is the CEO of Real Estate Standards of Organization, also called RESO. It's an ongoing debate about how you say it, but I prefer RESO, which is also known as the Real Estate Standards Organization. Sam has more than two decades of experience in the real estate industry spanning not only RESO, but also real estate brokerage, mortgage lending and technology consulting.

Previously, he served as the President's liaison for MLS and data management at NAR and on the board of directors NAR, Second Century Ventures and California Regional Multiple Listing Service. Again, thank both of you for being here. For all of those attendees that just gave a standing ovation, go ahead and sit down, and we could go ahead and get started.

We would like to just basically have a conversation about what's happening in the MLS industry so that the brokers and association executives on this Zoom meeting can hear firsthand from the people that are really making change in the industry. Not only what your organizations are doing but also what you're hearing. I know, Sam, you recently wrote an article for Inman about the now policy. Just in case there are people that are listening in that haven't had a chance to read it, I'd love if both of you could talk about the now policy, where it began and where it's going. First, Sam, since I believe it started at RESO, would you kick us off?

Sam DeBord:

Thanks, Rebecca. Really, when we start talking about policy, I think that word sometimes turns people off a little bit, maybe we're going to get into a little bit of a boring topic. But this is really about technology efficiency, and everything RESO does, is really about bringing efficiency to the technology of MLSs, of brokers and agents, and then for your consumers that you work with.

The concept that came from our pain point sessions, which is where we bring brokers, MLS execs, et cetera, together to say, what's not working in your technology? You don't have to know the answer of how to fix it, you don't have to have the solution, but you come to RESO's sessions and say these things don't work. Are there people here who would know how we can fix this? We heard from brokers and MLS execs as well that at this point in the way we use data in the industry, we're too constrained by old concepts of how we siloed data. We've got things like an IDX feed that might be for advertising, you've got a broker back office fee for different data. Somewhere in the middle, you've got a valve fee, that's got a little bit of both.

When brokers are working with an MLS, they just want to get their data and use their data according to the rules. Not surprisingly MLS execs agreed that simplicity is what they're looking for. Good, strong rules, good policy, but then simplicity to make it easy for the brokers to do the business with their consumers. We really had an almost consensus with a group of brokers and MLS folks that there was a need to simplify around one policy, move that forward to the industry in a way that people could continue using the tools they have right now, but start transitioning to something simpler and easier, because data is a huge part of broker's business these days, they're depending on more and more data and more and more technology to supply the services and the information that they need to their consumers.

We brought this to a number of different groups, saying this is what RESO membership is looking for. Lots of your brokers and MLSs work with us obviously at RESO. Virtually, every MLS works with us in some fashion at RESO. We've talked to folks at NAR's committee. There's an advisory board that brings policy to the MLS committee and then to the board of directors, and it's really just been conversational at this point. What might that look like if we could have a very efficient, single policy? How would that fit best for brokers? How would it fit best for MLSs? And do it in a way that throws off the constraints of the way we used to think about data and technology, and just start from scratch with the cleanest system we could get to? We're still in that building the model phase, and that's probably a good thing for Denee to be able to talk about.

Denee Evans Hofer:

Yes. I think if I was to summarize a bunch of that, the way I describe it is that we have to look at how we can foster innovation and improve those efficiencies, and really help move our industry forward, while still ensuring that MLSs can continue to provide that gold star standard of the data. There's the balance that we have to do. All those things you described, Sam, they're very important, and yes, it gets complicated. MLS has issued a white paper where we said working with data consumers, just to try and define a bunch of those terms and what you need for what because it does get confusing.

At CMLS, one of our strategic priorities has been national policy, and how do we foster that innovation? We did just come off our last meeting where we did propose and get approved and will be implementing a Participant Data Access Policy, which as an acronym is PDAP, which I jokingly call the Public Display of Affection Policy, so I can remember the acronym but it's really Participant Data Access Policy. Not only do we propose the policy, but next week we will be rolling out from a workgroup of industry people, how that can be implemented, and that whole purpose was that brokers get their own data back.

It was mind-blowing to me that that policy didn't actually exist, and it seemed kind of silly, but it didn't. So, we wanted to cover that and make sure our brokers got their own data back. I think we're looking forward very much of what you're talking about, Sam is part of the mission of CMLS is to bring the industry together, and that means not just MLSs, but brokers, technology vendors working with RESO.

You and I have had several conversations about this policy, how do we bring industry together to solve those issues? Because if it's just MLS, people sitting in a room, we're going to have one perspective. If it's just the brokers, just the technology, the key will be that we're bringing all these different participants to find those solutions to those inefficiencies and foster that innovation going forward. CMLS is committed to taking that forward and putting a workgroup together and proposing stuff to that advisory group, you mentioned, the tech... I don't have another acronym, so you can tell me what it is Sam, but I just call it the Emerging Issues Group that we will be proposing that policy to in the springtime with both the policy, the implementation guide, and best practices around how to do that for MLSs and their business partners.

Rebecca Jensen:

I like to think and I love that RESO and CMLS work together with NAR to make big things like this happen. It sounds like CMLS has some resources that might be available on this. Would you recommend that MLSs and their leadership look first to CMLS and then go to RESO, or how would you recommend they dig deeper into this policy?

Denee Evans Hofer:

On the new policy Sam was describing, we'll be making a call for a workgroup as soon as I get past our own conference, ours starts next week with our legal sessions. I had to wait until after that. But after that, we'll be calling together our workgroup to start convening people to share their input, and there's already some work done, Sam had already been circulating, we have some great feedback from some different technology brokers.

I would say, keep an eye on that, and contribute to what that becomes. Help shape that policy and give us the perspective from all different angles.

Rebecca Jensen:

Okay.

Sam DeBord:

Having it at CMLS's hands is great, to have folks with boots on the ground at the MLS level, and know how policies get implemented. Got a lot of great ideas so far that are involved in that. Just for folks, in terms of the groups we're talking about, that advisory board meets in March, and then the board of directors for NAR meets in May for mid year. That's the potential timeline for something like that to come together. There's a lot of time for CMLS and the MLSs to work on what that implementation would look like, and give more clarity to the industry before actually passing the policy.

Rebecca Jensen:

Great. Thank you. I'd like to switch topics a little bit. I know that I receive at MRED, a lot of inquiries about what's happening in the commercial and the rental space, especially with all of us working from home and people reassessing whether or not they need an office lease or what that looks like. I wonder if you both would let us know what you're hearing in the industry? I know, recently, I read something about CoStar joining RESO as one of the members helping to develop commercial standards for industry. Sam, if you wouldn't mind kicking us off and letting us know what you see happening in the commercial and rental space?

Sam DeBord:

Sure, that's a big focus for us right now, as most of you probably know, RESO was initially very focused on MLS specifically, and that was very highly residential, the average MLS is much more residential than commercial. We've had a commercial data set, we've had a rental and multifamily data set within the data dictionary. But our focus has been very residential to this point. But we've seen a lot of demand for expansion from MLSs in particular. Your brokers are saying, can't we get more data for all of our purposes? But, we work in residential and commercial, we have rentals. When we have these kinds of things, we need them to start at the MLS, which is our lifeblood as a broker in terms of data, and then when it's within the MLS and it's standardized, and there's standard ways to access it, it can flow into our other tools.

Yes, we had CoStar just joined the organization recently, other commercial organizations as well, and they're coming in with their data sets that they use on the commercial side, that traditionally have just not been standardized. They're just different in every implementation. These folks also work in multifamily and rentals. They can bring in a broader data set, we can look at that with our hundreds and hundreds of member organizations and say, what should an MLS's rental data look like?

Right now in a lot of cases, it's probably just a handful of fields, but if you want to go big and be able to play on these big data platforms and really help consumers or business partners with your data, you really need to be able to expand that set.

We've got that from one side in terms of commercial, we've got Rental Beast who joined RESO as well, they work directly with MLSs to get inventory, and to get those data fields into an MLS. Again, that's a critical component there. It's not just having the fields in your MLS, but actually getting rental inventory in there. It's an exciting time for us because we really think we're going to be able to help MLSs just build out many more services and more full services in terms of data to supply to your partners and to your broker participants, and really bring more folks into the fold on that standardization side.

Rebecca Jensen:

Exciting. Great. Denee, you were telling me that you were recently having some conversations around rentals and commercial. Can you share some of the details?

Denee Evans Hofer:

Absolutely, I think to your point, Sam, it's about being able to power that future need of the professionals, power the need of the REALTOR® as this marketplace does evolve. The new consumer demands, the new professional demands, the MLS has to constantly think about the marketplace, the real estate marketplace, just constantly questioning and evaluating what should be included in that. As you said, rentals are what we're preparing for our conference, we have a panel on rentals, and that impact and what does that look like for an MLS? Why would you have it, and how important that data is to the data set overall, and just having that information about your marketplace.

Because earlier this morning, I was listening to Inman... I forget what it's called, but there's an Inman conference happening, and there were two people on there who were a little outside of our industry. But talking about rentals in a different concept of short term rentals and looking at a single family residence as more evaluating with cap rates and more in a commercial concept about how they're producing income streams. Again, just as MLSs and thinking about us facilitating the marketplace, what data do we need in there to maintain that, and to really power the professionals so that they can meet the needs of their customers?

Just because we've always done it that way, doesn't mean that we should. We've really got to constantly question those things and think about this evolving marketplace and evolving needs.

Sam DeBord:

Yeah, if you think about a real estate, and I was a broker and agent for many years, there was a really disjointed part of my relationship with my clients, the rentals just weren't in the MLS, we didn't have the inventory. We would do whatever we could as a real estate agent to help them and try to work with them. But it was something you knew beforehand that you were probably not going to close the deal for them, and you're probably not going to get paid, and you did it anyway because you were trying to help them with the relationship and build that client base. But when the MLS can really help support you, you've got somebody who can build a much bigger and much stronger relationship business that way.

Rebecca Jensen:

Right. You mentioned Rental Beast just joined RESO. We have also had very good experience with them at MRED. I'm happy to see that vendors are also coming into that space to help MLSs, so the MLSs could in turn obviously help the brokerage community. Shout out to Rental Beast, they are wonderful.

We've mentioned about how the market is changing because of remote work. Can you give any explanation as far as what RESO and CMLS are either seeing or specifically doing that might be actionable for the MLSs in Illinois to take note of and maybe pursue? Either one.

Denee Evans Hofer:

I'll take that one. I think if anyone's familiar with LEED certification, and LEED accreditations. I had mine, I was a LEED Green Associate and it was very much about live work and play, and if we didn't just jump into what that looks like today, as like everybody is considering that where do I live, work and play just became so central to our homes. That used to be a fringe thing of, I worked downstairs in the storefront and then I go live upstairs and the play was your area around you, and now just looking at home as that concept.

I'm hearing more and more discussion and more and more consumer wanting to search for... Being able to search for a home office, or a home gym or a home school as like, I'm battling with my kids right now because I think they're in class. Who's got the most bandwidth here? Or workouts cell coverage. In my neighborhood, everybody here has the super duper fancy cables that I don't know the name of, but my husband does, but it didn't come down our cul-de-sac. At some point, if you're looking for a house in the future, and you've got some major companies who have said, we're okay going to work from home, it is going to have a longer term impact.

Thinking again, that consumer expectation, I will say I personally am a consumer right now, because I have a house I'm listing for sale, and trying to get the photos of that house out and the video and then Mater reports and the 3D tours, it's so overwhelming.

Because it's so new to everyone, just trying to get them to connect on what goes where and how and what, it's been an adventure for me, it's been a good one just to help learn and understand from where I am in the industry to help communicate that out that we can hopefully just make it a little easier experience. But, I think we just have to really pay attention to the new consumer behaviors and wants as this has made some significant change. Somebody said a few weeks ago, it's like, we just evolved a decade in six months. Whether it's a decade or five years, I've heard different times, but it just was so rapid, and we've got to grab it and figure it out as an industry to keep leading through it.

Sam DeBord:

Yeah, that's exactly it. It's really just looking at those consumer trends. Like you said, they've accelerated so quickly right now. I'm working from home right now, and I have three kids in the house all streaming school, because they're in remote school. I can't connect on the regular Wi-Fi, I've got a cellular hotspot that I'm using to take these calls right now. That's what people are going to want to know, not just randomly giving people information about what's house by house, but how do we define those things?

Is there a category we need the MLS that says, cable broadband, fiber, other kind of satellite high speed access.

Do we need to be able to say, I have a home office, and it just happens to be a cubby in the basement? Or do we need to have certain standards around what a home office is? Does it have certain kinds of access to electrical, does it actually get a decent Wi-Fi signal? Is it an exterior office versus an interior office? I think, as you said, we're seeing such acceleration, and people wanting these as some of their primary needs for their home right now. We're going to want to do a lot more research around that and figure out how we can provide more clarity to the consumer who may be looking now because they work remotely. They might be looking in three different cities or even a couple of different states for where they want to buy their next home, and to be able to compare a home with an external office and cable broadband across two states requires us to put some standards around the way we define those parts of the data.

Rebecca Jensen:

Yeah, absolutely.

Denee Evans Hofer:

I have to point out that it's really clear why Sam is at RESO because he just rattled off all the really clear names and definitions of those things that I'm like, those cables in the ground. So, thanks for clarifying that for me, Sam. But I also wanted to add on to what you said about people looking in different places. Something else I heard also was people living where they want to, not where they have to. This fully opens up this picture, which I think goes even more to MLSs and it is said so regularly here in MLS conversations, is artificial boundaries. Where people want to look for houses, I just think that it's blowing that up even more so is that I don't just have to look here because I live here and I work here. They're detached anymore. I just wanted to add that to what you were saying in addition to proper terms. Thanks, Sam.

Sam DeBord:

Your point about tours, folks are buying homes sight unseen, not all of them, but they're wanting a lot more information before they have to show up and meet an agent and get in the car and go to a property. Whether they're buying remotely from another state or whether they just don't want to go do 25 home tours in person with people, they want to see a virtual tour and a digital floor plan and a walkthrough and being able to support them in those things, not ad hoc, not just bolting a functionality onto one MLS, but to have a common way of us saying, every listing's got a slot here for a floor plan and a slot here for a virtual tour. Here's how the broker can download it, here's the agent can download it and get it to their customers. Those are areas we need to continue to explore.

Rebecca Jensen:

Yeah, absolutely. I think maybe one or both of you said earlier about the artificial boundaries between MLSs and definitely what I'm hearing is more emphasis on data shares or MLSs working together to get data sets so that we can help the brokerage platforms, because a lot of brokerages are developing their own platforms that aggregate all of the data as well. It's definitely a trend that I have been seeing has renewed emphasis on it during the past year, for sure.

I know that both of you mentioned conferences and things that are coming up, and I wanted to give you the opportunity to let the audience know what it is that will be discussed at your upcoming conferences and just let everyone know what they're about and when they are. Please let us know more.

Denee Evans Hofer:

I guess it's mine first, I'll go first, Sam? CMLS Conference, we actually are starting next, I think it's Tuesday, I'm looking at my calendar with our legal week. Before, we always have legal session. That starts next week, where we talk specifically about MLS issues and the legal... It's a bunch of lawyers talking, it's probably less exciting unless you're really into that, but always great information, and people really, really appreciate that.

That starts next week, and a lot of the same topics that are in our general session, but just the legal side of it, legal perspective. What's really exciting, we have one session that is specifically geared for volunteer leadership. Just really understanding the legal side of being a director at an MLS and just walking through some of those things.

I've been part of some of those planning. I'm very excited about that and a new piece of what we're offering this year. Then our main session will be the following week and I think really, the main topics we are talking about rentals in the MLS and do MLSs have them? Why do they have them? Are they required submission? What is the licensing require? We have broker talking about it, and a couple of MLSs across the country and how they handle them.

We are talking about a buyers' MLS. If you think about typically an MLS focused on the listing side of things, and we've got a lot more companies coming out focusing on buyer activity and buyer's agents. We're talking about how that works within the MLS, and the future that might be there. Status quo, you heard me talk about it just because we've always done it, doesn't mean we keep doing it, we've got to question that, we've got to see how we just really foster that innovation and powering the future consumer expectations but we're doing that by powering the professional, by powering the real estate agent.

I think those are some of ours. I've got Sam on there, he's going to come talk policy again, because policy's fun. Then what I'm really excited about, we have Claudia coming in, who Peter's talking about just what she's seeing the industry looking like in three to five years. I don't know if you've ever been able to sit down and just talk with her, but super smart, and just her perspective with the brokerage background. She's in venture capital now, and just the people she gets to talk to. I got to do that prep call with her that made me super excited the other day, and looking forward to that.

We really try to push what's the future look like? But then bring it back a little bit to feeling okay, what tactical things can you take back today to do to help build towards that future? Because one of the things I'm preparing in my opening remarks is that if you're waiting to say that my members aren't asking for something before you move on something, you've missed it. If that's the trigger that says oh, we should deliver this, it's kind of too late, because somebody else is going to be meeting that need.

Really looking and working on, as MLSs, as the leaders of those organizations, both volunteer and staff, you're really trying to see down the road, right? That's why you're here today. That's why you're participating and listening is to understand what are those future needs, and how do you build your organizations to meet them so that when they say, "Hey, I do want this now." You go, "Okay, here you go. You're ready to do it and you're prepared and able to power the professional, power the realtor to meet those consumer needs that are exponentially higher today based on what we've just gone through.

That's our little sneak peek. One last thing we are very excited about, we are working on a consumer campaign about the value of the multiple listing service. That was one of our big strategies this year as well. It's called In The Know. We will be releasing that at the conference. We've got some little sneak peeks, but just what does the multiple listing service do? What does a REALTOR® as part of that multiple listing service community do for the buyer, for the seller? What is the value to that?

We've been trying to work really hard to articulate that and clear non-industry terms, which has been really hard, but that is starting to roll out and we're launching that officially at the conference in two weeks. Just a couple of things going on.

Rebecca Jensen:

Yeah, not much on your to do list, haha. Great. Sam, what's RESO's slate?

Sam DeBord:

We're in a similar situation now. I was just telling my wife that I didn't realize there was still conference season, even though we're all at home. But there's definitely still conference season. We're at the end of October, October 27 to 29th. Easy to get your staff in. Ninety-nine bucks is a lot cheaper than your average conference in a travel year. Love to get as many of you as we can. The less exciting part but very exciting for us at RESO, is that this is the year we moved to one standard.

We moved from where we used to have bronze, silver, gold, platinum, everybody was working their way up to the same level. This year, we want to come to one standard. We've rebuilt the entire certification stack. It'll be software you can use with your team. If you've got technical folks, you can run it against your own system, you can see where you might need to make changes or upgrade things or see that you're already ready to pass. As we get to the end of the year here and we make that transition to the new testing and the new one certification, it just really brings some unity around the way we do data as an industry, particularly at the MLS level.

That's exciting for us.

Rebecca Jensen:

Just real quick, Sam, because there might be some people that are new to MLS leadership, can you briefly explain why the MLS certification is important for them to understand?

Sam DeBord:

Sure, that's a great point. I assume these things too often. Having a certified system is important from a business perspective, because your customers can work with as many MLSs they want in a similar way. It's really, the standards are just about having systems that can talk to each other. They're not all built differently, speaking different languages. Now, your broker has to build six different systems to work with six MLSs.

The standard for data dictionary, and the way we move data, which is the Web API are just a universal language of data and real estate. Getting a certification says you've built out your system to that level, systems can communicate. It's a requirement for REALTOR® MLSs to be in compliance with RESO standards within 12 months of when a new standard comes out. We step up these standards over time. There's data dictionary 1.5, 1.6, 1.7, as we keep expanding those sets of fields and data, MLSs work with us to upgrade their systems to meet those certifications.

Rebecca Jensen:

Okay. Thank you.

Sam DeBord:

Okay, thanks. Good point. The other more fun part, I think, for us is this expansion into new areas, and it's a little bit about what Denee talked about, the rental space is obviously a big deal, the commercial side is a big deal, but also international. We've got two organizations that we do second language data dictionary. You've got folks who are working within Florida and the southwest and Mexico. Then we've got international organizations who may speak the same language but do things differently.

MPAC is Ontario, Canada's largest assessment data organization. They're working with us to see how we could certify international organizations who have datasets that can conform to data dictionary standards, but they're not in MLS. That being said, they may be your MLS partners. As we talk about Rental Beast and CoStar and KREC and MPAC, all these organizations from different verticals and different countries could be integrating their data with your system. That's why it's exciting for us to be the platform to bring everybody together on a common language for their data, and allow you to serve that to your customers.

We'll be talking about that at our conference. We usually do about half sessions, and then half workgroups. We've got folks who get in there and dig into the weeds and develop the next set of standards. Love to see you there, reso.org, it's easy to find.

Rebecca Jensen:

Wonderful. RESO conferences for those that haven't attended before are different than any other because of what Sam just said as far as you actually dig in and contribute work product during the conference session. It's a great way to have your voice heard and then also meet the people that are actually helping develop the standards from across the industry, not just MLSs, but certainly vendors and associations and brokerages, they all come together. RESO does a great job as well.

Well, Sam, I know that you have to run to the Inman conference. But I want to thank both of you very much for spending some time with us here today, and we look forward to seeing you again at your conferences.

Sam DeBord:

Great being here. Thanks to both of you.

Denee Evans Hofer:

Thank you.

Rebecca Jensen:

With that, I would like to introduce the next speaker. His name is Chris Haran, and Chris Haran is the Chief Technology Officer at MRED, and I'm very happy to be able to work with him. He's responsible for driving the strategic vision through technology, bringing people together, and that includes ideas and resources from innovators across the industry. Prior to joining the MLS world, Chris worked at various levels of the marketing and operations department at a leading real estate brokerage, and he really supported agents in their quest to adopt new technology. He broke down disruptive concepts into why they matter to future business, and helped overcome the fear of the new. With that, Chris, please let us know what's going on with data.

Chris Haran:

Thank you, Rebecca, and nice to be here, and hopefully everyone's having a great conference so far. As Sam mentioned, we're deep in conference season already. Everyone's hopping from Zoom call to Zoom call these days, I'm sure. Excited you could spend a few minutes with us today. What I wanted to cover today was a little bit about emerging tech trends and organized real estate.

It's safe to say that no innovation happens in real estate without data. Many of the emerging technologies over the last few years and the years to come not only require data, but lots and lots of that data. What we have to ask ourselves in organized real estate is this, is our industry staying competitive with innovation compared to other industries? If not, why is that?

We've heard a lot about RESO today. Sam DeBord, CEO, was obviously on the panel just a few minutes ago. RESO really is the driving force behind standards in real estates. But what are data standards, and why do they matter to us? Technically, a standard really helps to define a field in a database. For RESO, it's about defining those fields that you wouldn't normally find in MLS databases and how they're delivered to brokerages, to vendors, other real estate technology partners.

As an example, this would mean that anyone who is using data knows where to look to find a bedroom field, or a bathroom or so on. As you go from MLS, to MLS, to MLS, you know that all those fields are going to be relatively the same from system to system. As Rebecca mentioned, I used to be with a

brokerage, and we worked with five different MLSs to get our data in. The technical process of mapping and migrating all that data and matching it up could be very challenging, both from a time and resource perspective. So, having standards at a very basic level can help address some of those things.

But the other thing we want to talk about with standards is why they really matter, especially to the end users. Obviously, to brokerages, there's some certain costs involved in making it easier to match up that data. But let's also think about that experience on the front end of things, for users who are using these systems. We did a case study with a top agent team in our marketplace, they had anywhere from seven to 10 members on their team generally doing between 25 and 40 million in volume. What was really interesting in talking with their director of operations was we asked these three questions that you see on the screen here, and the answers we got were fascinating. Specifically, that they were using close to 30 systems on a regular basis, if not day to day, very often.

Of those systems, they were logging in and out of each of those, and in many times, they were uploading the same database over and over again. What we saw was there was a lot of re-keying of the same information. It was very inefficient, and honestly, it was very frustrating, because to these agents, what they really wanted was to not have all their time be spent doing data entry and data management. What they really wanted to be able to do is work with their clients, and they wanted their team members to work on high value activities like marketing and promotions and follow up and things like that.

In having these conversations, both at an MLS and a brokerage level, what we had agents asking for was an end-to-end system that was fully integrated with their information in all systems. Now, obviously, that's a bit of a unicorn, because you're asking a lot of different vendors to cooperate. If they're asking for that all in one, end to end, same system, what they're really asking for is integrations to the systems they have to use every single day.

In the technical world, integration really means interoperability, which is one of the end goals of a fully developed set of data standards. Yes, that is a real word. Interoperability is, from a defined standpoint, it's the ability of computer systems or software to exchange and make use of information. As an example, think about email, what email do you use right now? Most of you are probably either on Gmail accounts, maybe you're using Office 365. There's probably a few holdouts on AOL, Hotmail, Yahoo, I still have my old Yahoo account, a couple of them. But what's interesting about email is obviously you can email anyone else. You don't have to as a Gmail user, only email other Gmail users, you can email Office 365 users, you can send messages to Yahoo, to AOL.

All of that happens because of a set of standards behind the scenes that allows those systems to interoperate with each other. The idea of having that open email architecture allows you as a user to choose the email platform that you like the best, because maybe the features work the way you want it to, maybe it has mobile apps that you need to use on your phone. Maybe you just like the way that it handles your contacts. Whatever your reason for choosing that system. You chose it because of the features it offered, not because of the amount of users that they had, so you could just share information back and forth between those same users.

Taking that idea of interoperability off of data standards, let's talk about an example within real estate. One of the ways we talked about incorporating interoperability in real estate is actually through transaction management. We have a group at RESO working specifically on interoperability. If this is a topic you're interested in, highly recommend you not only come to the conference, but join that workgroup as well.

Our first use case is focusing on the idea of having transaction management platforms talk to each other. If you're an agent who's using Dotloop, and you're working with another agent using DocuSign, how do you get those two systems to share information back and forth? To push the signatures happen,

to push completed paperwork without having to choose one system over the other? Because what we see right now in the marketplace is that basically, one side has to choose to work in the other or you're flattening PDFs and emailing back and forth, which with the problem of phishing and wire fraud, and all the other security issues we see in real estate, having that emailing is not a very secure and efficient process.

What we want to do is create a way for agents to use a TM platform of their choice, but still be able to work with cooperating agents to complete that digital deal. It sounds a lot simpler than it is because you do have to decide what is common between those systems? How do you create less friction in that transaction, but you still have to have competition?

Going back to the email example, what are the things that are in common that can work behind the scenes, but then what are the features that are say, different and unique to allow people to choose the system that they want to use? That's some of the work that we're getting together right now. We've created a set of standards around that. And just like what we have with the data dictionary that's already out there that helps define fields within the MLSs, this is about defining fields within transaction management, and then after that, we want to look at things like customer relationship management systems, and other marketing and vendor tools that all of our agents and brokerages use. So, the information that you have, the data that you have, can be easily flowed from system to system.

That's really why we want interoperability in real estate and what data standards will ultimately bring to interoperability. It's that efficiency of the workflow. It's the accuracy of your data, because you're not having to rekey it. Honestly, it's going to create more innovation in the space. If every technology partner out there doesn't have to worry about mapping and migrating and matching up data, but can instead spend that time and money on building out new features, that's going to be better for everyone.

Standards, interoperability, all of that is really about making the data easier to get back to brokerages for their use. Whether you have a brokerage platform, you're doing market analysis, you're creating new tools, even in policy, you see focus being given to data, including things like the Now policy mentioned earlier, the newest policy not passed by NAR, that you see on screen here that Denee mentioned, PDA or the MyDX policy, all of these are about getting data back to brokerages.

But if that data does come back, what do the brokerages want to do with it? What can they do with it? To leverage some of the new technology options that are available, you really need large sets of data for training purposes. But who are you training? What you're really training are robots and the rise of robots in real estate is here with AI and automation, making changes to our day-to-day tools and workflows.

On the screen here, we see artificial intelligence, some of the different branches, and you can get into many different areas with artificial intelligence. One of the more interesting one's is speech, doing voice recognition. Whether that's speech to text, text to speech? Being able to use product like Alexa or Google to do virtual assistants. But what we want to focus on with real estate that seems to have a lot of opportunity, especially in the near future would be machine learning and image recognition.

Chris Haran:

Machine learning is the ability for a computer program to learn without explicitly being programmed. You give them a basic set of instructions, and then they run scenario after scenario after scenario to learn how to continue to adapt to those scenarios in the future. It really is like a lighter version of a virtual assistant in a lot of ways, because they're looking for suggestions and compliments to the data. They're looking for ways to fill in the holes, add additional layers. A few ideas that you see on the screen here would be maybe they're going to help you with suggested pricing. Taking the idea of a CMA to the

next level, and helping you understand where you're pricing compared to the market and helping your consumer understand that.

From a missing field's perspective, maybe you're doing listing inputs, and you're creating that transaction and you have fields that maybe aren't required or optional in the MLS system. But, if you filled them in, how helpful would that be to make your listing stand out? Then additional documents on the transaction management side? The idea that you want to make sure from a compliance perspective as a brokerage that you get everything you need. Obviously, you can create task lists now, but could that be done even smarter to add more fields and more documents in?

There's a lot that can be done with machine learning. The other one that's very interesting is computer vision. With computer vision, you upload a photo, the computer reads it and it can tell you what objects are in that photo. In real estate, there's two different ways this could really work. One is from a compliance perspective. The other is from listing input. In compliance, maybe it tells you that there's a logo or branding in that image that you need to get rid of. Your compliance team can then help manage that and be proactive about it, rather than having agents telling each other.

Or in listing input, you can identify room types and what features and finishes are in those room, and then auto populate your listing input, hopefully creating more field entries. Again, taking away that data entry from an agent or from a brokerage or from staff and making them more data editors. In conclusion, if we all work together to free the data for our members, this future is very bright for real estate technology and what it can provide ultimately for the end consumers; the buyers, the sellers, the renters, the investors, everyone on the other end. That can be interoperability, it can be artificial intelligence, or what our next speaker will touch on, which is business intelligence.

I'm very excited to introduce Gay Cororaton, is the Senior Economist and Director of Housing and Commercial Research at the research group of the National Association of Realtors. She manages the production of NARS housing statistics on existing home sales, home prices, affordability and inventory. Overseas NARS' residential, commercial land and international market trends research and service, and conducts research on the economic demographic and local level conditions impacting housing and commercial real estate.

She has an MS in statistical science from George Mason University, an MA in BS and economics from the University of Philippines and an MS in industrial economics from the University of Asia and the Pacific Philippines. She holds a certified business economic designation from the National Association for Business Economics, and Gay, I'm very excited to turn it over to you.

Gay Cororaton:

Thank you, Chris, and thank you, we get a lot of information from MRED. MRED is one of the key MLSs that powers the data that we give to our members. Okay, so let me share my screen. Are you guys seeing it? Hello.

Rebecca Jensen:

We can see it just fine.

Gay Cororaton:

Okay. Hold on, it's not full screen. Okay, there it is, that's much better. Thank you so much. Glad to be here with you all. I will explain today and give some ways of how NAR itself uses the MLS data. At the end of the day, we're also a user of MLS data. Our objective is to provide this information that we have from MLS to our members, NAR members, so that you now can give that information to your clients, help them make a better informed decision.

We all know that knowledge is power, and that knowledge is wealth, because this knowledge will power your business and how you can move this forward. It will help you better understand your clients. Really two things here I want to emphasize is you're using the MLS data to understand market conditions, right? That's how we look at it also, is it a seller's market now? Are we now in a seller's market? Are we now in a buyers market? Where our prices are going? Are they going up, or are they going down? Well, how much will it take for me to sell the property?

I get a lot of interviews, and I get a lot of questions from the media, and pretty much these are the three basic questions that I get asked. You deal with your clients, and at the end of the day, they're also asking, "Well, is it a good time to buy a house," If you're a buyer's agent? At what price am I going to buy? Maybe I should just wait, wait for prices to fall before I buy a house." After a seller's agent, should I sell my house now? Is it a good time to sell? How long is my house going to sit on the market? Do I have to take deep discounts?

I'm sure you deal with a lot of discussions from buyers and sellers and the MLS data can provide that kind of information for you guys. I myself went to the MRED website and I saw some stats on that. I'm very glad to see that. But, those statistics can be found in the MLS, and if they're not well... I would suggest that those are the aspects that can be looked at so that you empower the members to take this data, make it easy for them to grasp, and then make it easy for them also to just quickly share with their clients.

At the end of the day, our members are all very busy doing a transaction, and they're not going to be usually thinking like an economist or spending a lot of time digging and shifting and using that data. They really just want quick bullets and snippets that they can share. But before you give them those quick bullets and snippets, somebody has to have already thought through and filtered through that mass of data. Really, there is this massive data from the MLSs, and then the next step, I think would be for the MLSs or the associations to sift through and get some analysis from that.

At the national level, that is what NAR is doing. So the members can take these sifted, bottom line figures and relay them to their clients. That's how I see this efficient data provision from the MLSs to our members and then to their clients.

How do they use the MLS data? As I said, I'm very thankful, MRED is one of the MLS provides such data. The MLS data and the statistics it now provides to the public, shape the story of what's going on in the housing market. We publish statistics, the existing home sales statistics, the pending home sales index, median existing home prices, the inventory of homes for the market. Is it a tight market or not? What's the month supply? Days in market, how long is it going to take for me to sell my property? The home affordability index, how affordable is a home relative to income?

We also, of course, supplement this MLS data from a survey that we conduct with our members. From there we get information like is this a first time buyer? Is this a distressed sale? Is this an investor buying the property? Is this a cash sale? But who knows, maybe in the future, the MLS can provide us such data. Right now, we don't have that. So, we have to go conduct that survey. But if the MLS can provide that information, broadening from just providing information about the property itself, to broadening

the scope of the data, and maybe linking with other sources of data to provide data about the demographics of the buyers, and maybe the area where that property is.

I think that's already what RPR is doing, right? That's the objective of RPR, here's a property that's listed. But if you click on this property... Even realtor.com. Here's a property and then if you click on it, well, what are the good schools nearby who are buying? What is the demographics of the place? It's just a food for thought of how the MLS provision of data can be expanded.

This is just how we use it. As I said, clearly from this data, we see that the housing market is recovering quickly and strongly, kind of a surprise. But of course, the market plummeted because of the economic lockdown. But with the economy opening up, you're seeing a resurgence. Then we also look at home prices, we're seeing the same trend that home prices have strongly rebounded again, a 9 percent year-over-year gain in prices. Prices never really did fall as much as existing home sales, and that's because we also didn't have sellers selling their property and slashing prices. We don't have the foreclosure rates that happened during the Great Recession now. We don't see prices falling but we do see a pullback in listings.

Now, the shortage in listings is not something that just happened during the pandemic, but the pandemic accelerated that trend. Inventory has always been tight from the data that we're pulling from the MLSs. Typically, the month supply of homes was six months prior to the crash, or the Great Recession, now we're looking at three months. So, very tight.

I'm explaining it this way, and I'm showing the data this way so that you yourselves can see how we're using the data. I can also understand what's happening in the housing market, in my local market by looking at this kind of statistic. Another statistic, when you look at a property, you see how long that property has been there in the market. We just take that and aggregate it.

Again, hopefully, if you go to an MLS website, you can see also aggregate statistics up. I think MRED has started doing that, although I must say, when I went to the website, I didn't see days on the market. I did see sales, I think I saw prices, but I did not see information on days on the market, on inventory. Maybe that aggregate information can be expanded and then provided to the members and the users of the MLS data so that again, they can take this information and then bring it to bear to their transactions.

They're already experts at that particular transaction, but if they're asked, what's going to happen two years from now, or how are the other markets doing? Sure prices in my market are picking up, but are they picking up more elsewhere? This aggregate view of the market is something that is very important to provide to the members and to the users of the MLS.

I just went to the Illinois REALTORS® website, and I found Market Stats. As I said, this is great. It's something that your members can just probably take, put in their own website or snip an email. Or it's just an easy way for them to see, okay, homes sold 14 percent now. What was it, in Illinois it 14 percent, but in the Chicago area it's a little bit... Sales are not picking up as fast. Double digit growth, you get a sense that, yes, this market is picking up and prices are also accelerating.

But the point is, if the associations and the MLSs can provide information like this, that's already filtered, and then you get to the nuggets and the bullet points, that's great for the members. As I said, I went to the MRED website, and I saw this. It's interesting. Here, you can see that in April, the blue line would show your closed sales. Year over year, they were below the green bars, which are your 2019. But then once you start getting into 2017, you see the blue bars... Sorry, where's that, April, right? Well, some of them here, you see the blue bars picking up more than the green bars. You know that the market is recovering.

You guys produce disclose listings. But as I said, I didn't see anything on our days in market or inventory. I think that's something that's good to provide out there as well. Just again, from the MLS, we are

comparing prices. We see that home prices in Champaign-Urbana are actually doing better than in other Chicago areas.

As I was thinking about this, at NAR, we do this. Again, sorry, Chris if I'm pushing on to what can be done about the MRED website. I didn't see any county level comparison. It might be good also since you have the data out there to provide a comparison among the counties about what's happening out there. Again, I think that the agents are already experts in that transaction when they deal with a client, but what they need to see is a broader view of the market.

It will be interesting to provide this kind of information on your website or Illinois REALTORS® website, in terms of the data that can be collected. The key question is, where are people going? Are they going to the suburbs? With all this work from home; is there a shift to the suburbs? We're trying to use MLS data to get that picture. We're saying, OK, from the MLS data, we know the cities and we also know the sales in a metro area. We're trying to get statistics of the share of the city to the metro area. Again, just to give that story where is the market heading? What is happening? Give a bigger picture.

Here we're seeing that where you have the blue lines, and what did I say, if the city sales are lower than the metro area sales, it's a blue line. Yes, well, not necessarily that... Here, like the blue lines. Chicago is a blue line. That means that the share of sales in Chicago have declined, compared to a year ago, compared to the sales of the entire metro area. Not necessarily yet that they're moving, it could just be because of the lingering effects of the lockdown.

Chicago is more urban, so people were not comfortable yet looking at homes in Chicago, versus looking at a home in the suburbs. But over time, we're looking at this data to make an assessment of, as I said, where that shift is going. Any information that can be provided on websites and to customers that will help them understand this shift better is going to be great.

Now, we've talked about and I was really so happy to hear about the discussion between Denee about commercial real estate. Residential is I think doing very well as I showed in the charts, but it's commercial that has been hit. We have seen sales plummeting. One of the key questions also in commercial is are people going to continue to telework? This is the U.S. Census Bureau data that showed that there is a decline in the share of workers who are teleworking. Thirty-five percent telework, and now it's just about 24 percent. But if you dig deeper, the office-using industries like 65 percent to 80 percent of workers are teleworking.

It's still evolving and might evolve towards a new normal. But again, we need that kind of information from the MLSs. We looked at what we call work from home counties. We were trying to see, which are those counties that have the largest potential for people to work from home? We used factors that we took from the U.S. Census Bureau? Well, what percent of people have a computer? In that area, how many internet service providers do you have? What percent of the workforce is already in office using jobs? What are the median prices? They're very important, because, A, am I going to move to this area? And I already read something like people from San Francisco or San Jose might be moving to a cheaper area, but of course, they've got to take a pay cut. But that price variable is really important in making that decision of whether you're going to be working from home in a suburb, and then maybe just commuting maybe one or two days a week.

But again, we use the information from the MLSs. I'm now shifting between my hat as a data user, and also explaining to you guys how you can use the data. But now, I'm taking the hat of someone who is using the data. We've used the MLS data and the US Census Bureau data to make an assessment of which counties are work from home. Georgia, Colorado, Texas, Virginia, Ohio, I do not see any county in Illinois that made it to the top 30. But if you go to the NAR webpage, and actually just click NAR work from home counties, something will come up and then you'll get a sense there of the counties in Illinois

that are good for working from home. With that, I think my time is up. So, thank you so much, and I'll be willing to share this with everybody.

Rebecca Jensen:

Great, thank you so much, Gay, and thank you to all of our attendees for spending the past hour with us. Just real quick, the weekly market snapshot that was just part of that last presentation, if any of the associations out there in Illinois that aren't members of MRED want to look at that, it's available publicly on our mredllc.com website.

We would also, if you're interested at all, in combining data with your MLSs information, we could easily aggregate that, and then have all of it available on your MLSs website. That's just a standing offer. If anyone wants to work further with MRED on that, we would love that. With that, again, thank you to Illinois REALTORS® for making this forum possible, and I hope everyone has a wonderful rest of your day. Take care.

Gay Cororaton:

Okay.