



<b>LISTING SYNDICATION 2.0</b> .....	<b>3</b>
<b>HISTORY OF LISTING SYNDICATION</b> .....	<b>3</b>
<b>THE PROBLEM(S)</b> .....	<b>3</b>
<b>DISCUSSION</b> .....	<b>3</b>
<b>SOLUTION</b> .....	<b>4</b>
PART 1. GO BACK TO THE PRACTICE OF ONE TO MANY LISTING SYNDICATION. ....	4
PART 2. REQUIRE A DATA LICENSE. ....	4
OPTION 1. API – APPLICATION PROGRAMMING INTERFACE.....	5
<b>FINAL REMARKS</b> .....	<b>5</b>
<b>ABOUT WAV GROUP</b> .....	<b>6</b>

## **Listing Syndication 2.0**

As a sailor, I can tell you that a rudderless boat is hard to steer. It takes a lot of expert sail trimmers to keep control of the boat. From my perspective, Listing Syndication is a rudderless boat with bad trimmers, and the boat is way off course.

We have a real problem in our industry.

## **History of Listing Syndication**

Years ago, brokers agreed to share listings with other brokers for display on their consumer facing website. This highly organized solution is powered by the curated data derived from the MLS compilation. The process for pulling MLS data and displaying it to consumers comes in varying forms and is called by various names: RETS, FTP, IDX, VOW, Broker Reciprocity, Listing Syndication, Data Licensing, etc. For the purposes of this article – I will be referring to all forms of distributing broker data as Listing Syndication.

Each real estate broker participant in the MLS is legally responsible for their listing data by listing contract and MLS contract. In the beginning, listing syndication was simple and adhered to the terms of the broker-listing contract. Active listing data flowed from the MLS to the broker website and was routinely updated. The listings were syndicated from one (MLS) to many (licensed brokers and sometimes licensed agents). When the listing contract expired, the listing was expunged – removed, erased from public display.

Again – one (MLS) to many (all broker and agent sites) stopped displaying the listing everywhere and released the broker from listing syndication liability.

## **The Problem(s)**

Today, the rudder is broken. Listings are no longer distributed from one to many. They are distributed from many to many. Listings are still sourced from the MLS, but the MLS is no longer in control of the Listing Syndication process, and the broker has breached their custodial duty outlined in the listing agreement. I contend that any broker who continues to advertise (actively or passively) a listing for sale outside of the listing agreement is in breach of contract. This practice is rampant today.

## **Discussion**

More and more consumers are viewing property-listing information on third party listing websites. Listing Syndication is not a bad thing. In fact, I am a huge supporter.

### Most Popular Websites in Business and Finance - Real Estate ranked by Visits Share

Month of March 2011

Report Details

	Websites (4,363 returned)	Total Visits	Visits Share	Rank Feb 11	Rank Jan 11	Rank Dec 10
1	Realtor.com	25,617,520	6.51%	2	3	2
2	Yahoo! Real Estate	23,893,154	6.04%	1	1	1
3	Zillow	21,067,835	5.36%	3	4	3
4	Trulia.com	18,198,144	4.63%	5	5	4
5	Rent.com	10,073,841	2.56%	6	6	5
6	Homes.com	9,044,699	2.30%	8	7	7
7	MSN Real Estate	6,914,603	1.73%	7	9	8
8	AOL Real Estate	6,535,745	1.67%	16	18	10
9	ZipRealty	6,281,924	1.59%	9	8	6
10	Apartment Guide	5,893,901	1.50%	10	10	12

But the business problems of Listing Syndication are real, and it is time that the industry fixes them now before facing industry wide litigation.

It is only a matter of time before a class action is brought against a brokerage for failing to maintain custody over listing content.

Under the listing agreement, the broker and its agent warrant the services that they will be providing to the seller.

When the listing agreement expires or terminates, the broker ceases to provide those services. I contend that brokers who have syndicated listings to third parties and complacently allow listings to be displayed after the listing agreement has expired are in breach of their contract with the seller.

Many brokers dismiss this liability. They see listing syndication as advertising. They argue that syndicating listings is like placing an ad in a newspaper or magazine. You cannot control the circumstances for the accuracy and display of listing information beyond the publish date. In the case of print advertising, the broker is correct. But in the case of online advertising, I believe that the broker is incorrect. Given that there are accepted methods and practices that allow brokers to maintain the custody of the listing content, any activity that strays beyond those accepted practices could be considered malice – or at the very least, callous disregard for the interests of the consumer.

## Solution

### Part 1. Go back to the practice of one to many listing syndication.

Keep the MLS at the center of listing syndication. The MLS is structured to manage the data accuracy. There are a wide variety of listing syndication solutions available to the broker that can be delivered as options in any MLS, usually for free – Lithub, Point2, LPS RE Data Vault, and others. Let the broker choose one solution for their listings. No two sources should ever send the same listing information to a third party under any circumstances.

### Part 2. Require a data license.

Every recipient of listing content from the broker must sign a data license that allows the broker to remain in the custody of the listing content during the term of the listing agreement. When the listing agreement expires, either the data is expunged, or the custody and responsibility of the listing content is transferred.

- **Indexing** – An active listing may only be indexed by the procuring broker and its agent. The broker and agent representing the buyer may only index sold listings.
- **Advertising** – All sites displaying listings should be allowed to display advertising.

This reverses the current practice whereby the broker accepts the terms of use with the passive acceptance of EULA, or end user license agreement.

### **Option 1. API – Application Programming Interface**

The best way for brokers to manage what happens to listing content is to stop moving the listings from place to place. The MLS can simply make the listing data available for display on any approved website chosen by the broker. By making the data available by API, the data never leaves the MLS and is never stored on any third party servers.

## **Final Remarks**

Fixing listing syndication is fundamental to managing the liability exposure of the broker. But it is more than that. It serves the consumer, the third party website, and the real estate salesperson. The seller can be assured that their property is no longer advertised for sale after the listing agreement terminates. The buyer can be assured that the home they find online is truly for sale. The third party websites can present accurate listing information to match consumers with property representatives. The sales associate will receive real leads on real listings.

There are a number of constituent groups that can take up this cause and fix this problem once and for all. Furthermore, I believe that these groups have an obligation to take on this issue and stop ignoring the problem. I believe that the National Association of REALTORS® MLS Policy Committee needs to be the leader. I believe that the Council of MLS, State associations, Franchise Organizations, and other broker organizations like The Realty Alliance and others should provide input and support to the MLS Policy Committee.

In concert, these groups have the wisdom and the authority to collaborate on a solution to manage listing syndication more effectively. Their activities today can put the listing syndication rudder back into the water and allow listings to sail efficiently through online channels.

## About WAV Group

**WAV Group** is a leader in providing consulting services to the real estate industry. The company is comprised of corporate executives with a depth of expertise in helping large brokers with strategic planning, research, and technology selection.

Please visit our website at <http://wavgroup.com>

Read our blog at <http://waves.wavgroup.com>

WAV Group Social Media connections are readily available on our website for each of our executives. We publish on LinkedIn, Facebook, and Twitter.

For additional information about this paper or republication permission, please contact Victor Lund [victor@wavgroup.com](mailto:victor@wavgroup.com) or 805-709-6696.