



CRA Announcement Competition

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Competition Tribunal finds Toronto Real Estate Board practices anticompetitive

CRA economist **Gregory Vistnes** provided economic analyses and testimony on behalf of the Competition Bureau in its litigation regarding the exclusionary practices by the Toronto Real Estate Board (TREB). The long-running case, involving one of the largest real estate markets in North America, dates to 2011.

In April, the Competition Tribunal ruled in favor of the Bureau which sought to prohibit TREB's rules that limited the information that real estate agents could use and show their clients on the agents' password protected websites referred to as Virtual Office Websites (VOWs).

In his expert reports and in testimony, Dr. Vistnes noted that despite the significant static competition between real estate agents in the Toronto area, VOWs represent an important form of dynamic competition which will ultimately benefit consumers and that the information that TREB sought to restrict would likely benefit consumers. Restricting agents from using and showing that information on their VOWs restricted competition and prevented agents from offering innovative new services that would benefit consumers. The Tribunal accepted the testimony of Dr. Vistnes that "because [TREB] controls access to the MLS...it's effectively dictating the rules under which brokers are allowed to compete and not compete."

CRA's economists undertook analyses to define the relevant markets and identify the source of TREB's market power and the harm to competition, accounting for the fact that as a membership association TREB itself does not participate in the relevant markets.

CRA's team was led by **Gregory Vistnes** and included, **Stephen Kletter**, **Steven Waters**, **Martino DeStefano**, and **Tanguy Brachet**.

Dr. Vistnes also provided expert testimony on behalf of the US Department of Justice in a similar suit brought against the National Association of Realtors (NAR), the largest real estate trade organization in the United States. The DOJ alleged that NAR's policies restricted competition and discouraged innovation by requiring that NAR-affiliated MLSs adopt rules that impeded agents' ability to use VOWs as a means of competing. In a settlement reached in June 2008, the NAR agreed to modify the anticompetitive aspects of its policies.

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In 1965, CRA's founders envisioned a company that would apply the then-burgeoning area of quantitative methods in economics to real-world issues. Our ability to apply theoretical concepts and superior analytics to create meaningful solutions to client challenges has been a source of pride and differentiation since the founding of the firm. Our consultants and academic affiliates continue to lead the way in developing innovative economic concepts and applying sophisticated economic analysis to complex cases. Read more about the practice [here](#).

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