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DATA STANDARDS INITIATIVE TRANSFORMS PROCESS OF FINDING AN APARTMENT

Complicated Technology Effort Produces Simple Real-World Benefits for Consumers

WASHINGTON, DC – Three years after it was launched, a collective effort to develop a common data standard so various apartment-related software packages can communicate with each other is dramatically transforming the way people search for apartments and will ultimately make it possible for millions of consumers to reserve and lease specific apartments online.

In 2002, approximately 50 of the largest apartment firms and software providers came together under the umbrella of the National Multi Housing Council (NMHC) and the National Apartment Association (NAA) to form the Multifamily Information and Transactions Standards (MITS) initiative. The goal was to create a shared data standard that, if incorporated into industry software products, would make it possible for products from different providers to “talk to each other” and easily exchange data.

Their efforts have led to the creation of seven voluntary and freely available sets of standards covering resident screening, property marketing, leasing, physical asset management, maintenance and revenue/expenses that many of the industry’s software providers are using as the basis for developing new products and upgrading existing ones.

The standards were initially seen as a way to streamline apartment operations and radically improve productivity and accuracy by making it easier to integrate different software products and by eliminating the need for time intensive, error-prone manual input of data into multiple systems. Early feedback indicates that firms can reduce data transfer costs by as much as 95 percent under certain scenarios.

Now, the nation’s largest publicly traded apartment owner, Equity Residential, and one of the leading Internet apartment listing services, Apartments.com, are using MITS-compliant software to provide real-time apartment listings for prospective residents.

Originally, backers assumed that apartment firms, their investors, and software providers would be the ultimate beneficiaries of MITS, since the standards would not only reduce data entry costs and errors, but also allow firms to select the “best in class” software for different tasks, such as resident screening, property management, accounting, and procurement, without worrying whether they could be integrated together.

“As MITS-compliant software has begun to roll out, however, it has become clear that one of the key beneficiaries is the customer,” explained David Cardwell, NMHC Vice President of Capital Markets and Technology. “The development of MITS-compliant software for online marketing, apartment leasing, and resident screening is greatly expanding the online experience and facilitating many new options for apartment residents.”

For example, before MITS, online listings of available apartments did not fully serve the customer because the online services could not pull information directly from the property management systems of apartment

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firms. So, unless on-site property managers manually updated their listings every time a unit was rented or a rent level changed, the online information was inaccurate.

Now, the process can be fully automated, even providing real-time data exchange if desired.

“Using the MITS data standard has allowed these two leading firms, Equity Residential and Apartments.com, to greatly enhance the data aggregation process for Equity and the data exchange process from the hundreds of properties in Equity’s portfolio,” explained Cardwell. “For the consumer, that means faster and more accurate and timely information about a particular apartment’s availability, features and rents. No longer will a prospective resident be disappointed to learn that a bargain rate that they just saw online hasn’t been available for weeks. The use of MITS-compliant software will also enhance the ability of apartment firms to offer prospective renters new options, such as getting pre-approved online and actually reserving and leasing a specific unit on a 24-hour basis from the comfort of their home or local Internet café.”

“As MITS becomes more widespread, small and medium-sized apartment firms will also be able to benefit from the capabilities of the Internet, since MITS will bring down the cost of these applications by making them easier to develop,” said Cardwell.

While the most obvious improvements are being seen by the apartment resident, the MITS project is also delivering on its financial promise for apartment owners and investors. As Lori Reeves, Vice President of Information Technology for Forest City Residential and Chair of the MITS initiative notes, “If we didn’t have MITS, we would have to go through a definitional exercise every time we added a new application to our structure or wanted to exchange data externally. MITS will shorten our adoption and development times.”

It also improves the productivity of existing software tools, such as web-based accounting, application processing and leasing, maintenance, procurement and other systems that currently work in isolation. When linked together so data can easily flow from one program to another, they will all be infinitely more powerful.

“As software providers adjust their products to comply with the new MITS standards, apartment firms will find it much easier to exchange information with third parties, such as lenders, appraisers and brokers,” said Cardwell. “As an example, when an apartment firm using MITS-compliant software transfers a file to its lender or broker who also uses MITS-compliant software, the lender and broker should have no problem reading the data and importing it directly into their own operational software.”

What is the MITS Data Standard?

MITS is a set of data dictionaries that provide standard definitions for over 3,500 data elements and corresponding data sequential patterns, or “schemas,” containing all the information fields that need to be populated to perform any given multifamily activity, such as filling out a lease, describing a property’s assets to a lender or prospective buyer or screening a prospective resident’s credit.

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Launched by the National Multi Housing Council in March 2002, the Multifamily Information and Transactions Standards (MITS) project is a collaborative initiative to create an industry-wide data standard for the apartment industry. In 2004 the National Apartment Association became an outreach partner to promote and support the MITS initiative and join the growing number of MITS advocates. More than 100 representatives of the leading apartment firms and software providers are participating in the effort.

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