

WILL REAL ESTATE AGENTS SOON BE REPLACED BY ROBOTS?



Accredited Luxury Home Specialist
**Certified Master Negotiation
Expert**



Call Bill at
206-953-2660
John L Scott
4735 NE 4th ST
Renton, WA. 98059
bcrumbaker@aol.com



By Bill Crumbaker

My wife just informed me that by 2030 20 million American workers would be replaced by robots. It got me wondering if technology will ever be able to replace the real estate agents. I came across a video that I watched on the opening panel at Inman Connect, where the topic was the future of real estate. The conversation centered around the role of technology in the real estate transaction, and the future role of agents. There are many new real estate models coming out now that are trying to eliminate real estate agents by using computer models and artificial intelligence to lower selling costs. I started my real estate career in 1976 before we even used computers.

I have seen some wonderful advances since then going back to the fax machine, then the internet and computers. I have not been impressed with some of the new real estate models because they may save some people money by charging lower fees. Take the Red Fin model. They pay their showing agents a salary to show homes. They get paid whether the buyer gets his offer accepted or not. In the

real estate agents only get paid if they make a sale. Who do you think is going to work harder for you?

The Zillow model also has flaws as their zestimates are often incorrect by a large percentage that would not be deemed acceptable by many consumers. Now they are offering to buy your home and eliminate the traditional sales approach. How much trust are you going to put into their zestimate especially if they are going to use it to buy your house?

Getting back to the video I watched one of the panelists said what is holding technology back is the psychology.

The big U.S. real estate incumbents can't stop talking about technology. Each week brings a new announcement about plans for new tech platforms, investments, and initiatives. And while industry gurus love to talk about the impending perfect storm of technology that will revolutionize the industry, I think they've got it wrong, and are repeatedly missing a key point.

That key point is human psychology, and the principle is **loss aversion**. In cognitive psychology

and decision theory. Loss aversion refers to people's tendency to prefer avoiding losses to acquiring equivalent gains: it is better to not lose \$5 than to find \$5. In other words, consumers will prioritize avoiding costly mistakes over making (or saving) more money.

Selling a house for most people is a low frequency high value transaction. Because for most people their home represents their biggest investment. A real estate transaction is off the charts: it is *ultra*-low-frequency, *ultra*-high-value. The potential loss that occurs from making a mistake is huge.

The psychological desire to engage a specialist in these high-value transactions is loss aversion at work. People are willing to pay top dollar to secure a form of insurance on the transaction; someone to hold their hand through the process. Even when cheaper, tech-focused alternatives are available.

I agree, I think technology will make real estate sales more efficient but I do not think it will replace knowledgeable trusted real estate agents that have developed a trusted working relationship with their clients and provide an extra layer of insurance that many people are willing to pay for because of fear of loss.

I feel confident that for sellers my unique pre-certified marketing plan will give them the best chance to maximize their selling profits.

For buyers my ability to understand and analyze different real estate markets and provide them with the correct negotiation strategy will help them get the best buying results.

My marketing plan is very detailed and unique. It takes negotiation power away from the buyer and gives to you the seller, this article is too short to go into all the details of my marketing plan so if you would like find out more please feel free to contact me. **I believe in single party representation, so you never have any conflicts of interest.**



Bill Crumbaker – Managing Broker
Phone: (206) 953-2660 bcrumbaker@aol.com
<https://bcrumbaker.johnlscott.com>