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NCREX to swallow REInfoLink

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A month from now, REInfoLink will be no more.

The large multiple listing service that has catalogued the frantic South Bay housing market since 1994 is to merge, finally, with a new mega-regional MLS. Merging the same day will be the Central Valley MLS. Two East Bay listing services follow in short order.

When all is done, the newly created Northern California Real Estate Exchange will have 34,000 subscribers and a \$20 million annual operating budget -- about twice REIL's now -- making it one of the largest MLSs in the country.

The long-awaited consolidation follows two-and-a-half years' work led by executives with some of the region's largest brokerages. But the new body's organizers clearly hope that the integration represents far more than just a beginning. Already the 15-member NCREX board is looking to change the utility's name to reflect an organization not limited to serving Northern California. Proponents also have done much to position NCREX to become a far larger player in the national MLS world.

"As a broker, I can't wait for NCREX to be established. It's a total benefit for us and agents," says Mike Sibilio, who has three Keller Williams Realty offices in Santa Clara and Santa Cruz counties with 275 agents. Sibilio is also a member of the new NCREX board of directors. "It's a single fee for unlimited access across a much larger territory, and it has a single set of rules and policies, which makes it so much easier for the agents to work with."

The change also brings good things to sellers, says Dave Walsh, managing broker for Windermere Silicon Valley Properties in Silver Creek and the president-elect of the Santa Clara County Association of Realtors. Agents can expect greater exposure for their properties, thanks to the larger pool of agents and buyers exposed to the listings, he says.

"We had a listing last year and it sat on our MLS for 90-plus days. Then an agent from Turlock brought in a buyer. I don't know why it took an agent from Turlock to sell it, but it was definitely a good thing for the seller, who was from San Jose," he says.

NCREX becomes viable amid a nationwide revolution in the residential real estate business. While much popular focus centers on cyclical changes in market conditions, information technology improvements in the past decade, especially the ubiquity of the Internet, is transforming the fundamentals of the American home search. Nearly a quarter of the 178 million people who visited the web in June went to a real estate-related site, according to comScore Media Metrix. That's up from 18 percent of Net visitors at the end of last year and 17 percent in December 2005. Numerous web sites now carry home listings from across the country, covering far greater physical areas than the typical MLS. That can put agents and brokers in the uncomfortable position of knowing less about a market than clients.

Last month, the California Association of Realtors voted to spend \$500,000 to explore creating a statewide MLS. The announcement usurped, at least theoretically, the position NCREX had staked for its regional consolidation initiative, making it seem that the state could leapfrog NCREX's advance and make it irrelevant. But NCREX backers, while saying they welcome all efforts to combine California's 70 or so MLSs, have pooh-poohed the state effort, saying it's ill-conceived and too late.

Meanwhile, acting largely through the extensive staff of REInfoLink, NCREX has worked assiduously over the past 30 months to position itself for the gathering national consolidation drive. While MLSs on the East Coast, especially around Washington, D.C., have led consolidation for years, other areas including Florida and Wisconsin are now following suit.

Jim Harrison, the current president and chief executive for REInfoLink, says his employees are working on "systematizing" the process by which other MLSs beyond the initial four can join NCREX more quickly and with less angst, "to make subsequent acquisitions smoother." Despite the defection earlier this year of the San Francisco MLS and a North Bay MLS, both of which had considered becoming part of NCREX, Harrison says his office has been receiving calls from various other California MLSs asking what it takes to become part of NCREX. He declines to give names.

Harrison also is trying to leverage REIL's position as one of the few multiple listing services in the country to write its own software and code. REIL, which already owns various patents and copyrights, has applied for another patent to secure its interests in the new code that it has created to "map" or automate the standardization of the disparate housing data that it collected from the four MLSs to create the NCREX database.

REIL has in turn shared that mapping technology with a group of six MLSs in Southern California. Together, those six serve 115,000 agents in six California counties, including Orange, Riverside and Los Angeles. Sharing that underlying technology would make it far easier for NCREX and that group to consolidate their listings data easily in the years ahead. If that were to happen, it would be

a huge step toward creating a de facto statewide repository of home listings data.

"What we are looking to do between the two of us -- NCREx and the (Southern California) group -- is create a standard that other MLSs would want to join, to create a data standard that could be used by MLSs statewide," says Art Carter, the chief executive officer for the Multi-Regional Multiple Listing Service, which has 30,000 members in the region.

In addition, the National Association of Realtors has announced an effort to create a national property data "gateway," says Keith Garner, managing director for NAR's Center for Realtor Technology.

Available to Realtors, the utility would be a repository of detailed current and historic information on all real property in the United States organized by parcel.

Garner recently visited REInfoLink offices to see what the company is doing technologically and to learn about the consolidation with NCREX.

"NAR is going to make some big technology moves in the next couple of years. NCREX would be the kind of entity that would feed that national gateway," he says.

Beyond that, Harrison says a large project for NCREX in coming days will be to better develop the formerly REIL-owned website, MLSListings.com. The site, which has received no substantial marketing push, already gets four million page views a week and is especially popular among those looking for Open House information. REIL has received offers of \$1 million to buy the URL in the past, Harrison says.

All of REInfoLink's 70 employees including Harrison will move to NCREX, as will all 17 employees of the other three MLSs. Harrison declines to give terms, but says NCREX will assume his employment contract under REIL. Subscribers will pay \$35 a month to access NCREX. That's almost exactly what REIL subscribers pay now.

Already, NCREX is testing the "bulk feed" of all listings data from the four MLSs to several brokers, Harrison says. By September, it hopes to have moved into 25,000 square feet on Oakmead Parkway in Sunnyvale that it has leased for five years, and to be supporting a huge, new listings database available for all member agents and Realtors.

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