

# Ending MLS data share could cost agents millions

*Thousands of California agents and brokers will no longer have access to each other's listings*

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## Key Takeaways

- The Ventura County Regional Data Share has cancelled its data share contract with the California Regional MLS, citing an "unexpected" cost.
- According to CRMLS, ending the data share could cost VCRDS agents millions in gross commissions. VCRDS says it doesn't expect the change will have a "significant" effect on the market.
- VCRDS says CRMLS is pushing for data changes that are "too much" for MLSs to handle. CRMLS disagrees.

It's tough enough to find homes for buyers in some parts of the country without losing a data feed on top of the inventory shortage.

But that's exactly what's about to happen to thousands of Southern California agents and brokers, who may miss out on millions in real estate commissions when a data share between their MLS and the nation's largest MLS ends in September.

That's according to California Regional Multiple Listing Service, which has 80,000-plus members — more than any other MLS in the country.

In separate press releases, both CRMLS and the Ventura County Regional Data Share announced last week that VCRDS had cancelled its data share contract with CRMLS, citing an "unexpected" \$25,000 cost to reformat its data to connect to a new CRMLS server.

That means CRMLS and VCRDS members won't have access to each other's listing data.

VCRDS has about 2,300 active listings in Ventura County and part of Los Angeles County, while CRMLS has about 47,000 active listings throughout California.

VCRDS is jointly owned by the Ventura County Coastal Association of Realtors and the Conejo Simi Moorpark Association of Realtors. It has nearly 4,500 agent and broker members.

The data share termination is a setback for CRMLS's initiative to build a statewide MLS, according to CRMLS CEO Art Carter.

"Anytime for any reason an association pulls back from sharing data with another association, it's not a good thing," Carter told Inman.

"Whether VCRDS believes it or not, the exposure for their data has been significant and [ending the data share] is not a good thing for the agents or the consumer."

Data sharing between CRMLS and VCRDS will end 90 days from June 6.

## 'Millions in gross commission'

According to Carter, the decision to end the data share could cost VCRDS agents millions because they will no longer have access to the buyers and sellers represented by CRMLS agents.

“The real issue is closed listing volume,” Carter told Inman via email.

“Based on our latest figures, in the past year (ending May 31, 2016) VCRDS agents have sold 284 properties to buyers represented by CRMLS agents. This equals \$171,724,470 of volume. 135 of those properties were outside Ventura County.

“Within the same year, CRMLS agents have sold 355 [properties] to buyers represented by VCRDS agents, which equals \$165,730,791 of volume. 240 of these properties were outside Ventura County.”

“Just counting the sides where VCRDS agents represented the buyer for a seller represented by a CRMLS agent and listings taken outside of Ventura County by VCRDS agents, the lack of exposure to CRMLS listings and agents could potentially cost VCRDS agents millions in gross commission.”

In an emailed response, Mark Chacon, president of the Ventura County Coastal association, did not dispute the numbers, but told Inman that VCRDS did not believe cancelling its contract with CRMLS “will have a significant effect on the market here in Ventura County.”

Ventura County MLS: Cancelling data share contract won't have a 'significant' effect on the market

He noted that VCRDS will continue to be a member of California Real Estate Technology Services, Inc. (CARETS), an MLS data-sharing venture that CRMLS pulled out of in 2014 in favor of forming direct data-share agreements with other MLSs.

According to Chacon, most buyers from outside the Ventura County area are from the San Fernando Valley, which is covered by fellow CARETS member Southland Regional Association of Realtors MLS. But Carter said none of the above statistics include Southland members or coverage areas.

Still, Chacon said, “[We] expect that buyers and sellers outside the CARETS area will be more likely to use the services of a local Realtor, who knows our markets thoroughly.”

### **Not ‘cost-effective’**

According to VCRDS, it decided to end the data share because of an “unexpected \$25,000 cost to reformat its data” from its MLS vendor, Rapattoni Corp.

Brian Tepfer, Rapattoni’s chief technology officer, told Inman that CRMLS requested more than 10,000 data field mapping changes all at once from its data share partners, including Rapattoni clients VCRDS, i-Tech MLS and California Desert Association of Realtors MLS.

Rapattoni does not charge to make MLSs RESO compliant or for run-of-the-mill maintenance fixes, he said, but these data-share changes would be “months of work.”

So in late April, Rapattoni quoted VCRDS and the others either a one-time \$15,000 fee if they did some of the mapping themselves or a \$25,000 fee if they wanted Rapattoni to do all of it. California Desert and i-Tech MLS chose the lower cost option.

Had VCRDS chosen either option, the cost would have been split between the two associations that own the MLS.

“VCRDS decided that it wasn’t cost-effective to spend \$15,000 or \$25,000 on data migration at this point in time. It was not a prudent business decision, since we are in the process of moving our MLS platform to Flexmls. It simply didn’t make sense to spend that money now for a short-term fix,” Chacon said Friday.

“It was our goal to announce to our members the move to Flexmls in the upcoming week, but these discussions have changed this decision and we will be announcing the move to Flexmls to our members today.”

“While our partnership with CRMLS during the past 18 months has been beneficial to our members and to area homebuyers and sellers, it doesn’t make sense for our members to incur the costs of reformatting all our data in a short time frame to meet CRMLS’s needs,” Chacon added in a statement.

CRMLS noted that before issuing its press release, VCRDS had not informed CRMLS of its difficulties in meeting the July deadline to move to CRMLS’s compliant server.

“We’re disappointed that they chose to go this direction, and it’s unfortunate that they didn’t give us an opportunity to respond and potentially help out in decreasing the cost that their vendor may have incurred,” Carter told Inman.

“We have helped a number of MLSs with technical resources, expending time here internally to help them accomplish either doing a data share or with other changes we’ve made.

“I find it incredibly ironic that I’m having these conversations through the press instead of with them,” he added.

### **Data standards**

According to Carter, CRMLS requested the data mapping changes because it is moving to a new server that will be compliant with “platinum” standards set by the Real Estate Standards Organization (RESO).

As of January 1, the National Association of Realtors mandated that Realtor-affiliated MLSs comply with a RESO standard called the Data Dictionary.

Currently, MLSs only have to comply with a “core” set of fields in the Data Dictionary. The “platinum” set would not be required until 2020, though CRMLS has decided to get a jump on that upcoming requirement.

VCRDS did not meet the deadline for RESO Data Dictionary compliance and only applied for certification of its compliance Wednesday afternoon, according to RESO executive director Jeremy Crawford.

This was after an Inman reporter asked two VCRDS leaders if the MLS was compliant. VCRDS did not respond to questions about the timing of the application.

Carter, who is also chair of RESO, emphasized that CRMLS was not asking VCRDS to comply with the platinum RESO standard, but rather to connect to a new server that is platinum-certified.

In order to assist its data share partners, CRMLS provided them with a primary mapping document to help them update their current mapping, CRMLS said.

Carter noted that MLS data mapping changes happen all the time in the industry.

“This is not something that other MLSs don’t do on a regular basis. When we were part of CARETS, there were other MLSs that completely changed their data fields. [This happens] anytime an MLS

goes through a conversion and you have partners that are receiving data fields or RETS [Real Estate Transaction Standard] feeds.

“My understanding is that VCRDS is going to be changing to a new vendor in November, and you can guarantee that they are going to be forcing all of their data share partners, including CARETS, to be mapping to a new database that they’ll be providing after their conversion.”

### **Too much, too fast?**

When asked about Rapattoni’s reference to CRMLS’s requested changes being “months of work,” Carter said, “I can tell you that we accommodate new data shares internally here within CRMLS and it does not take us a month’s worth of work to get a new data share up and running.”

“I have no idea what difficulties their vendor may have,” he added.

“I know that internally here we face changes along those lines all the time. When you’re delivering feeds to vendors and brokerages, change occurs on a regular basis especially when you’re consuming data from MLSs and data shares.”

According to Joel Reznick, president of the Conejo Simi Moorpark association that co-owns VCRDS, the changes required for CRMLS’s move to a platinum server may be too much, too fast.

“Although relevant in the future, it’s too much for most MLS vendors to handle at this point,” Reznick told Inman.

“It’s our belief that they are pushing a lot of data changes on a lot of MLSs that they data share with. We may be the first, but we anticipate that other associations will make the same decision as they are all caught off-guard by this.”

In response, Carter said that VCRDS is the only organization that CRMLS has dealt with that says it will not change over to the new server.

“Every other data share that we have in place, they are actively working against our new server to get the mapping accomplished,” Carter said.

“It’s time for standards. Whether they [VCRDS] do it or not now, they are going to be forced down this road by the NAR mandate,” he added.