



# CARETS

[California Real Estate Technology Services]

## What Have We Learned So Far?



CURE Solutions Group LLC  
a subsidiary of



## Introduction

Imagine a world where you have access to everything you need to do your job. For successful real estate professionals, having access to everything you need invariably starts with listing information. Without exception, the best and most current real estate information available comes from the MLS. Today there are more than 800 MLSs in the United States. Each one is unique and separate from the rest. The adage “all real estate is local” certainly applies here! But this fact also makes it difficult for real estate professionals to access all of the information they need to do their jobs and remain relevant to their customers.

Consumers want it all – they want to know about all of the homes for sale; they want to sell their houses at the highest prices and as fast as possible. Historically, they needed a licensed professional to gain access to the property information, to schedule a showing and to provide valuable counsel throughout the entire process. No news here! But now, they also have access to a considerable amount of online information about homes for sale, including pictures and videos, maps with driving directions, comparable properties and so much more. Consumers increasingly are getting more of what they believe they need without the involvement of a real estate professional. Ironically, in many overlapping markets (described below), the professionals don’t necessarily have access to everything they need to do their jobs unless they join more than one MLS. In addition to joining multiple MLSs, these professionals must also enter the same listing in each system they join and pay duplicate fees — just to do their jobs.

California Real Estate Technology Services Inc., or CARETS, is a major joint venture initiated by five Southern California MLSs to address this challenge, beginning with the creation of a massive common database of listings. The founding MLSs — CLAW, CrisNet, iTech, SoCalMLS and MRMLS — share a vision to tear down arbitrary boundaries and make it easier and less expensive to access more of the information real estate professionals need to do their jobs, compete effectively and serve the consumers who pay for their services.

CARETS selected and partnered with the CURE Solutions Group, a subsidiary of MRIS, to help achieve its objectives. In addition to operating one of the largest MLSs in the country, MRIS delivers industry-leading data technology solutions including CURE™, in support of major data sharing initiatives around the country.

This paper will introduce you to CARETS, the problems it is solving, a summary of how it works, how it benefits real estate professionals (subscribers) and best practices learned from this leading initiative.

This paper is not about technology. In fact, the problem faced by the subscribers has less to do with technology than it does with overcoming the human and political factors that inhibit progress. This paper is for you if you are a real estate professional, if you are involved in leadership or decision-making at your MLS and you recognize the rapidly changing landscape of organized real estate. The future is here for over 100,000 CARETS subscribers who can now access all of the information they need to remain relevant and do their jobs.

## More about CARETS

Since the launch in October 2008, approximately 100,000 subscribers and their customers are benefiting from CARETS every day. There are more than 83,000 active listings available through CARETS and a total of 3.5 million listings including comparables. As CARETS continues to grow by adding additional MLSs, the combined information is made available to everyone that participates. In fact, four more MLSs recently have joined CARETS — Conejo Valley, Desert Area, Ventura and Simi Valley.

**CARETS' vision is to create a standardized data definition for listings with ONE set of MLS rules and regulations, ONE set of data integrity standards, and ONE system in which subscribers need to add listings.**

From the start, the forward-thinking leaders of the founding MLSs — CLAW, CrisNet, iTech, SoCalMLS and MRMLS — have been committed to this vision. They continually made tough decisions and compromises and sought to place the subscribers' interests ahead of everything else. By delivering on its promises of increased exposure and access to all of the listings for the subscribers and their customers, CARETS has become a solid example of the future of data technology. Indeed CARETS has already achieved the majority of what other MLSs have stated as their ultimate goal. The fact that CARETS has fully delivered this solution is one of the major differentiators and competitive advantages of participation in CARETS.

### **What Problems Is CARETS Solving?**

**Dysfunctional overlapping markets** do not exist everywhere, but are evident in Southern California and dozens of other markets across the country. In order to compete, subscribers are forced to join multiple MLSs, enter the same listing into several different systems with customized forms and rules, pay duplicate fees and access separate systems. The situation has become quite “normal” in these markets for hundreds of thousands of licensed professionals across the country. Simply stated overlapping markets are inefficient, inconvenient and costly. Further, they are riddled with missed opportunities for agents and their customers.

**Consumers have access to a lot of free accumulated real estate information** from Web sites and the companies that sponsor them. Most are not affiliated with the MLSs or their subscribers. Consumers often think they have access to all of the information and knowledge they need to make an informed decision – but we know they don't. The best information resides in and across MLS systems because it is much richer, more accurate and up to date compared with what consumers find on these other sites. Consumers logically don't understand (or care) that professionals have to work their way through different systems every day, run multiple searches, cut and paste the reports, print-outs and emails in order to get what they want. The professional is then forced to work harder every day to try to remain relevant and keep up in markets where there are multiple overlapping MLSs that don't work together by sharing the data.

**MLSs are falling behind** since much of the innovation is taking place outside of the MLSs. Look at the facts. There are more than 800 separate MLSs that strive to be different — (“Our market is different”). The current MLS vendors find it tough to serve so many masters and fulfill the unique requirements for different data, property types, forms and rules. They find it nearly impossible to consistently commit significant R&D resources and make any money doing it let alone invent more efficient tools. In this environment, innovation suffers. As a result, much of the progress in data technology is taking place outside of the MLSs by other companies that are gaining ground with consumer-centric solutions. Many MLSs remain mired in the need to maintain control of their markets. They do this by isolating and segregating their content from contiguous markets. Not surprisingly then, other entities are leading the way with fresh new ideas and solutions to meet the needs of consumers.

**Buyers and Sellers want it all** — access and exposure to everything real estate. Sellers want to sell their houses at the highest price as quickly as possible and want their houses to be exposed to all potential buyers through the entire market area. Most sellers want their listings to be advertised everywhere. Buyers want to know about all of the homes for sale and don't understand why there are so many MLSs with different fees, formats and rules. And they remain unaware of what the professional has to go through to make it all seamless.

## How CARETS Works

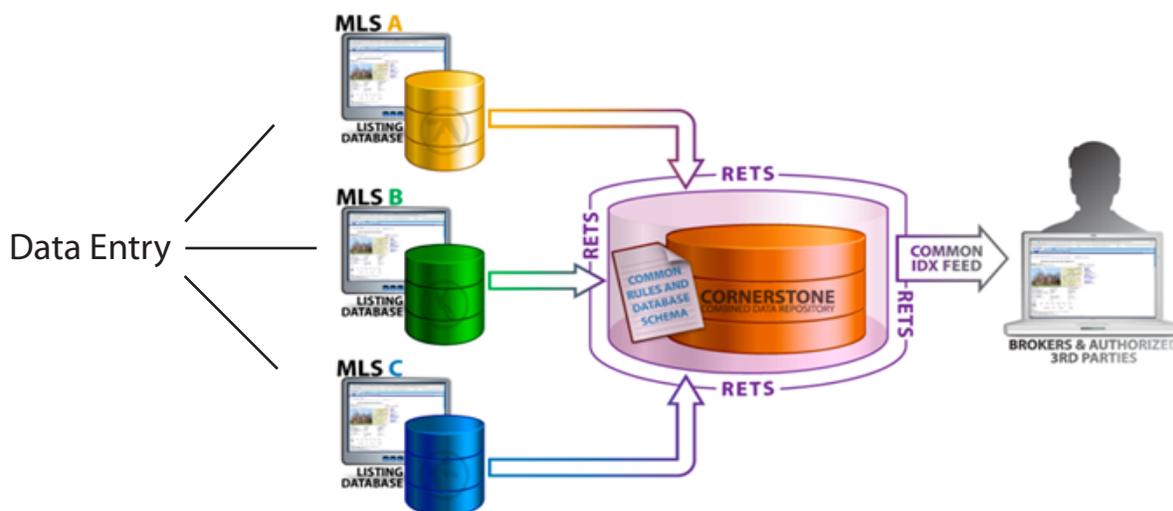
There are a number of models enabling real estate boards and MLSs to work together to address the problems described above. Some of the most typical barriers to progress include the lack of standard definitions for property types and data, different MLS rules and policies, existing long-term MLS-vendor contracts with varying expiration dates, and issues of money, control and local politics.

The CARETS approach was built on a premise that competition is good and that giving the subscriber choices is better than forcing a single provider or solution upon them. To achieve this and move their vision forward quickly, easily and cost-effectively, CARETS and its shareholder associations agreed to share an expanded geographic set of combined MLS data while maintaining their local organizations, structure and local MLS software. This results in several MLS front-ends for the subscribers to choose from when accessing a consistent and combined database of listing information from the entire region.

The CARETS database includes property listings, agent and office information and images from all of its participating MLS systems. Each of the five founding MLSs maintains its own copy of the entire CARETS database.

CARETS retrieves the MLS data from each of the participating MLS systems. The data is converged and added to a massive common database where each field is transformed into a standardized format, to make it easy to search across all of the combined data.

Accordingly, each participating MLS downloads data from CARETS into its local MLS database so the entire combined database can be accessed and searched by the subscribers. MLS subscribers can continue utilizing their local MLS system or favorite access software. CARETS subscribers need only enter listings or make changes once through their chosen MLS, same as always. But now their listings are shared automatically with thousands of other professional subscribers and their customers.



While this description is fairly simple, the actual data processing work behind the scene is quite advanced. Extracting the data every 10 minutes or so around the clock from each of the local MLS systems, and mapping and storing every new listing and change in the common database is hard work. To support this undertaking, CARETS chose CURE™, the data sharing solution provided by the CURE Solutions Group LLC, a subsidiary of MRIS in Rockville, Maryland.



CURE Solutions Group was selected from more than a dozen potential providers since they have the proven technology in place, have demonstrated they can handle an initiative of this size and they understand the CARETS business model very well. According to CARETS leadership, the CURE Solutions Group helped bring CARETS' vision to reality.

CURE™ was developed to support data-sharing initiatives like CARETS. This enterprise-quality solution is already used by MRIS to service its 50,000 MLS subscribers as well as other MLS operators (in Wisconsin, Oregon, Pennsylvania and Michigan) with a combined total of more than 200,000 subscribers across the country. CURE™ currently is powered by high-performance IBM servers and an Oracle database that can accommodate a variety of initiatives, including efforts of this massive scale, where reliability and high data quality are paramount. The CURE Solutions Group provides leadership, proven expertise and project management throughout the process from initial consultation, data transformation into the common format, testing and operational implementation and ongoing support.

The best part is that all of the behind-the-scenes activity is transparent to the subscribers. When CARETS went live in October 2008, this "no change changeover" immediately provided 100,000 subscribers with access to over 50,000 active listings without having to change systems or alter their daily habits. As the result of additional markets joining the CARETS effort, there are now about 83,000 active listings available to CARETS subscribers.

Access is the same as before the launch of CARETS. Subscribers sign-up for MLS access through their respective MLS. The MLSs (or their designates) handle subscriber billing and collections. Uniform rules and enforcement are in place across all of the CARETS MLSs. This is good for the brokers and the subscribers since they have to deal no longer with the different rules, policies, fines and enforcement procedures in place prior of the launch of CARETS.

Subscribers and brokers have access to a single data feed for their Web sites and back-office systems. And with CARETS, it is no longer necessary for brokers to access different MLSs or reconcile the differences from one MLS to the next. CURE™ provides access to all of the content, in a consistent format, for all the brokers via RETS.

Using the same consistent approach, CARETS is growing and expanding to include additional participating MLSs, listings and subscribers, by building on its proven capabilities. Several other markets are in the works to become part of CARETS.

### **Benefits to CARETS Subscribers and their Clients and Customers**

Here is a summary of some of the subscriber benefits that result from participation in CARETS:

- Access to growing number of accumulated listings by joining one local CARETS MLS
- Subscribers choose their MLS of choice based on services not based on who has the data
- No conversions or changes are required for the subscriber to benefit right away
- Uniform reports and communications between subscribers and their clients and customers from a single MLS system
- Add/change listings once that are automatically syndicated to other MLSs and Web sites
- Reduced costs to subscribers
- Uniform MLS and IDX rules and consistent enforcement
- Single data feed for broker Web sites and back-office systems
- Listings are available to many more professionals and potential buyers
- Opportunities for more sales to occur
- More options and choices for the subscribers

## Best Practices — What Have We Learned So Far?

You know by now that this is hard work. There is a lot to learn about rewards and results from the pioneering work done by CARETS and the CURE Solutions Group. A recent national study of associations and MLSs confirmed that 59% of respondents are considering data sharing for the future or expanding on their current data sharing initiatives. That suggests that more than 400 MLSs are looking at sharing data in the future. If you are considering an MLS collaboration of some kind, let's take a look at some best practices for data-sharing initiatives.

- 1. Have a clear written vision and expected outcomes from the start.** For example, tear down the barriers in (your market) resulting in increased opportunities for the subscribers to conduct business, making it easier and thus less expensive to access the information they need to do their job and serve their clients and customers.
- 2. Put the collective needs of the subscribers ahead of all others.** This sounds simple but it's not. CARETS has been successful because the leaders put the subscribers' needs first and they made tough decisions and compromises throughout the process to keep moving toward the stated vision. It has not been easy, but CARETS leadership and subscribers will tell you it has been worth it.
- 3. Engage a neutral outside facilitator who doesn't have a dog in the fight.** Regardless of which approach you take to solve the problems in your market, it is important to achieve your goals and deliver results to the subscribers. This can be accomplished in less time, with fewer meetings, less staff and volunteer time and at less cost if you involve an experienced facilitator/advisor who understands the politics, business challenges and the technical requirements.
- 4. Agree upon a uniform data definition very early in the process** by working with an expert data analyst from a technology partner like the CURE Solutions Group or by contracting with an independent contractor with proven experience in working with multiple MLSs. The goal is reaching a common data definition before you seed the aggregated database. For CARETS, this project took about eight months, somewhat longer than expected, but it was key to the ultimate success. Until the market leadership agree to a standard, this part will likely be one of the most time-consuming aspects of any data share. This part also requires some soft costs – MLS staff time that can be difficult to track or quantify, but it is required to map the local data to the uniform data definition. Listen when your advisor or technology partner makes recommendations as they truly have been there and done that.
- 5. Start-up costs shared equally by the founding MLSs.** CARETS chose to assess a one-time fee per subscriber to launch the initiative. This allows smaller boards to participate without breaking the bank.
- 6. Hire a qualified lead attorney for the process.** To save time and money, it is important to engage a qualified attorney for the process. Each organization will continue to consult with its own counsel at the appropriate stages. But experience has shown that it is best to retain an attorney that represents the interest(s) of the combined entity for the process. Anti-trust is one of the most important considerations in any collaboration between competitors, so it is best to retain an expert in this area.
- 7. Once the leadership agrees to proceed with the data share, the next stage will require dedicated people resources to get started and maybe to run it thereafter.** In most situations, the existing MLS staff members already have full-time jobs. This limitation of time can get lost in all of the activity once the volunteer leadership decides to move ahead with the collaboration. Be prepared to hire temporary contractors or advisors who will assist with specific tasks to help you achieve your vision and desired goals. They would work closely with the MLS staff to understand the differences and local customs and offer their experience and objectivity when compromise



is required. You may contract some of the work to your technology partner or hire your own independent contractors. Regardless, it is important to provide this staff support so they can continue to run the MLS and move the new initiative forward.

**8. Don't over-think governance or control in the beginning.** Governance – how will decisions be made and who can control what – will come together at the right time, if there is a clear commitment and meeting of the minds on the vision and goals. Yes, governance is important. But subscribers care much less about governance than they do results. For the makeup of the governing body, in most situations, it is best to have an equal number of reps from each MLS and limit the total number to a group reasonably sized for sound decision making. Decisions are made on behalf of the combined subscribers, not for each local MLS.

**9. CARETS currently has 2 full-time contractors that manage the operations,** ongoing data changes and communications with the MLSs and CURE<sup>™</sup> and “data feeds” by a continuously growing customer base of more than 450 brokers and third party solution providers. Smaller data sharing initiatives may not need full-time people, but it is important to budget for a portion of a full-time MLS staffer to be “on assignment” to the data sharing initiative or outside consultant for the start-up. Again, don't take valuable staff resources away from the core mission of running the MLS.

**10. One solution does not fit all.** There are a many different ways to address overlapping markets and some will produce quicker results than others. Based on what has been accomplished already, CARETS launched relatively quickly based on its size and scope – five MLSs and more than 100,000 subscribers. In less than one year, CARETS went from contract execution with the CURE Solutions Group to full launch.

**11. Hire strong technology partners with proven solutions.** Be certain they have a sound grasp of the problem you are trying to solve and a solid understanding of your business model. Be sure they have the ability to scale to meet your current needs and future growth. For these reasons and others, CARETS chose the CURE Solutions Group as its partner.

For more information, contact [CURESolutions@mrjs.net](mailto:CURESolutions@mrjs.net), (301) 838-7100, or visit [www.mrjs.com](http://www.mrjs.com).

If you would like to speak with any of the CARETS leadership team who contributed to this paper, please contact CURE Solutions Group and we will gladly introduce you.

Sponsored by the CURE Solutions Group LLC, a subsidiary of MRIS<sup>®</sup>.

Authored by Kevin McQueen – President of Focus Forward