

Syndication: Identifying and Eliminating Inaccurate Listing Data

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This document is designed to serve as a resource for MLSs, their board of directors, and brokers, who are interested in identifying and correcting inaccurate real estate listing data on the Internet.

Executive Summary:

The real estate industry is facing a major challenge: the distribution of inaccurate listing data across the Internet. One of the most common complaints about searching for homes online is that many property listings have the wrong price or status.

In February of 2011, with the guidance of our MLS Advisory Board, Trulia prototyped an innovative solution to this problem called Trulia Direct Reference (TDR). This quality assurance program provides MLSs visibility into data inaccuracies online and enables them to communicate this valuable information to their membership. TDR also enables Trulia to determine the quality of different syndication sources and guide MLSs as they shape policies for listing syndication.

In this whitepaper we will cover recent findings gathered through an analysis of more than 430,000 listings Trulia received from syndicators, franchisors, brokerages, agents and MLSs between February 15 and April 15, 2011. This analysis surfaced three key points:

1. **Error Rates by Source** – Data providers who syndicate data that didn't originate at the MLS have some of the highest error rates of all sources, with over 21% of the data containing an error in either price or status.
2. **Value of Syndication by the MLS** – An MLS that proactively syndicates for their membership will ensure a higher level of data accuracy in their area. An MLS that does not syndicate for their membership inadvertently creates an environment that results in a significant increase of disparate data sources resulting in less accurate data online.
3. **Opt-in vs. Opt out syndication** – Opt-out syndication by the MLS dramatically reduces the proliferation of errant data across the Internet by over 60%.

Listing Syndication – A Critical Time for the Real Estate Industry

The real estate industry is facing a major challenge: the distribution of inaccurate listing data across the Internet. Data inaccuracies are a problem affecting the entire industry, from large destination sites like Trulia to individual agents, and everyone in between. It is incumbent upon



all of us in the industry to provide the most accurate and comprehensive data possible to consumers searching for homes.

In recent months, the listing syndication landscape has changed dramatically. ListHub, the nation's most widely adopted network for listing syndication, working with more than 300 MLSs and over 85% of brokerages nationwide, was acquired by Move in September 2010. One week later, Point2, the second largest syndication platform working with over 150 MLSs was acquired by Yardi Systems, a real estate investment and property management software company. Most recently, Postlets, which syndicates more than 350,000 for-sale and for-rent listings across the country, was acquired by Zillow.

Many MLSs and their members are now asking "Who is distributing my data", "Where is my data going?", "Who is using it, and for what purpose?", and most importantly, "How can we ensure the accuracy of data that's being distributed?!"

With literally millions of listings being distributed to thousands of sites every single day, answering these questions is not an easy task. It requires access to thousands of data feeds containing millions of listings that can be evaluated against the very best source available, the Multiple Listing Service database.

Trulia is uniquely positioned to take on a project of this magnitude because of our visibility into all of this data and technical ability to compare, analyze, and communicate the results. Over the last few months, we have been doing initial testing with a select group of MLSs who have agreed to be beta testers in this innovative quality assurance system.

Trulia's MLS Advisory Board – Genesis of an Idea

In early 2009, Trulia formed an MLS Advisory Board, consisting of many of the MLS industry's most well respected CEOs including Russ Bergeron, MRED; Art Carter, CRMLS; David Charron, MRIS; Kathy Condon, MLSPIN; Carl DeMusz, NORMLS; and Jim Harrison of MLSListings. This group quickly realized the industry needed more guidance on listing syndication and wrote "[A Resource Guide for MLS Listing Syndication](#)" in early 2009. This paper highlighted important questions for an MLS to ask before deciding to syndicate listings on behalf of their membership. The MLS Advisory Board's conclusion was that there are four important benefits of listing syndication as outlined below:

Accuracy Benefit – Data accuracy is increased when the MLS is the primary data source for listings and updates. MLS updates to a syndication site ensure the listing data remains synchronized with the MLS.



Cost/Marketing Benefit – Listing syndication provides greater exposure to member listings than traditional advertising at a fraction of the price, while producing more measurable results.

Reporting Benefit – Syndicating to vendors or channels that provide detailed traffic reports enables the MLS to share property view statistics with members allowing them to better measure marketing effectiveness.

Cost Efficiency/ Savings – Syndicating listings on behalf of MLS members is a key way to increase core offerings while preventing each broker participant from having to replicate the feed process.

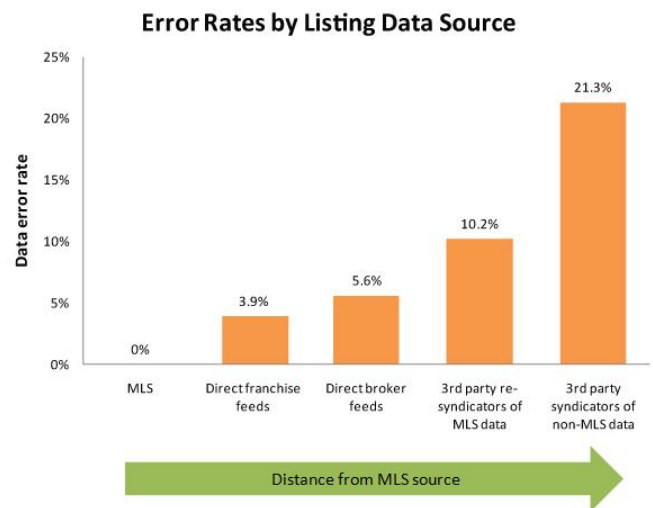
Two years later, these benefits are not only still valid, but have increased in importance. As there is industry wide agreement that MLSs are the most accurate sources of real estate listing data, Trulia recently began verifying listings we receive from 3rd party syndication sources against data files provided directly by MLSs. Our goal was to evaluate the disparity in listing data and shed some light into the quality of data distributed by syndication sources. For the purposes of this analysis, we focused on two common data inaccuracies which comprise the majority of consumer complaints regarding listing information: price and status. We also tracked the differences in results for opt-in MLS feeds vs. opt-out MLS feeds.

Comparing opt-in against opt-out syndication feeds is important to isolate the effect MLS policies have on the accuracy of listing data. Many MLSs still use an opt-in policy, meaning a broker must proactively chose to “opt-in” to the MLS sending their listings to various online advertising websites. In contrast, some MLSs have an opt-out policy which means they send all of the real estate listings for their members unless brokers choose not to participate. Finally, there are many MLSs which do not syndicate at all, leaving the brokers and agents to manage their own syndication.

Case Study 1: Data quality from MLS Syndication

Over 430,000 listings received through 3rd parties were compared with data received from participating MLS reference files. Our analysis found that errors in status and price varied depending on the listing source type. The further a data source is from the original point of data entry at the MLS, the higher the rate of error.

Not surprisingly, the largest margins of error come from sources that syndicate data that didn't



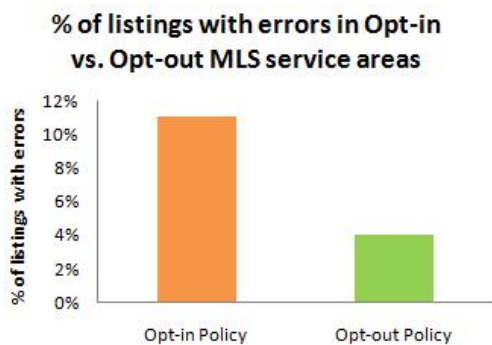
Note: These stats are not indicative of errors within listings published on Trulia.com, but are indicative of the price and status inaccuracies as received by Trulia.
Source: Trulia analysis



originate at the MLS, rather than using data originally sourced from the MLS. Many of these sources are tools intended for one-time use by real estate professionals to market and promote their listings. The sources often resyndicate this listing information, while the real estate professional rarely returns to maintain data when properties are sold or price reductions are made.

Case Study 2: MLS syndication policy: Opt-in versus Opt- out

The data was broken into two groups: listings in the service area of MLSs that syndicate on an opt-out basis and listings in the service area of MLSs that syndicate on an opt-in basis.



Note: These stats are not indicative of errors within listings published on Trulia.com, but are indicative of the price and status inaccuracies as received by Trulia.

Source: Trulia analysis

On any given day, 11% of listing data received from an opt-in MLSs' service area contained either a price or status error. Conversely, only 4.3% of listing data from the service area of an MLS syndicating listings on an opt-out basis contained errors. This shows that if an MLS proactively syndicates for all their members they will ensure a higher level of data accuracy in their area.

The number of sources that syndicate data within an MLS's region varies widely as well. Our study found a direct correlation between an MLS's

syndication strategy and the number of third party sources that distribute data within an MLS's region. In the region of a non-syndicating MLS, nearly 100 different data sources are used by brokers and agents to distribute their company's listing data. By not offering any type of syndication services, these MLSs essentially force their members to find and use listing distribution resources on their own. This inadvertently creates an environment that results in a significant increase of disparate data sources, many of which do not receive regular or timely updates (if any at all) on listing edits or status changes. In comparison, MLSs syndicating data directly to internet search engine sites on behalf of their members, have an average of only 60 data sources distributing data on their members' behalf.

The Consumer – The Ultimate Decision Maker

Consumers do not understand the intricacies of real estate data syndication. A consumer's expectation is that when viewing a property online, it should have the correct price, status and

amenity information. Consumers also expect that they will receive a response in a reasonable time frame when they contact a listing agent or listing brokerage for more information.

Syndication of listing data is something many MLSs have chosen not to embrace, leaving brokers and their agents to manage their own syndication. The result is that the consumer sees more inaccurate data and becomes suspect of any and all data provided to them.

Today, there are tens of millions of consumers looking at real estate online. Brokers and agents use real estate websites like Trulia as one of their primary ways to reach consumers looking to buy and sell real estate. Leaving these agents and brokers to syndicate on their own continues to proliferate erroneous data.

The Answer – Industry Collaboration

The best way to ensure that consumers get the most accurate data on real estate websites is to directly syndicate data from the MLS to online channel partners via an opt-out policy. The data collected by Trulia shows that direct, opt-out syndication by an MLS dramatically reduces the proliferation of errant data across the Internet by over 60%! The MLS has a huge opportunity to help the industry and the consumer by providing their membership the service of syndication.

Trulia has always looked to partner with the real estate industry. We have formed an MLS Advisory Board, a Broker Advisory Board and a Builder Advisory Board. Our strength is building an Internet destination to connect consumers to real estate professionals and drive quality leads. This program is another step we are taking to help the real estate industry more effectively connect with consumers.

Next Steps – Learn More about Trulia Direct Reference

For more information on how contact trulidirect@trulia.com.

This is what some MLSs who are participating in Trulia Direct Reference are saying about the program:

“We are very excited about our new partnership with Trulia for both listing syndication and Trulia Direct Reference,” said Jim Harrison, President and CEO of MLSListings, Inc. “Home buyers and sellers have a myriad of resources at their disposal when seeking property information. Oftentimes, the information is inaccurate or outdated causing confusion in the marketplace. Trulia's decision to incorporate MLS data directly from MLSListings gives buyers



and sellers confidence in knowing the information they are seeking from the Trulia website is credible, reliable and most importantly, accurate - all important factors when considering home ownership."

Russ Bergeron, CEO of Chicago-based MRED, said, "MRED is in favor of this program and optimistic about what it can do to both improve the quality of information available to consumers while continuing to establish MLSs as the premier source of listing content. As a member of Trulia's MLS Advisory Board, I am pleased to have had the opportunity to work with Trulia and see them taking an industry-leading role by assisting MLSs with solving one of our largest problems. I hope that other MLSs will step up and join our efforts."

"Northern Ohio Regional MLS was the first MLS to participate in Trulia Direct Reference and one of the first to syndicate our listings to Trulia on an opt-out basis. We believe Trulia is an excellent place for brokers and agents to market themselves online, and that it's an MLS's responsibility to help our members be successful by partnering with services like Trulia," said Carl DeMusz, CEO of NORMLS

If you'd like to participate in the industry-wide effort to identify and reduce data inaccuracies, please contact us to join Trulia Direct Reference.

If you're interested in changing your syndication strategy and providing the highest quality data directly to Trulia, ask us about Trulia Direct Listings. We look forward to hearing from you – Contact us at: Truliodirect@trulia.com

About Trulia, Inc.

[Trulia](#) is the fastest growing online [real estate resource](#), empowering buyers, seller and renters with smarter tools to help them find the right home. Trulia helps you [find the home](#) that best meets your specific needs. Our smart and personalized [real estate search](#) experience brings together local information, community insights, market data and national listings all in one place. Trulia is headquartered in downtown San Francisco and is backed by [Accel Partners](#) and [Sequoia Capital](#).

