Upstream Revealed

October 2015

About WAV Group

WAV Group is a leader in providing consulting services to the real estate industry and is comprised of corporate executives with a depth of expertise in both the real estate industry as well as the consumer market.

The company has conducted studies for some of the largest organizations in the industry. For more information or to register to receive reports, releases and newsletters, please contact Victor Lund at Victor@WAVGroup.com

WAV Group works with Multiple Listing Services, associations, real estate firms, franchise organizations and technology vendors in the US, Canada and Europe. WAV Group has expertise in strategic planning, technology evaluation, product development, market research, recruiting, sales and marketing plan development, technology selection and implementation.

WAV Group Communications offers full service communications and public relations.

WAV Group encourages boards of directors to participate in their quarterly WAVinars, titled WAVes of Change. This quarterly series provides an examination of issues and trends that shape the real estate industry.

For more information on WAV Group products and services, contact Victor Lund, or visit our website at www.wavgroup.com.

Upstream Revealed

As many of you know, WAV Group has been working with a group of brokers and franchises for more than a year on a project called Upstream. Today, Upstream is a corporation with one of the strongest board of directors in our industry. It has been an honor to work with the board along with the CIOs and CTOs of their corporations to define the Upstream application and talk to enterprise level technology firms who have the capacity to deliver such an enormous solution.

Until now, very little information has been shared openly across the industry. Until the company's governance was established, the application specified, and a vendor sourced – there was little to say. Upstream has been theoretical. It is about to become operational.

Although I love to write. the best explanation of the project comes from one of the directors, **Craig Cheatham**. Cheatham is also responsible for the operation of The Realty Alliance think tank, a group of 85 of the largest brokerage firms in America.

Below are his words. *(Italics are mine.)*

> Upstream is a broad-based effort owned by brokers and designed to be managed at the strategic level by brokers, elected by brokers to a board and run at the operational level by a contracted vendor. *(Upstream is for all brokers, not just large firms.)*

> Upstream is a platform for data entry, data storage and data distribution. It is not a multiple listing service or a service that interfaces with the public in any way. Upstream is designed to operate outside of the core MLS functions of cooperation, compensation and valuation (and the enforcement of policies and practices relating to those). *(WAV Group researched brokerages and franchises and learned that they almost all universally manage data sets not included in the MLS and that much of the MLS data is keyed into systems before it qualifies as an MLS listing.)*
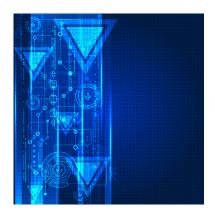
The purpose of Upstream is to provide brokers with an efficient tool for managing their data, assisting them in working with their MLS(s), their vendors and their internal applications. *(Efficient is the key word here – brokers have lots of systems for managing the data that Upstream will manage – the problem is that they all do it differently and are all investing enormously in supporting those systems. Upstream will save them money and create a universal access point that supports the relationship between brokerages and their vendors and partners.)*

One goal of Upstream is to move the process of data management as close as possible to single entry for all real estate-related data. Managed entry at the brokerage level establishes one source of data that would populate all uses of that information, helping ensure that the most current and most accurate data is utilized inside and outside the real estate firm. Upstream's design provides for assistance with data entry, including a mandate to use the latest version of the industry-established "data dictionary," public records data and other error-correction tools. *(MLS integration will be the most challenging, but the RESO Standards and future RESTful web API will open the door for brokers to push data into the MLS as they do in many markets across America today.)*

A basic function of Upstream is to provide data storage for broker data. The database would be redundant and secure, and set up to provide efficient interfaces with approved users of the data. Upstream data for one participating brokerage will not be accessible to any other brokerage, unless the two firms create an independent agreement to allow access to each firm's data. Upstream itself will not have access to any participating broker's data, but only may access and/or distribute data at the affirmative direction of the broker. *(Again, the duplication of data management and storage in disparate systems is wasteful and painful for firms today. Upstream fixes this.)*

Upstream also is designed to serve as a platform for controlling access to and distribution of the data, along with the establishment of the terms for any use. Participating brokers would designate within Upstream which specific data would be accessed and manage the conditions for use. *(Brokers control their data on a dashboard like they do for listings syndication today. The difference is that other data sets like agent records, firm records, consumer records, and vendor rosters are all in the same place.)*

At least initially, Upstream will do the work of preparing data for the format necessary for current MLS use, including each MLS's data dictionary and all of its business rules. Brokers hope that progress will be made in the coming months and years to move MLS databases closer to the industry-established data dictionary format and that some number of business rules can be harmonized. MLSs will be asked to work with Upstream to help brokers receive the benefit of single entry by assisting Upstream in setting up the interface between Upstream and the MLS. Brokers intend for their local MLS(s) to receive "clean" and compatible data from brokers through Upstream so that MLSs will have fewer data format and business rules issues with which to deal. *(MLS integration will be manageable if MLSs can provide their brokers with the business rules associated with their data. A business rule is something like, if Garage=yes then you must indicate Attached vs. Detached, number of bays, etc. They go beyond data field standardization and form requirements that are contingent upon data input.)*

Application providers, from those assisting with external display/use to those powering systems used inside of brokerages, are set to benefit from the single set of "clean" data directly from Upstream with the broker's permission. Brokers are hopeful this will allow real estate companies and their representatives to deploy data sets to vendors directly and efficiently, eliminating the need for MLSs to deal with data integration issues and giving vendors one format nationwide instead of hundreds of databases and data layouts. *(Micro case study – a broker with 360 listings wants to switch virtual tour vendors. It requires data license agreements with five MLSs and data mapping that takes weeks to implement. The listings that come back are watermarked and low resolution. The only way to improve this is to manually duplicate the data).*

Brokers plan to benefit from savings in time, effort and expense by having one place to enter and edit their data. Other benefits planned are to set up Upstream's processes to provide greater copyright protection for data, to improve methods for tracking the source of unauthorized uses of data, and to make more readily available data that may be of use but has been purged from other databases after a period of time. Upstream also may be able to assist brokers in negotiating various revenue-producing uses of their data, though each broker would decide on a firm-level basis whether it would participate in such opportunities. *(Data is a broker's asset which becomes more valuable when it is combined with other broker's data to create a national data footprint. Today, brokers have little to offer in terms of exploiting data licensing opportunities – their data is typically scraped and sold on the black market).*

The data envisioned for Upstream includes more than property data. And the data on any particular address could be historical, active and/or simply parcel data. Records could include information in a wide variety of categories of data sets, such as records relating to consumers, vendors, agents/employees, images, videos, accounting and more, at the discretion of each broker, though perhaps with some limitations set by Upstream.

The most valuable records for brokers to enter into Upstream would be those the firm finds itself entering multiple times into multiple applications.

Brokers have designed Upstream to benefit all parties involved with real estate-related data, including MLSs and vendors, but especially the brokerages themselves and all their affiliated salespeople and employees.

Victor Lund

Victor Lund is the CEO of RETechnology.com, partner in WAV Group Communications, and founding partner of WAV Group Consulting. During his 20 year tenure in the real estate industry, Lund has provided research and strategic consulting to most of the largest firms in real estate brokerage, franchising, technology, associations of REALTORS®, and Multiple Listing Services.

Today, WAV Group is focused on a number of projects that may have a fundamental impact on how consumers and financial markets access real estate information: Project Upstream, Broker Public Portal, Real Estate Standards Organization, and RED-PLAN.

More information may be found at www.WAVGroup.com or on LinkedIn @victorlund.

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