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Real estate agents keep lock on MLS - for now

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From Wednesday's Globe and Mail

Real estate agents won't lose their grip on the listings process as part of the Canadian Real Estate Association's

settlement with the Competition Bureau of Canada.

The association (CREA) had signalled this week that its Multiple Listings System (MLS) may need to be thrown open

to competitors to satisfy the bureau - giving consumers more choices on how to buy and sell homes and lowering

costs as discount real estate brokers emerge and cut agents out of the process.

One of the things that concerned the bureau was that sellers could not post a listing on the online service without

going through a real estate agent, and paying the associated fees. Access to MLS is essential for would-be sellers,

because it accounts for 90 per cent of residential property sales in Canada each year.

In a statement yesterday, however, the association said reports that "a proposed resolution between CREA and the

Competition Bureau would result in members of the public being able to access the MLS System to list their homes

for sale without involvement of a Realtor member of CREA ... is incorrect. The MLS system is a system for Realtor

members of CREA."

The association did not say how it would address the bureau's concerns about the service - which also include

clauses that prohibit anyone but an agent from handling transactions that are associated with an MLS listing - but

did say it hoped to see a resolution before its December meeting. The bureau can impose changes if it feels its

concerns weren't adequately addressed.

MLS was developed in the 1960s, long before computer networks made information sharing simple and efficient. It

allows agents from different real estate agencies to co-operate on deals, and ensures that each property is well-

exposed to potential buyers.

Last year, sales hit \$132-billion, according to CREA, generating about \$6.6-billion for real estate agents assuming

a typical 5-per-cent commission.

But the Competition Bureau has signalled that MLS data should be shared with outside

companies, which could open

the way to discount providers - companies that would help seal a real estate deal for a flat fee, rather than the

typical commission structure.