

HOW TECHNOLOGY IS DISRUPTING THE REAL ESTATE SECTOR



Overview

Building on predefined workflows and processes, the real estate sector has begun its foray into the digital age. In today's time, the only way for an industry to thrive is to join hands with emerging technologies. The onset of the pandemic and social distancing regulations brought many areas of the real estate sector to a halt. However, pioneers of the real estate sector were quick to adapt and employ technological trends in business operations. Pre-existing solutions like VR tours, online listings, and contract e-signing were easy to onboard, while new processes are being set up to leverage big data and AI as well. With the emergence of PropTech companies, traditional real estate deals have become a thing of the past.



PropTech: An Overview

Property technology or PropTech is a term used to describe the application of technology within the real estate sector. PropTech companies re-engineer the process of buying, selling, property management, or construction practice based on changing digital landscapes and patterns of consumption. It covers commercial real estate technology (CreTech) and real estate technology (ReTech).

Technology has brought a much needed sense of innovation and transformation to the real estate industry. PropTech aims to make interacting with a property as simple, efficient, and robust as possible for both buyers and sellers.

By comprehensively understanding and applying these trends such as Big Data, AI, Machine Learning, Robotic process automation and many others, the real estate sector and its customers are bound to enjoy ease and success.

Tech Trends that Disrupted the Real Estate

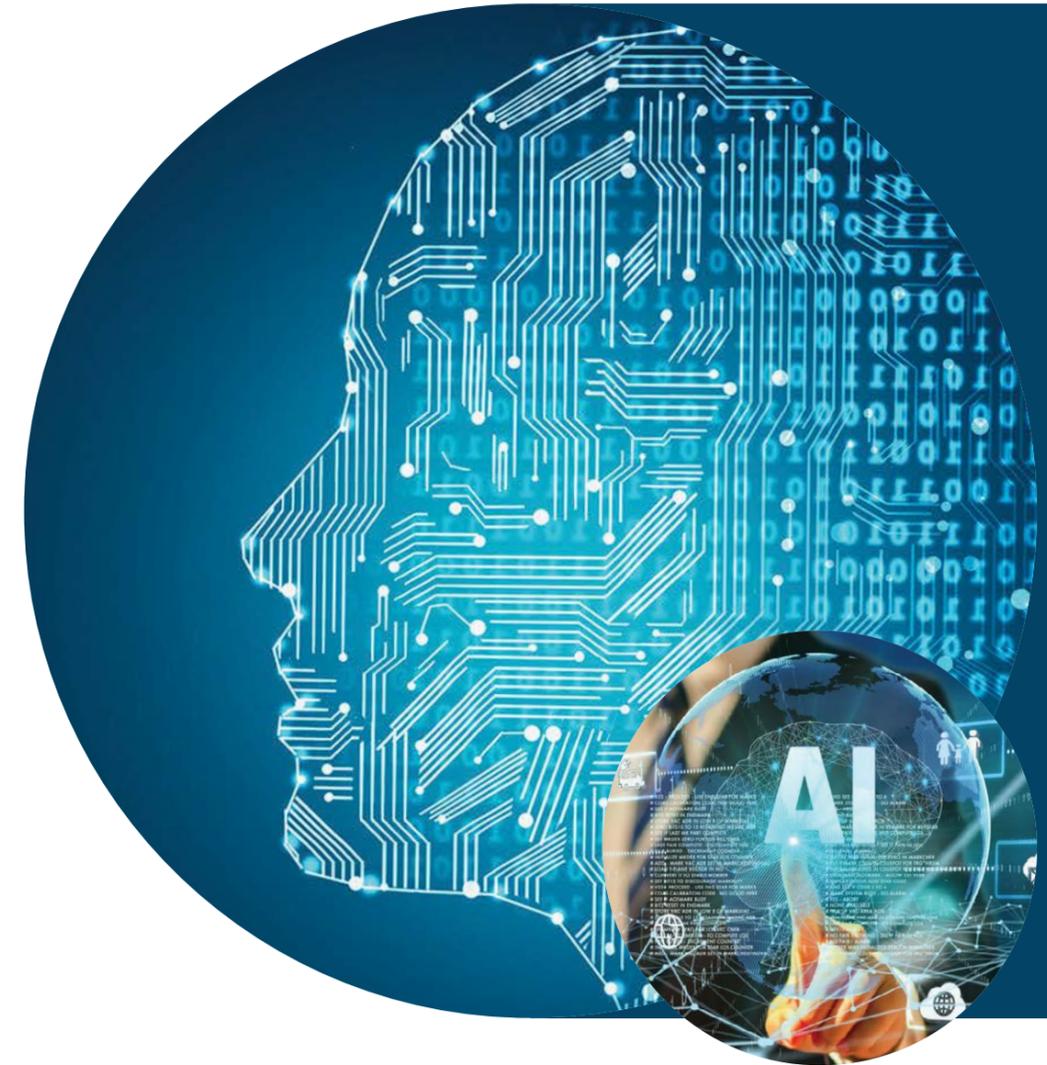
Artificial Intelligence and Machine Learning

AI and Machine Learning are two of the most widely used technologies in today's world. It has proven to be a game-changer for the real estate sector as well. Through the use of algorithms, AI identifies repetitive patterns and relationships to make the task of scheduling, paperwork, and interaction easier. Machine learning works by turning raw data into actionable processes.

For instance, chatbots on property search sites can deal with customer queries quickly and conduct showings to buyers. Not only does this work in enhancing customer experience, but it also helps an agent conduct multiple virtual showings in a day.

Research by **McKinsey and Company** revealed that AI will be able to predict fluctuations in rent rates with almost 90% accuracy. In addition to analysing historical trends in a given location, it would also consider essential parameters like schools, transportation, markets, crime rates and public infrastructure.

Hence, AI would help a customer make better investments while making property showings effortless for real estate agents.



Big Data

Real estate companies have realised that a technological trend like big data is crucial to make rational decisions based on real-time and historical data. There are multiple aspects that come into play when a customer wants to invest in a property, all of which is stored in the form of big data.

This data-driven technology offers valuable insights on associations, demographic structures, building systems, consumer survey results and many other factors affecting the price and value of a property.

Property managers and owners can exclusively benefit from big data to provide dynamic maintenance on electricity, fire safety, utilities, telecommunication and many other systems. For instance, it can warn a property owner of an equipment failure even before it occurs.

The real estate business includes high-risk for both the owner and the customer. This is where technological trends like big data come into action. It offers risk mitigation and price analysis to help investors identify profitable opportunities.



Virtual and Augmented Reality

Almost all potential property buyers primarily go through the property on the internet to know its structure, nearby locality, facilities offered and other amenities. A virtual and augmented reality will make this experience even more exciting, desirable and convenient for customers. Having access to property tours at your fingertips is an event of its own.

Realtors create virtual tours and augmented realities for buyers using these technologies to attract and accommodate buyers. It widely enhances the customer experience by personalising the property presentations and designing realistic architectural photos.

For the real estate company, the development of this technology is a huge win. Even before the construction, the realtor can help the buyer get acquainted with the property. Since it's all virtual, the property enjoys a global reach. And most importantly, the expenses that go into the staging process of a physical property are all eliminated through virtual and augmented realities.



Internet of Things (IoT)

For real estate stakeholders, cloud computing has played a huge role in storing and receiving large sets of information on a number of properties. Internet of things or IoT basically refers to all the appliances and devices that are virtually connected to this cloud service. It is a growing technology and according to **IoT analytics**, this sector is expected to exceed USD 1.5 trillion by 2025.

PropTech is exclusively using this technology to not only ensure the comfort of the buyers but also to help them make reasonable decisions. With the use of IoT, a customer doesn't have to go through the tiresome and costly process of property inspections.

Moreover, smart sensors installed in these homes can assist property managers by first predicting and then alerting the need for maintenance on possible defects. This increases the competency and decreases the costs of owners.



Wrap Up

In comparison to other technologies, PropTech is still a novel concept. According to the **Grand Review Research**, the global real estate sector is expected to produce a revenue of approximately USD 4,263.7 billion by 2025. To meet the ever-increasing demand for real estate spaces and the pursuit of high-quality living, it's vital that both customers and companies embrace the new technology.



References

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