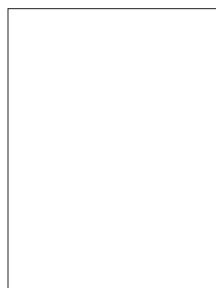


How are member charges assessed?



by Lin McIntosh,
President HIS

When Hawaii Information Service was established in 1984, one of the first questions that had to be answered was "how are we going to charge the members?" There are

several ways to generate revenue to fund a multiple listing service.

One method is to establish a listing input fee where every agent pays a fee for every listing entered into the system. Some systems use this method for 100% of their funding based upon the assumption that the MLS book is advertising that the seller's agent should pay for. In some locations, the buyer's agent reimburses the seller's agent for a portion of the listing input fee at the close of escrow.

Another method is to establish a participation fee where everyone pays a monthly fee whether they enter a listing into the database or make a sale. The function of the participation fee is to be sure the pipeline is there with water in it when you need to turn the spigot to get a drink of water – that everyone pays a share of making sure the system

Continued on Page 3

HIS BOD holds annual shareholders meeting

The MLS Hawaii, Inc. annual shareholders meeting was held April 28, 1999 at corporate headquarters in Honolulu. President Lin McIntosh's report to the company's shareholders and members of the Board of Directors took the form of a presentation entitled Fourteen Years of Progress which reviewed the current year's performance and covered the company's historical success.

A graphic demonstration revealed how far the company has come since its inception in 1985.

Revenues have increased 100%, the Consumer Price Index (inflation) has increased 55.9%, yet fees have increased less than 10% and staff has increased only 30%. It is hard to remember sometimes that HIS started with just \$9,000 in capital—\$3,000 from each of the three shareholder boards.

Improvements made during 1998 included the introduction of WebREsearch and the upgrade of the communications system from a modem-based system to an internet-

based system. These two major enhancements make Hawaii Island and Kauai listing data available world-wide in point-and-click format to anyone who can access the Internet.

Improvements planned for 1999 include the introduction of faster hardware and the introduction of ADSL (Asymmetric Digital Subscriber Line) access to improve WebREsearch response times. Work on the conversion of WebREsearch for use by Macintosh and Netscape users continues as does work on the WebREsearch mapping component upgrade. This upgrade will both update the maps and make them available on CD ROM. Other initiatives seek to make building permit data acquired directly from the building departments available online by year's end and to include the Rainmaker databases in WebREsearch.

The training effort will be enhanced with on-line multi-media tutorials.

HIS aims to implement all these improvements while building cash reserves to levels that can fund the next generation of hardware and software.

Measures of change—HIS in 1985 and 1999

	1985	1999
Members	1,003	991
Revenues	\$600,000	\$1,200,000
Staff	8 + 2 Part time	11 + 4 part time
Member Fee	\$55	\$60

Use Input Forms to help construct MLS searches

The need to run an unfamiliar search often seems to arise in pressure situations such as when a Realtor needs to quickly kick out a listing presentation.

Remembering that the fields in both REsearch MLS and WebREsearch generally coincide with the MLS input form can often help a user construct an unfamiliar search. We advise, in fact, that you keep a set of input forms nearby when you are working in online MLS, and we recommend that you routinely consult the appropriate input form for clues about how to look for properties.

If, for example, you had to search for ohana properties, how would you do it? A Residential Input Form shows that Ohana is a RES property type which is designated RO. (See the upper right-hand corner of the RES Input Form.) Searching by TYPE RO would therefore be a good start, but references to ohana properties may also occur in the REMARKS field. The box below shows the specifics of a search for Ohana properties.

Notice that the approach utilizes both PRIVATE and PUBLIC REMARKS as well as the TYPE field. Notice also that three separate searches are required.

To find ohana properties:

- 1) Search TYPE RO
then, in a separate search
- 2) REMARKS *OHANA*
then, in a third search
- 3) PRIVATE REMARKS *OHANA*

Apr '98 vs Apr '99 sales

Kauai Sales Volume and Total \$ Volume drop

Sales Volume

	Apr-98	Apr-99	% Chg
CND	44	26	-40.91%
RES	32	35	9.38%
LND	10	17	70.00%
Total	86	78	-9.30%

Kauai Total Sales Volume for April 1999 registered a -9.30% decrease over April 1998. A sharp (+70.00%) increase in the number of LND sales countered a -40.91% loss in CND. The number of RES sales increased by 9.38%.

\$ Volume

	Apr-98	Apr-99	% Chg
CND	7,813,430	4,460,490	-42.91%
RES	14,359,277	10,311,500	-28.19%
LND	3,144,000	3,606,000	14.69%
Total	25,316,707	18,377,990	-27.41%

Total Dollar Volume decreased -27.41% from April '98 levels with losses in condos (-42.91%) and RES (-28.91%) dragging a 14.69% increase in overall dollar volume for LND.

Median Prices

	Apr-98	Apr-99	% Chg
CND	145,000	155,500	7.24%
RES	206,250	225,000	9.09%
LND	144,500	90,000	-37.72%

Median Sales Prices increased by 7.24% for CND and 9.09% for RES. The LND median fell by -37.72%.

Sales figures are as of the Status Change Date, i.e. the date on which the listing office reported the sale.



Check your screen resolution

We are finding that many users have their screen resolution set to 640 x 480. **MINIMUM RESOLUTION** for WebREsearch is 800 x 600! If you need help with this, call our Help Line at 599-4224 or 1-800-628-3121.

Member charges (Continued from Page 1)

Another method is the office participation fee where each office pays a monthly fee. This fee is usually based upon the number of agents associated with the office, with offices supporting a large number of agents paying a higher fee than an office with just one agent, and the fee may be in addition to, or in lieu of, the agent participation fee.

of agents associated with the office, and they sell the book on a separate subscription. The BoD looked at the additional revenue that would be generated based upon HIS statistics for new listings/year, etc. and arrived at the following totals:

Office Fees	\$120,480
Listing Input fees	\$225,702
Book Subscriptions	\$ 72,000

Another method is to unbundle services completely and charge a fee for each service provided. For instance, MLSSs charge a fee per book, a fee per photo entered into the system, a fee per time a listing appears in the book for statistical reports, etc.

Total Additional Revenue	\$418,182
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If we divide this additional revenue by our 970 members, we would be able to reduce the monthly subscription fee by \$36. Sounds good, doesn't it? But, who would be paying the office fees and the listing input fees? You would still be paying, but some would pay more than others.

After a great deal of discussion, who would be paying the office fees and the listing input fees? You would still be paying, but some would pay more than others. Our calculations show that the average agent would pay an additional \$27/month in listing input fees (that's just one listing per month!). One person would pay a minimum of \$60 before a single listing was submitted to the system before a book was ordered. In the beginning before the system was initiated, an additional listing fee was charged to cover the cost of the staff time required to enter the data into the system. Once the broker load was implemented, boards generally dropped the listing input fee.

Calculations based upon actual HIS statistics showed that the average HIS agent would be paying \$52/month (participation fee + 1 listing) with no book and that the one-person office would be paying \$87/month (participation fee plus office fee plus 1 listing) with no book. The Board of Directors once again concluded that the uniform participation fee was best for the membership as a whole, but they agreed that the book should be sold on a separate subscription once the roster and desired portions of the book were available to the agent for printing locally.

The current monthly fee of \$60 includes many services, including a printed book every other month, unlimited photos scanned into the system for you, unlimited training, unlimited customer support. As another comparison, Maui Board of Realtors charges their members \$40/month without a book or TMK.

We trust you agree with your Board of Director's conclusions. Should you have ideas on how the services might be priced differently, please advise your representatives on the HIS Board of Directors.

Search Tip

When searching for multiple words in REMARKS on WebRE, the word OR must be used (instead of a comma) to separate the words.

The HIS Board of Directors evaluates the pricing policy on an annual basis. Included in this evaluation is a comparison to how other MLS operations charge their members. A recent comparison used the Honolulu Board of Realtors as a comparison.

This will work:
FARM or *ORCHID* or *FRUIT TREE* or *ORCHARD*

This will not:
FARM, *ORCHID*, *FRUIT TREE*, *ORCHARD*

HBR imposes a \$27/listing input fee for broker loaded listings, \$60/listing for board-loaded listings. They impose an office participation fee that ranges from \$35 to \$50 depending upon the number of agents associated with the office, and they sell the book on a separate subscription. Our Mission: to develop, promote and provide the highest quality real estate information, products and services at the lowest possible cost to our Members."

New Web Site Offered to Realtors

REDMOND, Wash. (AP) _ Microsoft on its Web site. HomeAdvisor, part of economist for the National Corp.'s HomeAdvisor and Redmond-based Microsoft's MSN Association of Realtors. Homeseekers.com are offering free Webwork, has more than 500,000, pages to real estate agents nationwide. HomeAdvisor.com had 493,000 visitors in an effort to catch up to industry leader in March and Homeseekers.com had Realtor.com, the Web site of the National Association of Realtors. This announcement significantly changes the online real estate landscape,' said John Tuccillo, a Microsoft spokesman, in today's Washington Post.

The alliance allows agents to create their own Web page hosted by Homeseekers.com with personalized links to HomeAdvisor services, companies in a statement.

Each page will include the agent's picture, contact information and a personalized Web address. Users will be able to view home listings and check on neighborhood and financing information.

Homeseekers.com, based in Minden, Nev., says it has about 680,000 listings



Microsoft moves Internet Explorer software

New customers and people trying to reinstall Internet Explorer 4.01 will no longer find the program on Microsoft's main Internet Explorer site.

To download use this link

http://www.microsoft.com/msdownload/iebuild/ie4sp2_win32/en/ie4sp2_win32.htm



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