

Local MLS Provides Many Benefits to Sellers

I am amazed when sellers, including traditional sellers and REO (Real Estate Owned) lenders, list their property with someone who is not a member of the local Multiple Listing Service (MLS) where the property is located. Why am I amazed?

First, let me explain the term MLS. Essentially, an MLS is a database of properties for sale. This database is powerful; it is the most frequently used tool by REALTORS® to screen and select the properties for their clients to view; hopefully, leading to a purchase. Locally, our MLS is provided through the Yosemite Gateway Association of REALTORS®. Not only does our MLS database show current inventory (properties for sale) and listings in escrow, it also has information from the last three years on properties that have sold or have been cancelled, withdrawn, or expired.

By a wide margin, the best advertising method that leads to the sale of a property is exposure in the local MLS. In fact, a study by the National Association of REALTORS® found that MLS exposure is three times more effective than the next closest advertising method (which happens to be Internet advertising) and that homes listed in an MLS sell for significantly higher prices than those not listed in an MLS. Thus, sellers who have listed their property with a broker or agent who is not a member of the local MLS are missing this local exposure.

Consider this, if property is for sale and not in the local MLS database, then when a REALTOR® searches for property for his or her buyer, that property will most likely not be viewed by that buyer. For example, a listing REALTOR® that is a member of the Yosemite Gateway Association of REALTORS® will place his or her listings in our MLS and may also put them in other MLS systems as part of a marketing plan (provided the other MLS does not make it too onerous to do so). However, if a broker or agent from out of our area takes a listing here and only puts that listing in his or her out-of-area MLS and not the local MLS, it makes it extremely difficult for local REALTORS® or buyers to find that property for sale and get the necessary information to view the property.

In addition, if a buyer comes across information online on a non-local website, tracking it down by a REALTOR® can prove to be very difficult. I have a client that provided me a list of MLS numbers this weekend for homes in our area from three different MLS locations! I'm still trying to get information on one of the properties. In all likelihood, this one property will get few (if any) showings because it is too difficult to obtain information on the property.

Following the MLS as the top advertising method, is the Internet, as noted above. Therefore, out-of-area brokers or agents who do not enter their listings in our local MLS will also not have the property they have listed showing up on our many local agent websites via a system known as IDX (Internet Data Exchange). IDX allows the public to view local MLS listings. Many of the agents that are members of the Yosemite Gateways Association of REALTORS® utilize IDX on their own websites. The out-of-area brokers or agents that have not joined our local MLS are therefore missing this marketing opportunity.

A 2008 California Association of REALTORS® (CAR) survey supports the use of the Internet, particularly local real estate websites, when marketing a property. The survey found that home buyers began their search process by using search engines on the Web to identify real estate sites where they found housing-related information on a wide range of geographic areas and accessed comprehensive information on homes for sale. As they refined their process and narrowed down the properties they wanted to view, they found their local agent's site to be the most useful.

Many REALTORS® know—but I believe most sellers are not aware—that the typical buyer is now an Internet buyer, according to CAR. Approximately 80% of home buyers use the Internet as an integral part of the home-buying process. This has increased 50% from 8 years ago. According to a 2007 CAR survey, only 12 percent of all home buyers looked at newspaper/magazine ads to search for a home. This makes the local MLS posting and use of local Internet websites where the listing can be found an important part of marketing a property.

Property not posted in the local MLS will have less chance of selling, will have fewer showings, will be on the market longer, and if it does sell, will probably be for less than what it would have sold for had it been posted in the local MLS. On the other hand, sellers who have their property posted in their local MLS will benefit by having an expanded sales force. In addition, there will be more demand for their property because it will be exposed to a larger pool of prospective buyers.

Beverly Scott, President

Yosemite Gateway Association of REALTORS®

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