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The rush begins to steal a piece of MLS action

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Property websites emboldened as Competition Bureau presses industry on MLS listings

A new front has opened in the assault on organized real estate, as a surge of well-financed companies accelerate their plans to steal business from the country's most popular listings site.

Emboldened by the Competition Bureau's attack on the Canadian Real Estate Association (CREA) and its Multiple Listing Service (MLS), websites that have been operating on the fringes are ramping up their efforts to gather and market listings.

CREA runs the country's most popular listings site at Realtor.ca, and is powered by the MLS data gathered by agents across the country. Web-ranking services place it as the 60th most popular site in Canada, tucked comfortably between the New York Times and the Bank of Montreal.

Realtor.ca is also the key marketing tool for the industry, pointing consumers toward real estate agents who earn billions of dollars of commissions from the referrals. Anyone who lists on the site must employ - and pay a commission to - an agent through the entire process, a rule that is at the heart of the Competition Bureau's complaint against the association.

Competitors see an opportunity to draw listings toward their more technologically advanced sites by offering lower listing fees and a wider range of services than are available on Realtor.ca. They hope the industry follows the U.S. - where a relaxation in the country's access to MLS data led to a slew of websites that offered enhanced listings, such as Zillow and Redfin.

"There's suddenly this conversation about what options are available when you're looking for a home," said Walter Melanson, managing director of PropertyGuys.com, an private home sale company.

"It's an opportunity to really gain some ground and drive traffic to our site. Informed consumers want more choice, and this is an opportunity to tell them about those choices."

More than 465,000 homes traded through the MLS system last year, where an estimated 90 per cent of the country's transactions take place. Companies such as Property Guys - which handled 8,000 sales last year - have fought for the remaining 10 per cent.

As technology lowers the barriers to entry and consumers are made more aware of alternatives, upstarts are investing hundreds of thousands of dollars to increase their share of sales. And not every site wants to cut real estate agents out of the process.

"When you think about it, it's ridiculous that MLS is the only game in town," said Karen Thompson, who founded a B.C.-focused listings service called Canaterra Property Pages that she hopes to roll out across the country.

When I was thinking of creating the business, "discount realtors told me if I could found [an alternative to MLS] something else they'd list with me."

Her site - which has cost about half a million dollars to build and now employs four full-time employees - relies on workers who manually scour real estate sites to update data. She also hopes that realtors will pay a flat fee to have their properties on the site.

On the East Coast, ViewPoint Realty owner Bill McMullin has downloaded all of his region's listings onto his server, and then enhanced them with previous sale prices and maps. The service far surpasses what's available on Realtor.ca, and he's counting on it to win his agents customers in a competitive market.

Yet Realtor.ca doesn't only face competition from outside its servers - the country's largest real estate brokerages are investigating ways to cross-list their properties on each other's proprietary websites. It would mean anyone visiting Century 21, for example, would see listings from Royal LePage.

It's not about stealing listings from Realtor.ca, said Royal LePage chief executive officer Phil Soper, it's about competing with sites such as Kijiji.ca - which has become the country's second most popular place to view properties - and ensuring agents remain a key part of any transaction.

"We know in an technological world there will be an increasing number of ways for consumers to find the information they are looking for," said Mr. Soper, who said agents would have flatly rejected the cross-listing proposal even five years ago. "Everyone is very much interested now - opening access to listings is good for business."