

**2006
MLS Technology
Survey**



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

Introduction



NAR's Center for REALTOR® Technology was established to provide technology leadership, guidance and assistance for its members; CRT makes available informed industry insight, research and open-source applications through its mission of implementation, advocacy and information.

Understanding Multiple Listing Service (MLS) and REALTOR® technology trends through surveys is one of the tools the CRT uses for its ongoing research.

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This survey and report were authored by the Center for REALTOR® Technology and WAV Group.

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We would also like to thank those who contributed by taking their time to complete the survey and offering their opinions.



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Executive Summary

The 2006 MLS Technology Survey is the fourth annual survey completed by the National Association of REALTORS® Center for REALTOR® Technology (CRT). The survey reviews MLS technology practices and trends. Since its inception, the survey has asked timely questions related to the MLS and REALTOR® business practices they support. The 2006 survey clearly shows that technology topics like security and trends, such as consolidation of MLSs, have been identified as key issues.

Methodology

CRT distributed a survey link, via email, in February 2006 to over 20,000 MLS executives and staff, and REALTORS®. There were 950 responses with 24% from MLS respondents and 76% from REALTOR® respondents.

The 2006 MLS Technology Survey identified four key trends:

Changing MLS Industry Dynamics

Expanded data-sharing agreements and MLS reinvention and MLS consolidation are key issues facing the industry today. Survey responses clearly show there is strong interest in expanding the market geography for REALTORS®.

- 55% of REALTOR® respondents believe the ideal MLS size after consolidation would be a larger region within the state or even statewide.
- While MLS executives and staff respondents are also open to consolidation, the largest percentage believes consolidation within a Metropolitan Statistical Area (MSA) is ideal.

Factors contributing to this desire for MLS expansion include:

- The expanding market areas for REALTORS® across MLS lines
- The cost and inefficiency of belonging to multiple MLSs
- The cost and difficulty of data aggregation across multiple MLSs
- The need for MLSs to provide improved services in response to new competitors entering the real estate industry

MLS Public Websites

Public websites, provided by the MLS, do not seem to be valued as much by REALTORS® as by MLS respondents. This is the widest gap of opinions between MLS and REALTOR® respondents in the survey. While MLS respondents are in favor of MLS public websites and see them as being good for the industry, not as many REALTORS® share that view.

The study uncovers some of the potential causes for these differences:

- 73% of REALTOR® are uncertain who in their firm receives the leads from their MLS public website.
- 73% receive no leads from MLS public websites.
- 81% receive no sales from MLS public website leads.
- 63% believe MLS public websites compete directly with agent and broker websites.

Information Security

The survey reveals there are still significant differences between the awareness of information security issues and implementation of actions to address these concerns. While it is clear from the survey that concerns about information and data security are growing and a significant number of respondents have experienced security incidents, the practice of implementing security and privacy policies has not increased since 2005.

- 88% of MLS respondents believe information and data security is a key concern.
- Only 46% of MLS respondents say they have a security policy in place, showing no increase from 2005 levels.
- 37% of respondents have experienced a security incident.
- 60% of respondents are not using watermarking.
- 45% keep a log to track listing exports.

MLS Technology Trends

From past surveys, CRT uncovered a strong desire for data integration with MLS listing information. It appears as though the level of data integration is improving, addressing this important need. 78% of respondents stated they now have the ability to integrate tax data and other information with the MLS listing. They also stated that many now have the ability to auto-fill contact information throughout the MLS system where contact information is required. MLS respondents stated that many systems now have the ability to map and export data to 3rd party products.

MLS data integration and mapping are the two largest technology trends noted in the study. The availability of mapping capabilities are becoming ubiquitous in most MLS systems.

- Awareness levels of data integration are much lower among REALTORS® than MLS respondents, suggesting an opportunity for MLSs to provide more member education.
- According to open-ended responses, movement toward even more integration is desired in many MLSs.
- 56% of respondents say they have street maps included in the system now.
- Client interest in maps is mixed. Just less than half of the REALTORS® believe their clients value the maps they are providing to them.

Other Findings

MLS Re-invention

According to a number of respondents, MLS reinvention is key to the long-term success of the industry. There are a variety of points of view on this.

- Some believe
- MLSs need to build more comprehensive data-sharing agreements and consolidate at the local, state and even national levels.
- Yet others believe the MLS system is just fine.
- Some believe MLSs should not become a “marketing” company and need to be careful not to “level the playing field”.
- Another set of respondents believe MLSs are driven by large brokers and the voice of the small broker is not well represented.

One respondent commented, “We are often focused on improving the current type of MLS, etc. as opposed to using a blank slate approach. Putting the MLS member in the position of offering superior services as opposed to non-members is the key to creating a better MLS”.

MLS as a Public Utility

There was as repeated concern that MLSs will evolve into utilities with data virtually open to any person or business. Some believe granting unfettered access to MLS listings could threaten the current MLS model and even the real estate industry as it is today.

RETS

RETS is clearly being integrated within many MLS and third party products. Its availability for use as a method to provide listing information increased from 2005 to 2006.

Transaction Management

The number of respondents using transaction management increased from 16% last year to 22% this year. When asked the key reason they used it, nearly half stated it helped them strengthen their customer relationship and business in some way. It does not appear, however, that clients fully realize the value of transaction management yet. 69% of respondents stated their clients are not interested in it because they want the REALTOR® to handle the transaction on their behalf. Respondents are still not clear about the definition of transaction management. Many stated they were doing transaction management via contact management programs and other software not traditionally defined as transaction management. The industry needs awareness programs to educate REALTORS® on the value and advantages of transaction management systems.

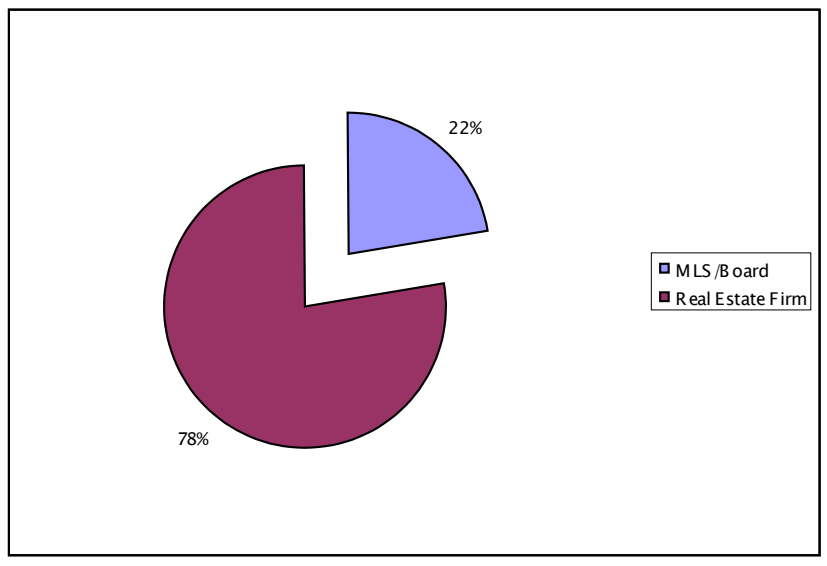


Survey Findings

Participant Profile

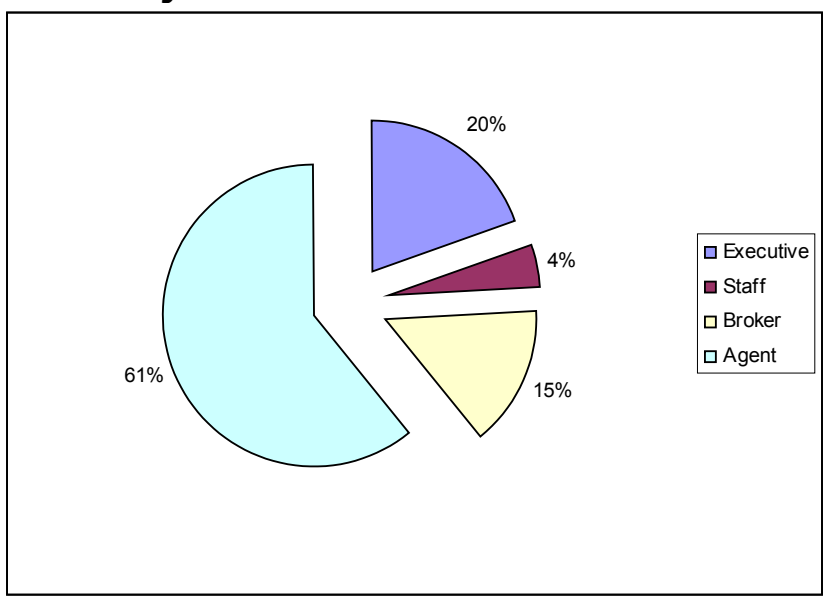
950 respondents participated in the 2006 MLS Technology Survey, representing MLS and association executives and staff, and REALTORS® nationwide.

Who do you work for?



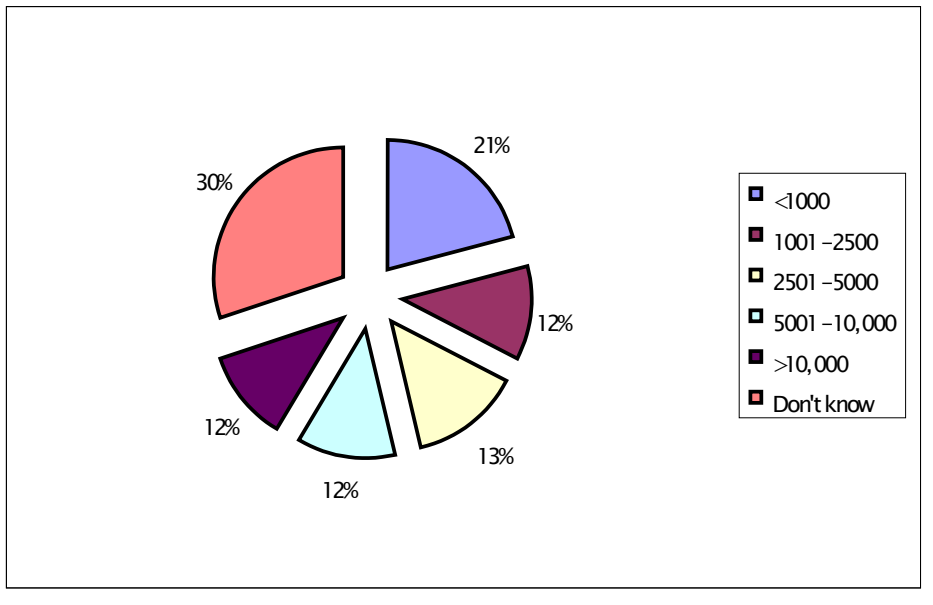
78% of respondents worked for a real estate firm, 22% from associations and MLSs

What is your role?



61% of participants were agents, 15% brokers, 20% MLS executives and 4% MLS staff.

What is the approximate number of members in your MLS?



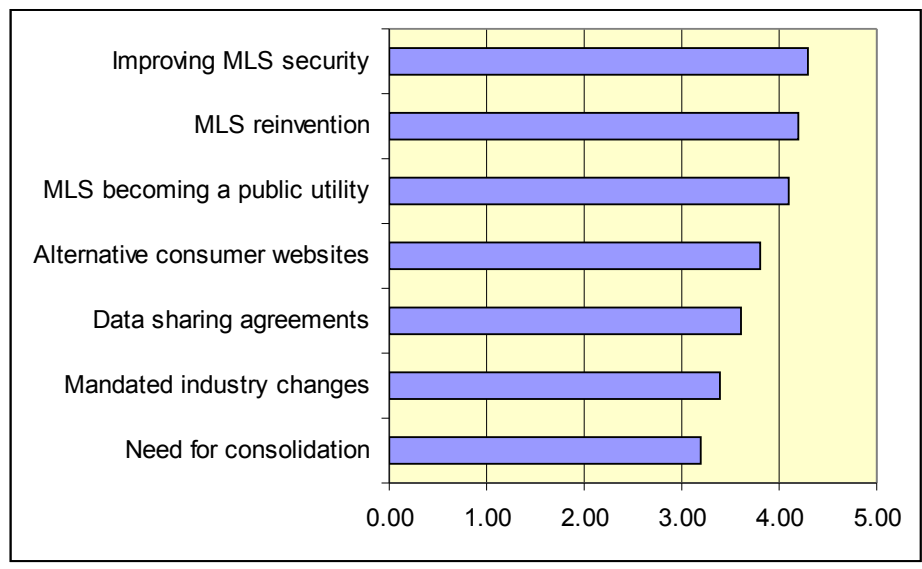
Participants were fairly evenly divided among all size MLSs.

Key MLS Issues

Using a rating from 1 to 5, with 1 being “not important” and 5 being “extremely important” please rank the importance of the following industry issues:

The importance ranking of industry issues differed between MLS respondents and REALTORS®.

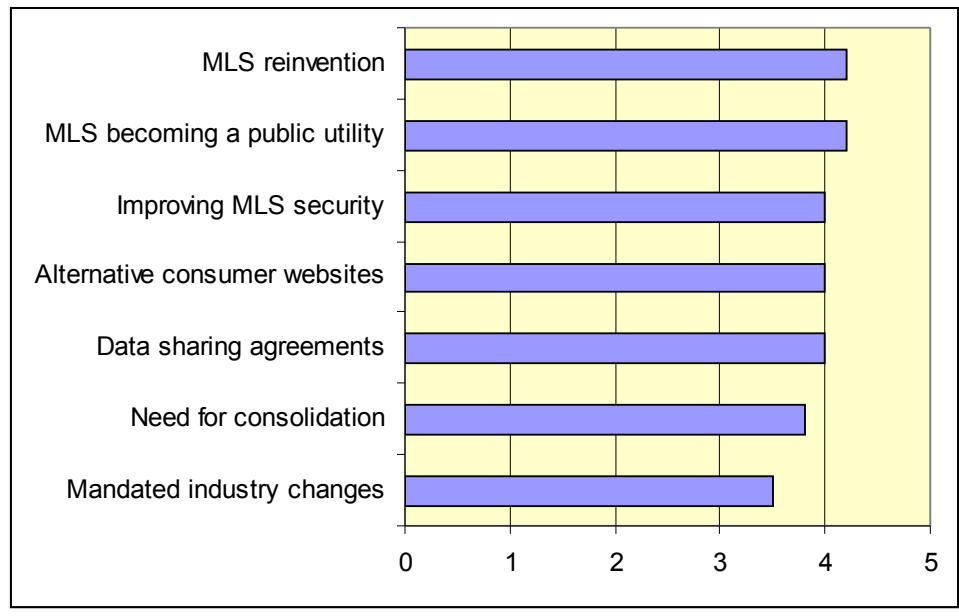
MLS Respondents



The number one concern from MLS respondents was for improving MLS security followed by MLSs re-inventing themselves to meet the evolving needs of the real estate industry.

MLS respondents felt that the lack of agent cooperation was an issue facing the industry in addition to the issues outlined above. Limited service brokers were also a concern because they felt that they reduce satisfaction levels for homebuyers and sellers. Changing consumer demands was also an issue.

REALTOR® Respondents



For REALTORS®, the most important issues facing MLSs is the need for MLS reinvention, followed by the risk of becoming a “public utility”. It appears from the findings that both MLS respondents and REALTORS® feel the need to evolve the role and possibly even the structure of MLSs to compete in the future.

One respondent stated, “MLS should come to grips with the fact that, with the free flow of information on the Internet, it will soon be obsolete.”

Another stated, “I do not understand why there is such a fragmented MLS system both locally and nationally. Why is it so hard to search in other areas and gain access to information? Why don't the various MLS areas consolidate or standardize so it is easier for agents to sell in other areas?”

Many of the open-ended REALTORS® responses centered on concerns of increased competition from new and non-traditional brokerages. Many REALTORS® feel homebuyers and sellers do not truly understand the value a full service brokerage provides. They feel consumers think limited service brokerage essentially provides the same service as a full service broker. This then reduces a customer's perceived value of REALTORS®. One respondent stated his concern about the abbreviated services. “We need to give the public a reason to need us, the agents. With the wealth of information available to them for free, they sometimes think we are dispensable.”

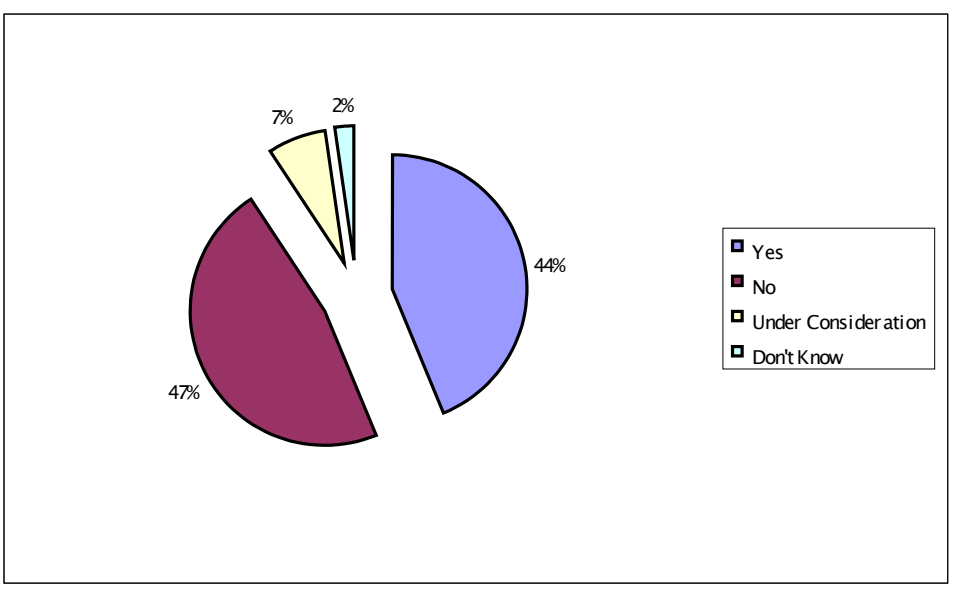
Some respondents are concerned that full service brokerages are adding For Sale by Owner listings to the MLS for a fee. Many REALTORS® are also concerned about other third party websites that provide referrals and consumer leads, which provide MLS listing information directly to consumers. Banks entering the industry are also a concern to some respondents.

MLS Consolidation

There were a series of questions on MLS data sharing and consolidation. REALTORS® and MLS executive's opinions differed in this area.

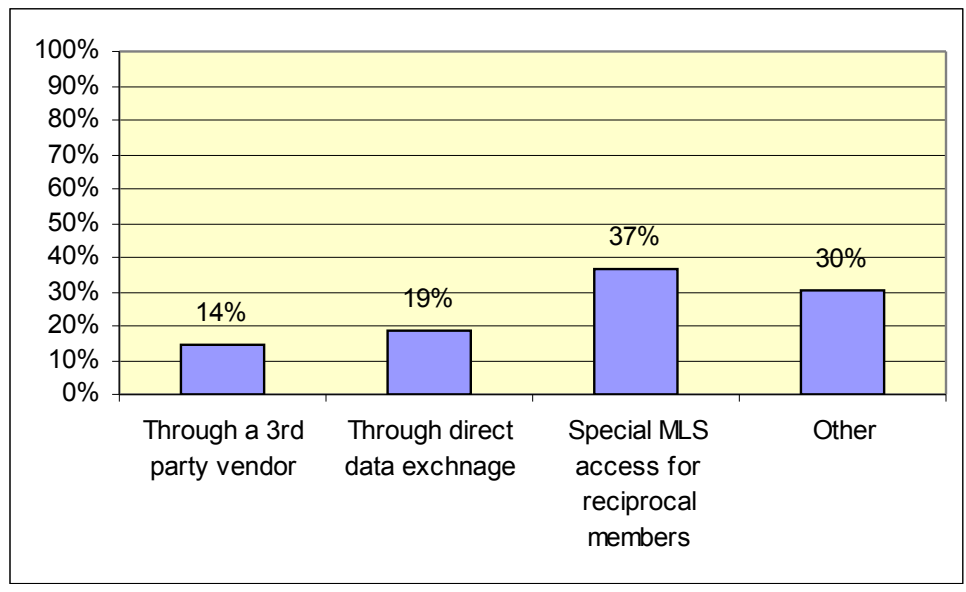
While nearly 50% of MLSs now have some type of data sharing agreement in place, it appears as though they may not be satisfying the perceived needs of REALTORS®. 80% of REALTORS® in the survey believe consolidation at the statewide level or larger geography is ideal.

Do you have reciprocal data sharing agreements with other MLSs?



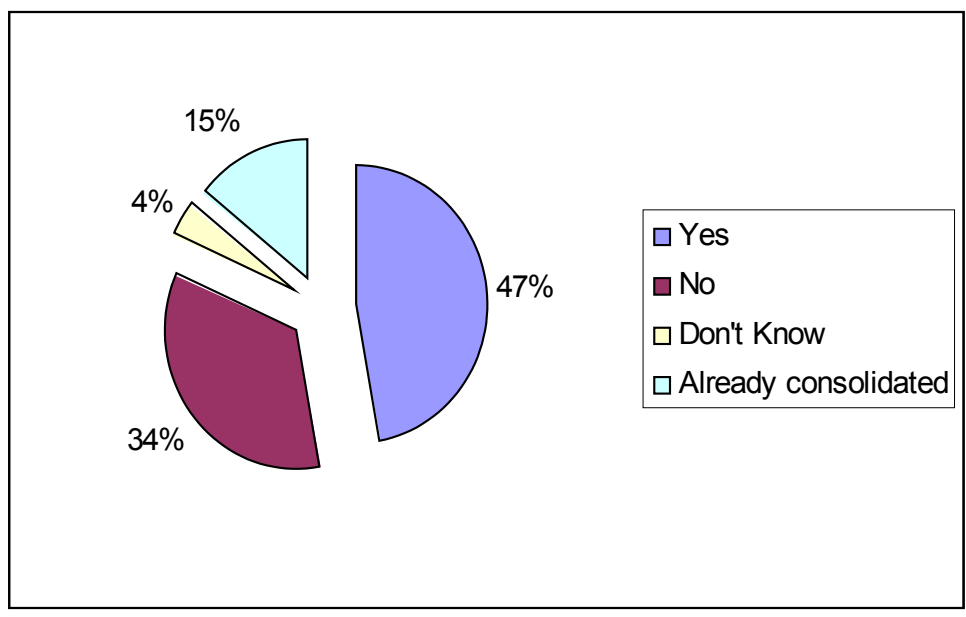
Nearly half of MLS respondents said they either have data sharing agreements in place or are considering one. This may suggest that more and more MLSs are addressing the needs of brokers operating in multiple MLS regions. Advances in technology have made it easier for a broker to expand their geographic territory.

How do you share data? (MLS respondents)



Data is shared most via special MLS access for reciprocal members. Data is also shared via direct data exchange and 3rd party vendors. In response to an open-ended question, several brokers suggested that they would like the MLSs, if not consolidated, to build a shared central listing repository. This would allow each broker IT department to more easily collect listing data from all needed MLSs. It would also make it easier for brokers to allow consumers to review listings across multiple MLSs.

Has your MLS considered consolidation with one or more MLSs? (MLS respondents)

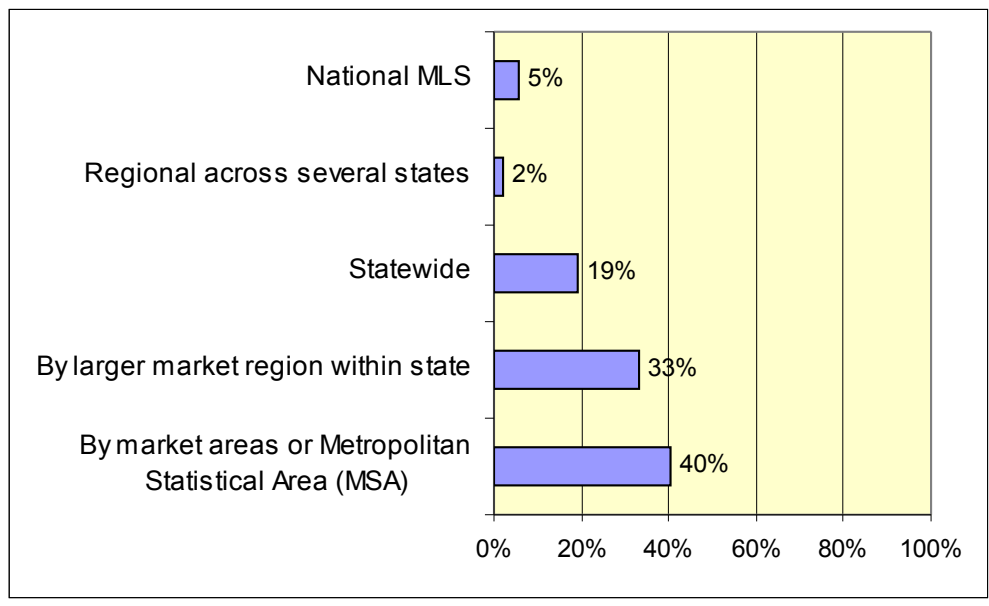


Nearly half of all MLS respondents said their organization has considered consolidation with another MLS. 15% have already consolidated.

What would you consider the ideal size for a consolidated MLS?

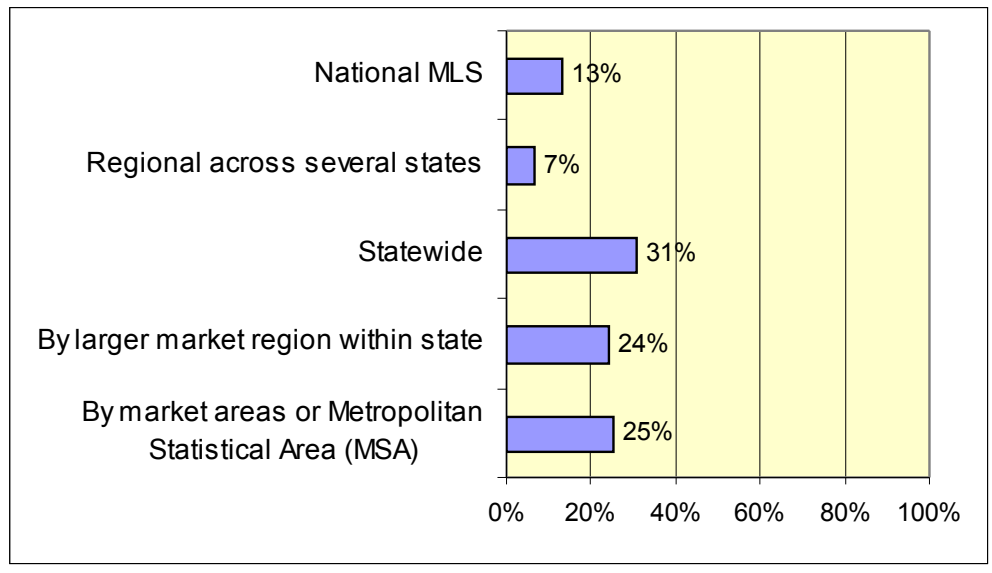
It appears as though interest in broad scale consolidation is much more prevalent among REALTORS® than MLS respondents.

MLS Respondents



73% of the MLS respondents believe the ideal size for a consolidated MLS is Metropolitan Statistical Area (MSA) or a larger market region within the state. Only 5% believe a national MLS would be ideal.

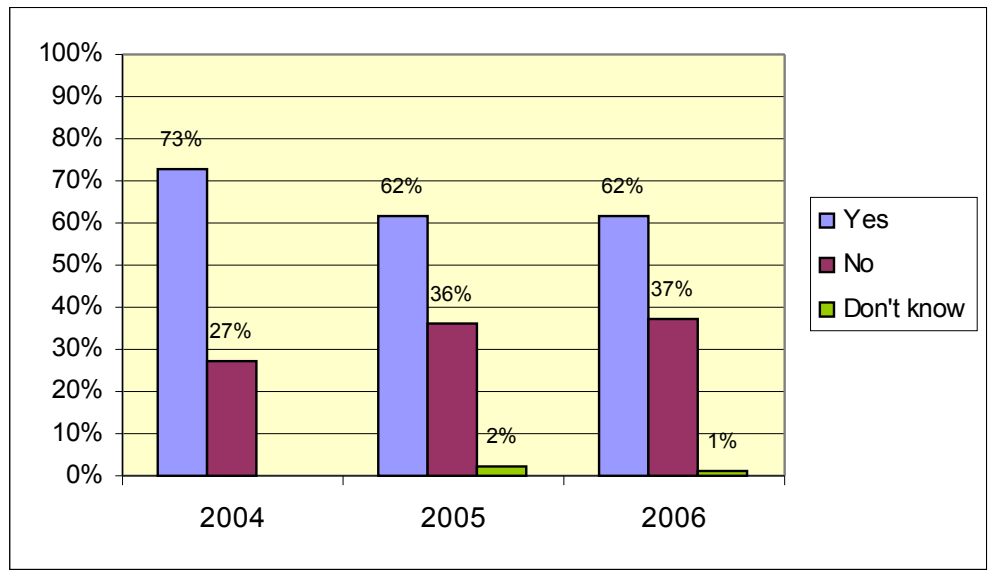
REALTOR® Respondents



REALTOR® respondents appear to favor consolidation. 55% believe MLS consolidation should be by a larger market region within the state or statewide. There may be several reasons for these differences. Broader consolidation would help reduce costs and increase convenience for REALTORS® because they will only have to belong to one larger MLS. MLS respondents may be more reticent for broader scale consolidation because of the difficulties of addressing data needs from a variety of different regions. Rural counties, waterfront locations and urban areas, for example, require different fields to adequately reflect the properties within each of those regions.

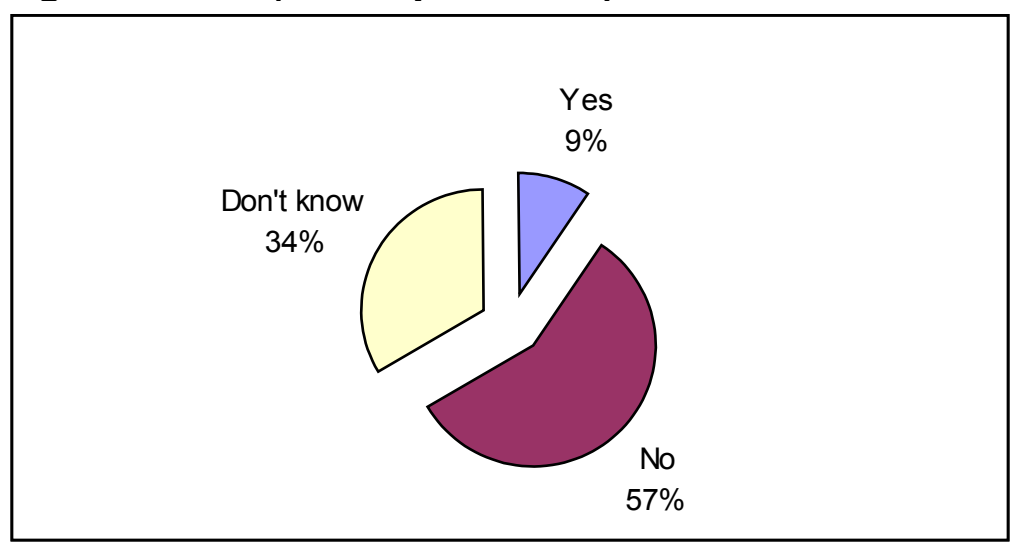
MLS Public Websites

Does your MLS provide a public website where consumers may access listings? (All respondents)



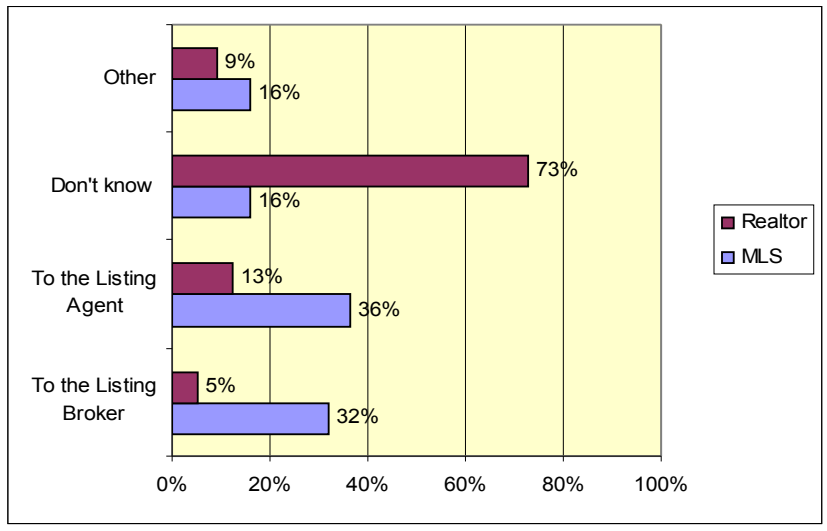
It appears as though the number of MLSs offering public websites has leveled off after declining in 2005. 62% of MLS respondents said they have public websites

For those that answered yes, does the site require registration? (All respondents)



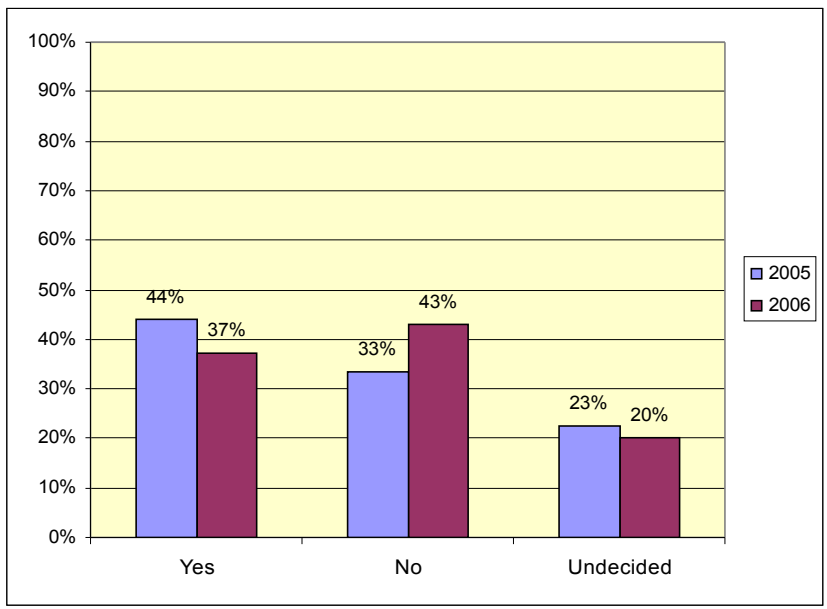
The majority of sites do not require registration.

If you answered yes, where do leads/registration information go?



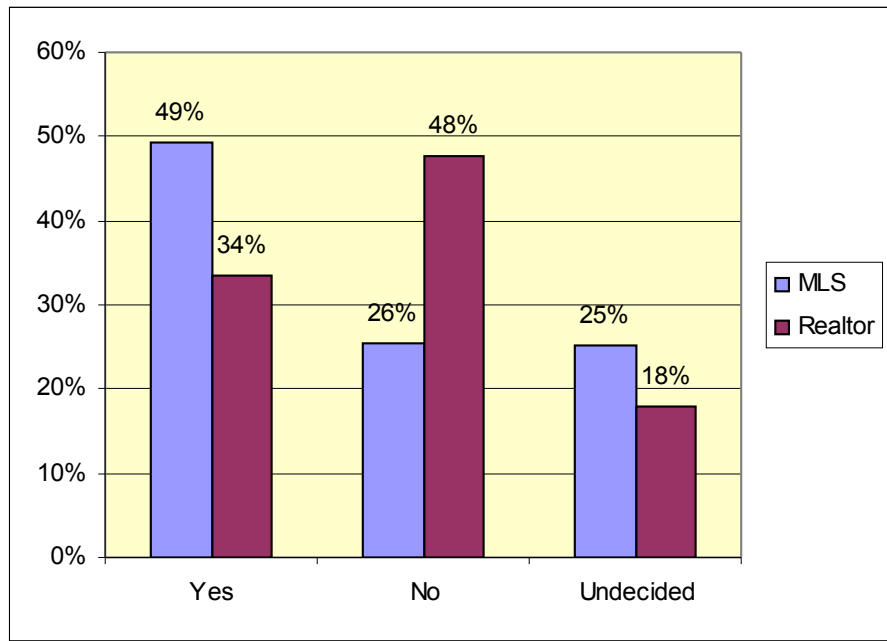
According to MLS respondents, approximately two thirds of MLS websites send leads to listing agents and brokers. 73% of the REALTOR® respondents do not know where the leads go. This lack of awareness present an educational opportunity for MLSs and may be part of the reason many REALTORS® do not see the value of MLS public websites.

Should the MLS provide a public website to display listings? (All respondents)



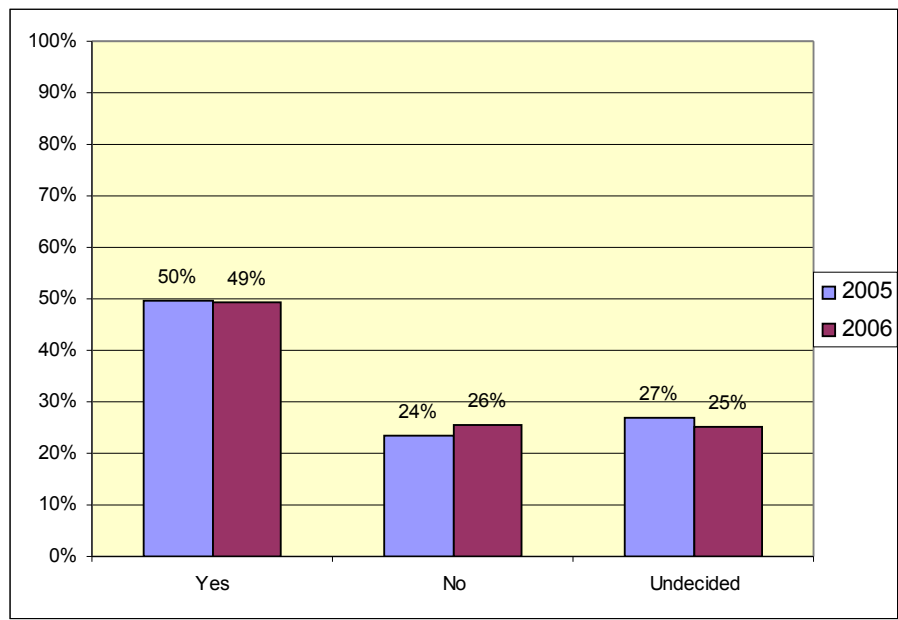
In 2006 support for MLS public websites has decreased versus 2005.

MLS compared to REALTOR® Respondents



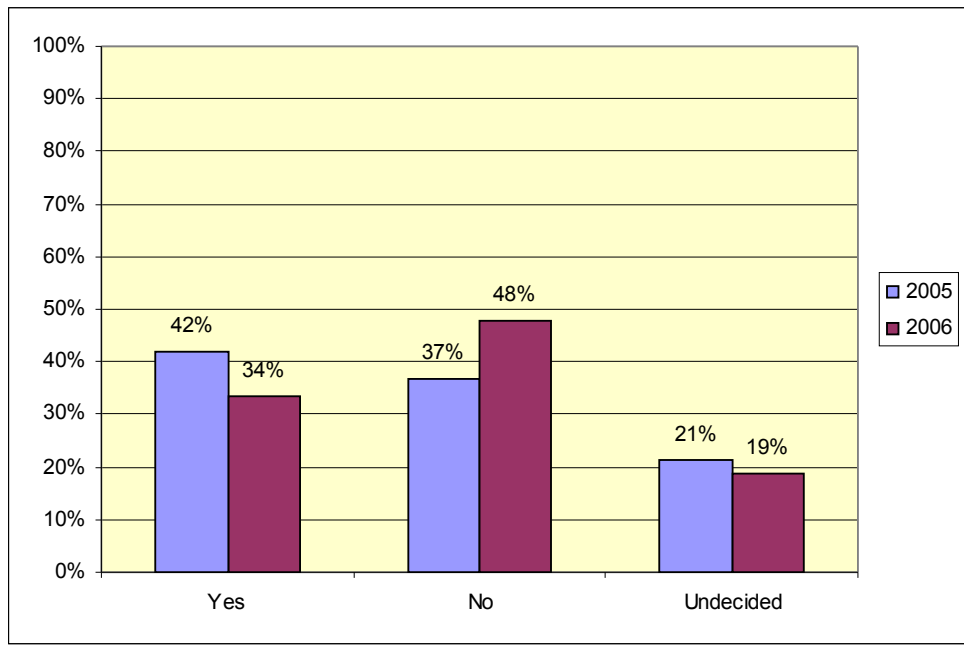
Support for MLS public websites is higher from MLS respondents than REALTORS®. 49% of MLS respondents are in favor, while 48% of REALTORS® do not support them. There is also a significant portion of respondents who are undecided.

MLS Respondents 2005 – 2006 Comparison



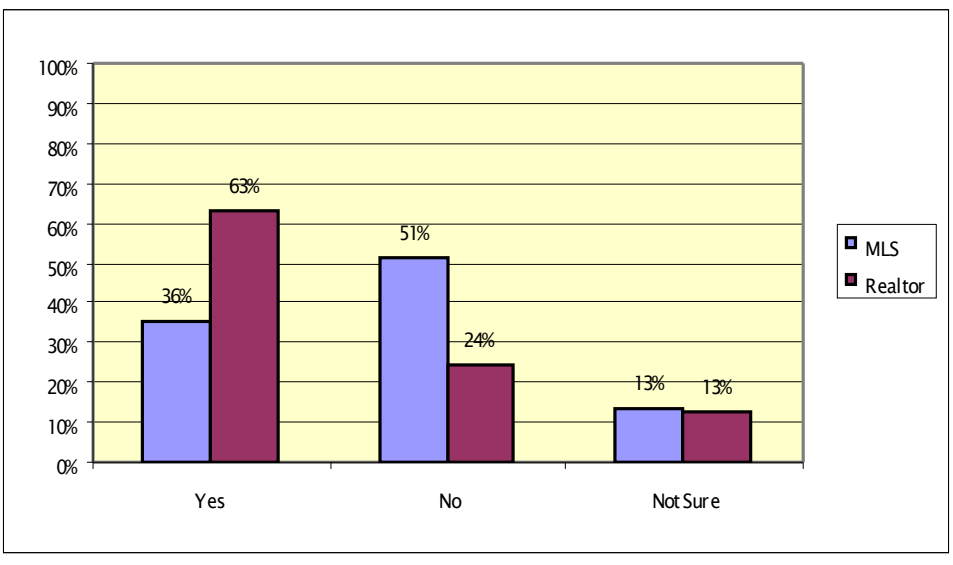
Support from MLS respondents has remained consistent from 2005. Nearly half of respondents support MLS public websites.

REALTOR® Respondents 2005 – 2006 Comparison



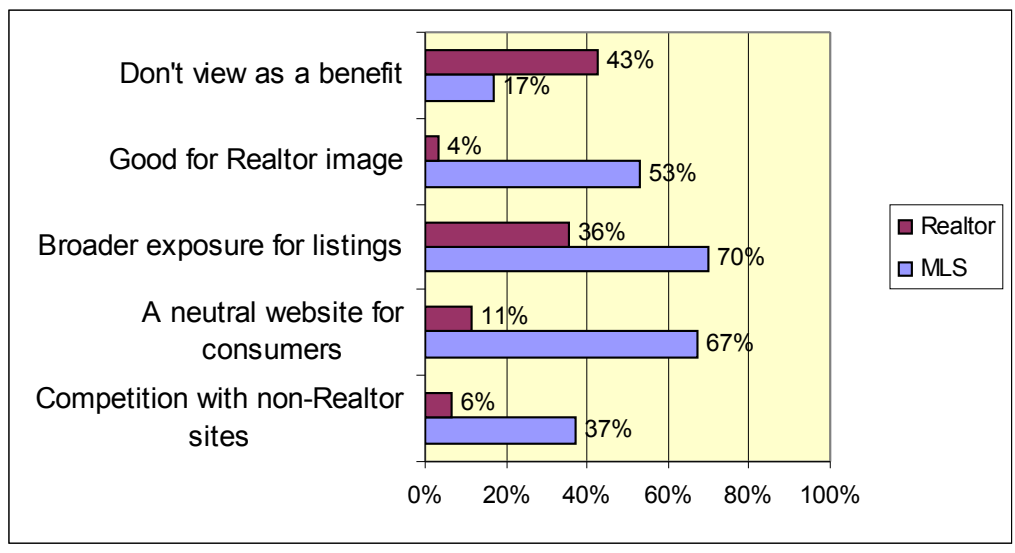
Support from REALTOR® respondents has decreased from 2005. Nearly half of REALTOR® respondents do not believe the MLS should provide a public website to display listings.

Do you believe a MLS public website competes with agent and broker websites?



63% of REALTORS® believe MLS public websites compete with their own websites, compared to 36% of MLS executives. Some may believe REALTOR.com already provides a “neutral” site so there is no need for another site.

What benefits come from a MLS public website? (Check all that apply)

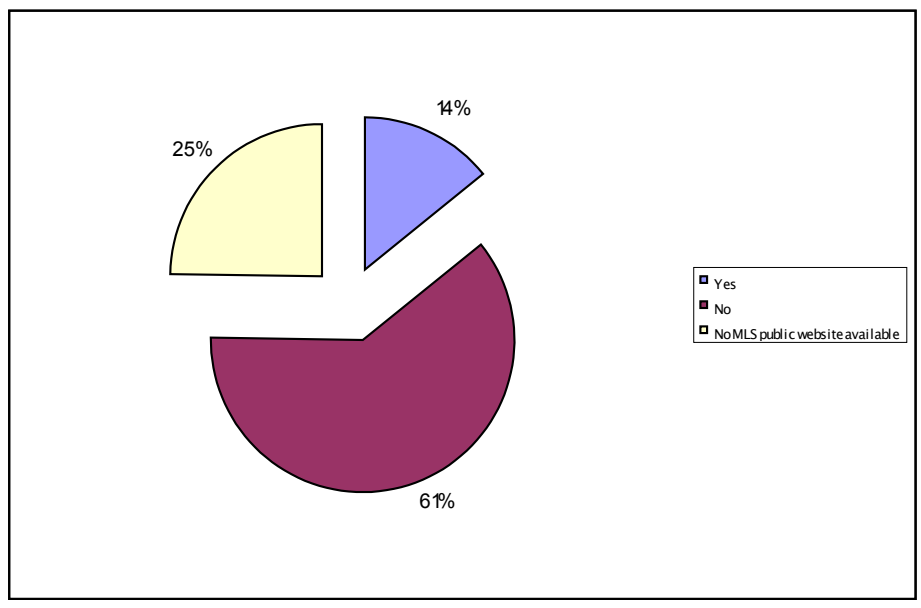


This question received the widest difference of opinions between MLS and REALTOR® respondents in the survey. While many MLS respondents see MLS public websites as a positive, REALTORS® do not appear to share that view.

MLS respondents believe MLS public websites provide broader exposure to listings, neutral site for consumers and help builds the REALTOR® image in the community, while helping to compete to against other websites from third party lead resellers.

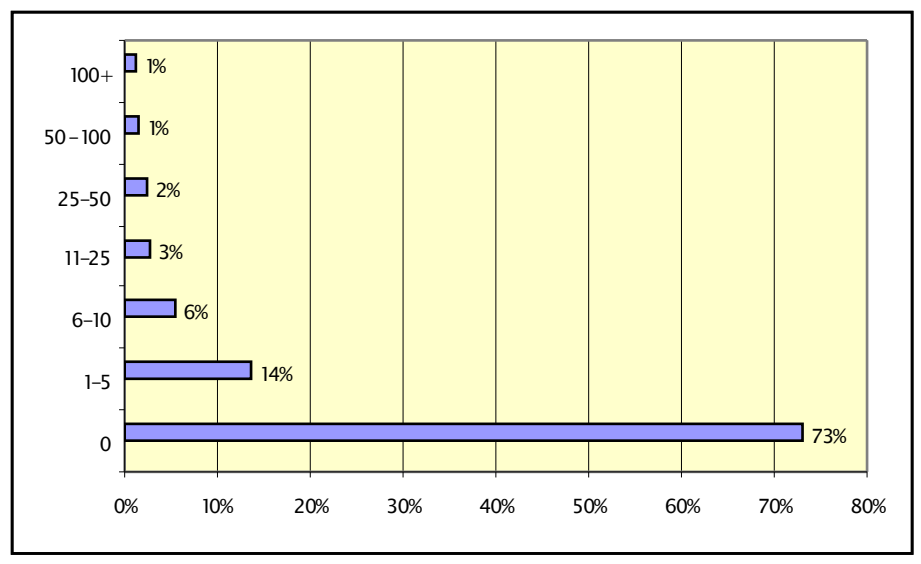
While some REALTORS® believe they do increase exposure for listings, 43% believe there is no benefit from a MLS public website. They continue to believe MLS websites compete with their own sites.

**Do you receive leads from the MLS public website?
(REALTOR® respondents)**



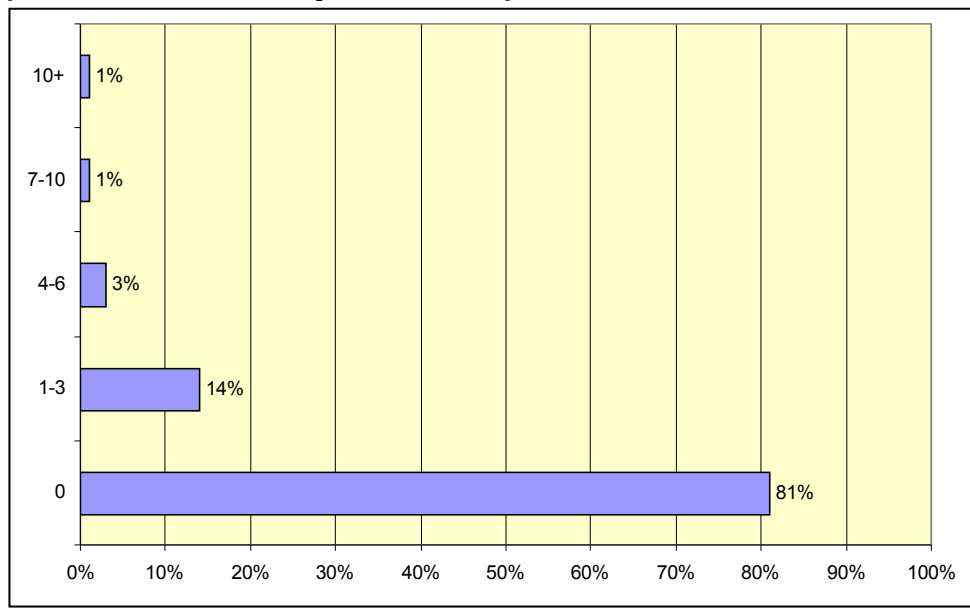
Only 14% of respondents say they receive leads from the MLS public website. This low percentage may be another contributing factor to REALTORS® who do not believe the MLS public website provides value to them.

**For those that do receive leads from the MLS public website, how many leads do you receive?
(REALTOR® respondents)**



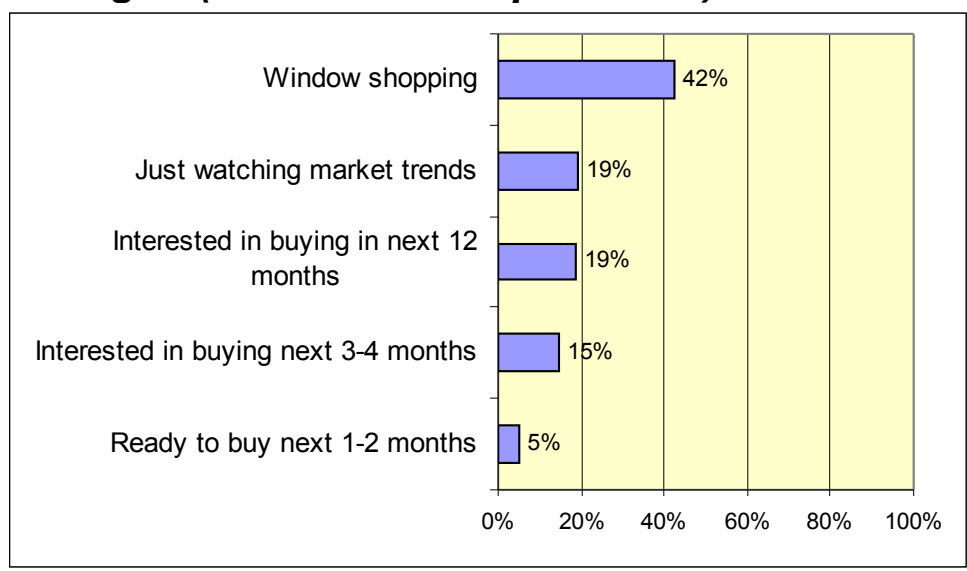
73% of those who can receive leads from a MLS public website receive no leads. Only 1% received more than 100 leads from their public website.

**How many sales resulted from these leads each year?
(REALTOR® respondents)**



81% said the leads they received from their MLS website resulted in no sales for them. This lack of success may support the reason many REALTORS® do not see the value of the MLS public website.

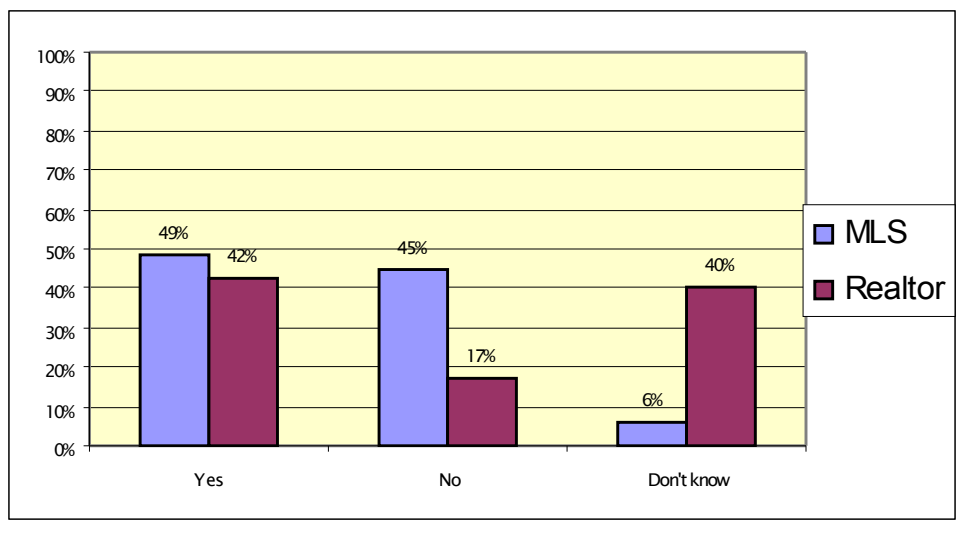
**How would you characterize the leads received, on average?
(REALTOR® respondents)**



61% of the leads received are from consumers who are just window-shopping or watching market trends. While these types of leads are difficult to translate directly to sales, it may suggest that MLS public websites serving the consumers in some form.

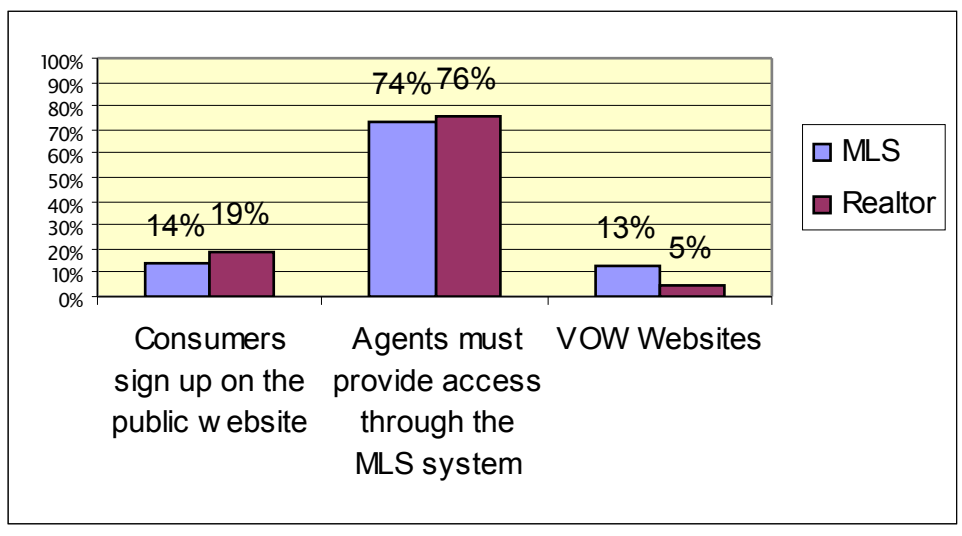
They are providing an avenue for consumers to educate themselves or watch market activity. When they are ready to buy or sell a home the MLS public website may make their time with a REALTOR® more productive.

Does your MLS provide an “auto search” so that consumers can receive automatic updates on listings that fit their search criteria?



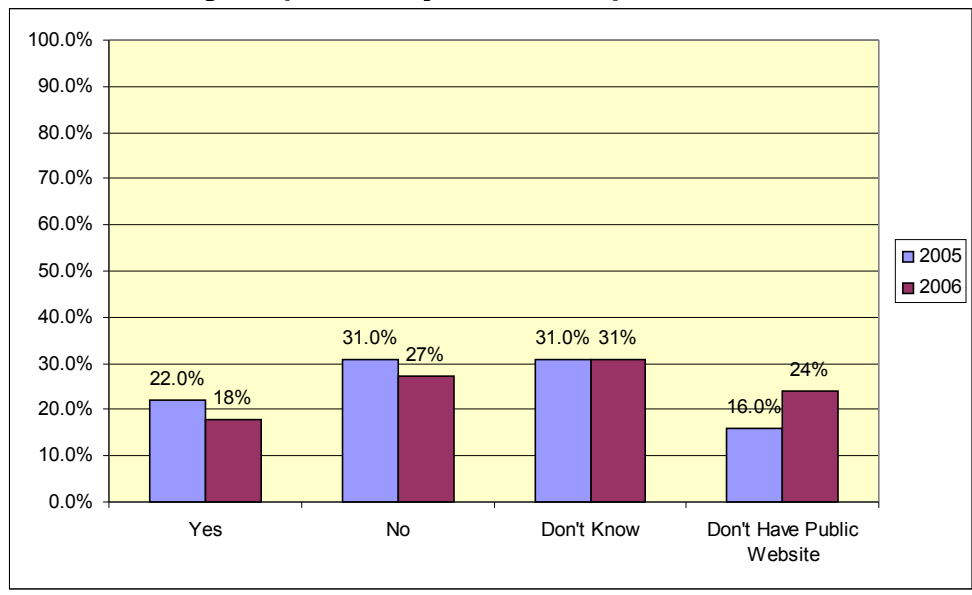
40% of REALTOR® respondents do not know if their system has auto search capability. This may suggest an opportunity for MLSs to educate some of their members about this service.

If yes, how do consumers get access?



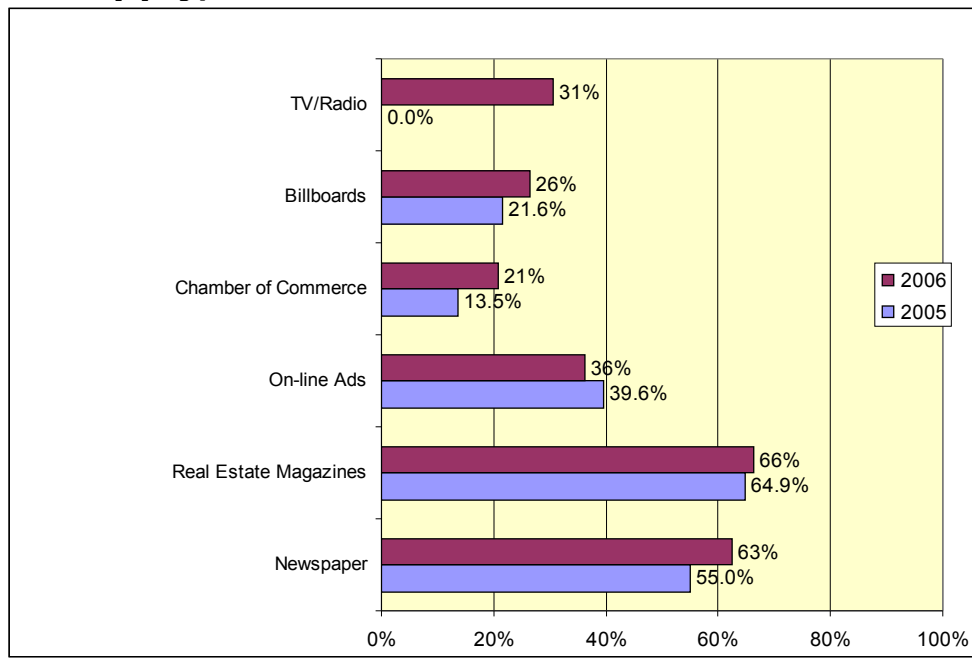
Most respondents stated they must provide access to consumers to the auto search capability, keeping the REALTOR® at the center of the process.

Does the MLS advertise the public website to the community? (All respondents)



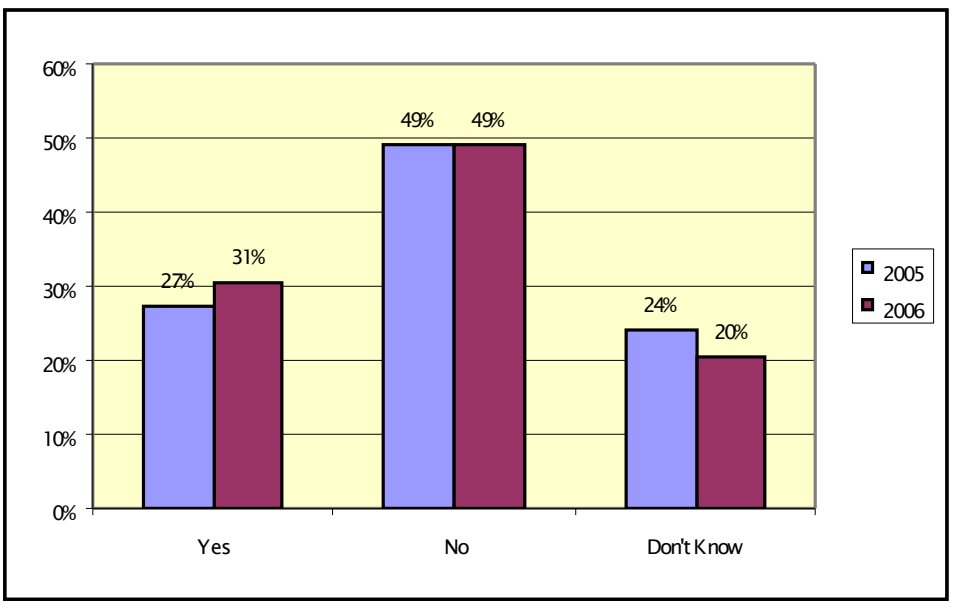
18% of respondents say they advertise the MLS website to the public.

If yes, how is it advertised? (All respondents - check all that apply)



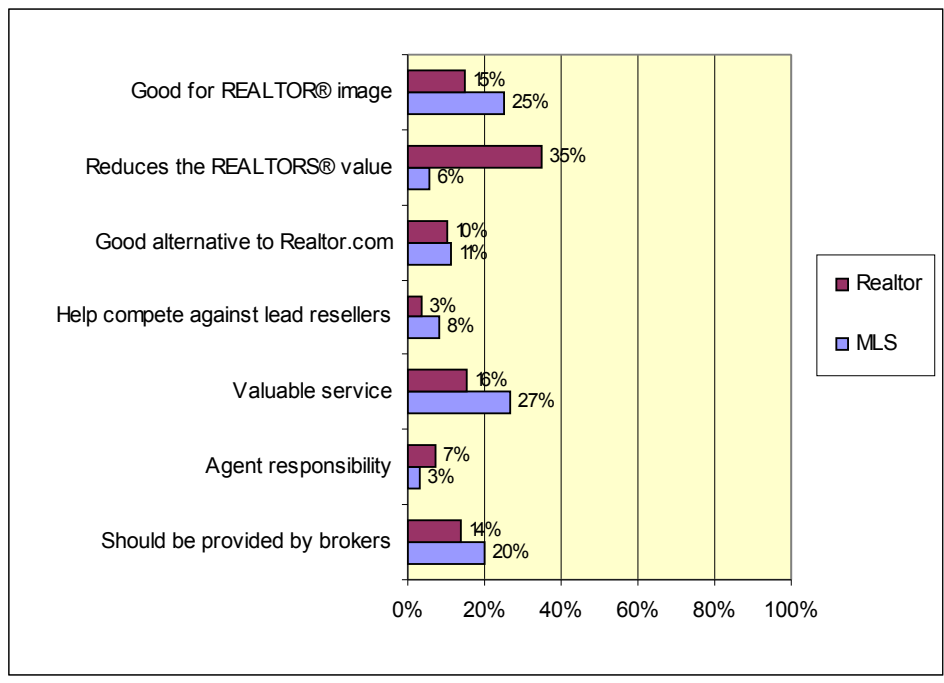
Consistent with 2005 results, real estate magazines, newspapers and on-line advertising are the three advertising methods mentioned most for promoting the MLS public website. TV/Radio was not asked in 2005 therefore no comparison exists.

Does the MLS use optimization technologies to maximize traffic to the website? (MLS respondents)



Approximately one third of MLS respondents say their MLS uses technologies to increase traffic to the MLS public website. This percentage has increased slightly from 2005.

Choose the answer that best describes your position regarding MLS public websites:



Opinions about public websites still differ greatly between REALTORS® and MLS respondents:

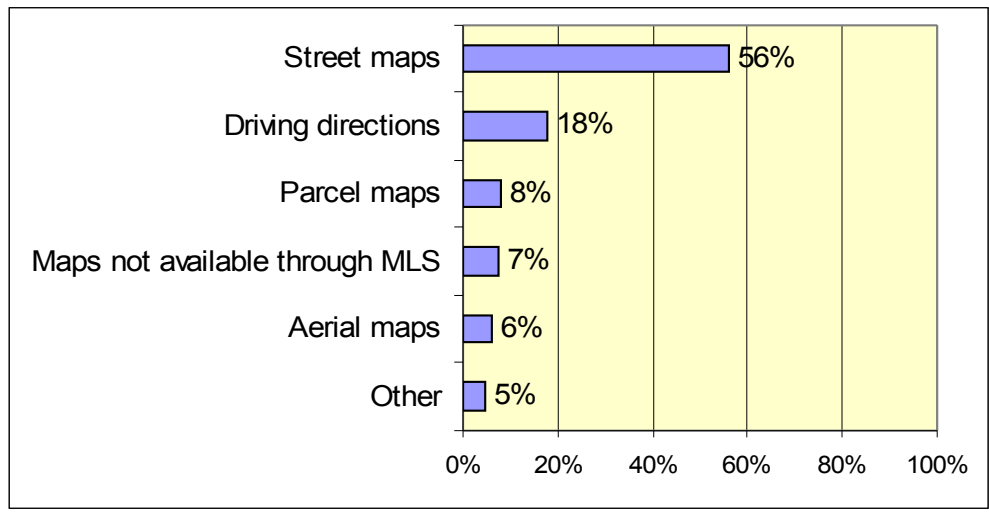
- 35% of REALTORS® believe MLS public websites reduce the value of the REALTOR®.
- 14% believe brokers should provide this information.
- 15% do believe, however, that MLS sites are good for the REALTOR® image
- 16% believe they are valuable.

MLS Executives believe MLS websites are valuable and are good for the REALTOR® image. 20% believe, however that the information should be provided by brokers.

Neither group strongly believes MLS websites help compete against third party lead resellers.

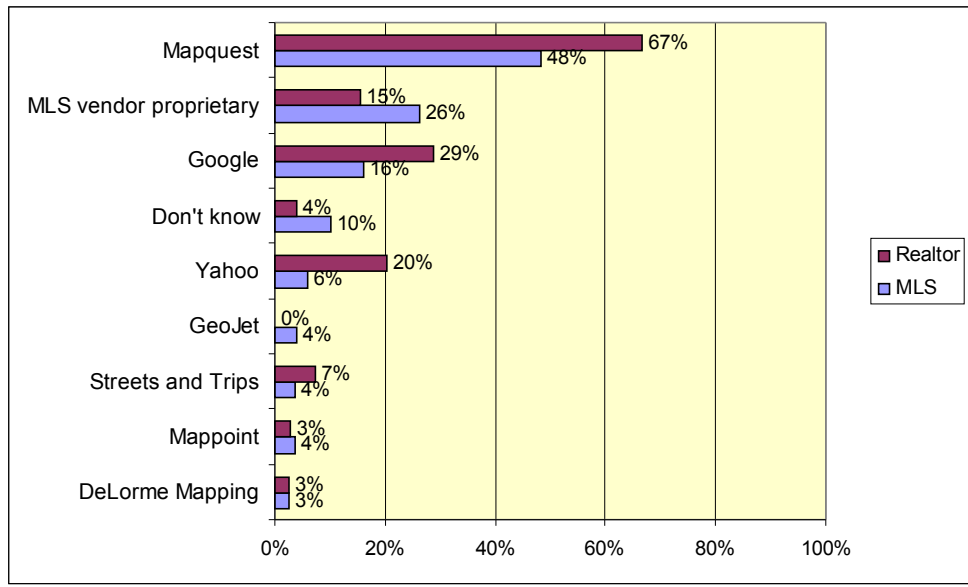
MLS Mapping Technologies

What mapping products are available through your MLS system? (All respondents)



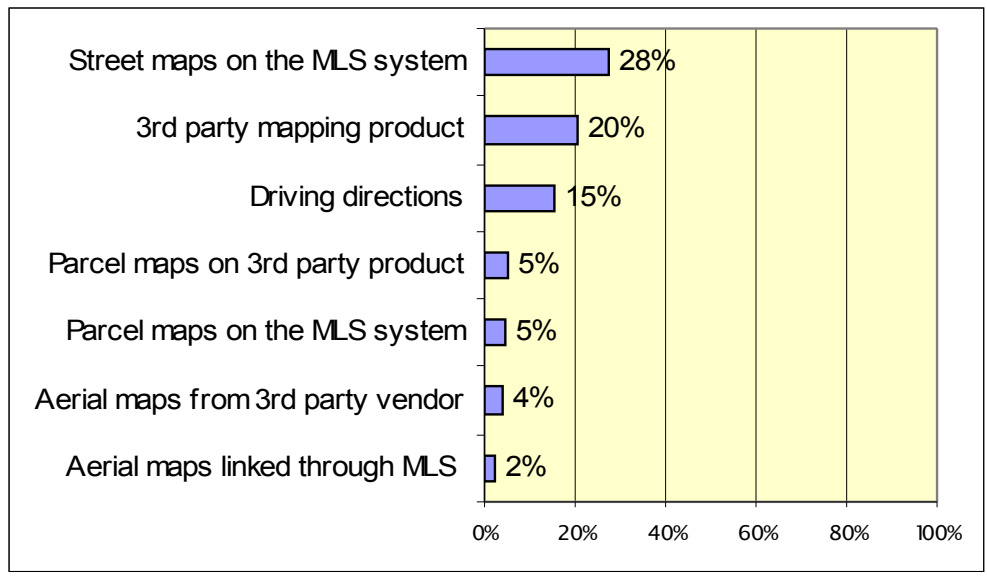
Maps are becoming common in today's MLS systems. Only 7% of respondents say maps are not available in their MLS system. 56% have street maps and 18% have driving directions available.

What mapping products do you use or are you considering using?



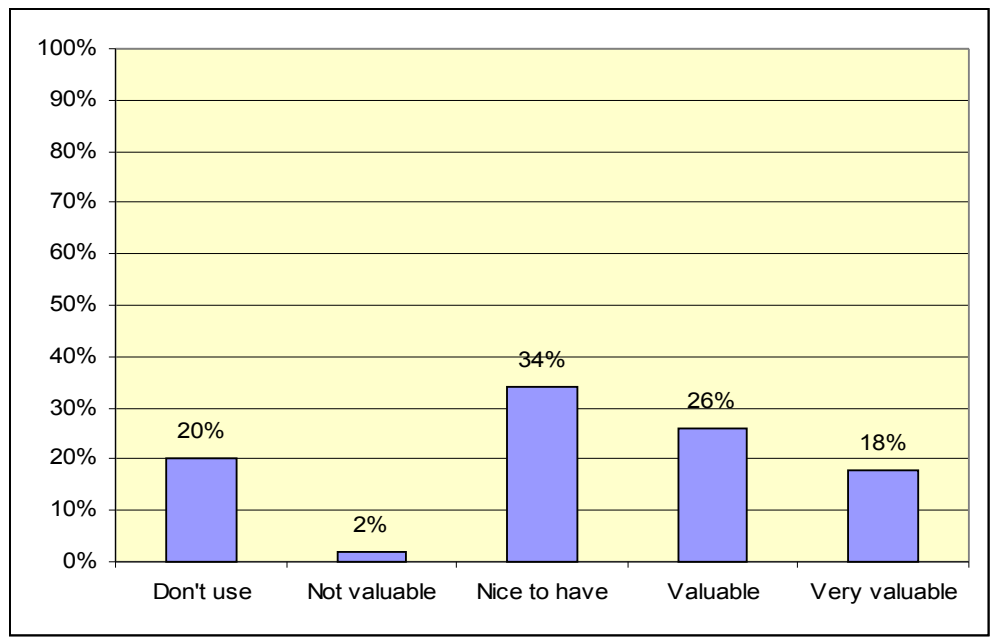
Mapquest, by far, is the most popular mapping program to date followed by Google, Yahoo! and MLS proprietary vendor mapping programs.

Check mapping products you use today? (REALTORS® respondents)



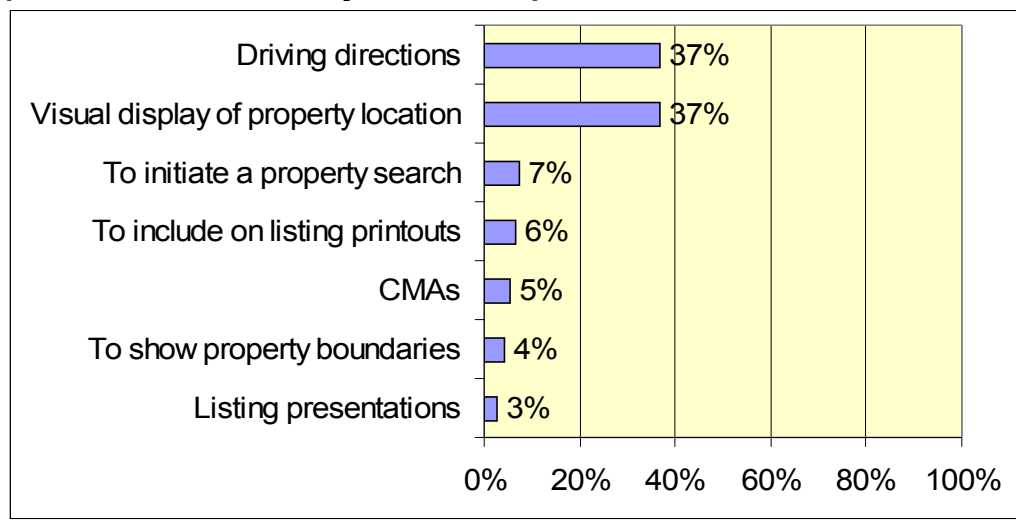
Street maps and driving directions are currently the two most popular types of maps used by REALTORS®.

What do your clients think about the maps you provide them? (REALTOR® respondents)



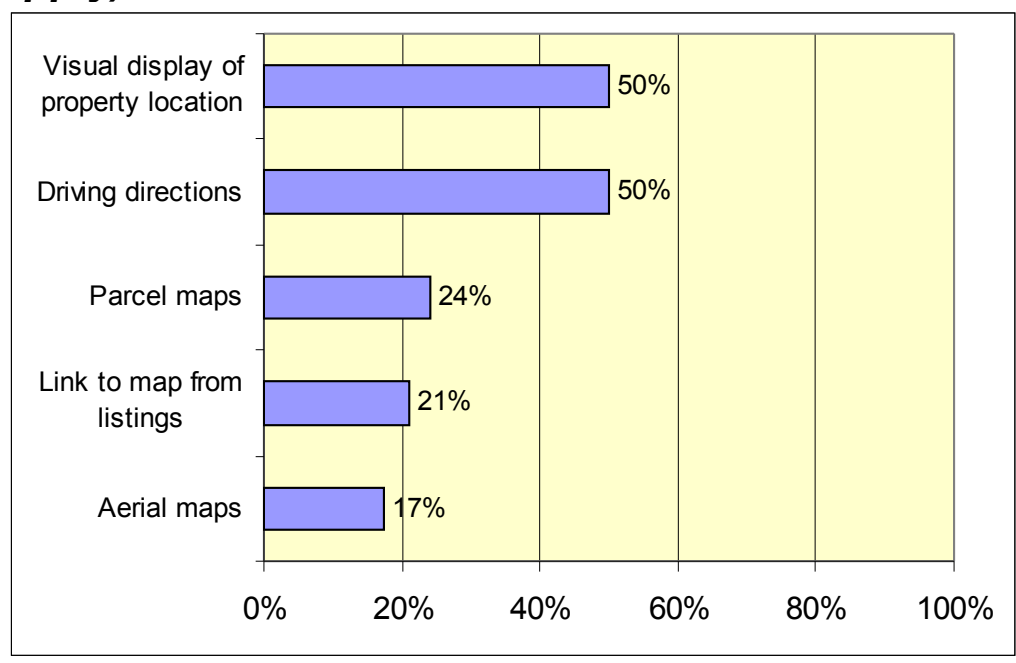
While mapping seems to be very popular among REALTORS®, perceived consumer interest in maps is mixed. 22% of respondents said their clients believe they are not valuable while 44% believe they are valuable or very valuable.

What do you use mapping products for primarily? (REALTORS® respondents)



According to respondents, maps are used most for driving directions and to provide a visual display of a property location.

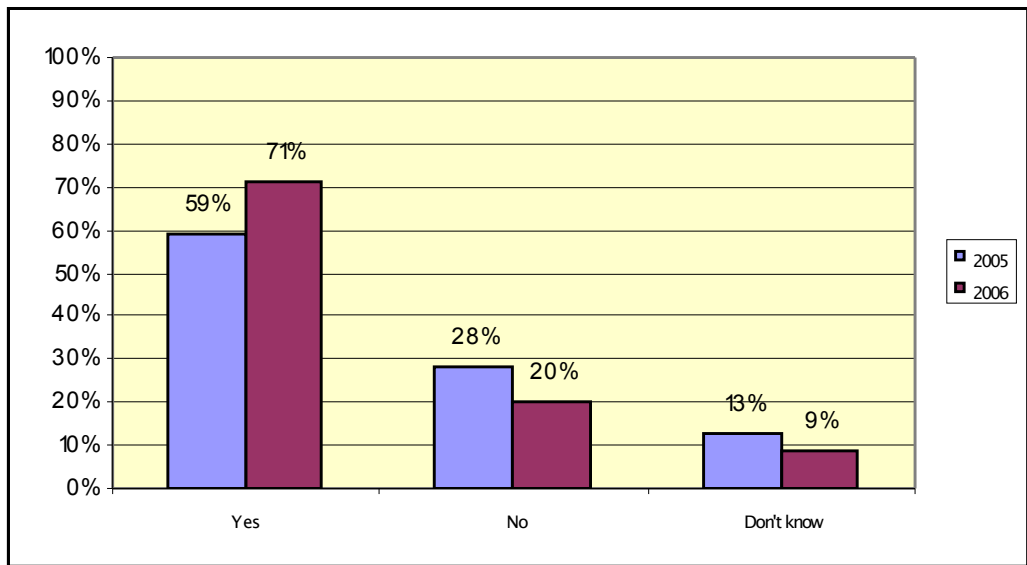
What types of mapping information are most valuable to your client? (REALTORS® respondents - check all that apply)



Maps of neighborhoods and driving directions are the two most valuable maps for consumers.

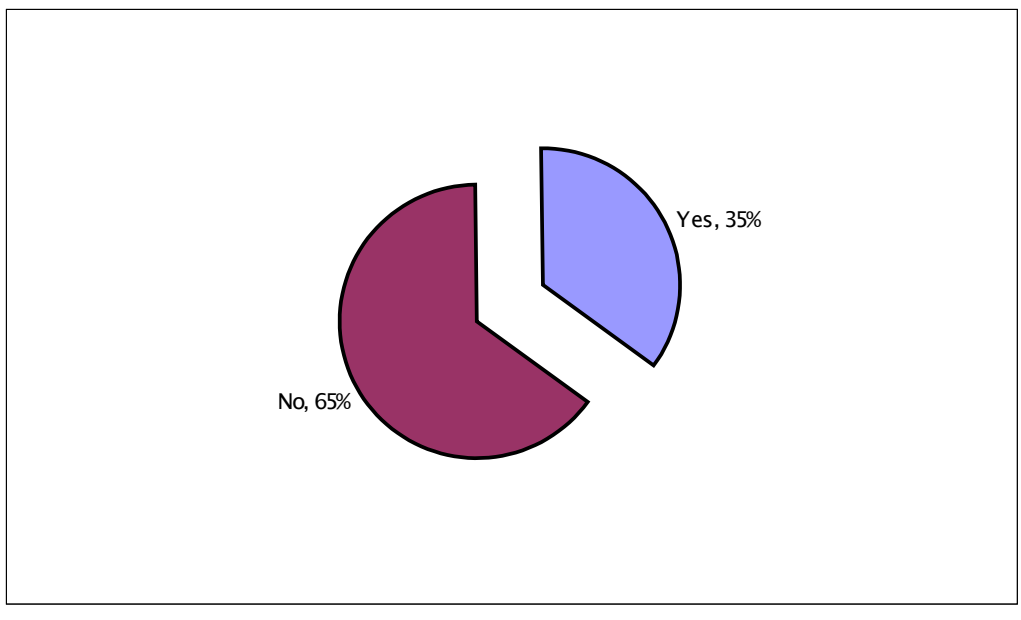
Wireless MLS

Is wireless access available for MLS data? (MLS respondents)



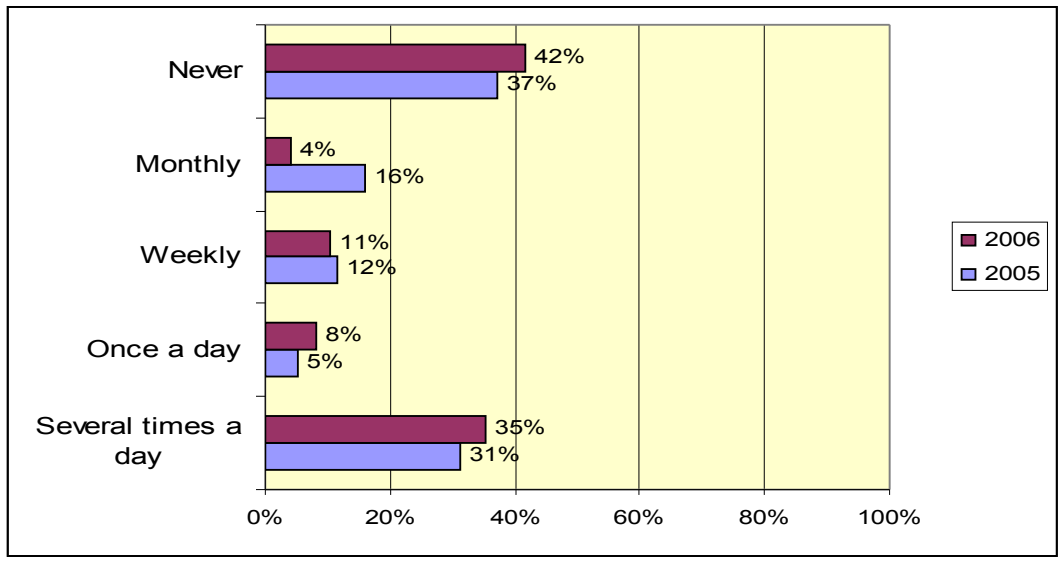
Wireless services continue to gain momentum. In 2005 56% of respondents said their MLS provides wireless, while in 2006 71% offer it.

If yes, do you use it? (REALTOR® respondents)



Usage of wireless MLS information in 2006 is consistent with 2005. 35% of respondents said they use wireless services.

If yes, how often do you use it? (REALTOR® respondents)



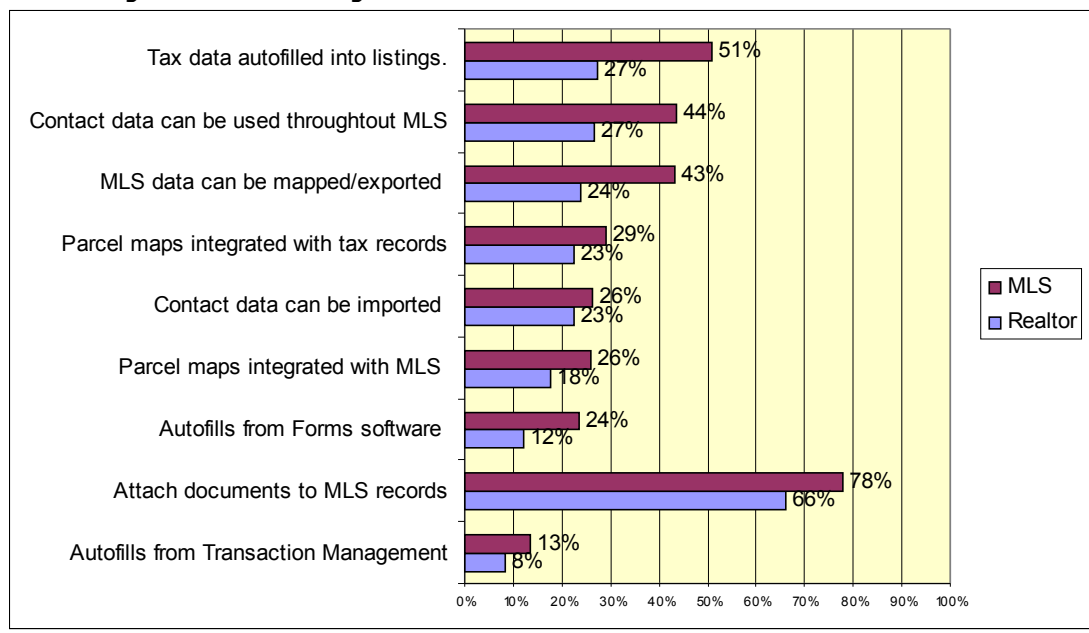
Usage patterns for wireless remain fairly consistent with 2005. 42% of those with wireless service say they never use it versus 36% in 2005. 35% say they use it several times a day versus 31% in 2005.

MLS Data Integration

Data Integration

The ability to use data in multiple places without having to re-key it is a desired feature in MLS systems. The following questions asked respondents to identify points of integration on their MLS system today.

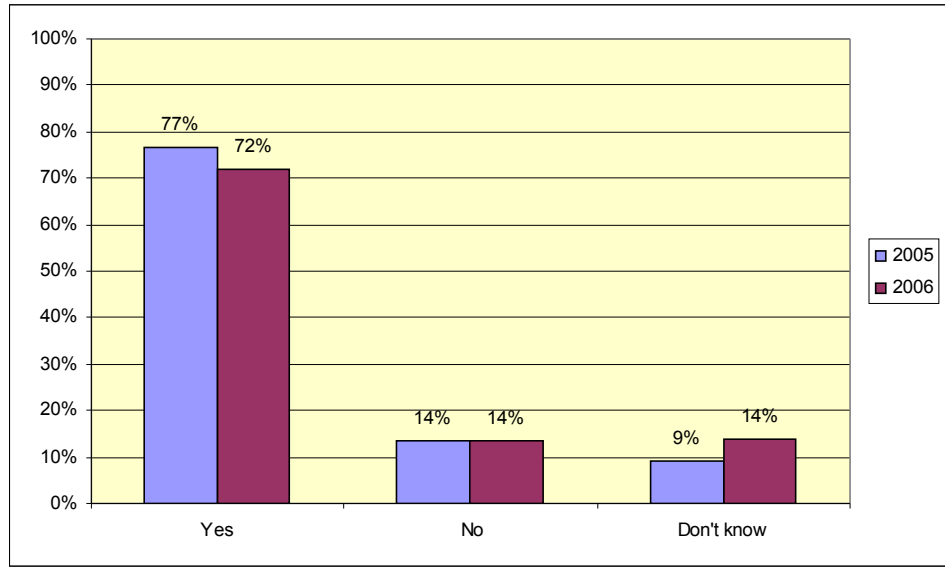
Check the following areas where data is integrated on your MLS system today.



Awareness of data integration is much lower among REALTORS® suggesting a need for education by the MLS. Data integration has been mentioned in previous NAR studies as a key issue for REALTORS®. 78% of MLS respondents stated that documents can now be entered and attached to MLS records, 51% said tax data can be auto-filled, and 43% said data can be mapped and exported to 3rd party products.

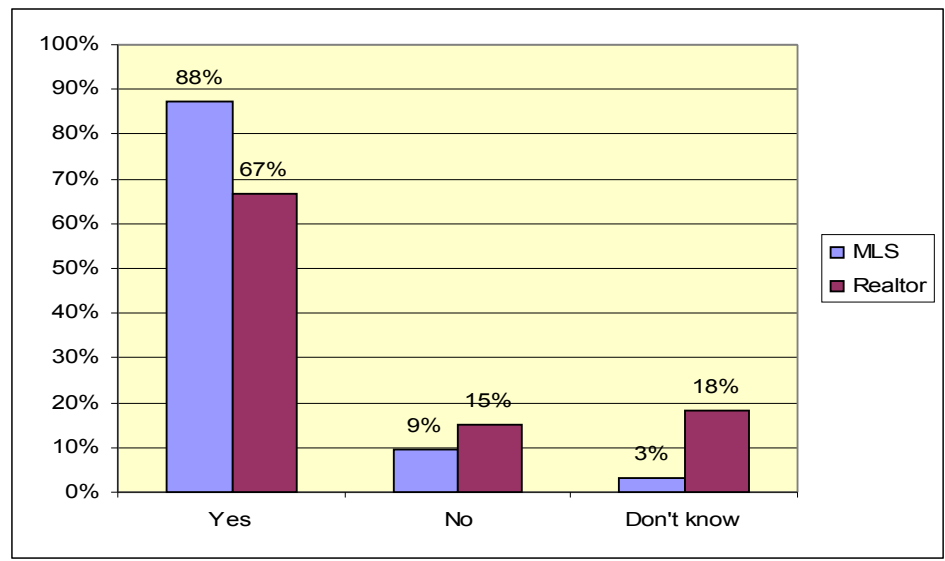
MLS Information and Data Security

Is system and data security a concern to your organization? (All respondents)



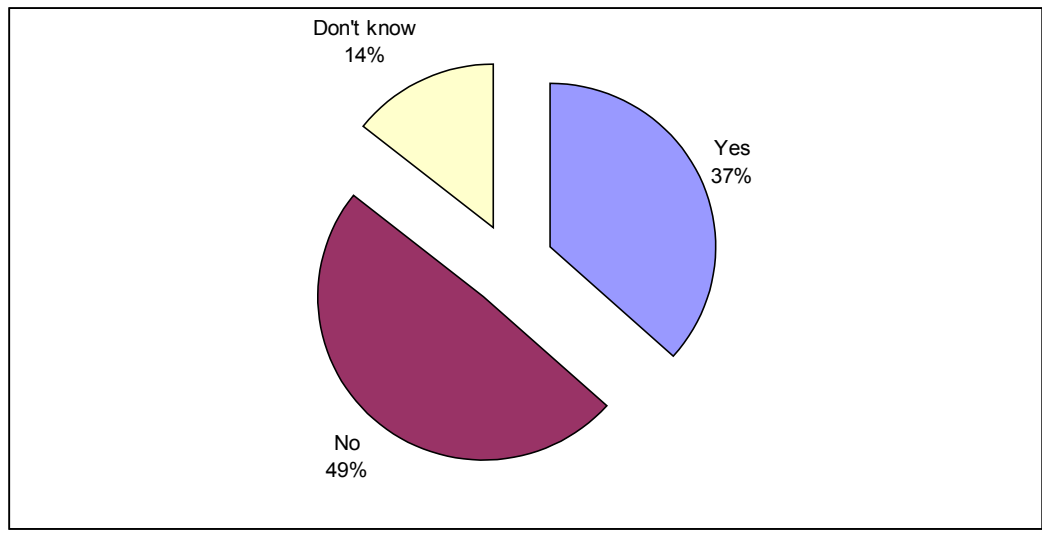
System and information security are an important topic for the real estate industry. 72% of respondents in 2006 acknowledge it is a concern, down slightly from 2005.

MLS vs. REALTOR® Respondents



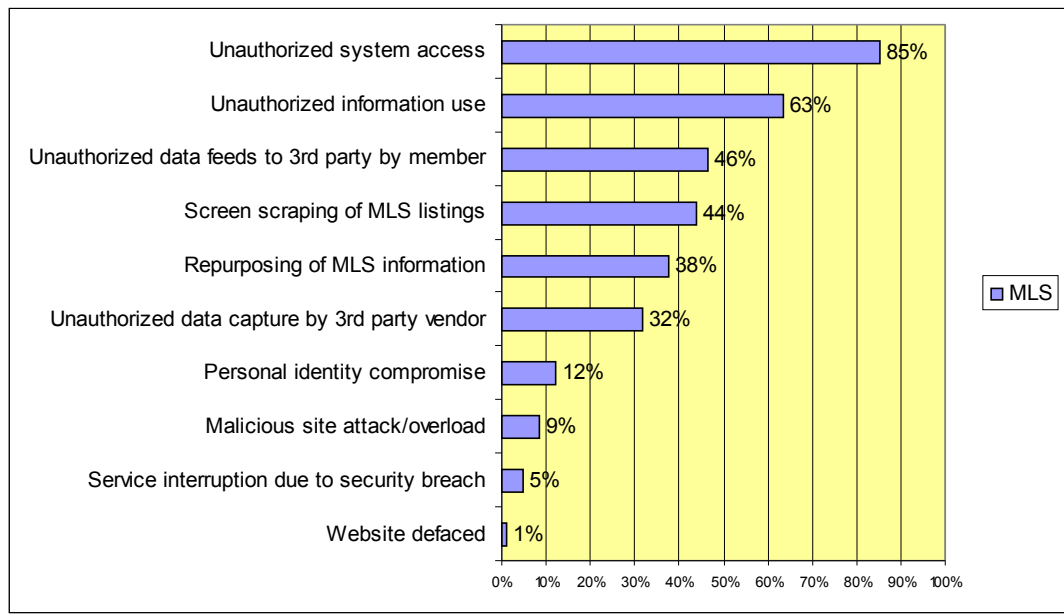
MLS respondents, on average, are more concerned about MLS security than REALTORS®.

Have you had any security incidents? (MLS respondents)



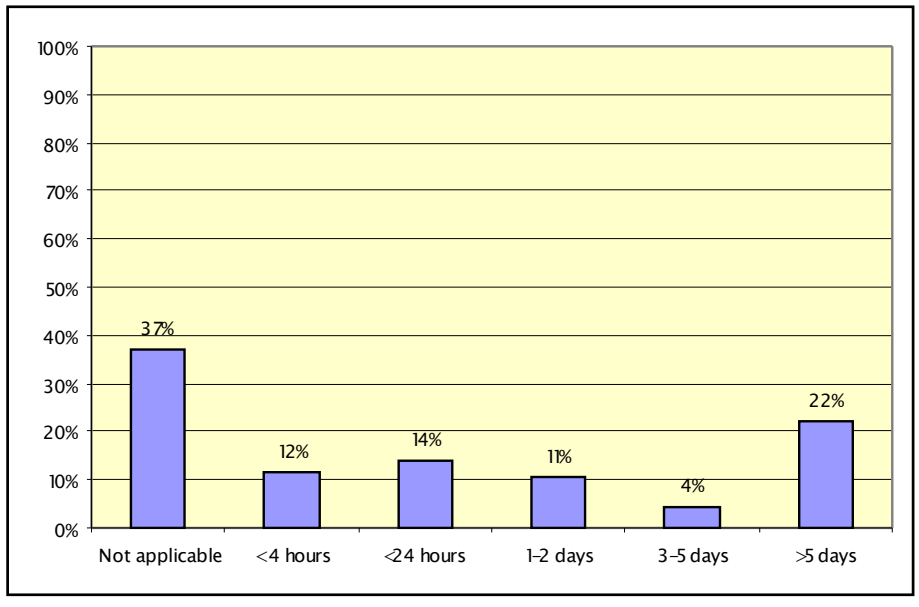
37% of MLS respondents say they have had some type of security incident.

If yes, what was the nature of the incident? (MLS respondents – check all that apply)



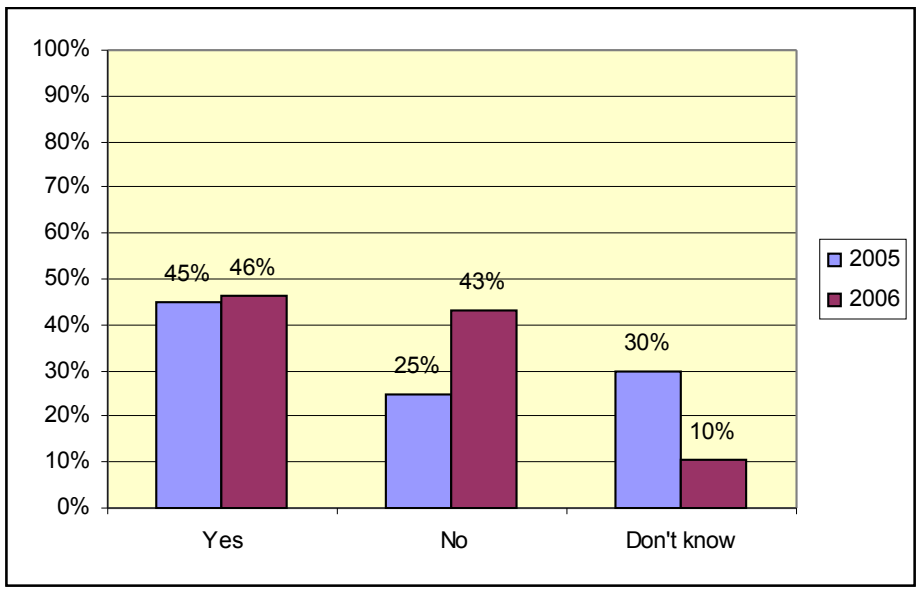
MLS respondents stated 85% of those incidents involved unauthorized system access. 63% were categorized as unauthorized information use. The types of breaches outlined suggest that MLS security solutions need not only improved system access controls, but better user identity, control of information and data flow. Another 12% involved personal identity compromises which also suggests security and privacy policies need to be deployed and enforced more aggressively.

If you had a security incident, how long did it take to remedy? (MLS respondents)



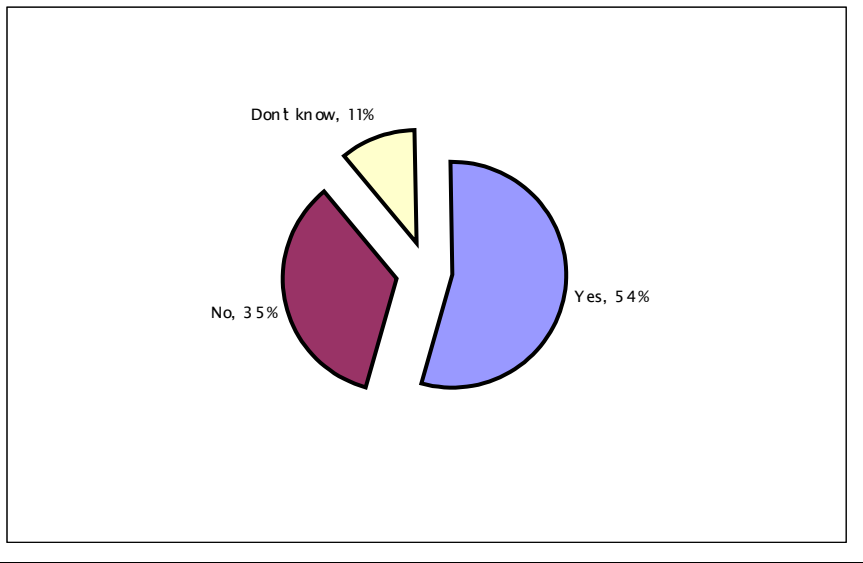
22% of the incidents take greater than 5 days to resolve.

Do you have a written security policy in place? (MLS respondents)



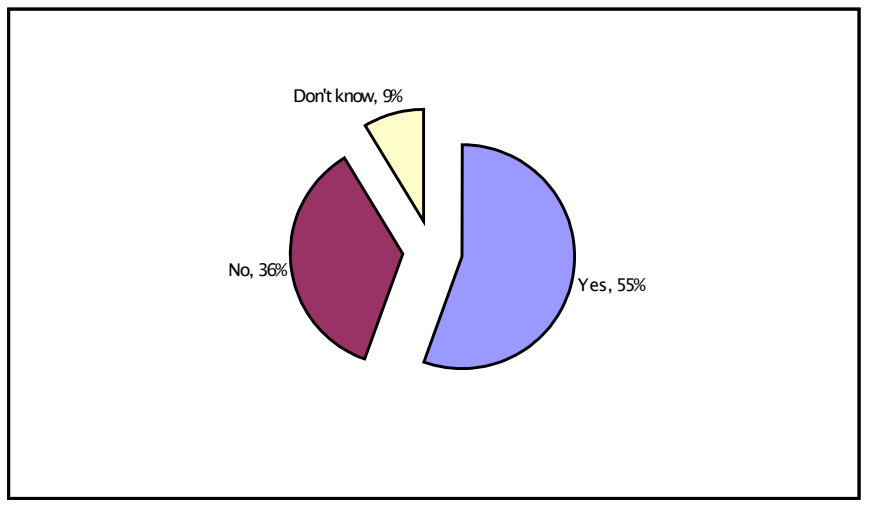
While security is becoming more of a concern, it does not appear the number of MLS organizations addressing the concerns by implementing a security policy has changed from last year. Awareness levels of the need for security policies do appear to be changing, however, since only 10% did not know if they had a security policy. The lack of security policy and effective enforcement demonstrates significant progress is needed.

Does your MLS have a written privacy policy? (MLS Respondents)



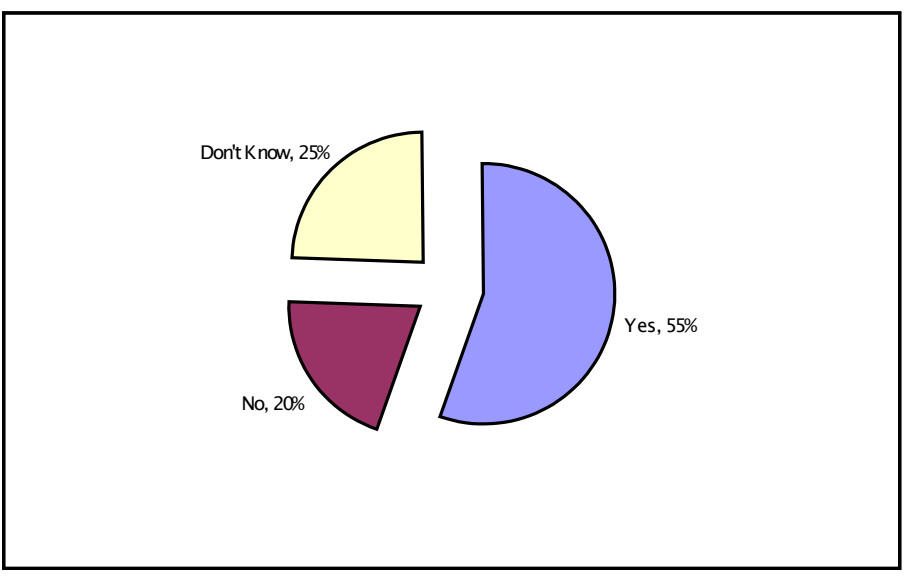
54% of MLSs have a written privacy policy.

Is information security education included as part of your MLS system training for members? (MLS Respondents)



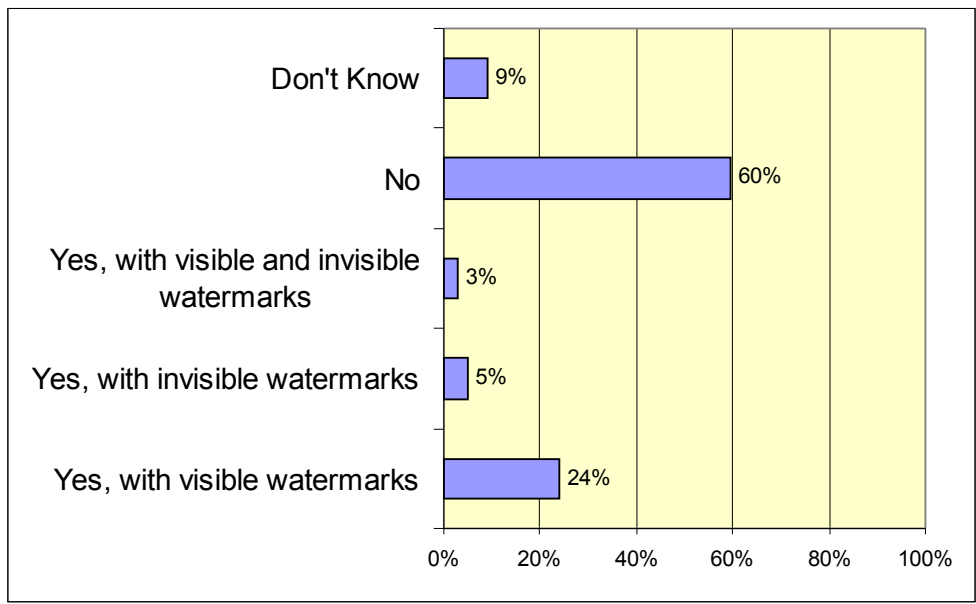
55% of MLS respondents say that information security education is part of the MLS training they offer to members. It is interesting to note that only 46% of respondents indicated they have a security policy, yet 55% claim to be engaged in security education.

Does your MLS maintain a log of all data access/exports? (MLS Respondents)



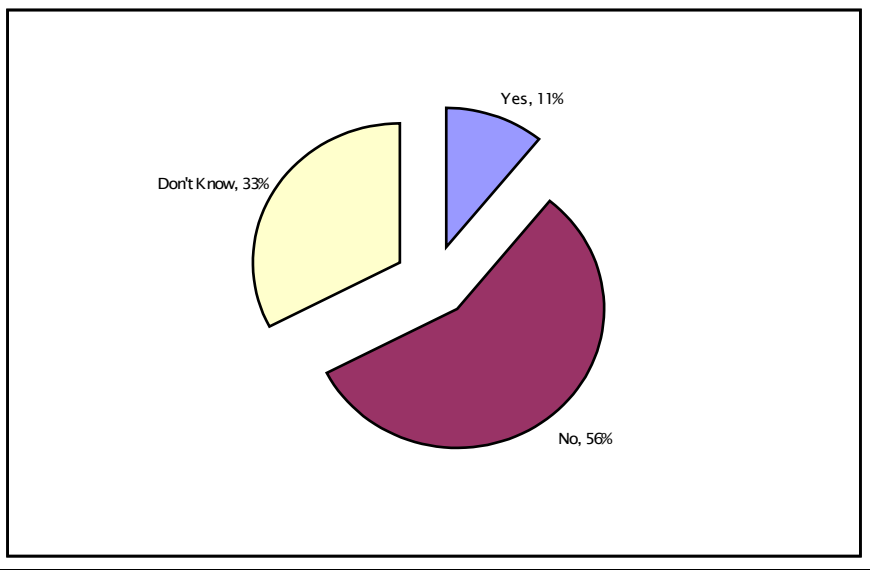
While 55% of respondents say they maintain a log of all data access/exports, 25% don't know indicating a lack of awareness of this activity among a significant portion of MLS respondents.

Do you watermark your photos? (MLS Respondents)



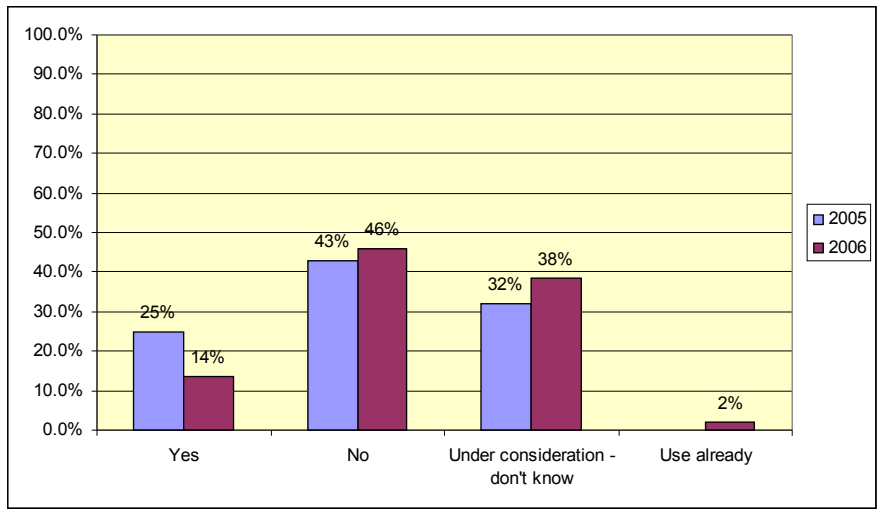
60% of respondents do not watermark photos, which is one way to help document ownership and assist with copyright protection.

Do you use any form of “tagging” or “seeding” to protect your MLS data? (MLS Respondents)



Only 11% of MLS respondents said their MLS is tagging or seeding to protect their MLS data. This process helps MLSs identify themselves as the original source of listing information.

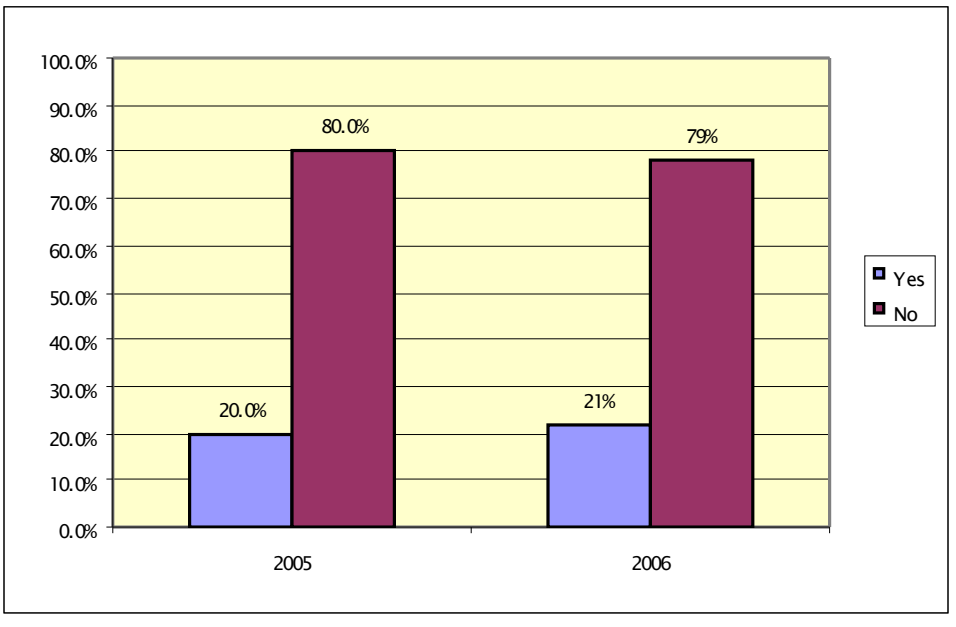
Is your MLS planning to implement a strong authentication process for your MLS system that would require a hardware solution such as a key fob or USB device? (MLS Respondents)



A small percentage of MLS respondents are currently using strong authentication to minimize unauthorized system access. 14% are planning to implement strong authentication. This is down from 25% in 2005.

Lead Generation

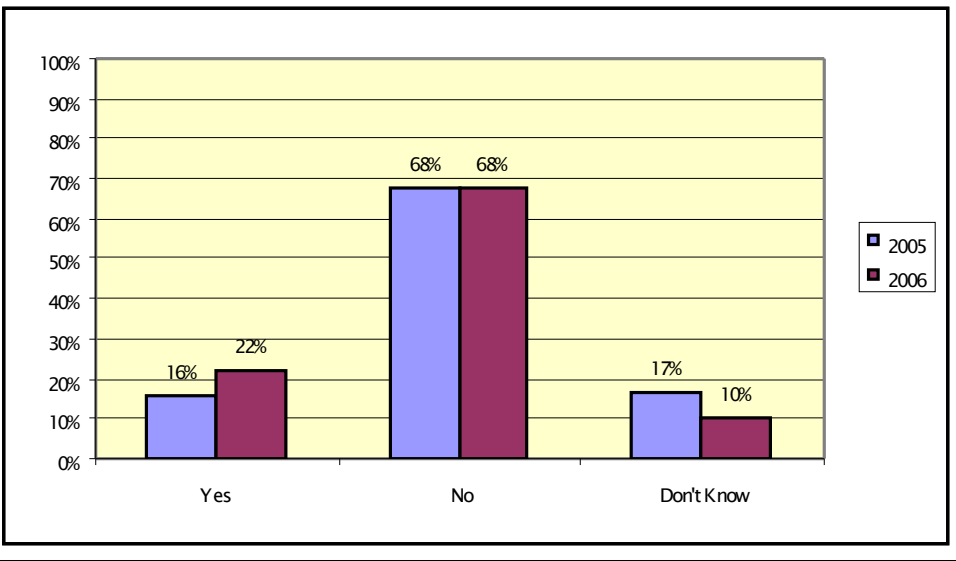
Do you use any web-based “third party” lead generation vendors? (REALTOR® respondents)



The percentage of REALTORS® in the survey using third party lead generation products is consistent with last year levels. It appears adoption of third party lead generation is stabilizing at the 20% range.

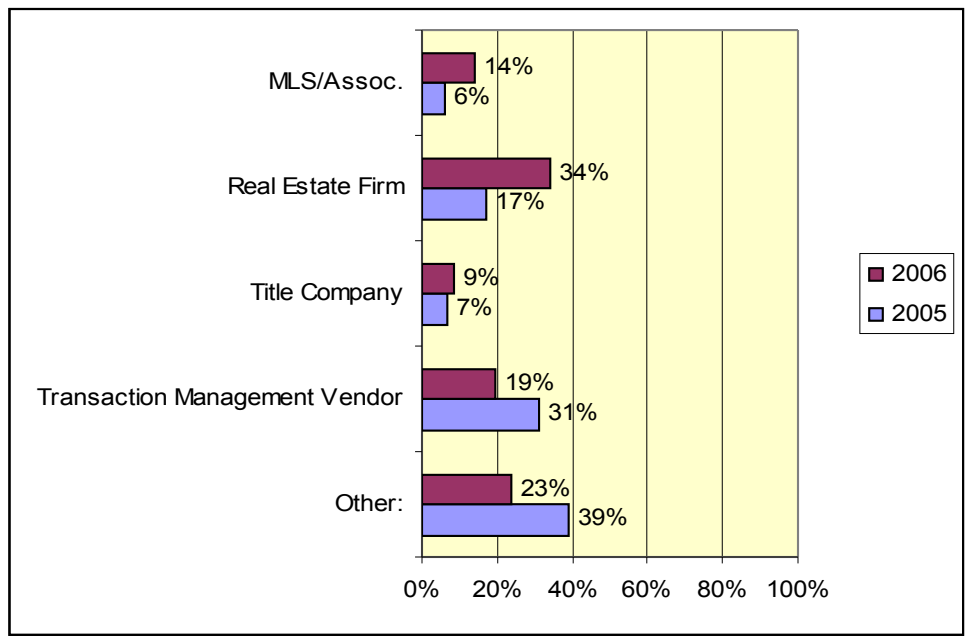
Transaction Management

***Do you use a Transaction Management system?
(REALTOR® respondents)***



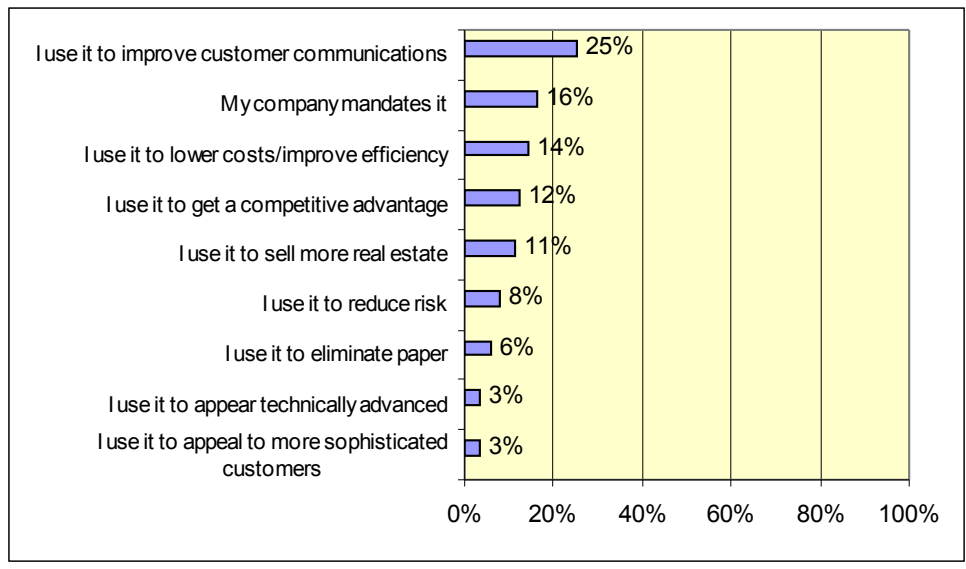
22% of REALTOR® respondents say they are using a transaction management system, up from 16% last year.

***If yes, who provides the transaction management system?
(REALTOR® respondents)***



34% of respondents say they get their transaction management system from a real estate firm, up significantly from 2005. This data suggests that real estate firms are becoming the leading distribution channel for transaction management moving from TMS vendors and other.

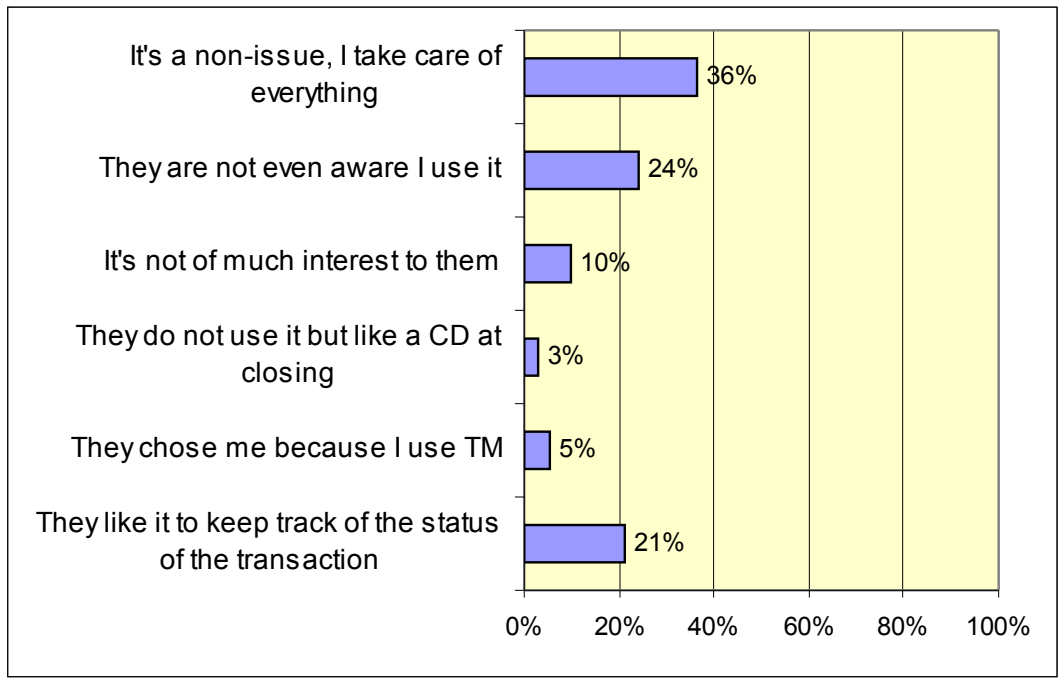
What is the primary reason you use a transaction management system? (REALTOR® respondents)



Nearly half of transaction management users say they use it because it helps them improve performance in their business. While transaction management was originally touted for creating paperless offices it appears its real benefit is to help improve the REALTORS® relationship with customers and thus help to sell more real estate.

- 48% of transaction management users in the survey believe it helps them improve customer communications, get a competitive advantage or sell more real estate.
- Another 6% believe it helps them appear more technically advanced and appeals to sophisticated, tech-savvy customers.
- 28% believe it helps lower costs and become efficient, while reducing risk and eliminating paper.
- 16% use it because their company mandates it.

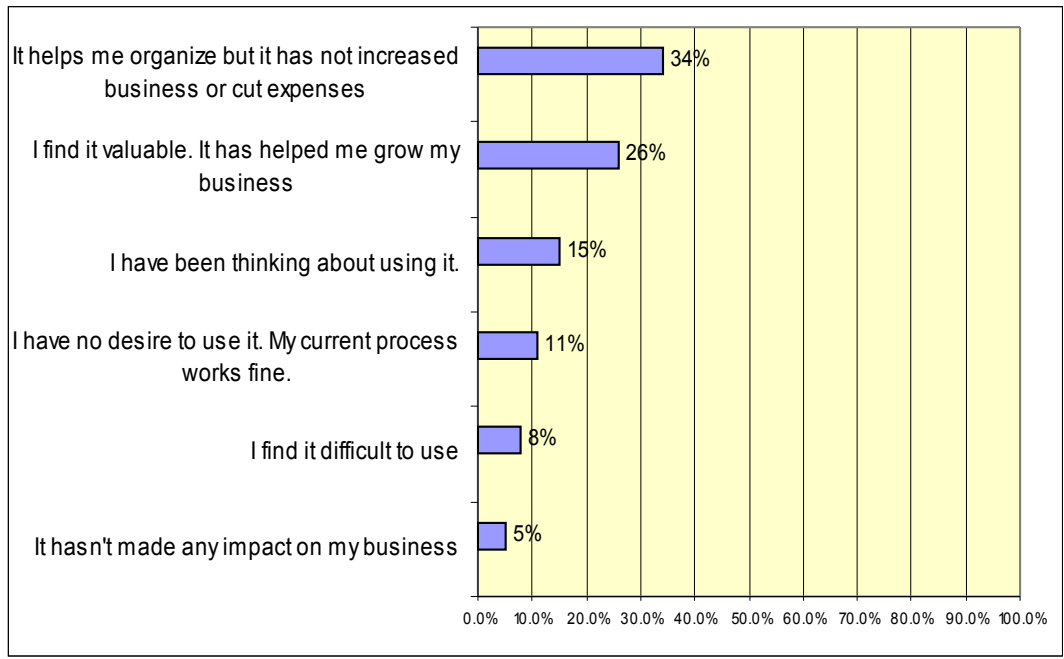
If you are using it, what do your clients think of transaction management? (REALTOR® respondents)



According to survey respondents, REALTORS® are not yet taking credit for using transaction management systems with their customers.

- 36% of clients want the REALTOR® to take of everything and they do not want access to transaction information.
- 24% are not even aware the REALTOR® is using it.
- 26% of the clients of respondents use it and some even chose the REALTOR® because he or she uses transaction management.

**Please choose the following answer which best describes your experience with transaction management.
(REALTOR® respondents)**

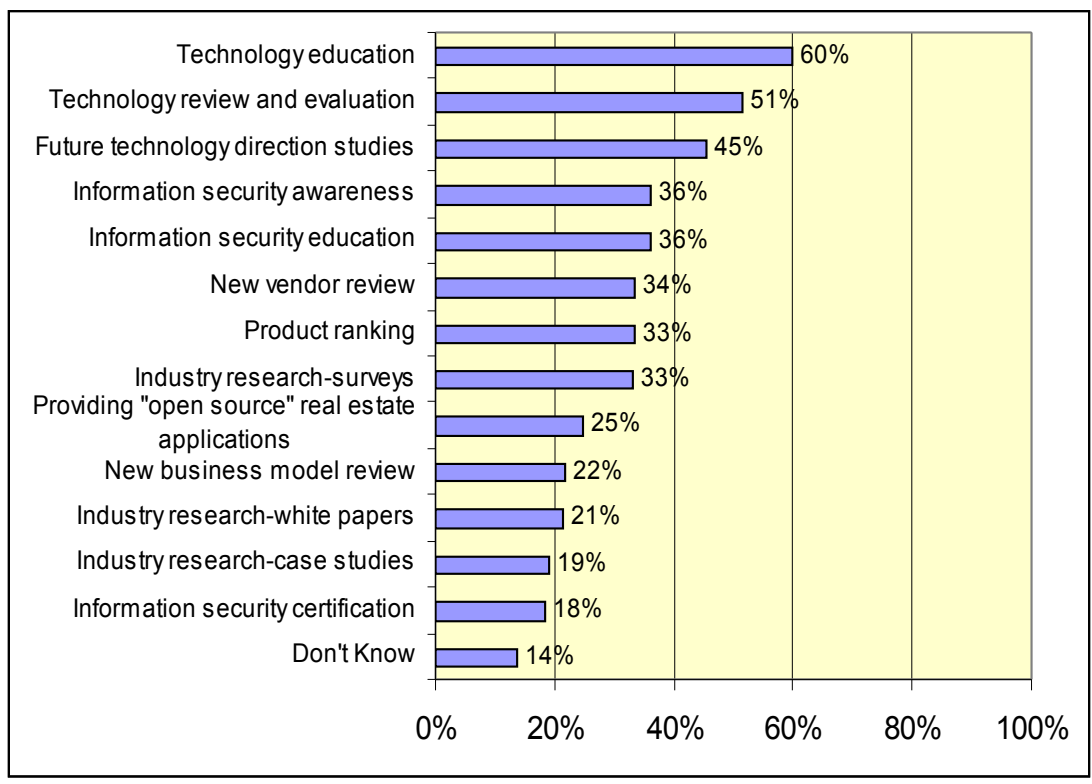


Respondents using transaction management believe it helps them become more organized and it has helped them grow their business.

- 34% of respondents said transaction management helps them to be better organized, but has not helped them to sell more real estate or cut expenses.
- Over one quarter of the respondents, however, said they find it valuable and it has helped them grow their business.
- Another 15% are considering using it.

Center for REALTOR® Technology

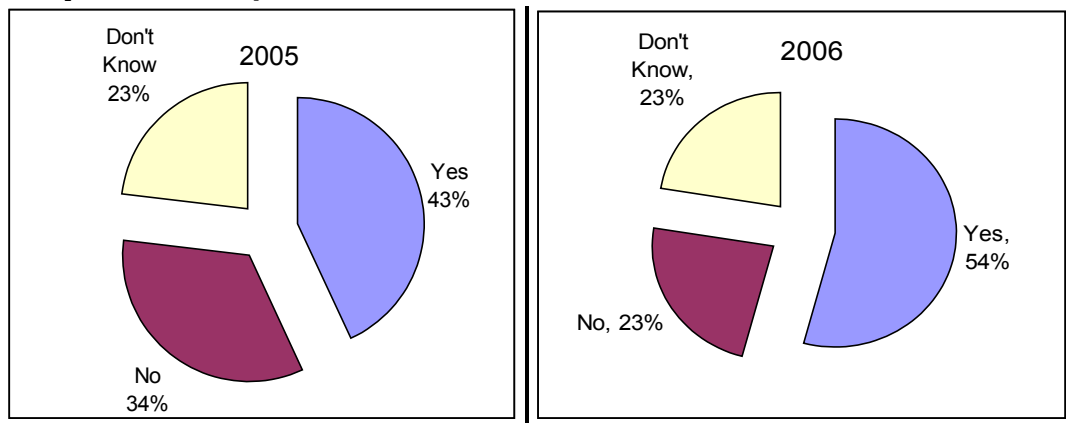
What role(s) do you feel NAR's Center for REALTOR® Technology should focus on to provide the greatest value to your organization? (All respondents - check all that apply)



60% of respondents believe the Center for REALTOR® Technology should provide technology education. 51% would like CRT to provide technology reviews and evaluation.

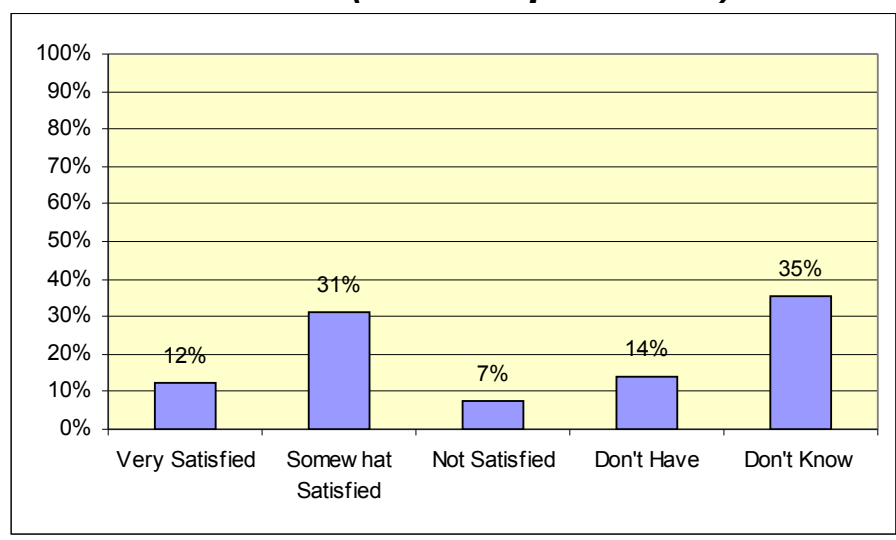
Real Estate Transaction Standard (RETS)

Does your MLS system have a RETS interface? (MLS respondents)



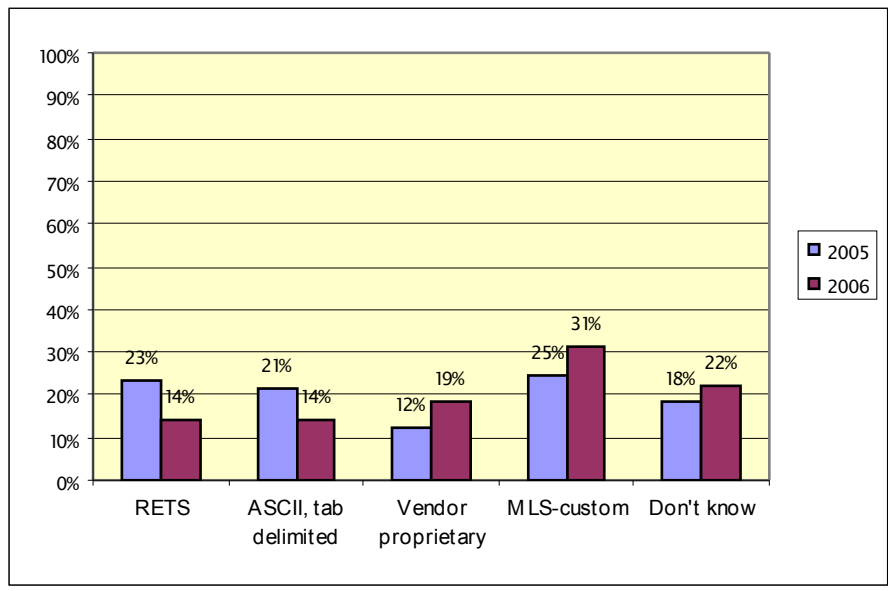
RETS availability for use continued to grow in the industry from 2005 to 2006. Those indicating that their MLS had a RETS interface increased from 43% to 54%.

How satisfied are you with the RETS interface and the RETS Standard? (MLS respondents)



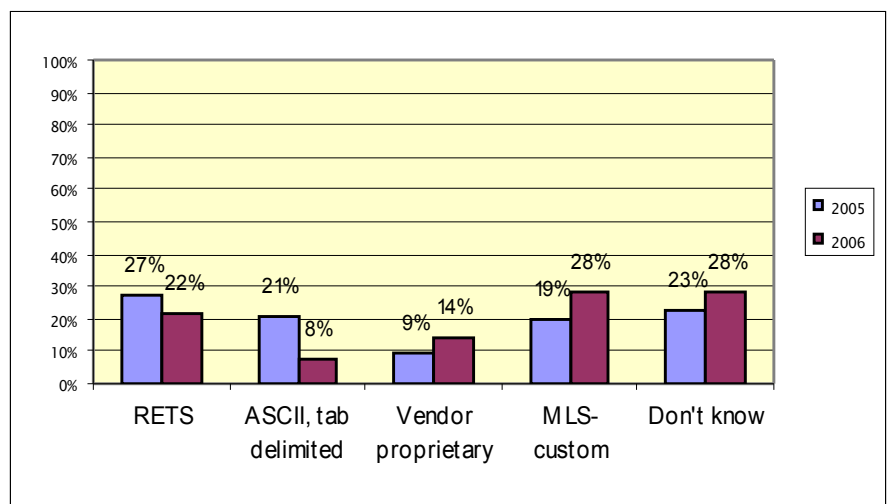
For those using RETS 43% are satisfied with the RETS interface and RETS standard. This presents an opportunity for the RETS work group to stress the value of RETS.

What format do you make data available to VOW/IDX feeds? (MLS respondents)



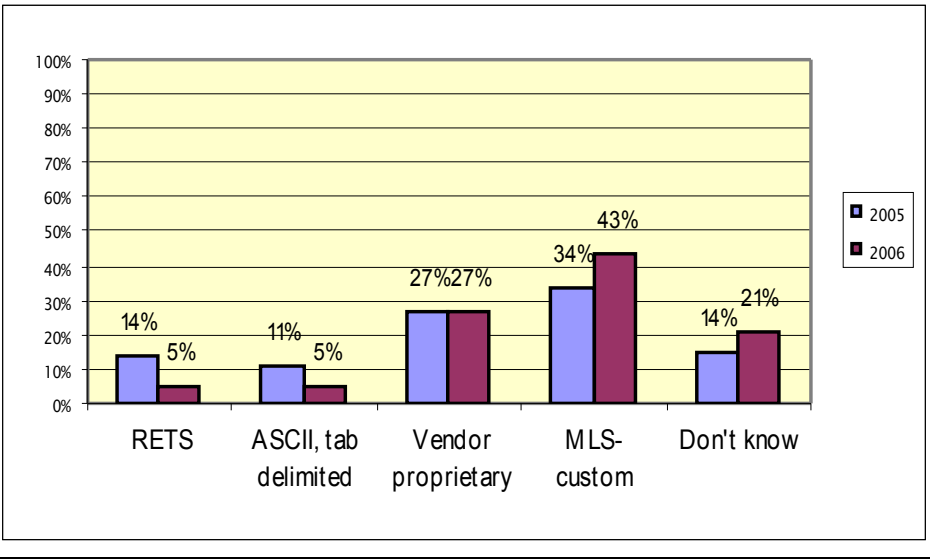
RETS has decreased from 23% to 14%. ASCII, tab delimited has decreased significantly from 21% in 2005 to 14% in 2006.

In what format do you make data available to 3rd Party Vendors – Products? (MLS respondents)



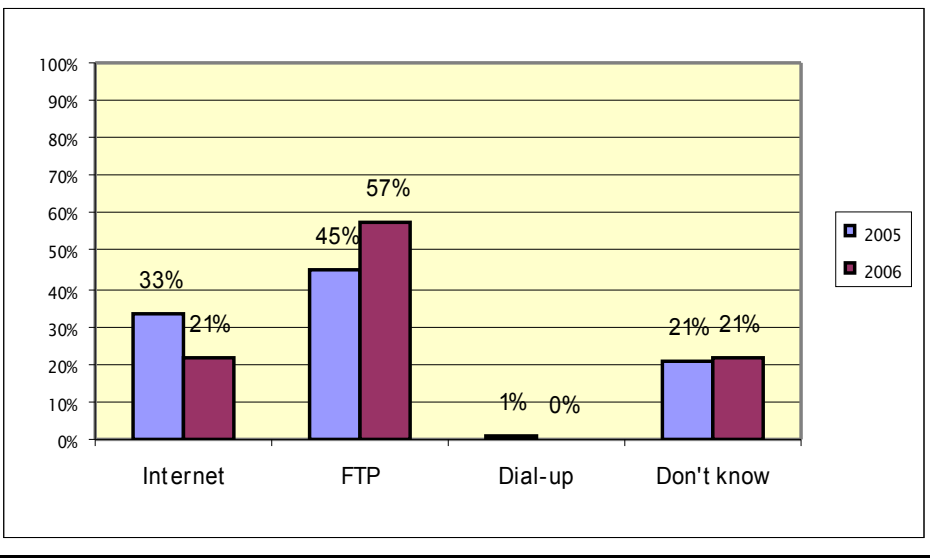
The largest method for delivering data to 3rd party vendors is MLS custom formats, up from 19% in 2005 to 29% in 2006.

In what format do you make data available to members for search? (MLS respondents)



For member search, MLS custom formats are the largest format at 43%, up from 34% in 2005.

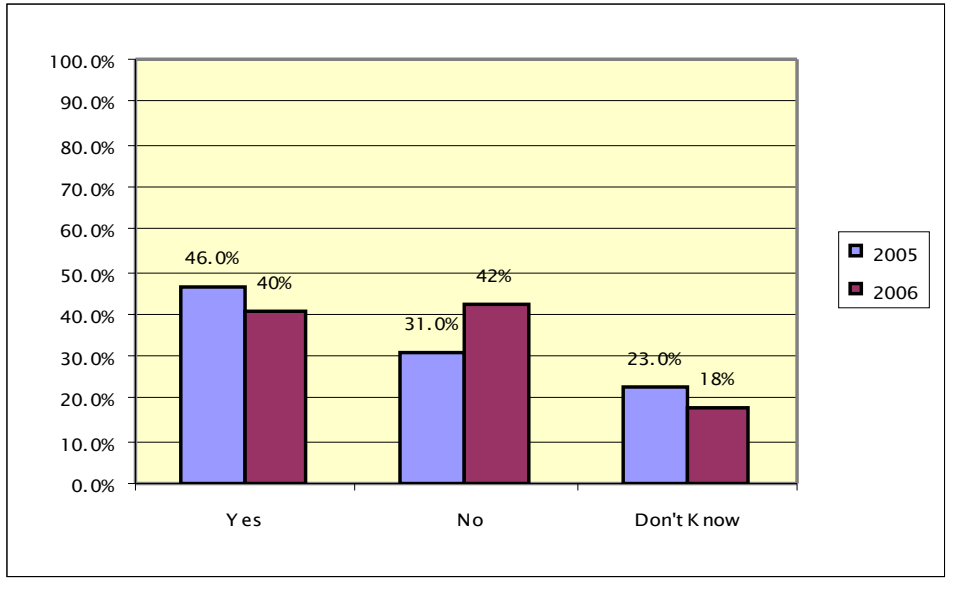
How do you make data available to Homestore/Realtor.com? (MLS respondents)



FTP is the largest format for making data available to Homestore/REALTOR.com.

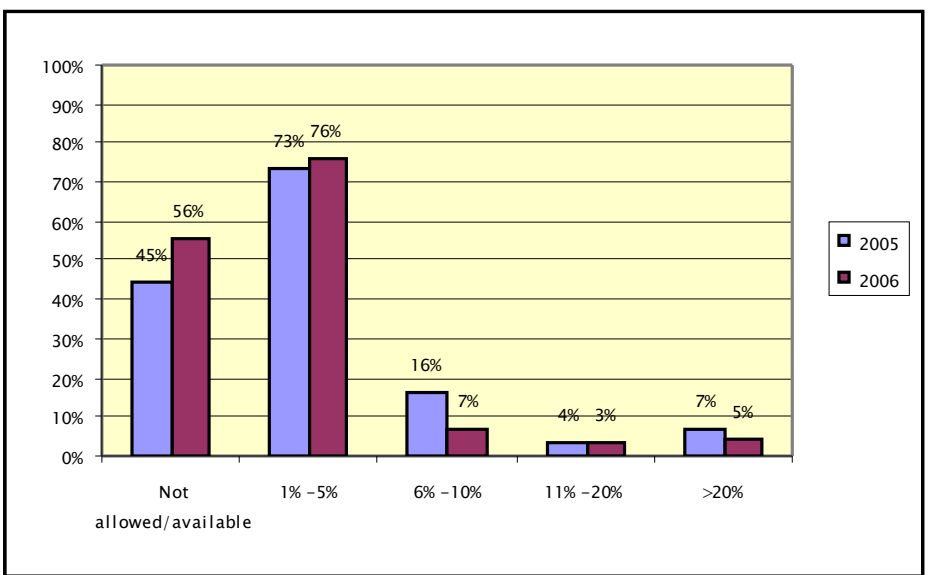
IDX/VOW

Does your MLS allow VOW's? (MLS respondents)



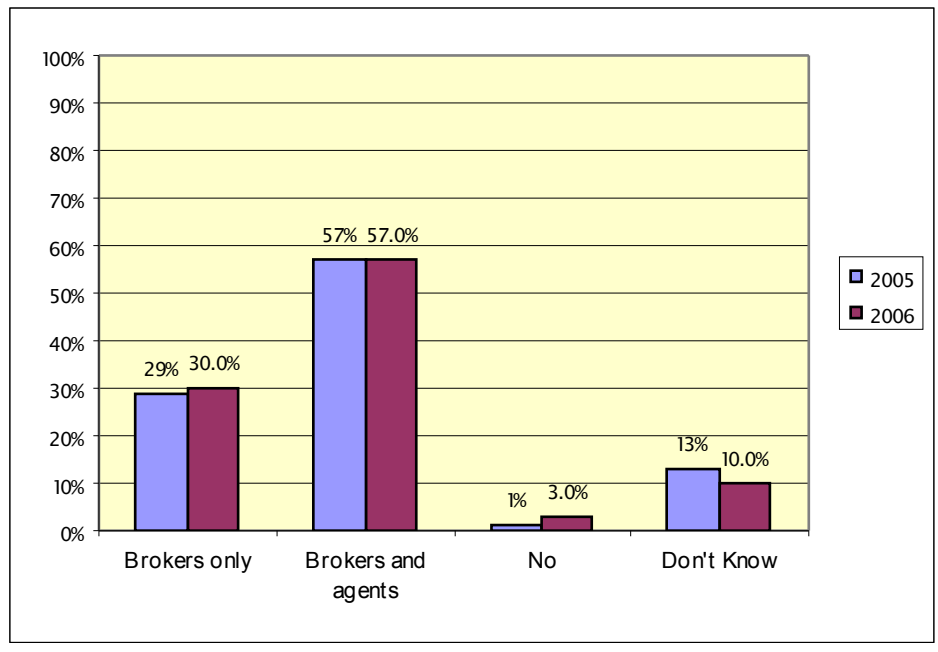
The decrease in VOWs may be due to current litigation.

Approximately what percent of your members use VOW today? (MLS respondents)



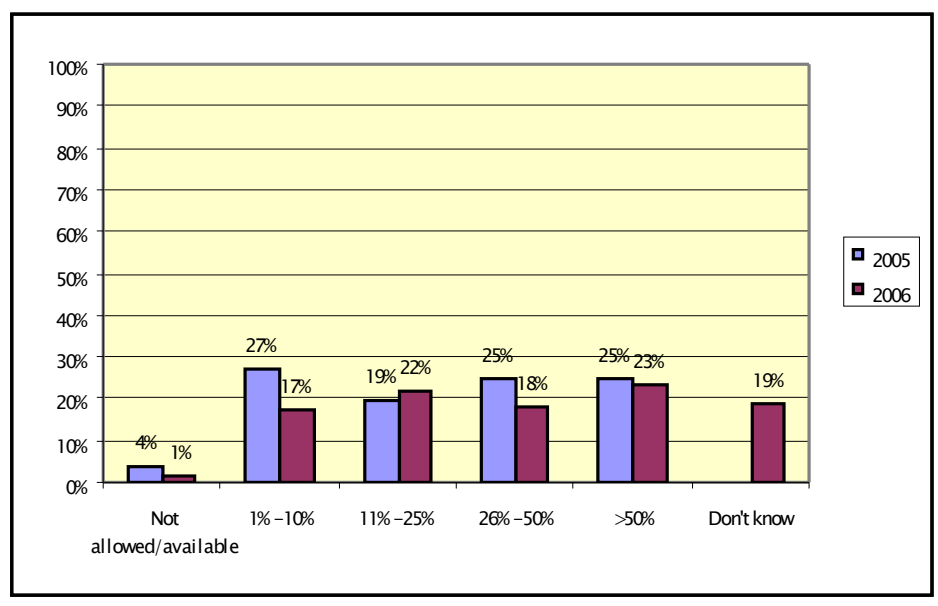
76% of respondents say only 1 – 5% of their members are using VOW.

Does your MLS allow IDX feeds? (MLS respondents)



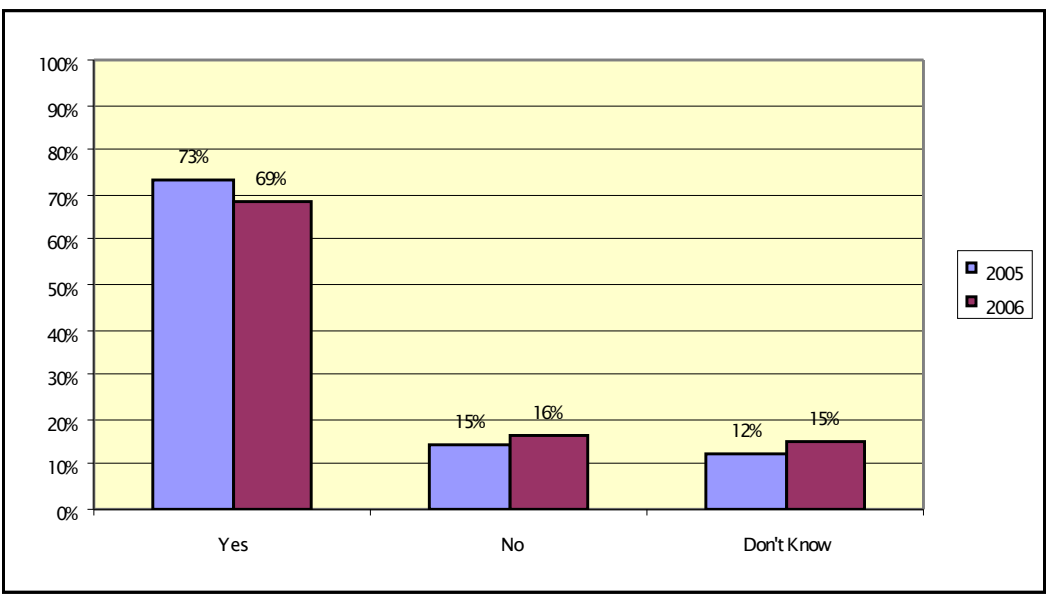
57% of respondents say brokers and agents have access to IDX feeds. This percentage is consistent with 2005 results.

Approximately what percent of your members use IDX today? (MLS respondents)



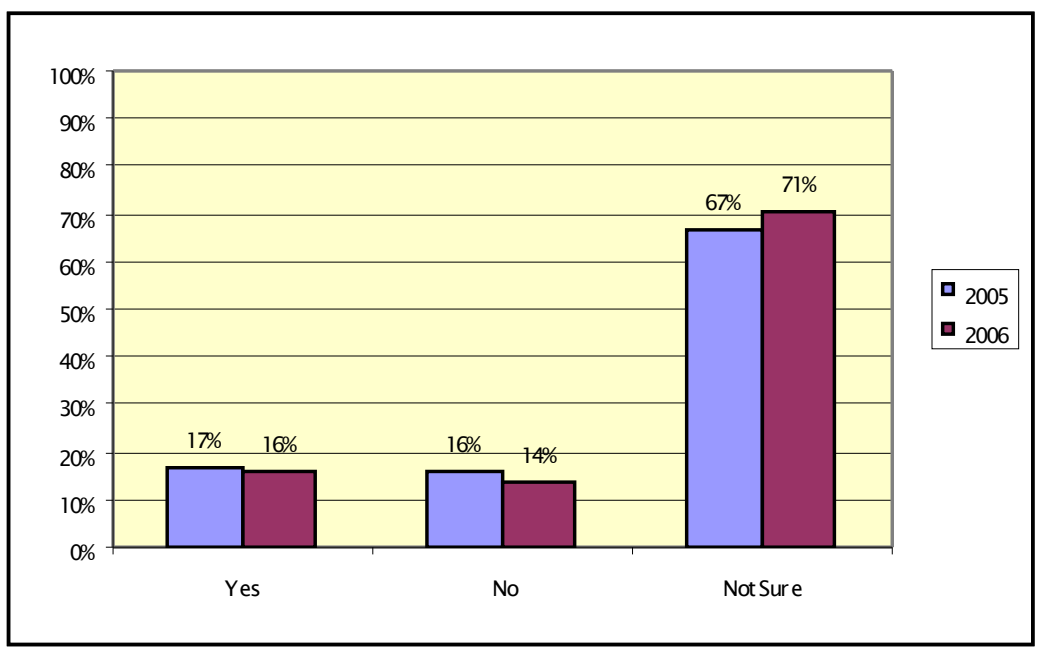
It appears usage of IDX by members is consistent with 2005. 2006 trends may be under represented because of the “Don’t Know” option added this year.

Does your MLS allow members to download comparable data? (MLS respondents)



69% of MLS respondents say their MLS allows members to download comparable data, down slightly from 2005.

Would you be willing to accept a new listing feed directly from a broker's system? (MLS respondents)



The percentage of MLS Respondents who would be willing to accept a new listing feed directly from a broker's system has remained consistent with last year. There is still a majority of respondents who do not know whether they would be willing or not.

One respondent stated, "Anything which might streamline the process and which does not create system problems, would certainly be considered."

Another said, "Applying data validation and business rules can be problematic. The effect on overall system performance would need to be considered."

The Future Role of MLSs

How do you believe the role of MLSs will evolve in the future?

This was an open response question. Many respondents reiterated the need for consolidation, expanded data-sharing and more comprehensive data integration.

Several respondents talked about the ever-increasing methods for distributing listings data. One respondent stated,

“As more brokers realize the value of the content they are providing, they will continue to seek opportunities to use the content as its own revenue stream. The MLS will face decisions on distributing data in a way that is fair to all participants. Also, as database programmers become more prolific, the opportunities for brokers to develop their own competing MLS will become more affordable and create a challenge to the traditional MLS.”

Another stated,

“MLS's may become data repositories; subscriber cooperatives. Like the phone companies, users will be able to interface with different user devices or software products. Allowing the REALTOR[®], in a natural market area, to use their favorite product or program to efficiently and comfortably access any of their multiple subscriptions in different local databases.”

Some respondents also discussed the important role MLSs need to continue to play in the real estate industry. One respondent stated,

“The MLS is essential for providing sellers with the widest possible exposure to the widest pool of potential buyers. It is equally essential for providing buyers with the widest possible expanse of options to consider purchasing. It depends upon the cooperation of agents, both to help themselves and to help their clients. It is in every party to the transaction's interest to maintain a quality MLS system.”