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AI in real estate: Assessing current and future use cases

A panel discussion at The Gathering by HousingWire explored the implications of artificial intelligence on the real estate industry

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Josh Team, Howard Tager, and Jonathan Lickstein at HousingWire's The Gathering 2024. (Photo Credit: AJ Canaria)

In the real estate industry, the use of generative artificial intelligence has grown beyond just the composition of marketing copy, leading some to question other potential applications.

During a panel discussion at The Gathering by HousingWire on Sunday in Scottsdale, three real estate professionals – **LoKation Real Estate COO Jonathan Lickstein**, Ylopo LLC co-founder and CEO **Howard Tager** and SERHANT President **Josh Team** – offered insight into the potential uses that can create efficiencies and save money for real estate brokerage businesses.

Different use cases

Each panelist comes to the AI discussion from a different angle. Lickstein helped craft an AI-powered tool designed to educate brokers and is currently developing a compliance framework.

Tager focused more on the marketing implications, how his company has used generative AI to create marketing initiatives and shared thoughts on what the development of the technology could mean for the space overall.

“We have a strong opinion on how AI will impact the industry and where it’s going,” Team began. He then asked Tager and Lickstein about their first forays into the AI space, and Tager talked about using it first through SMS text messaging around 2019, years before OpenAI’s ChatGPT product came into the fold and set off the current run on the tech and debate about its use.

“No one was really talking about this in our space five years ago,” he said.

Lickstein talked about having a conversation with a professional seeking a partnership that he quickly dismissed. Eventually, this person ended up working for his company and was the first to ask about ChatGPT’s use in the business. That led to the company ultimately comparing the marketing output of ChatGPT and a human worker, leading Lickstein and others on his team to understand the potential to leverage the tools.

“We have enough problems in the real estate industry, we don’t need to find anymore,” he added. “Asking these generative AI tools to expand on the conversations we’re already having has been very productive.”

Tager said that his company thinks about AI by having domain expertise in residential real estate, but the processes that eat up a lot of time for managers and agents help point to key streamlining opportunities particularly when it comes to maximizing time to talk with more customers.

The ‘one thing’

When Team asked about a powerful example of generative AI solving a problem, Tager offered up AI-powered texting.

“Our agents will wake up in the morning, have their coffee and then look at their phone [and realize that] this AI assistant has been having a 30-minute conversation with a buyer who wants to buy a \$10 million house.”

That’s certainly not a universal outcome, but it does communicate what the technology can do.

For Lickstein, his company's compliance program reads standardized forms and transaction data and approves or disapproves it. That has had the biggest streamlining impact on his business and has allowed the company to hire more agents.

"It reads the image of a contract, and the program has standardized contract forms that are in there," he said. "It will take the transaction data, populate it into a transaction management system, and either give it a 'thumbs up' or 'thumbs down.' And we've created a threshold for when it needs human interaction to then review that form. I've been able to increase our agent count by double since we started using this and not have to bring on additional compliance people."

How to create value

"We're all competing to add value to the transaction. Who does AI help the most or least in that paradigm?" Team asked.

Lickstein pointed to the ability AI has to "alleviate the transactionality" of a relationship to leverage your personality to build new relationships.

"I think everybody can benefit from that, particularly companies that focus on culture and use AI for the operational stuff," Lickstein said.

Tager emphasized its assistance in finding cost-related efficiencies, adding that any organization that wants to bring AI into the fold should have a "domain expert" on staff who can vet the existing service providers, of which there are many with varying quality.

Tactically looking ahead

Rounding things out and looking into the future potential of the tech, Lickstein and Tager offered their thoughts on what AI will be able to do in the future.

"It's going to give us a better angle and target to essentially be able to shoot with a sniper rifle instead of a bazooka," he predicted. "We'll be able to give all the data so an agent can capitalize on exactly what they need."

Tager said that those reticent to embrace the technology are at risk of being left behind by all their competitors.

"If I was a brokerage owner on both sides, I'm thinking internally and externally: if I don't embrace this tech internally, I'm a dinosaur in the brokerage world," he said. "Externally, I'll be giving state-of-the-art tools to my best agents and teams."