



## METHODOLOGY: OFF-MLS TRANSACTION DATA CALCULATIONS “BEST AVAILABLE MATCH” MODEL

**Purpose: compare county records against MLS data to capture quantitative data for ‘off-MLS’ transactions**

### **Accepted conditions/assumptions:**

- County record data represents all sales within a time period and a given geographic area
- County classifications of SFR, Condo and Townhome correspond to same classifications within MLS system
- County record data ‘recording date’ is the best available match to MLS ‘COE date’
- APN number and MLS number are the best available match to compare identical records in county data and MLS system data
- Where final sale price is withheld in the MLS record, last list price is substituted as the best available match
- Eliminating county records with blank price fields is the best available method to remove ‘nominal transactions’ – such as quit claim, inter-family trusts and similar deed transfers – when no corresponding listings exist in the MLS record

### **Additional considerations:**

- Manual review of county records data can further improve quality of comparison. Known examples include:
  - Individual cases in which each unit in a multi-unit property is recorded with the price of the entire property (e.g. 200+ condos in San Jose for \$118 million each). These were manually removed upon discovery following reasonable review.
  - Individual cases in which transactions are recorded as full grant deeds, yet upon further inspection, sale price is well below the reasonable lower limit of a comparable property, buyer/seller are similar entities, etc. Manual scrub for such cases yielded approximately 3 percent of transactions falling within these conditions, deemed within an acceptable range of deviation.
- Realist licenses for data pulls are limited to 7,500 records per license per rolling 30-day period

### **Process:**

1. Pull all sales for single family residential, townhome, condo, rural home sites, recreational land, vacant land and multi-family dwellings within recording date range.
  - Manual scrub for non-applicable transaction records
  - Format County APNs to match MLS data record APN (varies by County)
  - Scrub sales for MLS number matches for properties with different county record classifications – eliminate rural home sites, recreational land, vacant land and multi-family dwellings with no corresponding MLS match
2. Pull MLS data for same time period
3. Match APN and MLS numbers, eliminate duplicate records. *Output is properties sold off-MLS.*
  - Eliminate Realist records (rural home sites, recreational land, vacant land and multi-family dwellings) with no corresponding MLS match
4. Remove sales price from MLS extraction where corresponding Realist record has no final sales price
5. Median prices for MLS and off MLS are compared by geographic data