

Why Are Real Estate Agents Still Using Windows XP?

The average real estate agent is middle aged and still relying on old technology they know and understand, even if it is now obsolete. As technology continues to evolve, those who do not adopt solutions that benefit end users will get left behind. And as consumers increasingly utilize on-demand services, technology will rise to meet those demands.

Agents working in tech-powered real estate companies close ten times as many deals as those working in traditional real estate agencies. Yet despite the rise of next-generation companies like Redfin and Zillow, the industry as a whole has been a “technology laggard.” In looking at how this sector has begun warming up to the data tech revolution, we can break the process down into three distinct phases that provide useful insights into why agents have been slow to adopt new technologies, why they will need to adapt to remain competitive, and what the industry can expect to see in the future.

1.0 Complementary Phase

Venture investors are a thoughtful and forward-looking group – so why did it take so long for real estate technology exuberance to arise? In part, despite the industry’s size, there was a general wariness of the structural issues that were bolstering resistance to change.

Real estate agents and brokerages, the key intermediaries, have not historically made large investments in technology and, in many cases, were opposed to its adoption out of a concern that tech-driven transparency would lead to their diminished relevance. Tightly held proprietary listing information was widely seen as a key advantage. And real-time maintenance of listing information across a patchwork of non-standardized platforms presented a major challenge.

Property owners and developers focused on acquisition or asset management have also been reticent to make significant investments in new technologies, as creating meaningful client value through technology in a space that is defined by a “real” and physical experience has been a substantial hurdle to tech adoption.

With this structural resistance to moving away from traditional real estate marketplaces firmly in place, industry players were satisfied with simply applying IT-supported enterprise software to their business to complement the establishment marketing and sales environment.

2.0 Challenger Phase

Phase two of real estate’s technology awakening began in the mid-2000s, when challengers to the traditional marketplace began shifting the balance of power from the agencies and brokerages to the consumers. Industry disruption was brought on by startups such as Trulia, Redfin, and Zillow, which have now become proptech behemoths after being among the first to launch online tools for homebuyers and renters.

Although the number of proptech startups has grown exponentially since then, the need for traditional agents, brokers, and proprietary multiple listing services did not go away. Consumers may have been empowered by this explosion of tech-enabled real estate services, but the role of real estate professionals remains integral to the process of locating appropriate properties, arranging showings, negotiating deals, and finalizing complex transactions because they provide vital insights that datasets and automation lack.

3.0 Synthesis Phase

By 2008, the number of proptech startups worldwide had risen to 176, and it exploded to 1,275 by 2017, with cumulative investments reaching \$33.7 billionⁱⁱ. Services have progressed from property databases and map overlays that help people do some of the legwork themselves to a wide range of cloud, mobile, analytics, and other types of apps and platforms that provide transparency, efficiency, and cost savings to consumers and real estate professionals alike.

In this third synthesis phase, real estate agents need to embrace these new technologies to remain competitive. Achieving volume is impossible without them, and clients that come armed with data expect agents to leverage the available technology to their best advantageⁱⁱⁱ. With tech tools that can assist a busy real estate agency with everything from listings, market analysis, valuation, marketing, transactions, and fintech to creating and providing on-demand 3D virtual tours, it is easy to see how agents who are still using outdated technology are being left behind.

The future of proptech lies in advancements in data collection, predictive data analysis and other AI-driven tech, the IoT, and smart-city technologies that are changing how individuals and companies meet their real estate needs as individual mobility and access to information continue to change the way we live and work. And although real estate agents are not about to be replaced by automation, replacing old technology with new data-driven proptech will be a must for real estate professionals who want to stay relevant going forward.

ⁱ The Future of Work: Is Your Business Ready? The right digital strategy can empower work processes—and help retain talent.

<https://partners.wsj.com/unisys/the-future-of-work-is-your-business-ready/>

ⁱⁱ Property Technology (PropTech) – FinTech’s Next Frontier

<https://gomedici.com/property-technology-proptech-fintechs-next-frontier/>

ⁱⁱⁱ Are Real Estate Agents Still Relevant In The Age Of Tech?

<https://www.forbes.com/sites/alyyale/2018/08/01/are-real-estate-agents-still-relevant-in-the-age-of-tech/#4151973065ec>