

PMLS vs ARMLS: Should PAAR Change?

To: All PAAR Members

From: Pete Weaver, Owner / Designated Broker, West USA Realty of Prescott

ALERT: Don't miss your chance to decide on the future of real estate sales and service in the Quad Cities and surrounding area. Make sure your voice is heard. Read on to see how decisions are being made on agents' and brokers' behalf without full disclosure or open discussion. The outcome will affect the daily operations and business success of every real estate agent and affiliate.

Prescott Multiple Listing Service VS Arizona Regional Multiple Listing Service (PMLS vs ARMLS)

Should PAAR switch?

The PAAR Board of Directors has proposed a significant change to our MLS system: discontinue providing our own MLS offering to members and instead merge into the Arizona Regional Multiple Listing Service (ARMLS). The Board had planned to make this conversion without giving you a vote on the issue, but is now forced (after consulting our bylaws) to defer to membership in this decision.

To recap where the matter stands today, here's a little background about the two MLS offerings. Many PAAR members with whom I have spoken are confused about the structure of the service and resulting implications:

First, the PAAR MLS and the Arizona Regional MLS are provided by the same software company: Flexmls, an FBS company product. **ARMLS has not created its own MLS system.** The ARMLS product is setup and tailored for the greater Phoenix real estate market, just as PMLS is customized to the Prescott area.

Secondly, PAAR and its counterparts in Phoenix and other parts of Arizona provide and manage their specific MLS offerings for their respective members. Each individual association establishes market-tuned rules and regulations, oversees Flexmls in local implementation, and is accountable to its own membership for content, accuracy and monitoring.

The PAAR MLS Committee has stated many reasons for wanting to incorporate into ARMLS. Among the motivations cited are fear of what could happen as the National Association of REALTORS® and other nationwide players infiltrate the lucrative online MLS industry; a

perceived need to better monitor the content and accuracy of listing data entered by real estate agents; and the hypothesis that PAAR does not have the ability or wisdom to supply its own members with a good MLS system.

The committee's explanations have comprised a changing story from the very beginning and continue to deliver misinformation to membership. As a member of the PAAR MLS Committee until mid-July, I have seen first-hand the evolution in thought and scare tactics.

Contrary to the email updates from PAAR leadership, our association is not "losing the battle." During the preceding Member Forum on this topic, it was clearly stated multiple times by Board members that our association "is of sufficient size and strength to provide a more than adequate MLS to our members."

I totally agree with this assessment. We, as an association, have successfully accomplished this goal for many years and retain the capacity to do so well into the future.

Most of the reasons for making this change are based on fear of what may or may not happen in the future. The Board urges taking an approach that is proactive rather than reactive. The burning question remains: "Proactive about what?" No details have been forthcoming regarding what should be anticipated and why.

Now is not the time to make such a significant change, based on what we do know. Instead, we should examine the implications which could arise. As with any change in policy or program, I would expect to see both intended and unintended consequences. Each aspect of those consequences deserves careful analysis and factual discussion.

Intended Consequences

- PAAR would no longer provide an MLS offering to our members. Instead, we would merely be part of someone else's MLS;
- PAAR would not have an MLS that is customized to our unique region and properties. Rather, we would participate in what appears to be a one-size-fits-all offering;
- PAAR membership totals about 1,400, while ARMLS has more than 33,000 members. It is highly likely that the interests of Phoenix members will come first because ARMLS has so many more members and greater influence in rule-making;
- PAAR would experience loss of governance and management of our MLS offering. We would have very little say, if any, in how the MLS is configured. Nor would we have much input, if any, regarding rules and regulations of the MLS offering;
- Fines and penalties would rise substantially. Prescott is not Phoenix, and we do not have the problems associated with a sprawling metropolis. ARMLS fines (following a first-offense warning) range from \$50 to \$15,000. We do not require such harsh monetary penalties in our market;

- Cooperation would be guaranteed among all of the associations using the ARMLS system. Compensation, data availability, and lockbox access would be expanded exponentially in our small-town market. MLS fees would increase for all members and revenue to PAAR would be vastly reduced.

Unintended Consequences

- Area of expertise issues will become more of a problem than we see today by ensuring more than 33,000 additional agents lock box access without being required to join our association;
- Listing and selling by out-of-area agents will increase. With a market as small as ours, even a tiny percentage of ARMLS agents working locally would have a tremendous impact on PAAR agents and brokers;
- PAAR will experience loss of membership revenue because secondary members will, for the most part, go away;
- Personalizing and making changes to ARMLS for items specific to our region will be slow and difficult, if even possible;
- Changing back to a PAAR-managed system would be very difficult and undoubtedly costly;
- The value proposition of PAAR will substantially decrease. Local brokers may not see the value in PAAR, and instead, join other associations;
- PAAR might be dissolved in the future. What is the value of a local association which chooses not to offer a local MLS?

I urge all members to engage in the MLS discussion and vote on this very important issue. Other concerned brokers and members will be emailing additional information before the vote. Whether you support or oppose this consideration of PMLS versus ARMLS, it is critical that your vote be counted. **I personally vote against.**

NOTE: This email is in a series by Prescott area REALTORS® working diligently to ensure that every member of PAAR is aware of the magnitude of the decision before us and the importance of everyone taking action so that their voices are heard and counted.

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