

**ScratchThat Podcast Episode 3: Data and Then Some**

Emily: Hey, I'm Emily Chenevert, CEO of the Austin Board of REALTORS®. Real estate is changing. Disruptors are flipping the script before most of us have even had our morning coffee, so we're taking it to the experts to peel back the layers on what you need to know. Scratch what you think you know about this business and listen up for a new version of an old industry. It's episode three of ScratchThat and today we're going to focus on data. We're going to focus on the importance of clean MLS data, data standards that work across multiple markets, and also the way that we move that data. I get it. It's not that fun of a topic, but it's an important one for you. The way that we leverage and move data directly impacts the technology that's available for you. That technology has the ability to make or break your success and profitability in this business. I've sat down with Jack Miller. He's the president and chief technology officer of T3 Sixty, a leading real estate and management firm. I asked him about a whole bunch of acronyms, typical in our business, but hard to understand. We began with RESO, R.E.S.O. What does it mean and why does it matter?

Jack: So, RESO is a standards body that is, was set up a little a little over a decade ago in order to create a platform for companies and brokers and franchises and real estate Associations in MLSs to talk about data standards; and, so that we could all get on the same page about how we're going to share data as an MLS, as a broker, as a technology company. How's that all going to work? Because, you know, there's hundreds of MLSs and hundreds of technology companies, and we needed a way to do that. So, that's what RESO was intended to solve, and that's what they work on today.

Emily: Yeah. Okay, so when I think about data, especially in our industry, I think of it in two ways. I think of the quality of the data itself. So, what we receive, is it clean, how consistent is it? But then I also think about how are we moving it as an industry. So, I want us to start by talking about the quality of the data. What does RESO do to improve the quality of data overall? What are the standards look like?

Jack: So, there's a few components to the standards. So, we typically talk about the what. What is it that we're moving around? And that's described by RESO's data dictionary, and that says, this is the information we have about a house or about an MLS member, or about anything that's described by the RESO standards. And, it describes what it is, it says, if you have a house, here's all the different fields and labels and descriptions of all the things that are associated with the house. The second thing that people talk about is the transport. So, how does the data move around, how does a technology company or a website company get access to and use that data, so that they can provide a tool or a function, or a feature as part of their software? So, what is it, and then, how does it move around?

Emily: Yeah. So, but how do you standardize the data? I mean, what Austin calls a bedroom may not be what Boise calls a bedroom, and what's the importance behind us getting consistent in that verbiage and in those definitions, but also, how did they do it? How'd they scrub it to come up with one clean map?

Jack: Well, it's one of the challenges of the MLS, is that so much of the data, the way it's described is predicated by local standards. So, RESO is not intended to solve that problem globally because what's defined as a bedroom in Austin, Texas, may be defined slightly differently in Boise, Idaho, right? And, we have, we don't have any control over that, but what RESO does is create a common language to describe that information. And, so, that we're at least all using a language that is consistent, as much as it can be, while still allowing for the local flexibility that's necessary.

Emily: Yeah. How hard is it going to be for MLSs across the country to become RESO compliant, to move their data maps to match that dictionary?

Jack: It depends on how custom and off the grid your local MLS has gotten, right? So, in the case of Austin, we've done some things that are accustomed to this market that--

Emily: Yeah, we keep it weird here.

Jack: Yeah, we keep it a little weird here, so it may be a little bit more work, but the standards are designed to handle these kinds of things. So, it's not, you know, in the core fields, in most cases, are the same. You know, we talk about there's a core set of fields that are common really throughout most of the rest of the country, but then as you get into other markets, you get into the particular nature of that market; and the RESO standards is intended to help you work with that.

Emily: Yeah.

Jack: So, we're going to have a little bit of work ahead of us here in Austin, but it's not unreasonable work, and it's good work, and it has some real benefits.

Emily: Okay, let's talk a little bit about how the data is moved. We move data today using something called a RETS feed. I like to call that the equivalent of speaking Greek in today's world. It is an ancient, ancient language, and a super inefficient way of moving data. The modern language that developers speak today is Web API. Our industry has decided that we should catch up. How are we going to do that?

Jack: It's largely the heavy lifting is going to be done by the MLS vendor. So, once we have standardized our data using the data dictionary approach, then actually making it available via the Web API, the newer standard is not that big of an exercise. And, the heavy lifting is done by whoever's providing the MLS system, in this case CoreLogic.

Emily: Right.

Jack: It isn't terrible to do it. There are some challenges, because sometimes you have older vendors that are used to the RETS feed, and then you have to tell them we need to move you from the RETS feed, which is this, you know, almost 20 year old standard. We need to move you from that to a modern current standard. On the flip side, you have all of these eager, new technology companies that are building all the new software. They already want the Web API and they're gonna move a lot faster with it.

Emily: Why haven't we done that faster? I mean, it makes sense to me that the only way to innovate new technology is to use a current coding language; a language that current developers, young, excited garage kids want to leverage, but we're stuck on RETS. Our current vendors are using RETS, and it's good enough, but why haven't we moved faster?

Jack: Well, infrastructure is not a sexy project, and most software industries where it's like, oh, I've already got the pipes, there's already water flowing through them. Why do I have to build new pipes, right? Because in many ways you can say, well the end functionality is going to be the same, right? So, there's a cost to transitioning, and I think why we are where we are today is because it's a lot of costs to transition. It's a cost to the vendor to transition. It's a cost to the MLS to transition. And, everybody knows it will be better on the other side, but what do you do when you have some deferred maintenance? You put it off, and you put it off, and you put it off. And, that's the case with this is that we as a whole, the industry has some deferred maintenance because we don't want to spend the money and neither do the vendors.

Emily: So, if we expedite getting our data moving on Web API, or leveraging in Web API, should we expect that that will make new technology more accessible to even smaller brokers, not just as big franchises that already have big, huge infrastructure they're leveraging?

Jack: It's good for everybody. So, the Web API just improves the quality and the speed at which software can be delivered in the real estate industry; and it will help the big company as much as it will help the little company. Because, now you have developers available that know how to work with that kind of an API, there's less training involved for them on, hey, here's this old antiquated standard that nobody uses anymore. We don't have to do that anymore. And, so we're going to get more software, faster and better, because of the Web API being in place, which is just a general good. It's good for all players.

Emily: Yeah, and we hope we have a member base that's ready for it, and that once it. I think they need it and I think many of them think they need it. But again, transitioning is hard. It's a painful process, right?

Jack: Well, absolutely. Austin is a very progressive market. You know, we were filled with technology entrepreneurs and startup companies and people that want to, you know, want to make great tools, great tools and products.

Emily: Right.

Jack: This moving to the Web API is really a key for unlocking more of that for the Austin market, and for the Austin Realtor®.

Emily: Yeah. Okay, so I've been reading the trends report. It's one of the best products at T3 Sixty throws out every year. But, I want to pick up a quote that Stefan left in this section of the report, talking about RESO and the standards. He said, I truly admire and adore our MLS and Association leaders, but also burn with frustration at how many slow play, meaningful change. I want to take a stab at addressing that, but then I want you to address it too. Fair enough?

Jack: Yeah, that's fair.

Emily: My response to that would be that what's holding us back is a very customer I want to serve. If we even so as move a field in the MLS, it can cause havoc in an agent's life. They are not very kind when they cannot find changes in the system that supports their day to day life and their livelihood, frankly. Yes, our technology lacks, we understand that. We also suffer from wanting to meet the demands of our members in a way that's not disruptive to their critical path business needs. So, I too want us to move in a much more meaningful pace and provide more meaningful change, but the customer that I serve wants it, and also it is painful. What would you say to my leadership about that? What do I tell my board of directors about what we need to do?

Jack: Well, you guys are in a tough spot. You serve a broad demographic.

Emily: Did you see that tiny tear that rolled down my cheek, when I explained that?

Jack: Yeah, you're in a tough spot, because you serve a broad demographic and you have a lot of different members who engage with this technology in a lot of different ways. You have the agent that logs in that logs in once a month, you have the power team that's logged in continuously, 10 people every day, all day long, right? So, you have a real diversity in the user base, and because of that you have a lot of different sensitivities. And so, you kind of have to focus where. You have to focus on where you want to get to. Where are we trying to get to? You have to do a great job of communicating that so that people see the benefits and the payoff of doing that. And you have to let people know change is coming. And none of that is easy, by the way. Those are all like the biggest challenge in most technology projects in this industry is people, it's not the technology. And, many times you talked to the technologists, like the technology has been around for 5 or 10 years. We're waiting for the people to catch up. And, so, the Associations, and the MLS staff, form that layer of communication and help, and preparation, and leadership, to help move our users in a way that they're happy with, their glad to get the new capabilities. They see the advantages and benefits. And, let's be honest, there's going to be some growing pains along the way. That's just how it is. There's not any other way around it.

Emily: Well, ABoR is prepared to make people a little uncomfortable, to the end, that it's going to serve them well, and we're looking forward to doing more of that in 2019. What could you leave us with, what should we look forward to in the front of MLS and Association technology in 2019? What's happening?

Jack: Well, for perspective, the MLS technology industry is running on what we would describe as pre-iPhone technology. I mean, if you look at the technologies--

Emily: That is painful.

Jack: Yeah, it's painful, right? Well, that's kind of—to speak to Stefan's quote—that's kind of where he's coming from. Is it.

Emily: Yeah.

Jack: He knows, and we know, that it's like we have technology that's pre-iPhone. But imagine, what if you knew that the iPhone was coming, right?

Emily: Yeah.

Jack: Like, we didn't know how much that kind of a technology and how fluid that platform is, and how data moves around, how all your apps recognize you, and you know, all this kind of stuff that the level of personalization, customization and automation, that is built into that technology platform is coming to MLS; and is something that will make everyone's lives better because the MLS applications will just be way smarter.

Emily: Yeah.

Jack: So, that's the payoff, and that's how when we look at the industry, so, well, what if you knew the iPhone was coming? You'd probably invest in some Apple stock. You would design some applications or think about new possibilities that weren't possible before. So, and as a user it's like, well, get ready because things are going to get - you're going to have some really powerful tools at your fingertips that you haven't had accessible over the next few years.

Emily: Yeah. Well, that's exciting. I know that to be true. I've seen some of these tools and I'm excited to get them in our members' hands. So, thank you so much. We appreciate you being here today.

Jack: Awesome.

Emily: Thanks.

Emily: Guys, let's make this a thing. If you liked what you heard today, share this episode on Facebook, Twitter or Instagram, and tag me at EmChenevert. That's E.M. Chenevert. You can also subscribe to ScratchThat on iTunes and SoundCloud, and grab show notes on ABoR.com/ScratchThat. Thanks for joining me today and go get some stuff done out there.