

**UNITED STATES OF AMERICA  
BEFORE FEDERAL TRADE COMMISSION**

**COMMISSIONERS:**                    **Deborah Platt Majoras, Chairman**  
   **Pamela Jones Harbour**  
   **Jon Leibowitz**  
   **William E. Kovacic**  
   **J. Thomas Rosch**

**In the Matter of**

**WILLIAMSBURG AREA ASSOCIATION  
OF REALTORS, INC.,**

**a corporation.**

**Docket No. C-4177**

**COMPLAINT**

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that the Williamsburg Area Association of Realtors, Inc. (“Respondent” or “WAAR”), a corporation, has violated Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues this complaint stating its charges as follows:

**NATURE OF THE CASE**

This case involves a local, private real estate association that operates a Multiple Listing Service designed to foster real estate brokerage services. WAAR had adopted a rule that limits the publication of certain listing agreements on popular internet real estate websites, in a manner that limits the ability of real estate brokers to use Exclusive Agency Listings to offer unbundled brokerage services at a lower price compared to the full service package. This rule deprives such brokers and the home sellers they represent of a significant benefit afforded by the MLS. The rule discriminates on the basis of lawful contractual terms between the listing real estate broker and the seller of the property, and lacks any justification that such a rule improves competitive efficiency. Consumers will be harmed by this rule because it inhibits a lower cost option to sellers and increases search costs to buyers. As such, this rule constitutes a concerted refusal to deal except on specified terms with respect to a key input for the provision of real estate services.





18. The publication and sharing of information relating to residential real estate listings for the purpose of brokering residential real estate transactions is a key input to the provision of real estate brokerage services, and represents a relevant input market. Publication of listings through WMLS is generally considered by sellers, buyers and their brokers to be the fastest and most effective means of obtaining the broadest market exposure for property in the Williamsburg Area.

19. By virtue of industry-wide participation and control over a key input, WAAR has market power in the Williamsburg Area.

20. Participation in WMLS is necessary to a broker providing effective residential real estate brokerage services to sellers and buyers of real property in the Williamsburg Area. Participation significantly increases the opportunities of brokerage firms to enter into listing agreements with residential property owners, and significantly reduces the costs of obtaining up-to-date and comprehensive information on listings and sales. The realization of these opportunities and efficiencies is important for brokers to compete effectively in the provision of residential real estate brokerage services in the Williamsburg Area.

#### **APPROVED WEB SITES ARE KEY INPUTS**

21. Access to the Approved Web Sites is a key input in the brokerage of residential real estate sales in the Williamsburg Area. Home buyers regularly use the Approved Web Sites to assist in their search for homes. The Approved Web Sites are the Web Sites most commonly used by home buyers in their home search. Many home buyers find the home that they ultimately purchase by searching on Approved Web Sites.

22. The most efficient, and at least in some cases the only, means for WMLS participants to have their properties listed on the Approved Web Sites is by having WMLS transmit those listings.

23. Property owners and their brokers in the Williamsburg Area generally consider publication of listings on Approved Web Sites, in conjunction with publication of listings on the broker-to-broker WMLS, to be the most effective means of obtaining the broadest market exposure for residential property in the Williamsburg Area.

#### **EFFECTS OF WEB SITE POLICY**

24. Adoption and publication of the Web Site Policy restricted competition by inhibiting the use of Exclusive Agency Listings in the Williamsburg Area.

25. Adoption and publication of the Web Site Policy reduced consumer choices regarding both the purchase and sale of homes and induced consumers to pay for real estate brokerage services that they would not otherwise have purchased.

## **THE WEB SITE POLICY OFFERS NO EFFICIENCY BENEFIT**

26. There is no cognizable and plausible efficiency justification for the Web Site Policy. The Web Site Policy is not reasonably ancillary to the legitimate and beneficial objectives of the MLS.

## **VIOLATION**

27. In adopting the policies and engaging in the Acts and Practices described herein, WAAR has acted as a combination of its members to restrain trade in the provision of residential real estate brokerage services within the Williamsburg Area.

28. The purposes, capacities, tendencies, or effects of the policies, acts, or practices of WAAR and its members as described herein have been unreasonably to restrain competition among brokers, and to injure consumers.

29. The policies, acts, practices, and combinations or conspiracies described herein constitute unfair methods of competition in or affecting interstate c