

**2005**  
**MLS Technology Survey**



**Center for REALTOR® Technology**  
**National Association of REALTORS®**

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## Introduction



NAR's **Center for REALTOR® Technology** serves REALTORS® and the real estate industry as a technology advocate, implementation consultant and information resource. CRT investigates emerging technologies, advocates the use of standards and relevant tools and paves the way for adoption of progressive technology solutions. CRT is an NAR resource serving both members and the real estate industry.

Understanding Multiple Listing Service (MLS) and REALTOR® technology trends through surveys is one of the tools the CRT uses for its ongoing research. We appreciate and thank those who took part in the survey.

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## Executive Summary

The 2005 MLS Technology Survey is the third annual survey completed by CRT that reviews MLS technology practices and trends. Since its inception the survey has asked timely questions related to MLS and the REALTOR® business practices they support. 2005, again finds that new technology topics (MLS public websites) and trends have emerged (use of online lead generation programs).

In March 2005, CRT distributed an online survey designed to examine the use of technologies within the Multiple Listing Service community. The survey was distributed via email to over 10,000 MLS executives, staff and participants. There were 524 responses with 23% from MLS respondents and 75% from REALTOR® respondents.

### Highlights

- REALTOR® access to the MLS data is through the Internet.
- Wireless access to MLS data is increasing.
- Transaction management systems have not become prevalent.
- Online lead generation is in use but is fragmented.
- MLS public websites is a divisive issue.
- Security of listing and personal information is increasingly identified as an important issue but actions are lagging.
- Proprietary data transport protocols are being replaced by RETS

### MLS Systems – Internet Access

- 98% of the respondents now have Internet access to their MLS systems

### Transaction Management

- 16% of respondents indicate they use some form of transaction management.
- The survey showed 56% were not using traditionally-defined transaction management systems.

### Wireless MLS Access

- 56% of respondents state they have wireless access to MLS data
- 19% of all respondents say they use wireless access to MLS data
- 31% of those who say they use wireless use it several times a day

### Online Lead Generation

- Approximately 20% of REALTORS® now use some type of online lead generators.
- The source of these leads is splintered among a number of regional and national providers. The largest provider was only identified by 15% of the respondents using online lead generators.



### **MLS Public Websites**

- 60% of respondents indicate their MLS provides a public website where consumers can search for listings.
- Support for MLS-supplied public websites is stronger among MLS executives than REALTORS®. 50% of MLS respondents were in favor of MLS supplied public websites while only 42% of REALTOR® respondents supported them.
- 37% of all REALTOR® respondents were opposed to MLS supplied consumer websites while only 24% of MLS respondents were against them.

### **Information Security**

- 75% of all respondents indicate security is a high concern for their organizations.
- Only 45%, however, indicated they had any type of a security program in place and only 21% say they had a security education program for their organizations.
- 25% of the MLS respondents said they are considering implementing a hardware solution for their MLS system security.



## Observations

Legacy systems and dial-up MLS access are all but gone. Nearly all MLSs offer Internet access today.

There is an on-going debate about MLSs offering public websites for consumer access to listings. Some feel this is a service demanded by the public and is for the good of the industry. Others feel the MLS is not in the business of publishing listings to the public. They believe it is the role of REALTORS® to provide listings to the consumer.

System and information security is a growing concern, but there is still a significant gap between awareness and action. Less than 50% of MLSs and real estate firms have any type of security program in place. Only 20% offer security education.

Transaction management continues to have relatively slow adoption in the industry according to the respondents. There still appears to be confusion on the definition of transaction management, who should deliver the service and who are the leading providers of transaction management systems.

According to survey respondents, it appears IDX feeds are becoming prevalent. Over 85% of the MLS's responding provided IDX access to their members.

Some maturity is being seen in the management of content as over 40% of the respondents indicate they can request and activate an IDX data feed in less than 3 days. Both MLS policy and data management systems seem to be working smoothly to allow for this type of response.

Communications between MLSs and REALTORS® are becoming more standardized. Proprietary protocols continue to be replaced by RETS.

No clear leader among online lead generators has emerged according to responses. Respondents participate with a large number of online lead generators. There does not appear to be clear differentiators between these service providers. Many respondents are not satisfied with the quality of the leads they have received from online sources.

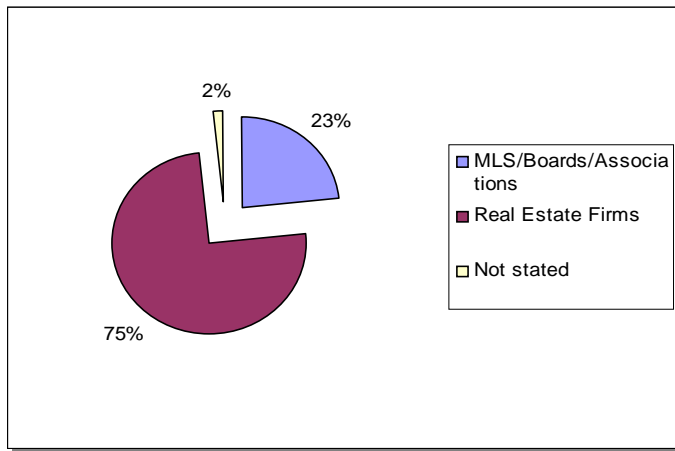


## Survey Findings

### Survey Participant Profile

Over 500 participated in the 2005 MLS Technology Survey, representing MLSs, and REALTORS® nationwide.

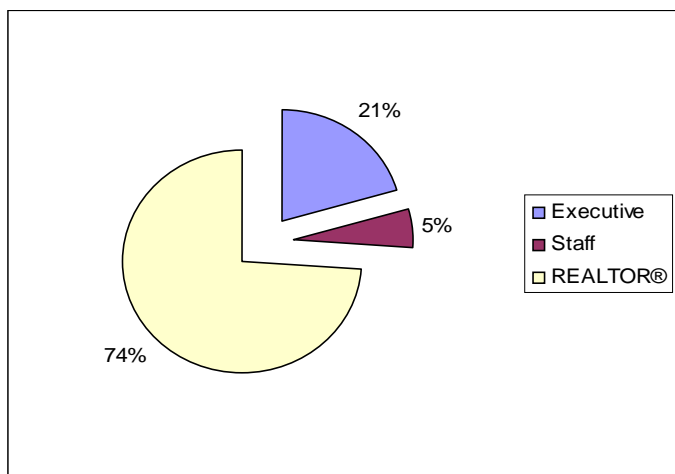
#### *Who do you work for?*



75% of the respondents were REALTORS® with the remainder from MLSs, and Associations.

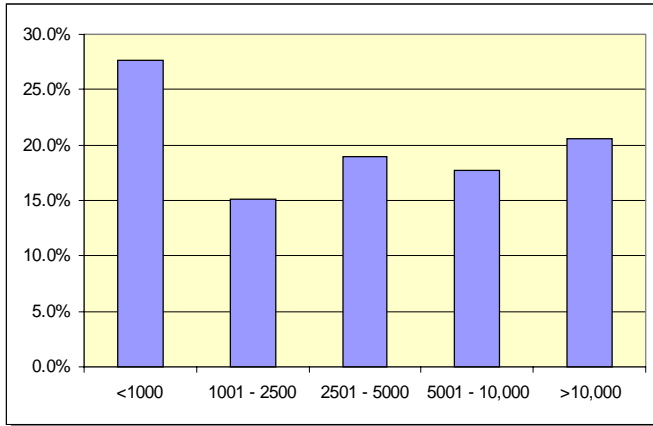
Participants were asked to identify their role in their respective organization. 21% were executives, 5% staff and 73% were REALTORS®.

#### *What is your role?*



Survey respondents represented MLS's of all sizes.

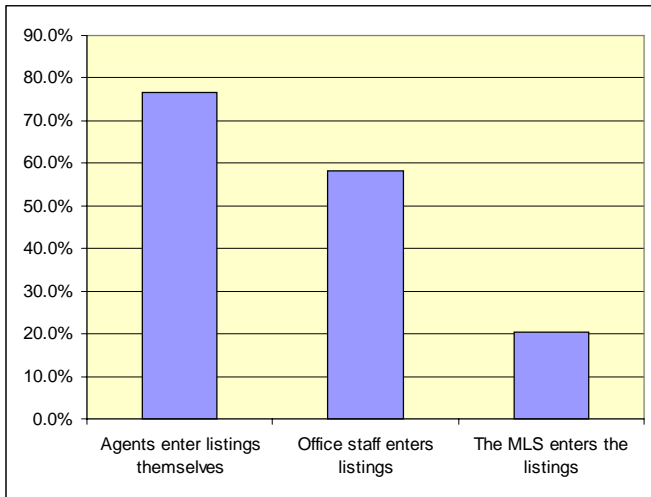
***What is approximate size of your MLS?***



## Listing Input and Quality Control

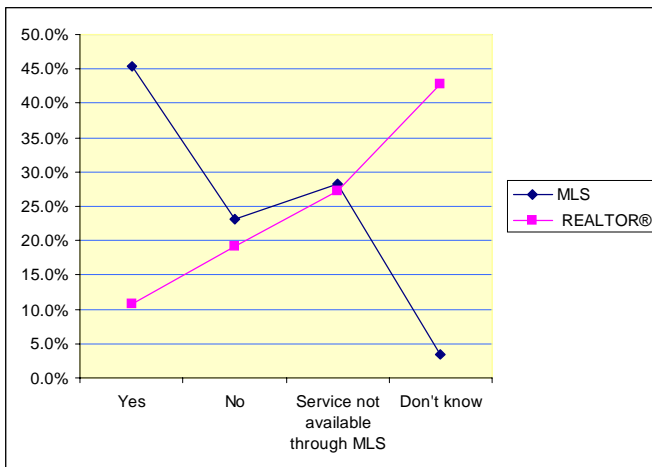
Several questions were asked about basic MLS access, the listing process, and the quality control function of the MLS. Nearly 100% of respondents report Internet access is available to their MLS systems. 27% of those responding still offer some type of dial-up service as well.

### Who enters the MLS listing?



75% of those responding indicated that agents can enter their own listings. 58% also indicated that office staff could also enter listings. Over 20% reported that they can still have listings input by their MLS as an option.

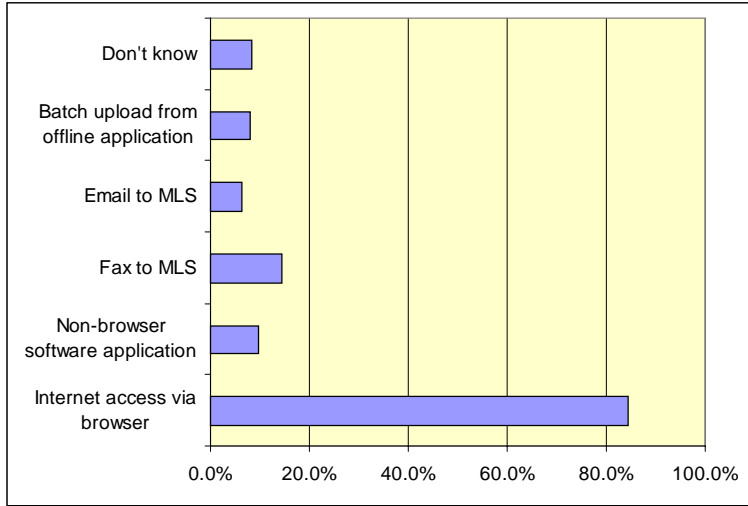
### *If your MLS enters listings for agents is there an additional charge for this service?*



45% of the MLS respondents indicated there was a charge for this service, while only about 10% of REALTORS<sup>®</sup> reported a charge. This difference might indicate that REALTORS<sup>®</sup> are not using the MLS to enter listings.

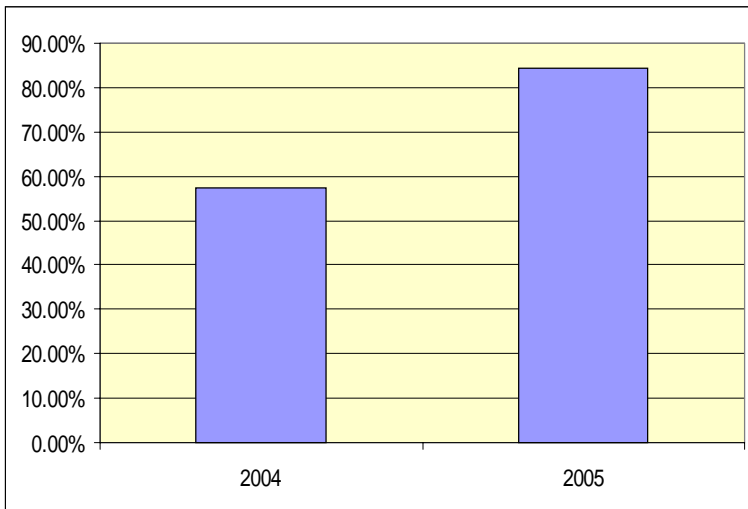
The majority of listings are entered into MLS systems via browser access over the Internet. Other options still exist, with much less participation and the trend continues downward.

### ***How are listings entered into the MLS?***



As evidenced by the graph above, the vast majority of users, 85%, input listings via Internet access using a browser.

### ***Comparison of how listings are entered – 2004 & 2005***

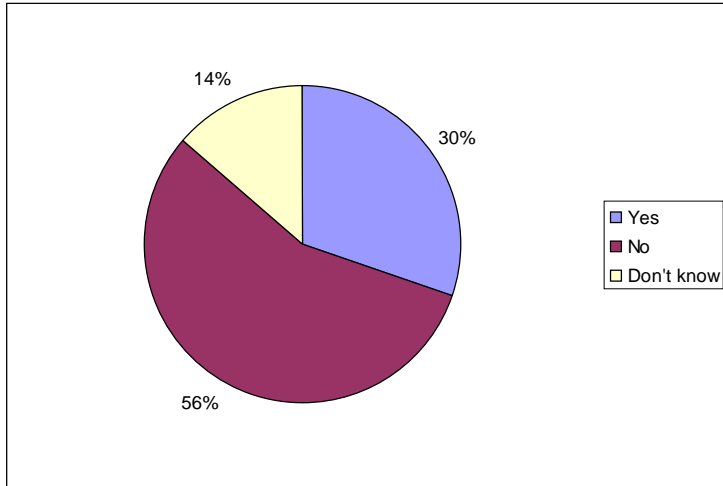


Adding listings via browser access rose from 58% in 2004, to 85% in 2005.



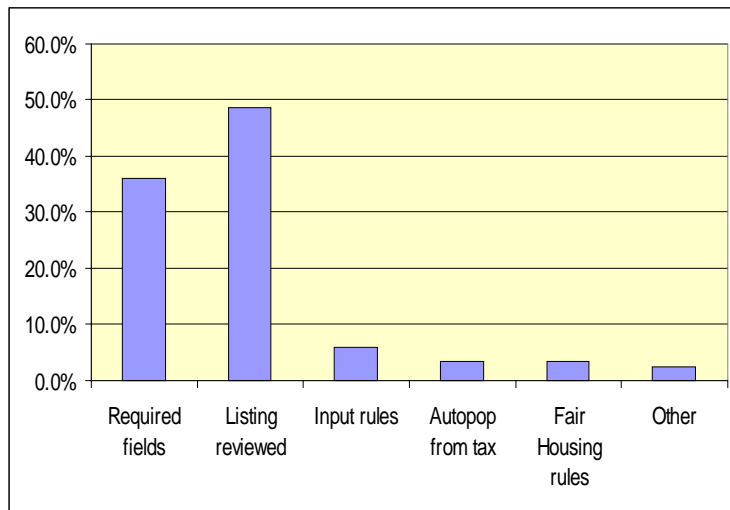
The accuracy of listing data is a crucial aspect of listing input. The survey explored whether MLSs are using any type of quality control prior to publishing the listing.

***Does listing data go through a quality control process before loading into the MLS system?***



24% of the respondents indicate a quality control process is being used, while 76% say they either don't use anything or don't know if they do.

***If "Yes", please describe.***



Most quality control involved a manual review of the listing. The second highest quality control method noted was relying on business rules and required fields resident in the MLS input function. In most cases, this is simply using validation on the MLS system. It required data fields to be completed, but not necessarily completed accurately.

## MLS Public Website

MLS public websites and consumer search continue to be a topic of discussion within the industry. In some areas, MLS's have shut down their public websites. In other regions, however, REALTORS® appear to be in favor of this MLS supplied service.

Survey results were polarized. 60% of the respondents reported their MLSs currently offer a public website where consumers may search for listings. This percentage is down from last year's survey.

The survey asked respondents if they believed their MLS should have a public website. 50% of MLS respondents and 42% of REALTOR® respondents were in favor of MLS public websites. More REALTORS®, however, were opposed to them (37%) than MLS respondents (24%).

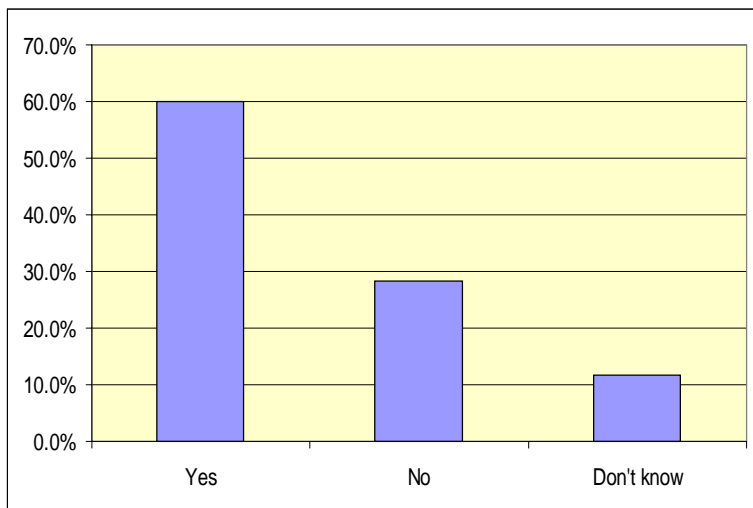
Auto-search capabilities are available on 47% of respondent MLSs. 50% of these require the searches to be initiated and set up by the REALTOR®. About 25% allow the consumer to set up their own searches on the public website.

About 16% of the MLSs promote their websites with real estate magazines and newspapers being the predominate methods. About 20% of MLS's are using technology to help maximize traffic to the site.

In an open ended question following this topic respondents were asked to explain their answers. The results were highly diverse. Those in favor of public websites often felt it was a service demanded by the public and offered better exposure to the listing. They felt the MLS public site represented an alternative to "branded MLS's" or consumer aggregator sites. The REALTORS® opposed pointed to their own websites as the mechanism to fulfill this consumer demand. They also saw the MLS as being in competition with them.

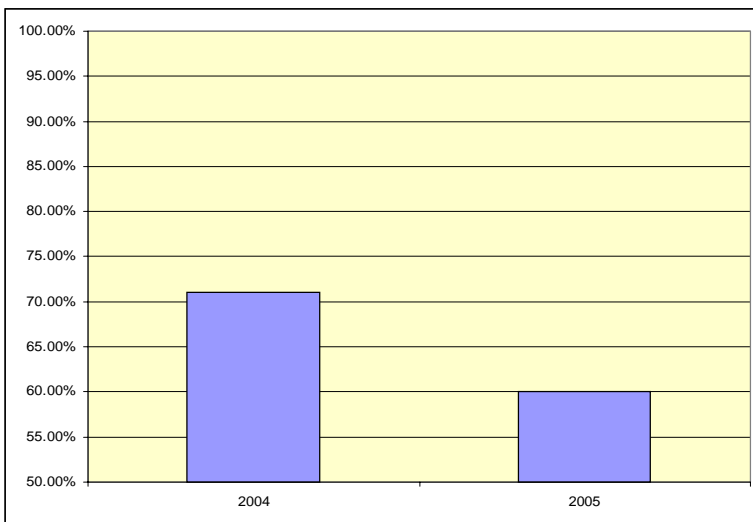


## Does your MLS provide a public website where consumers may access listings?



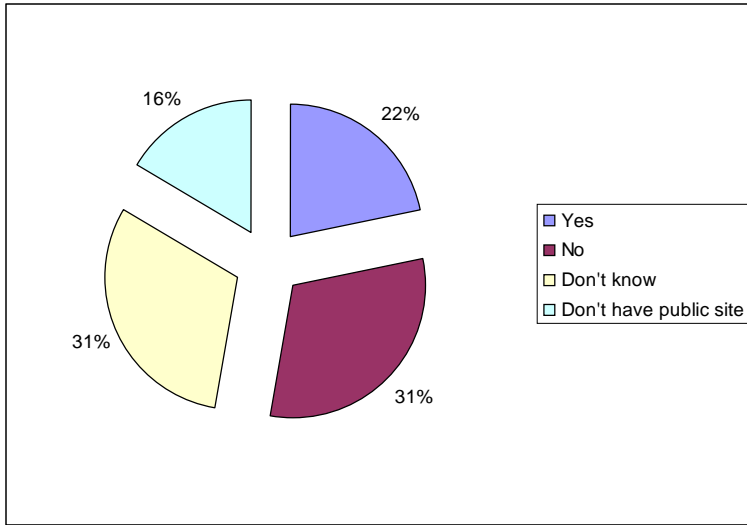
Almost 60% of respondents report their MLS does provide a public website where consumers may access listing information. This is down from the survey in 2004, where 71% of the respondents indicated their MLS provided a public website where consumers could access listing information.

### 2004 - 2005 Comparison



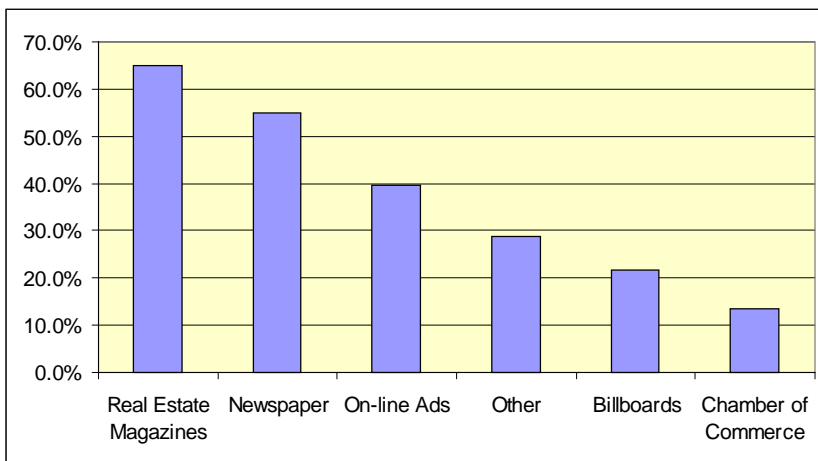
Questions were also asked to determine whether the MLSs that supply these sites actually promote them to the community and if so, what type of advertising are they using.

### ***Does the MLS advertise the public website to the community?***



22% of the MLSs with public websites indicate they promote the website. The following question looks at the specific types of promotions they use.

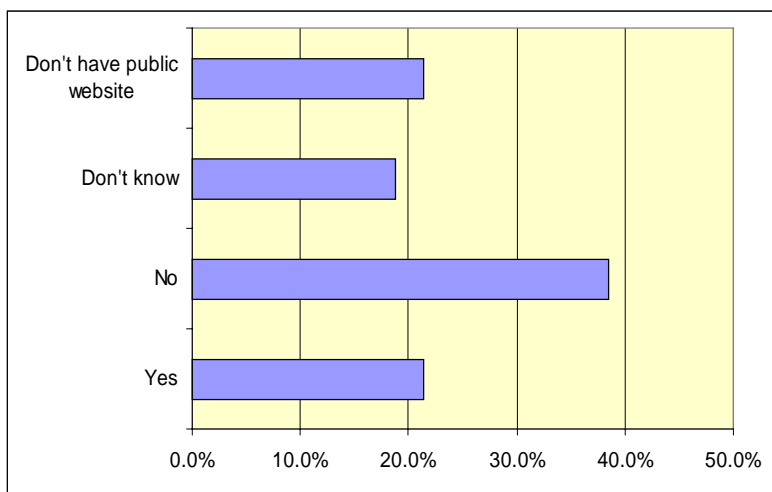
### **If so, how is it advertised?**



Real Estate magazines and newspapers were the leading methods for advertising these public websites though over 35% also used online ads. Over 20% used billboard advertisements and about 12% promoted through the Chamber of Commerce as well.

### ***Does the MLS use technologies to help maximize traffic to the website?***

Technologies and techniques for increasing web traffic are becoming more important for all organizations with a web presence. This question was designed to understand whether any of these methods were being used with the MLS supplied public websites.

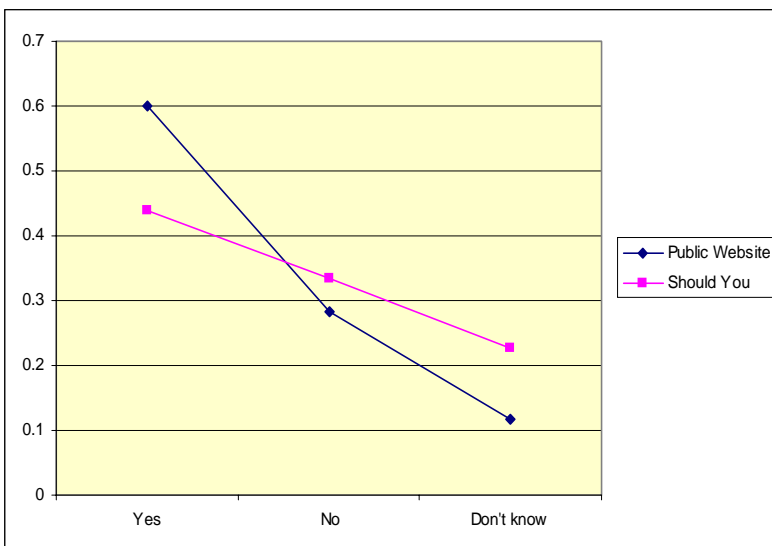


The responses above are from MLS respondents only. Currently about 22% of MLS respondents indicate there is a program in place to maximize traffic.

The following chart looks at two of the questions presented on the survey:

### ***Does your MLS provide a public website where consumers may access listings?***

### ***Should the MLS provide a public website to display MLS listings?***



About 60% of respondents said they had a MLS supplied public website while about 43% thought they should. This is a blended response including all MLS and REALTOR<sup>®</sup> respondents. There are some statistical differences between MLS Executives and REALTORS<sup>®</sup> in this area. Almost 50% of the MLS respondents were in favor of MLS supplied public websites while only 42% of REALTORS<sup>®</sup> were in favor. Additionally, 37% of REALTORS<sup>®</sup> opposed MLS supplied public websites while only 24% of the MLS respondents opposed them.

***Please explain your answer.***

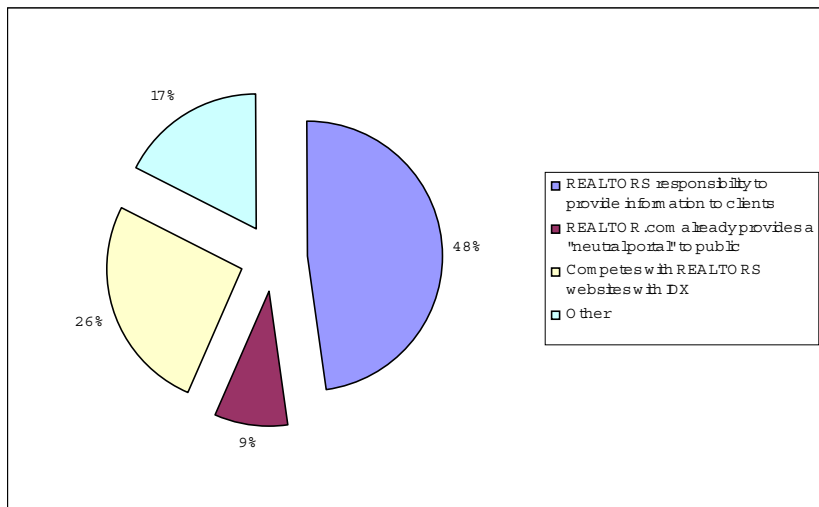
This question was designed to probe why respondents were for or against MLSs supplying public websites. The answers given showed a great deal of polarity and strong opinions both for and against these sites. Answers for MLS and REALTOR<sup>®</sup> respondents were grouped and are discussed separately in the following paragraphs and charts.

**MLSs**

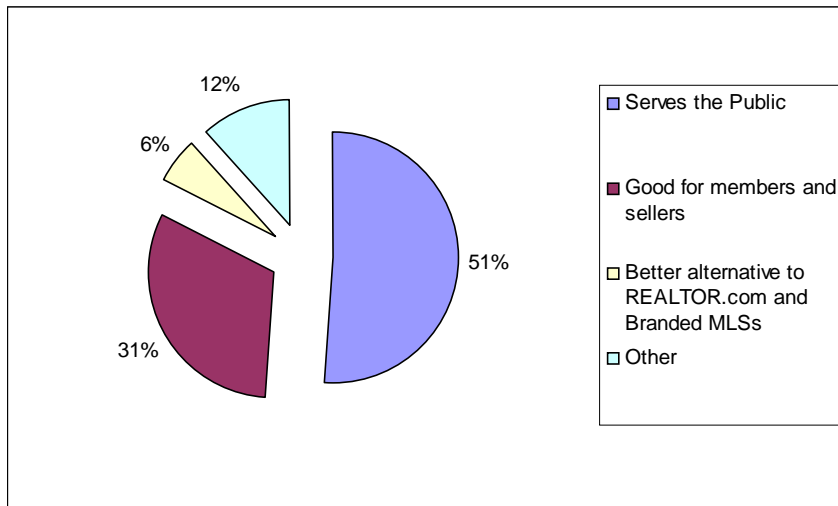
MLS respondents in support of public websites believe the website provides a service to members and a valuable public service. They also state that it helps educate consumers at a “neutral” portal free of advertising. They also believe it helps brokers with a limited web presence while generating leads for listing agents. Some respondents believe consumers appreciate a localized listing of all real estate available as an alternative to national sites.

MLS respondents who oppose public websites believe it is the REALTORS’<sup>®</sup> responsibility to interface with consumers, not the MLS. They also feel it is redundant since IDX feeds are readily available on many REALTOR<sup>®</sup> websites.

***MLS Respondents against Public Websites (Open end responses)***



### **MLS Respondents in Favor of Public Websites (Open end responses)**



#### **REALTORS<sup>®</sup>**

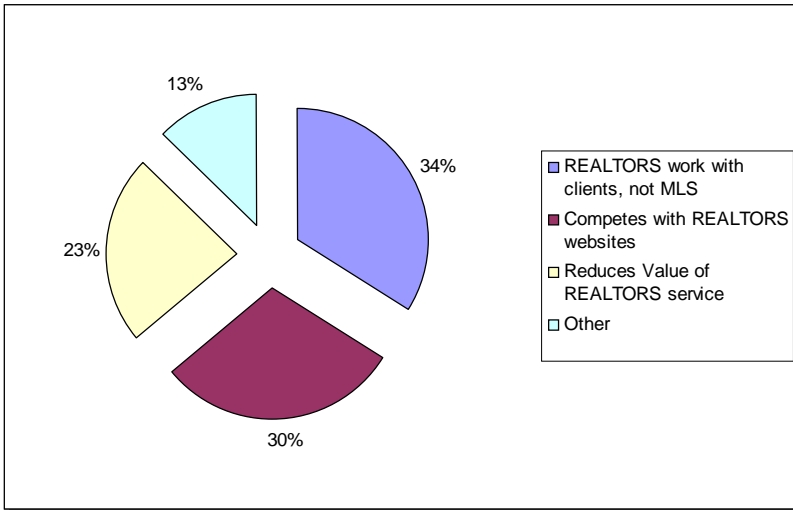
REALTORS<sup>®</sup> in support of public websites believe the public demands a neutral portal for real estate information. If the MLS does not provide this service, some respondents believe consumers will seek out the information on other websites offered by online lead generators. Many respondents are in favor of MLS websites because it provides advertising exposure to their listings. Other REALTORS<sup>®</sup> like the auto search feature of MLS websites because they believe it saves time. They treat it as another service they can offer to their clients.

REALTORS<sup>®</sup> opposed to MLS public websites believe the site is competitive with their own IDX-enabled website. They believe that the MLS site may divert traffic away from their website. Many in the study are concerned that this website reduces the value of a REALTORS<sup>®</sup> services. They believe it is their responsibility to educate the consumer on homes available in their market. They also believe if too much access is provided to the consumer, the consumer will feel like they are doing “too much of the work”.

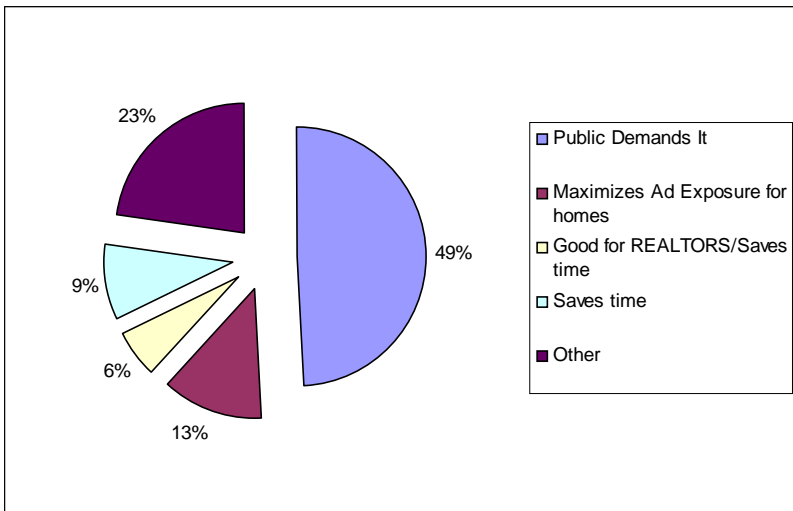
Others in the study did not approve of MLS websites because they felt like they lost control. For example, if a client signs up for auto notification, they may receive homes that are not appropriate for their needs. The REALTORS<sup>®</sup> then has to review every one of these homes and explain why it doesn't fit their criteria. Many respondents would prefer to do their own screening so that they wouldn't have to review homes that are not appropriate for their client.



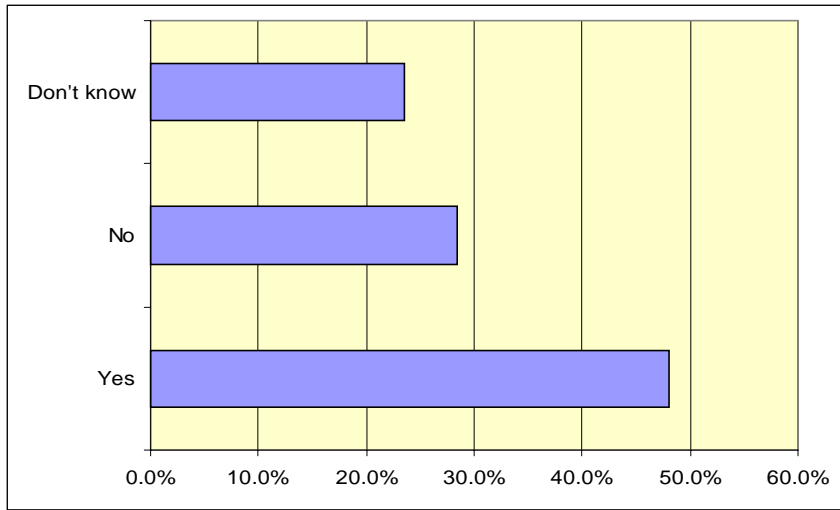
**REALTOR® Respondents against Public Websites (Open end responses)**



**REALTOR® Respondents in Favor of Public Websites (Open end responses)**



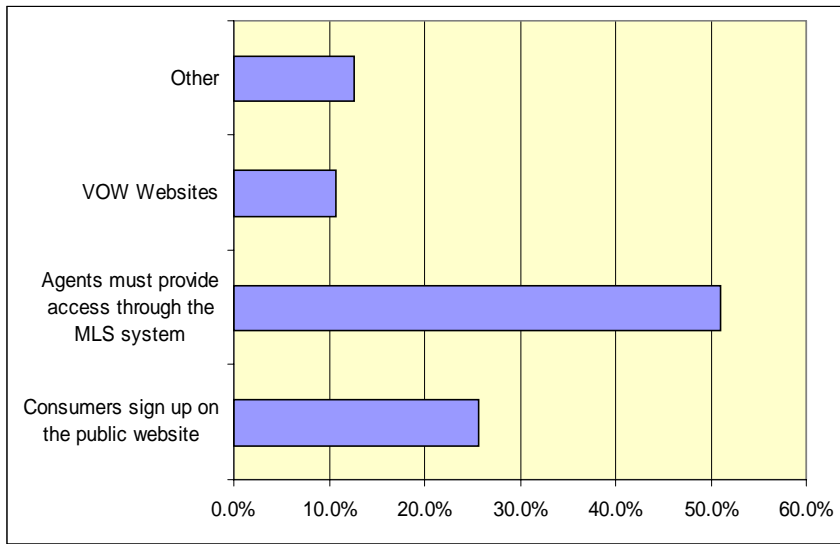
**Does your MLS provide an "auto-search" capability to consumers to receive automatic updates on listings that fit their search criteria?**



Almost 50% of those responding said their MLS did provide a way for consumers to set up "auto-searches" to find listings matching their criteria.

The next question was used to qualify this to determine "how" these searches were made available.

**If "Yes", how are the searches set up and consumers get access?**



Over 50% of the respondents indicated that agents must provide this type of service through the MLS system. 25% said consumers could set up these searches on their own through the public website.

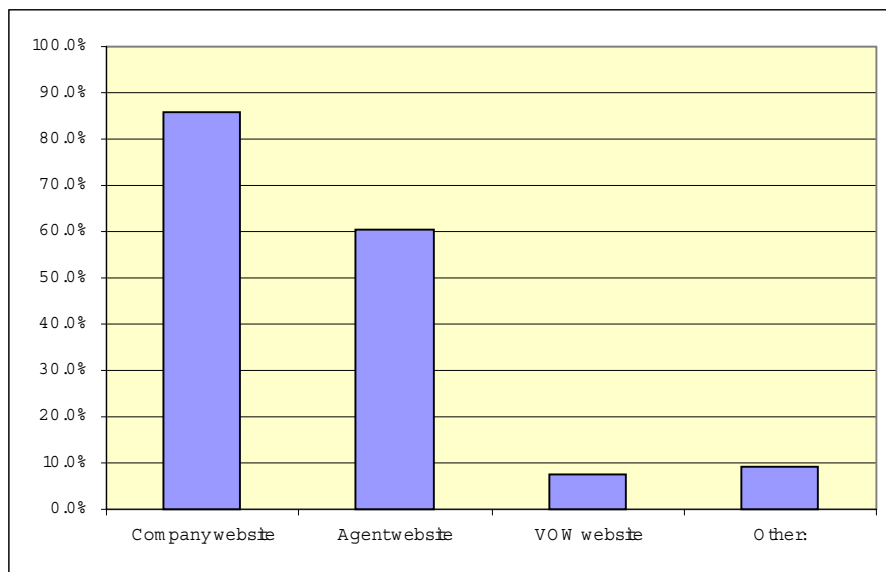
## Website and Information Display

This section examines REALTORS'® display and use of MLS listings online. 85% of REALTOR® respondents indicate they have a company website and 60.4% of the agents reported that they have a personal website. Only 7.5% of the respondents reported having a VOW website.

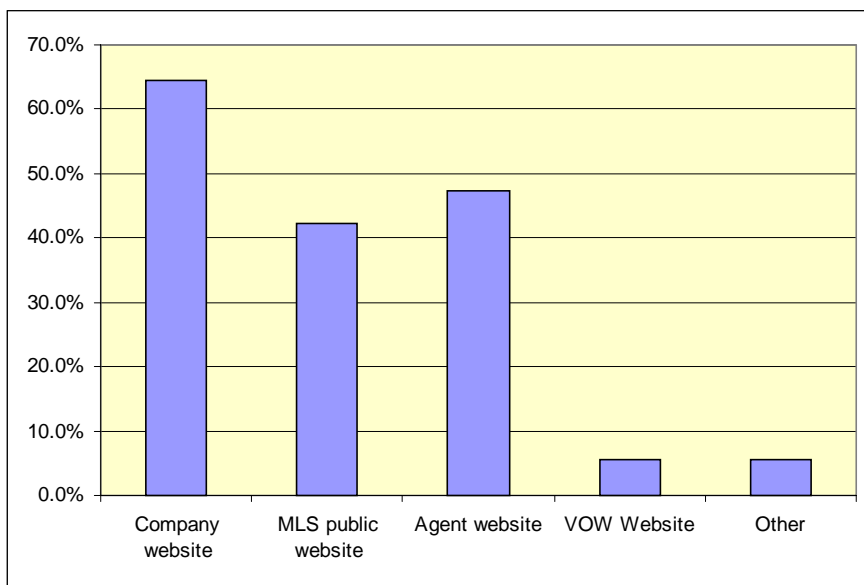
64% of the respondents reported their company website offered listing search capabilities. Agents reported that 47% of their sites had listing search capabilities. The reduced number of agents participating may be due, in part to IDX feed regulations. In certain markets IDX display is allowed only on broker websites.

Over 40% of the respondents said it takes less than three days to get an IDX feed approved and available. This seems to indicate that both MLS policy and data management tools have come together to create an efficient support process for REALTORS®. Conversely, almost 45% of the respondents said they didn't know how long it took to get an IDX feed approved and available. Since there are a high number of "Don't Know" answers, the survey cannot determine the overall effectiveness of the IDX approval and availability processes. There were mentions of frustrations getting approval and data on a timely basis.

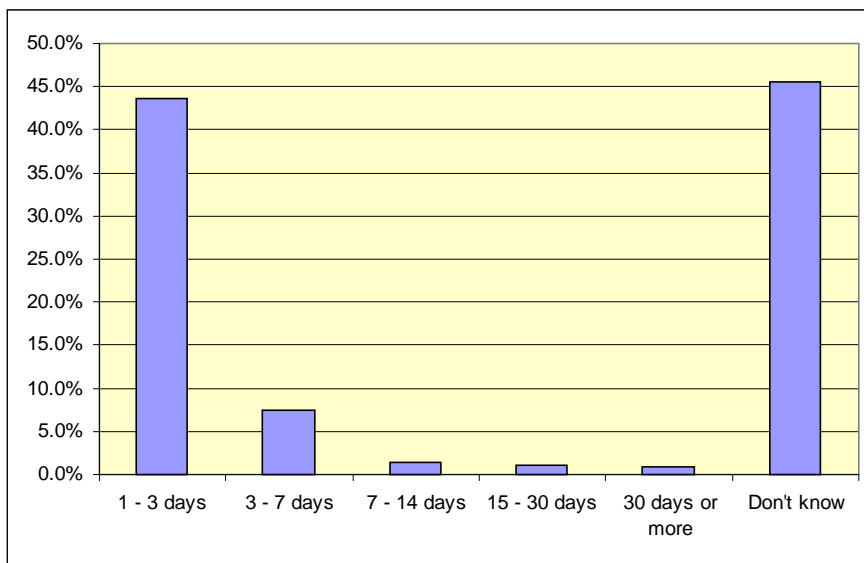
### *What other websites do you have?*



**Which websites have MLS listing search capabilities?**



**How long does it take for the MLS to approve and make an IDX data feed available?**



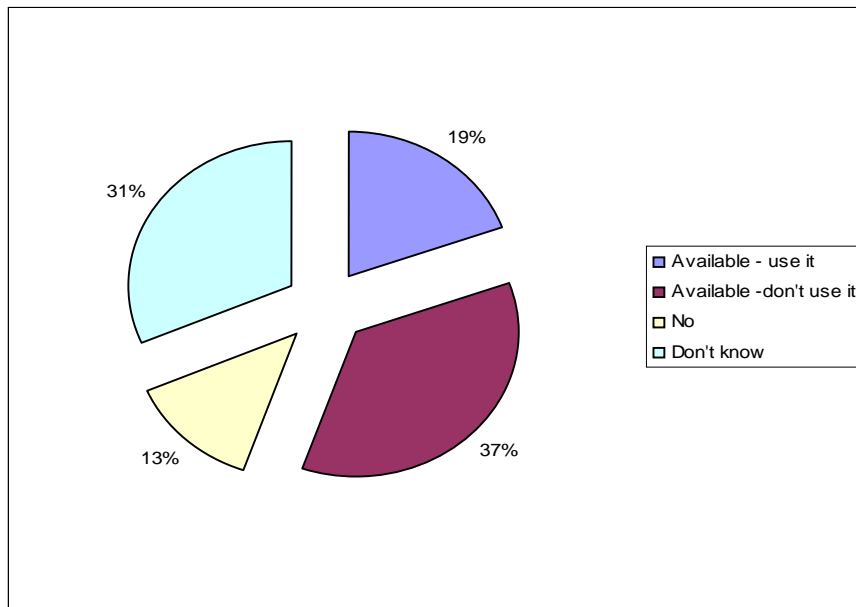
## Wireless MLS Access

Wireless access to MLS listings has been available for a number of years but appears to have gained momentum recently. 56% of the respondents in this survey report their MLS provides this service while 37% actually use wireless access service.

The following two questions have been combined in the chart below.

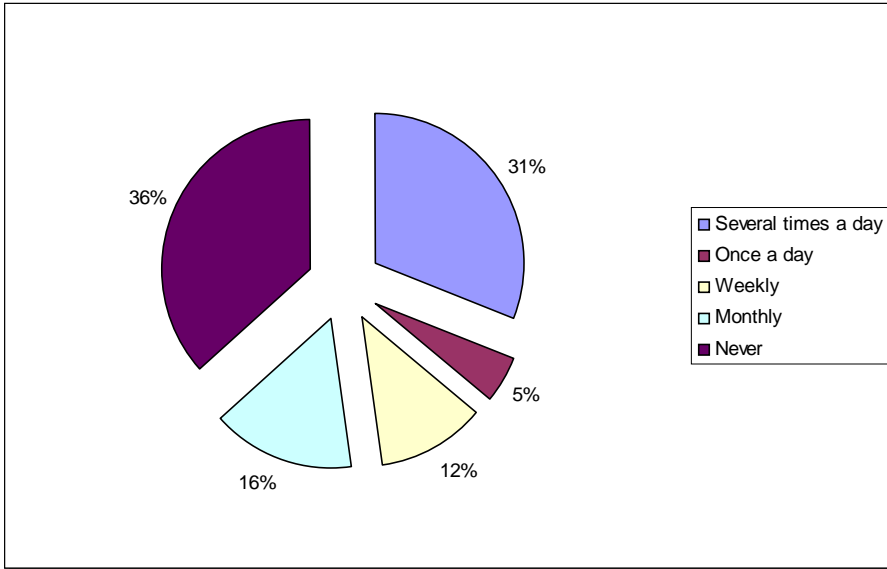
***Is wireless access available for MLS data?***

***If "Yes", do you use wireless access?***



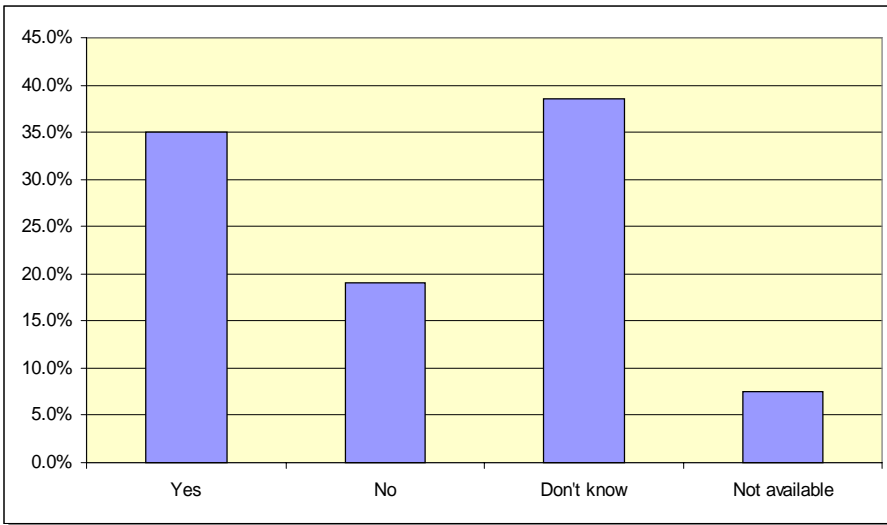
56% of respondents report that wireless access to MLS data is available while only 37% report currently using it.

***If "Yes", how often do you use it?***



Among those in the survey who say they use wireless, nearly 31% or approximately 12% of total respondents use it several times a day, indicating wireless may be a valuable tool. Conversely, 37% of those say that say they use wireless say they never use it.

***If you don't use Wireless access to the MLS do you think you will start using it in the next 12 months?***



35% of the respondents indicated that while they are not using wireless access today they are likely to begin using it sometime in the next 12 months.

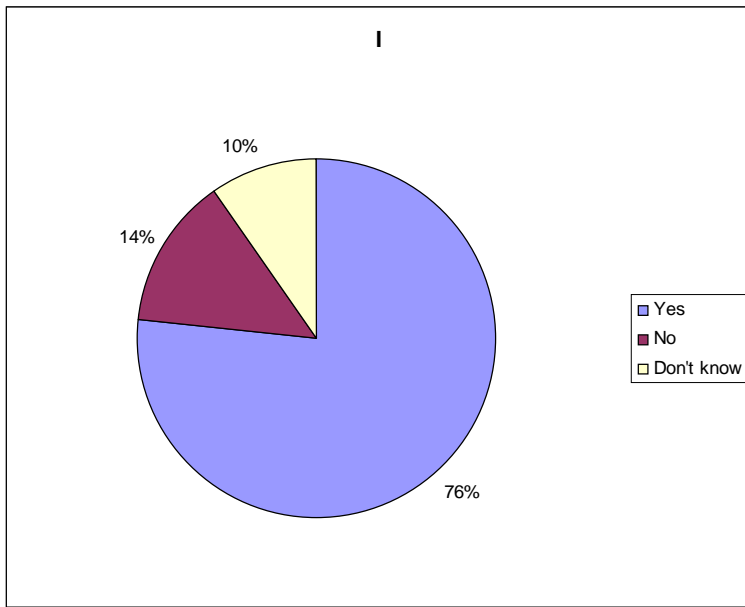
## Data and System Security

System and information security are an increasingly important topic for the real estate industry. 76% of MLSs and real estate respondents in the survey acknowledge it is a concern. Less than half of them, however, have a security program in place and only 20% of respondents indicate they are aware of any type of security education process.

There is evidence of an increased focus, however, since 25% of the MLS respondents indicated they are considering implementing various solutions to protect their MLS content.

The following series of questions explore the issue of data and system security.

### ***Is data and system security a concern to your organization?***

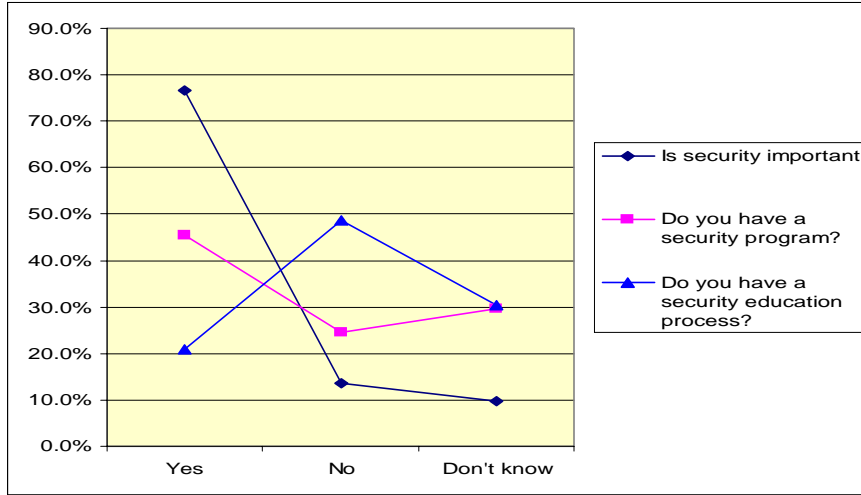


76% of all respondents indicated that data and system security is a concern for their organization. 89% of MLS respondents said it was a concern versus 73% of the REALTOR® respondents.

In the following chart two questions have been combined:

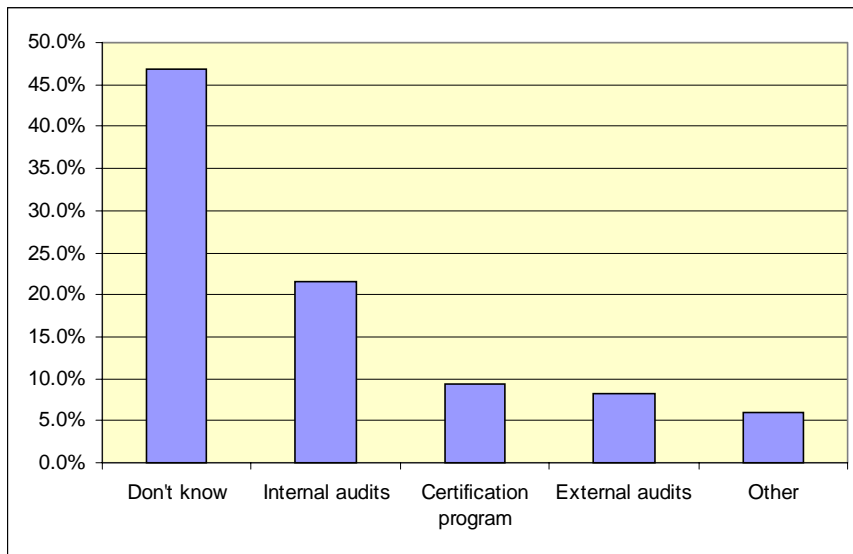
***Does your organization have a formal security program in place?***

***Does your organization have an established security education process?***



While the majority of MLSs and REALTORS<sup>®</sup> said security is a concern a significantly lower number had formal security programs. Even fewer had a security education process in place as illustrated in the chart below.

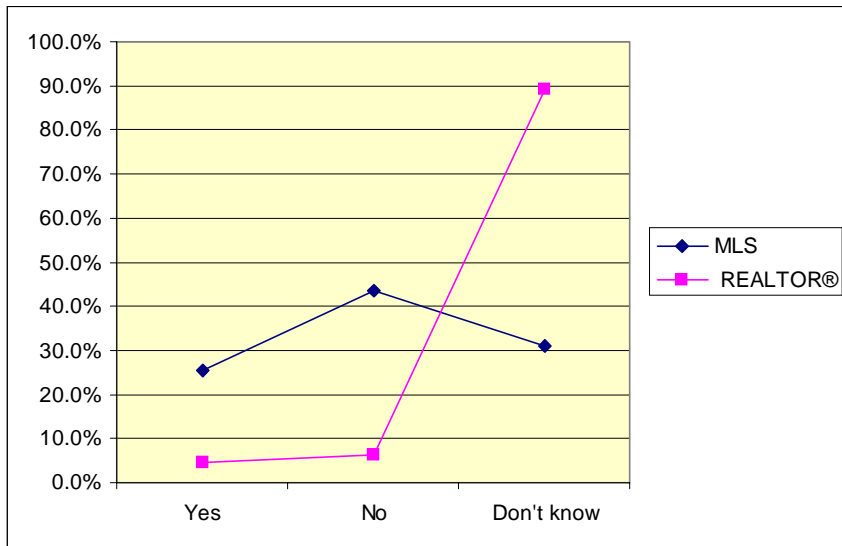
***Please indicate any security programs your organization uses.***



21.5% of those that report some type of security program use internal audits. Currently 25% use a certification program or employ external assessments.



**Is your MLS considering implementing a security process for your MLS system that would require a "hardware" solution, such as a key fob, or USB device?**

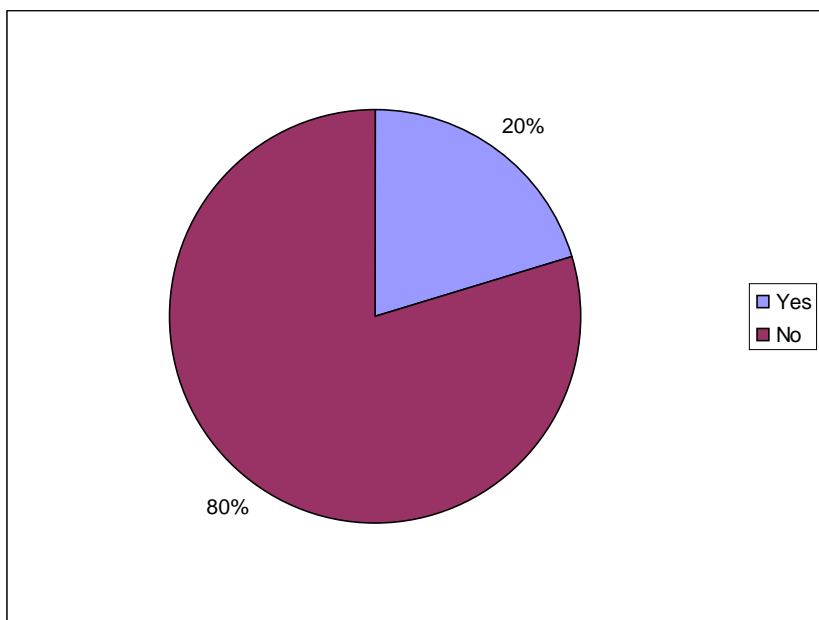


With increased concern over system and data security MLSs have been presented with a number of different options to address the problem. One solution involves implementation of hardware devices to restrict unauthorized access to MLS data. As noted in the chart above, 25% of the MLS respondents indicated they were considering such an approach.

## Lead Generation

The next two questions looked at the issue of “Lead Generation” and how many respondents actually were using these services.

### *Do you use any 3rd party lead generation products?*



20% of the respondents reported some type of online lead generation service.

Another question asked them to report which ones they are using. There were over fifteen lead generation sites mentioned in the study with no clear market leader. The market appears splintered according to survey responses.

Results also seem to indicate that it is hard to distinguish the value of one lead generator versus another.

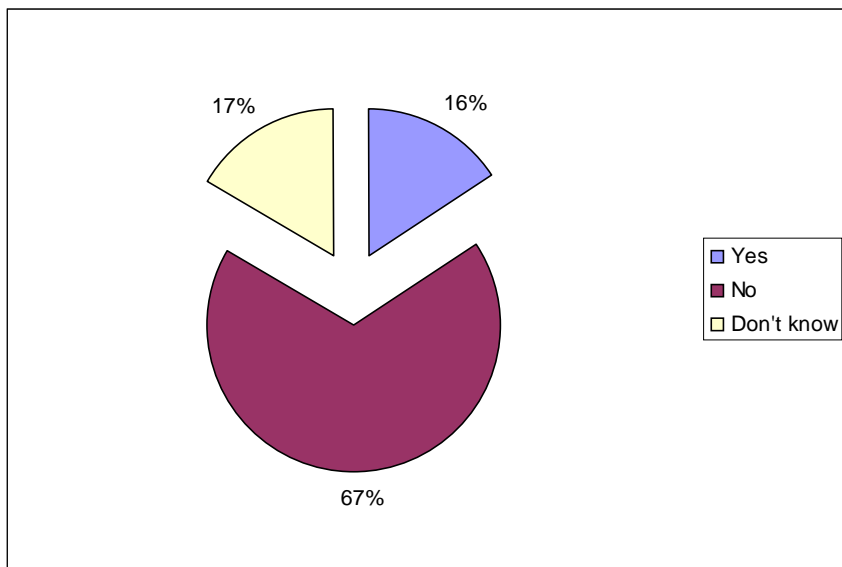
## Transaction Management

Transaction management continues to be a major topic within the industry. Adoption, however, appears to be slow. There is still no consensus about who should deliver the service. State associations, MLSs, real estate companies, title companies and third party vendors are all moving into this space.

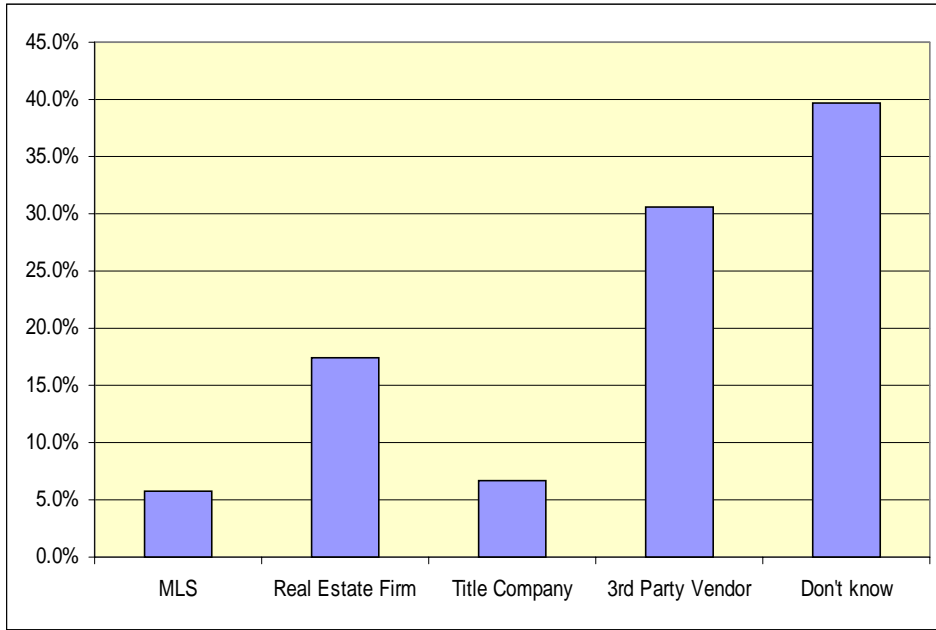
16% of the respondents indicated that they use some type of transaction management. When asked about which program they were using, 56% of the respondents were using products which would typically be considered contact management solutions like Top Producer, ACT or Outlook. This highlights the confusion that still exists regarding the definition of a transaction management system. There were several in the study that were using traditionally-defined transaction management systems. Traditionally-defined transaction management systems generally include document and disclosure management, workflow, status tracking, digital signatures, automated service ordering and electronic closing packets.

There is also no clear answer as to who the ultimate provider of transaction management will be. In this survey respondents reported getting their services from multiple sources including their MLS, title companies, their real estate firm and other third party vendors.

### *Do you use a Transaction Management application?*



***If "Yes", who provides the Transaction Management service?***



## Data Format and Transport

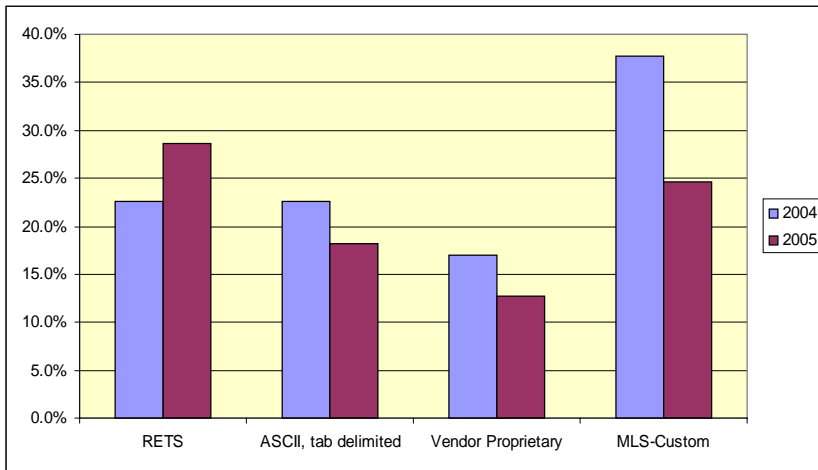
The survey highlights that the data management tools and processors are maturing. There is a trend away from proprietary/custom application and an increase in RETS for transport of data from MLS to REALTOR.com, IDX sites and others. In fact, for the first time, RETS is the leading transport method for making data available to REALTOR.com and third party vendors products and it is a close second for transporting data for VOW/IDX feeds. MLS custom formats are still the predominant vehicle for delivering member search information.

- RETS increased from 22.6% to 28.6%.for data transport to Realtor.com,
- RETS increased from 12% to 18.3% for data transport to members for search
- RETS increased from 19.1% to 30.2% for data transport for VOW/IDX feeds

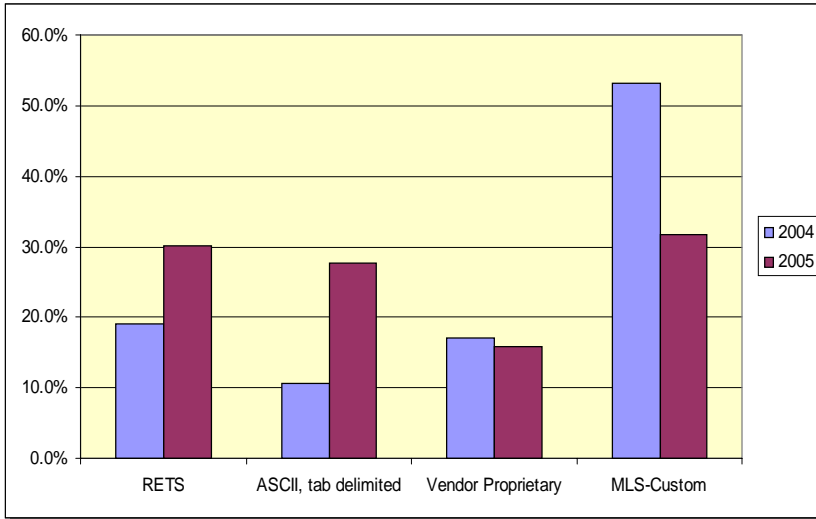
Data is made available to these destinations just slightly more by FTP than Internet using a format other then FTP.

The following group of questions looks at what format MLSs are using to make listings available as well as how they are transporting this data to different users.

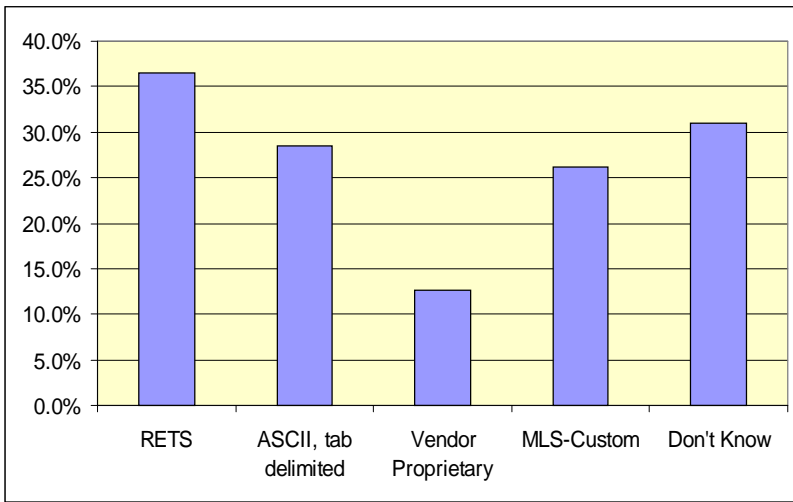
### ***How do you make data available to Homestore/Realtor.com?***



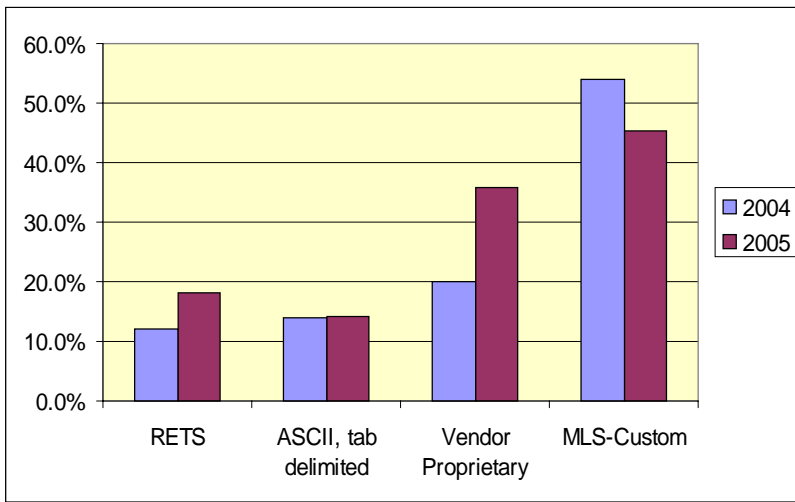
**How do you make data available to VOW/IDX feeds?**



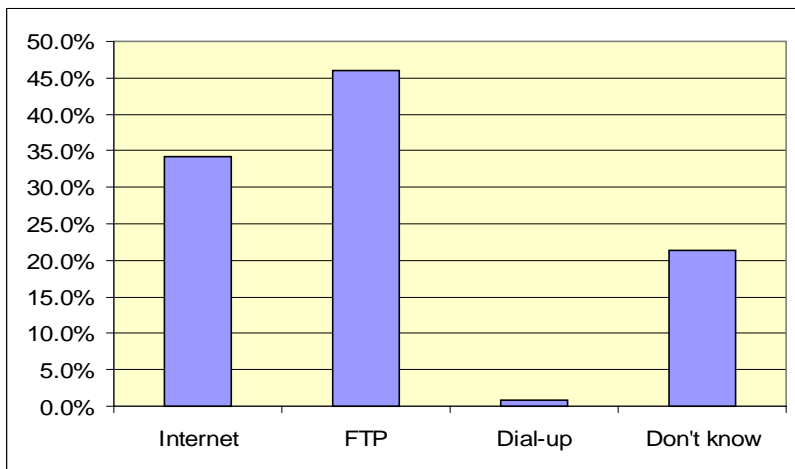
**How do you make data available to 3rd party Vendors - Products?**



**How do you make data available to Members for Search?**

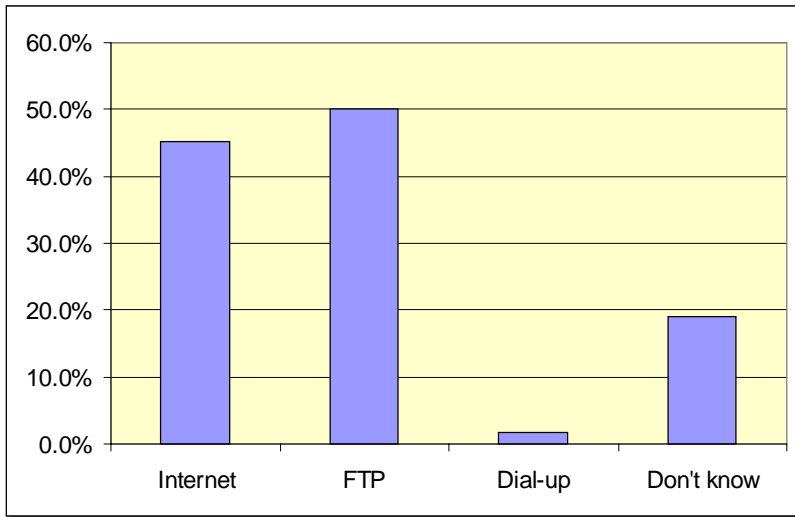


**How do you transport data to Realtor.com?**



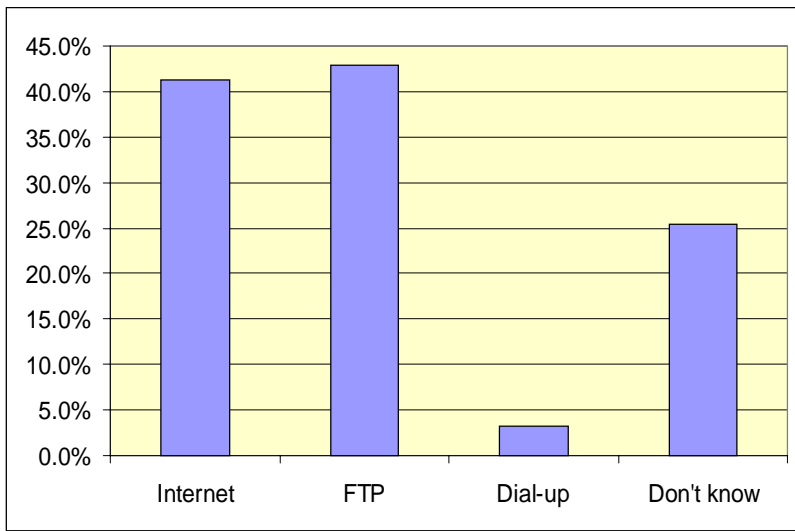
Internet includes methods other than FTP.

**How do you transport data for VOW/IDX feeds?**



Internet includes methods other than FTP.

**How do you transport data to 3rd party vendors products?**



Internet includes methods other than FTP.

## VOWS, IDX and Comparable Data

45% of the MLS respondents indicated they allow VOWs at their MLS. 31% said they don't while 24% said they don't know.

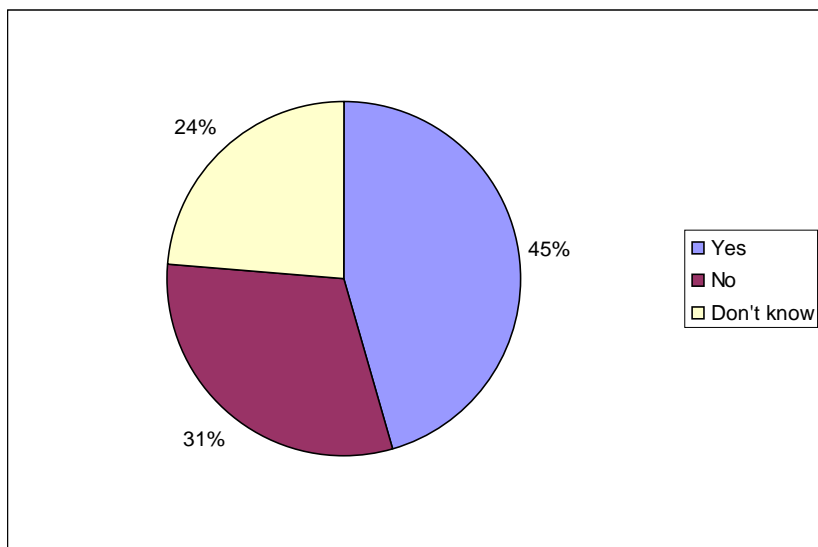
Only 8% of the respondents said that IDX was not available from their MLS. 29% provide IDX feeds to brokers only, 58% provide IDX feeds to brokers or agents and 13% report they don't know.

IDX use is widespread with 25% of MLS respondents indicating that over 50% of their members use IDX.

73% indicate their MLS allows members to download comparable data. About 35% of the respondents indicated that over 50% of their members download comparable data.

This group of question looked at how many MLSs allow VOWs, the types of IDX feeds allowed and whether members have the ability to download comparable data from the MLS systems.

### ***Does your MLS allow VOWs?***

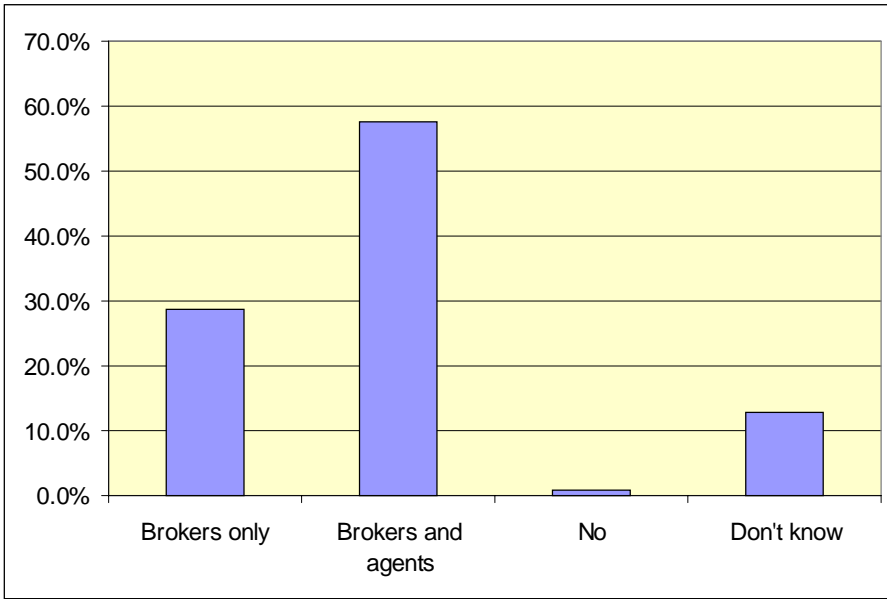


45% of the MLSs that responded indicated that VOWs were allowed in their MLS.

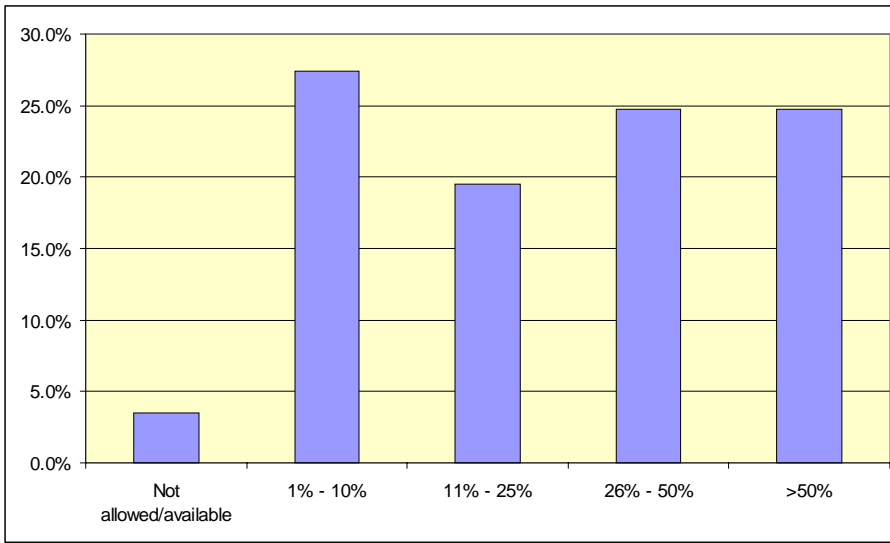
### ***Does your MLS allow IDX feeds?***

This question addresses whether IDX feeds are allowed but also whether they are provided to "brokers only" or "brokers and agents". As shown in the chart below the majority of those MLSs that allow IDX feeds, almost 58%, allow them for both agents and brokers while 29% allow only broker IDX feeds.

**Does your MLS allow IDX feeds?**



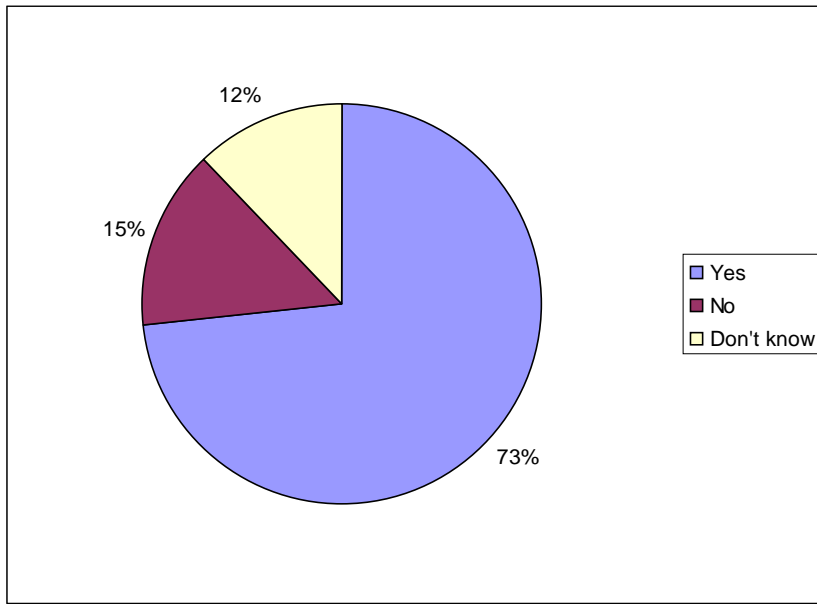
**Approximately what percentage of your members uses IDX today?**



About 25% of the MLS respondents say that over 50% of their members use IDX today. Another 25% say between 25% and 50% of their members use IDX today.

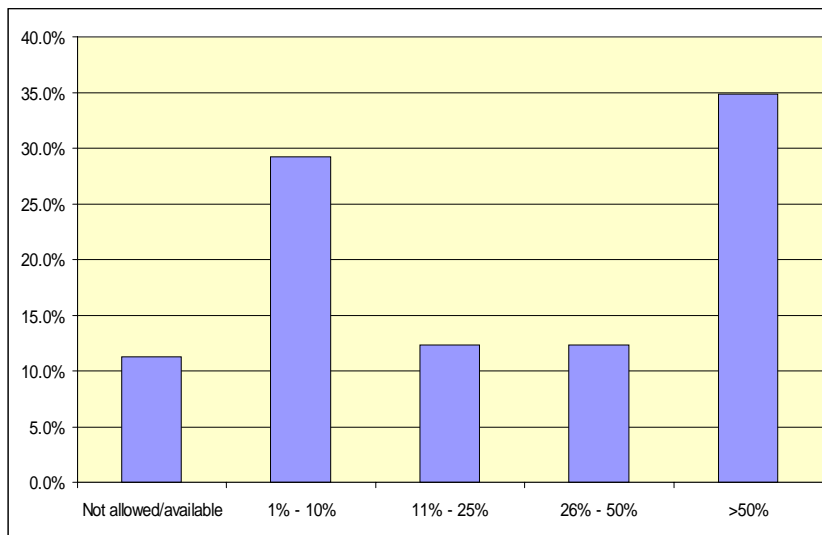


**Does your MLS allow members to download Comparable data for CMS or similar activities?**



As noted in the chart above, 73% of the MLS respondents allow their members to download comparable data.

**If you answered "Yes, what percentage of your members download comparable data?"**



The chart above shows how many users are actually doing this. 35% report that over 50% of their members download comparable data.

## Broker Listing Origination

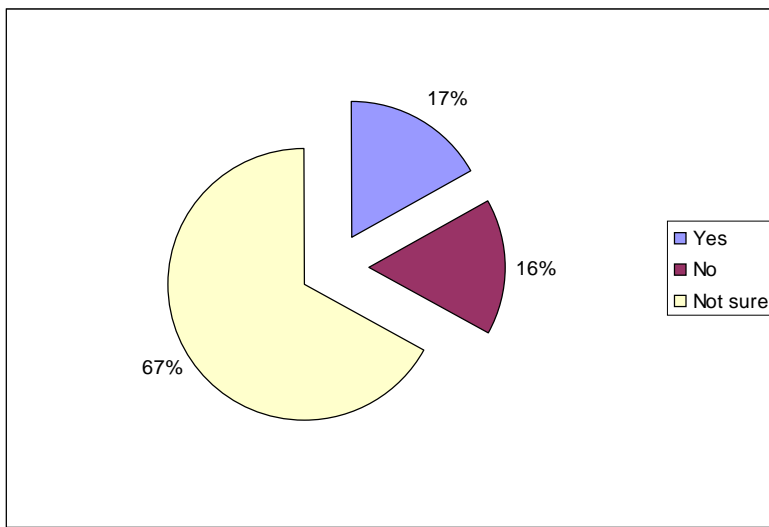
The last two questions of the survey address the growing issue of data origination. Many large brokers have internal listing systems today in which they download their data, as well as other MLS listing data, for use on their internal listing system. These brokers often span multiple MLSs with different MLS systems, data structures and vendors and they face increasing costs to set up processes to get their own listing data back for internal uses. Even brokers in one MLS often have to enter the same data in multiple locations from the MLS to back office systems, contact databases, accounting systems, etc.

This question asked MLSs whether they would accept listing data directly from a broker system rather than being input through the current MLS system.

17% of the respondents said they would accept data directly from a broker system while 16% said they would not. The largest group was not sure and expressed a number of issues and questions in the following question to explain their answer.

Issues raised ranged from it not being an issue in their MLS to concerns regarding data integrity, compatibility of systems and concerns that their vendors would not allow it.

### ***Would your MLS be willing to accept a new listing feed directly from a broker's system?***



As noted above, 17% of the respondents said they would accept data from a broker system while almost an equal number, 16%, said they would not. The majority, 67% were not sure.

The final question asked them to explain their answer.

***Please explain.***

Grouping the response into categories the answers were really quite diverse. The following is a breakdown of the general groups the responses fell into:

- Not an issue or concern at the moment
- Systems need to be compatible/data integrity a key concern
- Willing to consider it if members want it
- Security concerns
- Already doing it
- Not my decision
- Vendor won't allow it



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Messenger	NoScrape	White Papers
JAMMt	reCaphca	Newsletter
<b>Governance</b>	<b>RETS</b>	Outreach program
PolicyPage	Variman	Info line
	CART	Best practices
	RETS for Office	

CRT's outreach program can assist you understand, plan and use technology to your benefit. The speaker's bureau provides CRT resources to speak on a wide variety of technology topics at your REALTOR® meeting or event.

For information on the survey or to see how CRT can assist your organization contact us.

### Center for REALTOR® Technology

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