

STATEWIDE DATA SHARING

I. SUMMARY

Following an extensive two-year Presidential Advisory Group process, the 2022 NAR Leadership Team supported ten (10) PAG recommendations being advanced to promote and provide further support for statewide data sharing among all REALTOR® Association owned MLSs within a state. These recommendations fall into four primary category types:

1. Education & Research
2. Technology & Standards
3. Utilization & Compliance
4. Governance & Policy

Five (5) of the recommendations are actionable items being implemented now. The other five (5) recommendations relate to governance/policy and require the consideration and approval of the NAR Multiple Listing Issues and Policies Committee when it meets during the 2022 NAR NXT Convention in Orlando, Florida.

None of the ten (10) recommendations include any mandates, nor do they necessitate or suggest that Statewide Data sharing must be established. Rather, the recommendations are intended to provide resources and information to those MLSs who are interested or are implementing statewide data sharing. This consists of best practices and actions for developing educational materials that address technology, standards, and utilization barriers.

The objective is to provide MLSs with extensive information and considerations about how they can utilize statewide data shares to enhance opportunities and expand access to listing information and property data for brokers, agents, and consumers.

II. ACTIONABLE ITEMS

The five (5) action items currently being implemented by NAR staff are listed below and will provide the infrastructure and support necessary to ensure that local efforts to share MLS data, including best practices, standards, and education are in place. .

EDUCATION & RESEARCH

1. NAR working with industry partners, stakeholders, and local MLSs to create a toolkit with resources, best practices, samples, considerations, and case studies that MLSs within a state could use and reference to pursue and form statewide data shares. The Toolkit may include any or all of the following:

- General purpose of a statewide data share
- Visuals representations of data sharing in practice (i.e., flow charts, infographics, etc.)
- How to engage other MLSs about data sharing, FAQ's etc.
- Best practices for establishing and maintaining data sharing of all types

2. That NAR develop clear educational messaging that promotes the benefits of data sharing and how it can be pro-broker, pro-consumer, and pro-competitive. Possible messaging examples include:

A wider, more accessible database is good for everyone.

- Easy access to data is good for brokers and the consumers they serve.
- Transparency is what helps the free market in a cooperative way
- Organizations should share data in ways which elevate the amount of good the data can achieve.

3. That NAR incentivize statewide data sharing by offering economic analysis and reporting of statewide data or resource allocations for local analysis and reporting.

UTILIZATION & COMPLIANCE

4. That NAR partner with CMLS and RESO to identify qualified facilitators/moderators who can serve as a neutral voice and assist MLSs with aligning data fields and enumerations.

5. That NAR enlist the services of its Data Scientists to study the benefits of data sharing for brokerages of all sizes based on established data shares and marketplace trends such as:

- Study member/participant/subscriber patterns, subsequent to data sharing implementations
- Explore benefits of statewide data sharing to state and local associations
- Economic impact to Participants and Subscribers

III. RECOMMENDATIONS

Below are five (5) governance/policy related recommendations approved by the MLS Technology and Emerging Issues Advisory Board when it met on September 15 and 16, 2022. These recommendations are now being forwarded to the NAR Multiple Listing Issues and Policies Committee for review and consideration when it meets on November 12, 2022, during the NAR NXT Convention.

Please familiarize yourself with these recommendations and share your feedback with representatives on the NAR Multiple Listing Issues and Policies Committee, or you are welcome to attend the Multiple Listing Service Forum being held on Thursday, November 10 to speak to the recommendations yourself.

Technology & Standards

1. To recommend to MLSs that any statewide data share standards include but are not limited to: A full exchange of data into local and/or regional native MLS platforms.

- Listing Data (All Statuses)
- Roster Data
- History Data
 - The data exchanged should include the RESO Standard data fields of each of the MLSs in the statewide data share.
 - The data exchanged should also include locally created data fields (non-RESO Standard fields) where that information can be readily exchanged and is deemed beneficial to the data share.
 - Implementation timeline
 - Identify limitations and/or inclusion of additional data assets such as tax data and geocodes

Supporting Rationale: Recommended standards can help guide MLSs who are interested in statewide data share with successful data sharing to ensure well-functioning searchable databases.

Utilization & Compliance

2. To recommend that MLSs consider the following defined uses and considerations in any statewide data share for the Participants' use:

- Data used in IDX/VOW, BBO, and other data feeds
- Data used in MLS's provided 3rd party products (e.g., CMA, market reports)
- Considerations for MLS public facing websites and applications

Supporting Rationale: Including these defining permitted uses and considerations will help MLSs with providing a statewide data share that can be accessed and used in appropriate ways.

Governance & Policy

3. That NAR adopt a recommended MLS policy which defines “statewide data share” as follows:

A statewide data share should deliver MLS data through a common technology interface (e.g., API) of all data fields, including offers of compensation, to all Participants of MLSs in the statewide data share. However, the data should not include MLS-only data fields that are viewable only to the listing Participant and the respective local MLS.

Note: Considerations should be given to:

- Inclusion of local data fields (non-RESO Standard fields).
- Any different compensation models such as a percentage of the net vs. gross sales price, tiered commission arrangements, and other models that are used by Participants in MLSs.
- Individual MLS’s “attached document” retention policies and state laws regarding the sharing and retention of documents related to a previous transaction (privacy laws)

Supporting Rationale: Providing a recommended definition of “statewide data share” will encourage all industry stakeholders to approach statewide data sharing from the same broad concept.

4. That NAR recommend as a best practice that MLSs explore and consider statewide data sharing consistent with NAR’s recommended policy definition of “statewide data share” and the following considerations:

- Potential Opt-outs for MLSs, brokerages, or sellers. (Requires additional consideration to determine what opt-outs, if any, should be available in the statewide data share).
- Options to show and/or access listed properties across the statewide data share.

Supporting Rationale: Data sharing policy should allow for MLSs - the local broker marketplaces - to build statewide data shares as they see fit and appropriate in better serving Participants and Subscribers, their clients and customers, and with promoting competition.

5. That NAR provide MLSs with recommendations about potential applicability, enforcement, and establishment of local MLS rules to a statewide data share such as:

- Establishing how data sharing rules will be enforced and by whom.
- Using a common set of data sharing rules or identifying existing local rules that will be applicable to the data share.
- Determining any data licensing restrictions that will apply to the data provided in the statewide data share, such as only permitting data licensing by the MLS wherein which the property listing data originated.

- Setting forth and understanding that the local rules of an MLS may not be enforceable, unless established in a data share agreement, against the Participants and Subscribers of a different MLS in the statewide data share.

Supporting Rationale: Providing recommendations about potential applicability, enforcement and establishment of local MLS rules can help MLSs achieve optimum service and efficiency in their statewide data shares.