How Valuable is MLS Data?

October 17, 2016

Why is Experian, one of the three big consumer credit bureaus, investing in locally based Experian DataLabs? Because it knows the next gold rush is in data.

Data-mining is the new frontier. And like gold mining, it is about extracting something of great value (information) from mountains of other stuff (data).

Why should you care? Because today's MLSs are fast-growing mountains of data and, "There's gold in them thar hills!" No one knows exactly how much, what it's worth, and what the opportunities around this data include. And that is why SDAR is so very protective of your MLS data.

MLSs, as Saul Klein, a real estate internet evangelist has explained in numerous panel discussions, including at SDAR's recent Expo, evolved from three-ring binders to bound books to databases on the Internet. Each listing has data ranging from public records to information you collect over the kitchen table, talking to a seller or buyer. That data –owned by the broker – helps in selling or buying a home.

But the real value of that data is in being aggregated with other data in the MLS. As new listings are added, the mountain of data grows. Aggregated data for an entire neighborhood or community or city or region is extremely valuable.

Where exactly is the value? In correlations, patterns and predictions. Amazon.com's analytics use past purchases to predict items of interest to you. Google's analytics use past searches to predict what you're looking for. And analytics can scour MLS data to find information that would be valuable to third parties.

A March 2015 Forbes article titled, "Drilling into the Value of Data" had this to say. "… once you realize that something you possess has value already, without you having to do much, it's like found money." And why would anyone give away "found money" without even knowing how much money?

For example, roofing companies would value knowing which houses have shake roofs, especially older roofs. As another example, a pet supply company deciding new store location would value knowing what HOAs do or don't allow pets.

These are very basic examples. SDAR's position is this:
- Our MLS should be an aggregator of data
- That data has inherent and hidden value
- Brokers should keep control of that data
- SDAR should help brokers by controlling the analytics and who gets access to that data
- We should return the value to our members.

There is a great deal we don't know about this mountain of data you have assembled in the MLS. This is why SDAR wants to provide brokers as much data as they need for their business but not jeopardize or give away the rights to this asset whose true value is still coming into view.

More to come on this. But send us your thoughts to sdarmls@sdar.com

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The MLS Outlook is designed to share relevant trends and issues that could have an impact on your MLS and your business. We will continue to deliver information that answers the questions we are receiving from you, our members… What's REALLY happening with the MLS in San Diego? What does all this mean for your business? **It's time to join the conversation about your MLS.**