

EXECUTIVE SUMMARY

National Real Estate Library / Archive

The Challenge: Consumers can increasingly discover rich, detailed real property-related information online. This can present a challenge when a consumer references information that an agent cannot easily locate or verify. The information may not be current or accurate and yet the REALTOR® may not have a readily-available resource that contains the correct information. This consumer-based pressure and competition is good! We must discover the unique opportunities that a healthy competitive market drives us toward. Now is the time to do everything we can to enhance the REALTOR® value proposition.

The Opportunity: Collectively REALTORS® know the most about individual properties, communities, local trends, regulations, and other factors related to local real estate. If this collective knowledge (sometimes called “the wisdom of crowds”) could be organized and archived in a single industry-sponsored and operated database, REALTORS® could share their expertise and leverage their collective experience to provide broader, deeper, more timely and accurate information to their customers.

The Solution: We propose creating a property or parcel-centric national library or archive that has robust, unique, useful information on virtually every property in the US. This information would be password protected so only members get access. Imagine what we can build together with MLSs and REALTORS® participating, along with augmentation from third party data suppliers and other data collection methodologies. Last May, the NAR Board of Directors approved a budget estimate of \$3mm plus to facilitate the creation of the Library/Archive.

This Library/Archive will include active and off-market listings licensed from local MLSs but will go further, containing other important information not generally found in MLS. It will complement, not compete with, our most trusted partners, brokers, agents and MLSs. Of course, we will abide by all nondisclosure laws applicable to private, password-protected systems accessed by real estate professionals.

The Library/Archive:

- Is a property or parcel-centric database.
- Covers the whole country.
- Will contain every parcel of property possible, commercial, industrial, residential, resort, rental, etc.
- Is an ongoing archive; Property information will never be purged.
- Includes FSBOs, homebuilders’ new communities, home plans.
- Has commentary and unique input by REALTORS®.
- Information will have a “confidence score”.
- Will have detailed community, school, demographic and amenity information on local neighborhoods
- Will be available to REALTORS®.
- Will be the “Lexis-Nexis” of the real estate industry.
- Will offer access to non-member Participants of MLSs, only if legally required.
- Will contain public records data.
- Will operate like an industry utility.

NAR will contract with information systems companies or technology providers to build and operate the Library/Archive on a limited-term contract, renewable at NAR’s option. NAR, through an Advisory Board made up of local, state, national and MLS members and staff will control the functionality and usage of the system. The legal construct will be very much like the “work-for-hire” contracts MLS have with their vendors. We see the governance of this entity as broker controlled with advice from many.

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Initial start-up costs will be funded by NAR without any direct expense to MLSs or end-users. The plan is to be revenue neutral while allowing for constant improvements to be made. The costs associated with sending data to the Library/Archive should be minimal for most MLSs. NAR has encouraged all Association-owned MLSs to be RETS compliant by June 2009 and most large MLSs already support the RETS data exchange standards.

With regards to MLS's that may want to utilize the public records information that the technology provider obtains, there likely will be a cost. A key objective will be to determine if we and our technology provider can successfully negotiate with public records vendors to provide better pricing for MLS use, especially with the very large volumes anticipated. In some cases MLSs may collect and process and sublicense their own public records data.

Participation by associations and MLSs is entirely voluntary. However, we would hope to have REALTOR®-controlled MLSs agree to participate the same way they do with the public site, REALTOR.com. The intent is to reach out to all MLSs. If an MLS chooses not to participate, but individual brokers do wish to realize the benefits, at the brokers' request, we will accept data from the brokers.

IT IS NOT:

- An MLS.
- Going to support offers of cooperation and compensation
- Designed as a marketplace.
- Direct listing input (or the enforcement of MLS rules).
- A consumer-facing system.
- IDX (feeds are not part of the project).
- Advertising and it will not be available to consumers

Participating MLSs will not receive compensation for licensing data for inclusion in the Library/Archive. Correspondingly, an MLS and its members will not pay a surcharge to access Library/Archive data provided by other MLSs. This structure is very similar to "reciprocity" or "data sharing" agreements among local MLSs today. Broker's information coming from the MLS that the broker does NOT want included, will be excluded. If the information regarding transactions in which the broker participated is part of the public records it will be included.

WHAT WILL BE DISCUSSED AT THE MIDYEAR MEETINGS ON THIS SUBJECT:

We will discuss the white paper at the various MLS, State, Board Forums, the AEC, the Executive Committee, and place a motion similar to the following before the Board of Directors:

"That NAR move forward to negotiate with a technology provider(s) to create a National Property Library/Archive or repository capability, and further that an Advisory Board be established with the charge to deliver a 'Proof of Concept' working model of the Library/Archive. The pilot project will identify all major policies and procedures necessary to implement the system."