

Bill Chee's MLS Speech to the Board of Directors
Midyear Meetings, Washington, D.C. April 26, 1993

Let me spend the next several minutes giving you a realistic... and unpleasant... assessment of the Multiple Listing Service. I believe...that within the next **few** years... the REALTOR® Organization will lose MLS. If we continue on our current path, and do nothing to alter our course... MLS will be lost to outside organizations or businesses... and that will threaten the stability, operation and membership of this entire Association.

Even if we implemented the best of plans today... We may still be too late. I personally think we have less than a 50% chance. Last year, I began to express "alarm" at the possible loss of REALTORS®' MLS... This alarm was brought about not only my past experiences in dealing with "Board controlled MLS systems"... but, also by fellow REALTORS®, who found new and innovative MLS products being successfully tested in their hometowns by Non-REALTORS®.

After our meetings in New Orleans... and with the wholehearted support of the Leadership Team... I appointed a Presidential Advisory Group to assess the REALTOR®'s MLS competitive position in the marketplace. This group included some of the most "forward thinking" and courageous people in our industry. Jerry Mathews, who many of us have learned to respect for both his candor and vision, chaired a group of equally concerned and visionary individuals, representing diverse sectors of our Organization.

Their unanimous conclusion warned... "There is a high probability that the REALTOR® Organization will lose control and direction of the MLS as it currently exists". As I have expressed to many of you... I view the current MLS situation as a few Chihuahuas fighting over a bone, unaware that a Hungry lion is coming over the hill.

Many local boards continue to protect their MLS territories with incomprehensible vigor... but excessive rules, regulations and restricted territories render us vulnerable and impotent... Current vendors lack the funds or motivation, to move on the next level of information technology... A technology that competitors are already using... Vendors are constantly confronted with local volunteer members, with the best of intention and a lack of expertise... Under these conditions, it is impossible for our current MLS systems to meet tomorrow's consumer demands. Let me tell you about some of the lions coming over the hill...

A 1991 court decision paved the way for regional Bell telephone companies, to provide information services... Legislation could be introduced in Congress this year, which would allow the Baby Bells to provide "consumer-accessed" real estate information, as well as other information services.

In New England, Nynex and AT&T are already co-venturing a digital imaging system, capable of showing high-resolution images of homes available. In Washington State, the telephone system has a touch-tone and voice mail system offering MLS-type information...customers can even have listing information sent by fax. In Massachusetts, a system called "Homeview" is operating kiosks in shopping malls and airports, where color touchscreens permit shoppers to see inside and outside views of homes for sale... Homeview has joined forces with IBM and plans to expand nationally.

In Chicago, "The Tribune" has teamed-up with PRC Realty services and is now offering a modem and PC system, providing access to electronic classifieds... Including FSBOs. They also are providing customized MLS books for individual firms... The Tribune Company is also involved with America Online... These are big companies with potentially significant National impact. Smile, a joint venture of the "International Property Registry", a worldwide network of brokers and agents, uses Macintosh computers to offer an international MLS access... Properties for sale, lease or rent worldwide are distributed on CD ROM.

In my own firm, we have completed computer applications that use the latest GIS Technology to plot listed and sold properties on a computer generated street map... Customers and agents love it. Compu-home is an on-line, menu driven, computerized bulletin board service available to anyone with a computer and a modem. In addition to providing listing information, the system also provides current mortgage rates, a sellers net program, an open house schedule and related real estate topics.

In California, an effort is underway to develop an alternative "super MLS" controlled by the major brokers. Those corporations involved in organizational meetings are familiar names in MLS and information technology. These are only a few examples of whom WE will be confronting in the very near future... The giants of the information and communication industry have not yet surfaced...and Let me assure you, they will.

We should clearly understand that consumer trends are driving the market to provide more and more services and more and more access...and that the Association's MLS systems are generally positioned at the opposite end of this trend... By having outmoded technology, and making the MLS an exclusionary database, we are not only running counter to the habits and expectations of the consuming public, we are opening vast opportunities to the emerging "lions". If you believe as I do, that the hungry lion is coming over the hill... The big question is what do we do...

We must consider some form of public access. We must encourage members to focus on the Value-added nature of their transactions rather than being a provider of "secret" information. We must examine current

MLS rules and regulations that may hinder the development of a competitive” system. We must be prepared to relinquish exclusive traditional MLS territories, for the good of the order. We must more fully understand, what the consumer wants... Because what the consumer wants...the consumer gets... From a REALTOR® or from someone else.

I will ask the MLS PAG, to continue its work and bring us a “business plan”, to be considered by this Board in November... A business plan...that will make the common vision of the Leadership Team and the MLS PAG a reality. The vision is that: the REALTOR®...is the primary provider and distributor of all information needed by a consumer in a real estate transaction.

This “vision” intentionally expands the scope of Traditional MLS information...as well as the activity and responsibility of the member. The inclusion of the word “all” indicates a willingness to participate in the collection and dissemination of information to “ancillary needs”, such as the neighborhood, schools, demographics, mortgage data, etc. The focus here is the individual REALTOR®... Not the organization. Of paramount importance...is the members’ competitiveness in the marketplace.

Some boards are already getting involved in these new technologies and strategies, many have regionalized or are moving toward state wide MLS systems. However, most of these efforts are localized and vendor specific... These are good first steps...and I commend those progressive associations... But, what we need is to take a “giant” leap forward...in order assure our current MLS position.

I believe that our members want an MLS system that: Crosses artificial geographic boundaries and conforms to member & consumer needs and desires.

One that permits access to information in the next neighborhood, city or state, because our clients and customers want that information.

One that has rules and regulations that permit innovation rather than prohibiting it.

One that appeals to consumers, so that MLS will attract new prospective buyers and sellers to our members.

One with a fee structure that is determined by use rather than membership in a specific board.

One that has common standards, that will permit us to share information and new innovations in the future.

One that assists our members in doing business, rather than one that restricts our members use of information.

Times have changed drastically since We first started MLS... Our members and their customers have changed dramatically too... Now its time for MLS to change. It’s time for us to be on the leading edge as a facilitator (and I don’t mean vendor) of these new technologies and systems... It’s time to

develop an MLS that increases the productivity and flexibility of our individual members... One that clearly recognizes and satisfies the demands of consumers... We must make ourselves *such* a valuable resource, that no one...no vendor...no buyer...no seller...will see any benefit in by-passing the REALTOR® Family.

What I ask from you today, is a motion to approve in concept the directions I have just outlined, pending a specific business plan to be presented to you in November.

Fellow REALTORS® ...Let's become the Lion!

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