

# Harnessing Technology

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## INTRODUCTION

As an MLS located in the heart of Silicon Valley, technology is part of our genetic makeup. A white paper on harnessing technology allows MLSListings to share observations from that unique perspective.

## BECOMING MORE RELEVANT TO THE CONSUMER

To say that technology changes quickly is to state the obvious. Only a generation ago it was common for MLS companies to distribute their listings through paper catalogs that were delivered to brokers' offices. Today, of course, everything is electronic, and listing information is posted at the speed of internet. So not only is all that information available when the agent needs it, but much of that information is readily available to the consumer as well.

In order to hold their edge, agents need to evolve and take advantage of available technology to become the area expert and be what the consumer needs them to be.

What must an agent or broker do to embrace new technology? It comes back to understanding the needs of their clients and trying to offer a service that makes them become more relevant to the consumer. For some agents that means finding additional information that the consumer doesn't have access to or is tricky for them to find. It also means using technology to differentiate themselves from other agents.

Here's an example: In Silicon Valley large employers like Google, Apple, and Facebook transport employees from home to work locations via company-owned buses. So it behooves an agent selling to those employees to know where the Google bus, the Apple bus, and the Facebook bus stops are. That gives the agent a competitive edge over the agents who haven't spent a few minutes on the internet to map that information. In this market that information is as valuable as knowing locations of shopping centers, quality restaurants, and schools.

Estimated Property Value

Price

Home for Sale

Location



## FINDING DEEPER LAYERS OF INFORMATION

Using an onion metaphor for real estate data, the outer layers are the easy to find material - which homes are for sale and what the estimated property values are. Websites like Zillow® have that information, but they will not peel as much of the onion as the agent can because the next level of information will be harder to find. Much of that information - tax data, local ordinances, building codes - exists online, but it means taking the effort to search for it, peeling away more layers and getting closer to the core.

In the case of Accessory Dwelling Units, (ADUs), there is a trend in areas with very expensive housing for extended families to live in one property, what is known as multigenerational houses. A local agent can use technology to his or her advantage to become expert in that niche. Here's how: The agent can research the local requirements for ADUs; search local records to find large lots with relatively small units on them, which lets the agent identify those properties with potential for building that second structure so that adult children and aging parents can live together.

For the agent to remain relevant in the age of Zillow means to be armed with the additional information that matters to the type of consumer that the agent wants to be working with. In the example above, it means being relevant to people looking for multigenerational houses.

### WHAT'S NOW POSSIBLE THROUGH TECHNOLOGY

Technology now provides tools that can help agents understand the direction of market trends, which can be immensely helpful when talking with a prospective buyer about pricing, for example.

As an illustration, apps can be used with MLS data to track inventory, recent sales, and days on the market. Data analysis can show how trends are changing from month to month and in which directions they are heading. MLS companies can provide that data not only to the agents in a way that the agent can understand it, but also provide it to the agent in a simplified way that they can share with their customers.

MLS companies are also looking at different tool sets that can do things like combine the MLS data and the tax data into one view, for example - to help agents.

A greatly streamlined process is just one of the benefits for brokers and agents who subscribe to an MLS company. MLSListings Inc., for example, allows agents to easily excavate pertinent data for clients through CoreLogic®'s Realist® public-record database and the RPR app from the National Association of REALTORS®, while the MLSListings Mobile app can instantly deliver additional relevant data.

### MAKING PROSPECTING MORE EFFICIENT

In a neighborhood with 250 houses, for instance, the agent can use an app to predict which of those properties will yield a higher probability of success

for finding a prospective buyer or seller. Using an app that can rank properties based on descending years of ownership, the agent can easily see which owners are more likely to downsize or move. Or of those 250 houses in the neighborhood, an app can quickly identify which properties are rentals. By mining data, the agent can ascertain that the tax bill is sent to a different address than the property. For agents looking for potential sellers, that information can help them avoid contacting renters and thus save a lot of time and energy.

In one example, an agent was representing a buyer who wanted to buy a house to remodel in an older neighborhood within a good school district. The agent used search capabilities within her MLS database to cross tabulate tax information against all properties with a large lot size and a small square footage of the house. She further refined her search to identify owners who had a low mortgage or no mortgage. The results would show likely older houses because of the smaller footprint on a larger lot, which would be good properties for those wanting to do a remodel and expand the footprint of the house. And the mortgage data would reveal owners who had lived in the property for a long time and may be more likely to sell.

### SOURCES OF DATA

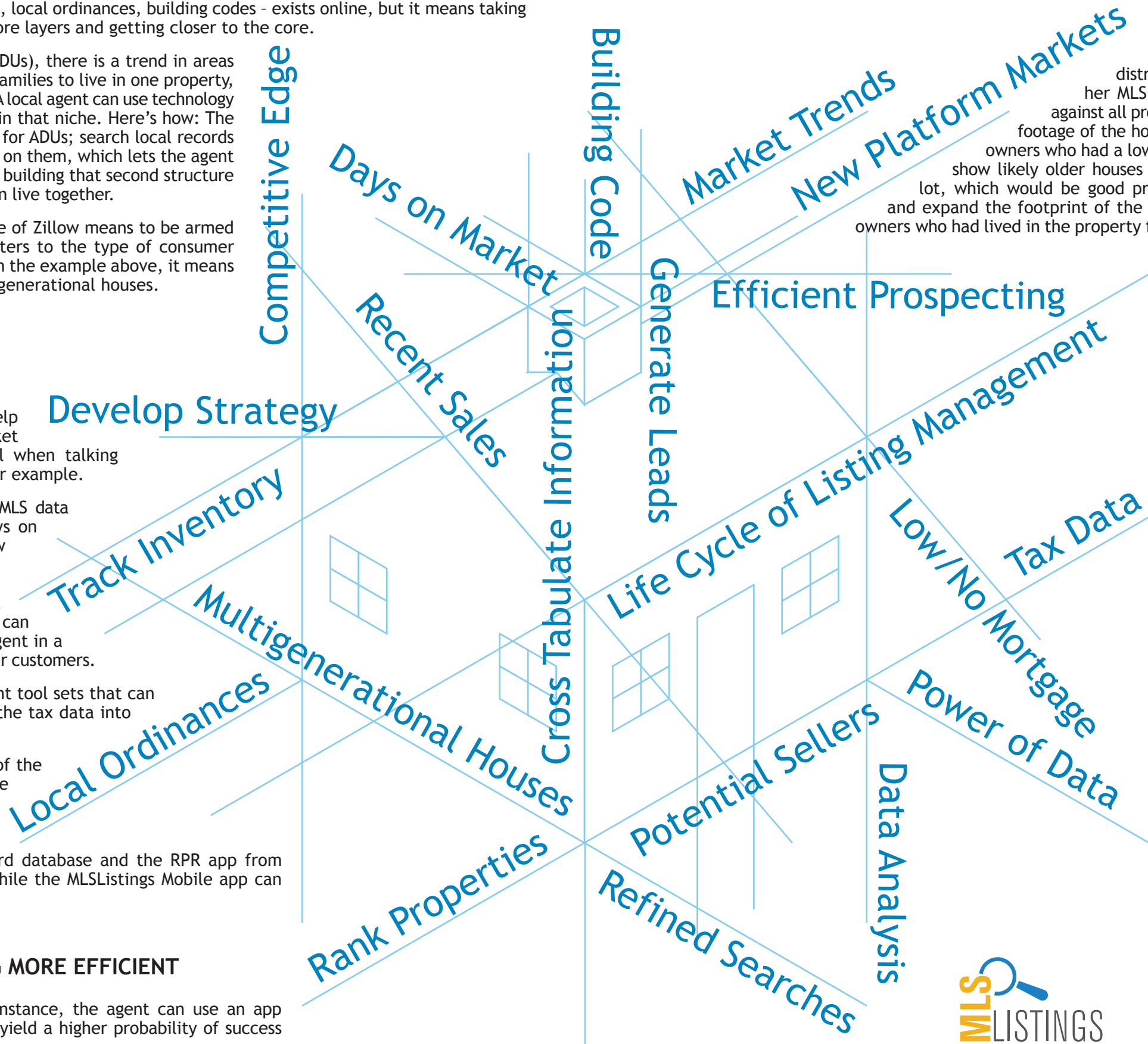
When it comes to harnessing technology, more important than understanding how an app was developed is knowing how to access data to develop a strategy.

Software, apps, and other manifestations of technology change constantly, but understanding the technology, developing a strategy, and finding the right tool that uses the data needed gives the agent the power to use the data in a meaningful way.

Take Airbnb data, for example. One data source might incorporate all the houses in a particular subdivision that are currently on Airbnb. Having that data at the agent's disposal can make the agent invaluable to a buyer who won't want to own a home next door to an Airbnb because of their reputation for wild parties from weekend renters. Conversely, that data can be useful when seeking a seller because the owner of an Airbnb property might be inclined to sell their rental property and use the proceeds for a different investment.

Many technological advances might help an agent. As one example, millennials often look at items on Pinterest, Instagram, and Snapchat, so an agent who posts listings on those - or even newer platforms - might reach a market that might not be reached through other means.

Technology can also help with generating leads. For a brokerage, search engine optimization, widgets, and other tools to use on its website can drive more traffic to its agents.



## THE UNIQUE LISTING MANAGEMENT

Several vendors offer software that allows MLS companies to enable agents to manage the lifecycle of listings. In the case of MLSListings, the company offers a unique listing management platform that allows an agent to manage the lifecycle of a listing by creating a new listing, changing the price, switching the photos, updating the status, and eventually selling the listing. All those functions go into the MLS database, which greatly simplifies lifecycle management of each listing.

## BEING ON THE LOOKOUT

With the prevalence of new technological offerings, the agent or broker should understand that one role of an MLS company is to assess the relative value of new products for its members. The MLS company should have at least one executive who is responsible for knowing what's happening in the marketplace of technology. That way, the company can best serve in its role as a judge of what new technologies are worthwhile to agents and brokers. To best serve its members, the MLS company should designate someone whose job is to walk the exhibit hall floor in search of new vendors offering innovative products and then stop at the vendors' booths to learn what they have, how the products will help brokers and agents, and what it will mean to deploy the products in various markets.

It's important to have a healthy skepticism about every new industry platform, tool, and startup. That's because some vendors' products just will not live up to their claims. The MLS company that does this right will have two people from the company evaluating the offering - one with a technical background and one with a sales background. An MLS company that buys - and touts - every new app will eventually create a negative return on investment as well as damage the company's credibility.

An agent or broker should be able to rely on its MLS company to properly evaluate a new technological offering. In that case the agent or broker can have confidence that its company's board of directors and senior staff have set realistic expectations when it comes to adopting a new technological offering. It could be that the new tool will be used predominantly by established REALTORS, or it will be used mainly by younger realtors. In either instance, the MLS company should expect that those who adopt the new tool will be only some percentage of its total membership.

Furthermore, the agent or broker should trust that its MLS company is doing business only with reliable vendors. It is up to the MLS company to perform due diligence to check, for example, if a vendor has language in its contract that describes in detail how it will handle a data breach. If such language exists, that can reassure the buyer that the vendor is likely to have performed extensive security checks to guard against the accidental release of company data.

## BEWARE OF S.O.S.

There are plenty of exciting new apps being introduced every day, and the promised benefits can be hard to resist. In fact, it's common for many in the real estate industry to develop S.O.S. - Shiny Object Syndrome - especially at trade shows. A new product can be so tantalizing that it can be difficult to say no a vendor. It's fine to get excited about a new offering, but a wise approach is to review the product again after some time has passed and then determine if it's as relevant or useful as it was purported to be. As a final bit of advice, no one should take on technology just for technology's sake; the purpose is to yield an actual benefit to the user.

New Products

Shiny Object Syndrome



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