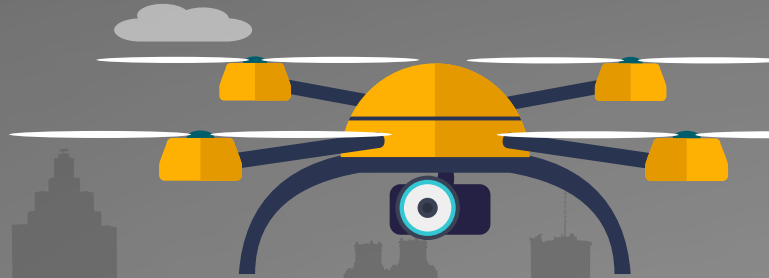




TECHNOLOGY CHANGES

AVMs, DRONES & PRIVATE COMPANIES (OH MY!)

AMVs, DRONES & PRIVATE COMPANIES



Let's get familiar with the latest tech and how you can leverage the changes coming to the real estate industry.

Meet The Future



Automated Valuation Models (AVMs) or home value estimators are algorithms that estimate the value of a home based on data that it's programmed to collect.

AVMs can be used in many different instances, but not all are the same. An AVM can be programmed to include as much or as little information as wanted. For example, one algorithm could choose to focus on the home's features, faults, and everything in-between, while another algorithm could look at the home and the area it's located in (including crime rate, school rankings, and environmental factors).



Virtual Reality (VR): is the use of computer technology to create a 3D simulated world one can explore without being there in-person. Once again there are benefits and pitfalls to VR. One benefit could be having a broader clientele whom you could give a house tour live or recorded, which makes it easier for them if they can't meet face-to-face. On the flip side, as VR becomes more advanced and mainstream the need for real-life agents and realtors lessens.



Drones or an unmanned aerial vehicles (UAVs) are pilotless aircrafts, typically small and remotely operated by a person or a computer. Drones can be used to gather photos, videos, and other information about properties. Two great examples are their ability to capture the scale of a home's estate for realtors to show their clients, and for appraisers to recon areas too hard or dangerous to access. Drones are deemed more cost-effective than other strategies like aerial images from a helicopter.



iBuyers: are simply companies that will purchase homes directly from the homeowner, with little to no human interaction. Expanding database

companies like Zillow are making money moves into becoming a solely online-based real estate business, where everything from finding a home to buying the home is completely done using their services. Zillow Offers has been their biggest step in that direction, in which you sell your home to Zillow with just a few pictures and a click of a button. The ibuying process is working to replace the roles of real estate professionals. While some will still use an official appraiser in their process, other companies are choosing to bypass them completely, relying on AVMs and other tools to get the job done.



Property Tech Companies, or proptechs, are businesses that could make a debut in the wake of the lawsuits mentioned earlier. These would allow homebuyers and sellers

to do business directly without much help from real estate agents. Alternatively, customers could use these companies to hire real estate professionals on a task-by-task basis, allowing agents to earn additional income on an on-demand system. Some sources have related this system to how Uber provides rides on-demand allowing drivers to earn extra income on their own time. While at first this may sound promising, remember how the market behaves. Again with Uber, this system started out great for drivers, but due to the market saturation and changes within the company, it caused issues in their system and had driven drivers to hold a strike this past May.

Where Do You Go From Here?

1

Staying Up-to-Date with Market Values

The number one thing you should do is stay up-to-date with home market values and specific info related to your profession as best as you can. Take classes, talk to clients, compare with like-minded colleagues. Stay ahead of the curve. Do your research and be smarter than the algorithms that are trying to be better than you.

2

Use Change To Your Advantage

Find ways to use technology to stand out from the pack. You've already come far by reading this article. Don't stray away or ignore the updates about new technology in the industry. Knowledge is power. Take the extra steps to find weaknesses in technology that will play well into your professional strengths.

3

Show Your Strengths & Use Them

Are you always timely? Do you have stellar reviews from your clients? Don't be afraid to showcase these positive, professional traits. Think of it this way: the computers (and their creators) are not afraid to "humble brag" about their own product, why shouldn't you?

4

Stay Online and Go Mobile

No more analog! The one thing right now that these algorithms and AI systems are going to have trouble with is in-person, real-time reporting and services. Be the first one on scene. Don't be afraid to advertise yourself.

KEY TAKEAWAYS

There are multiple tech companies and software rolling out that have and will disrupt the real estate industry.



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