

Can you explain to buyers and sellers why technology hasn't made real estate brokers obsolete?

The Internet has changed the business, but people are the constant



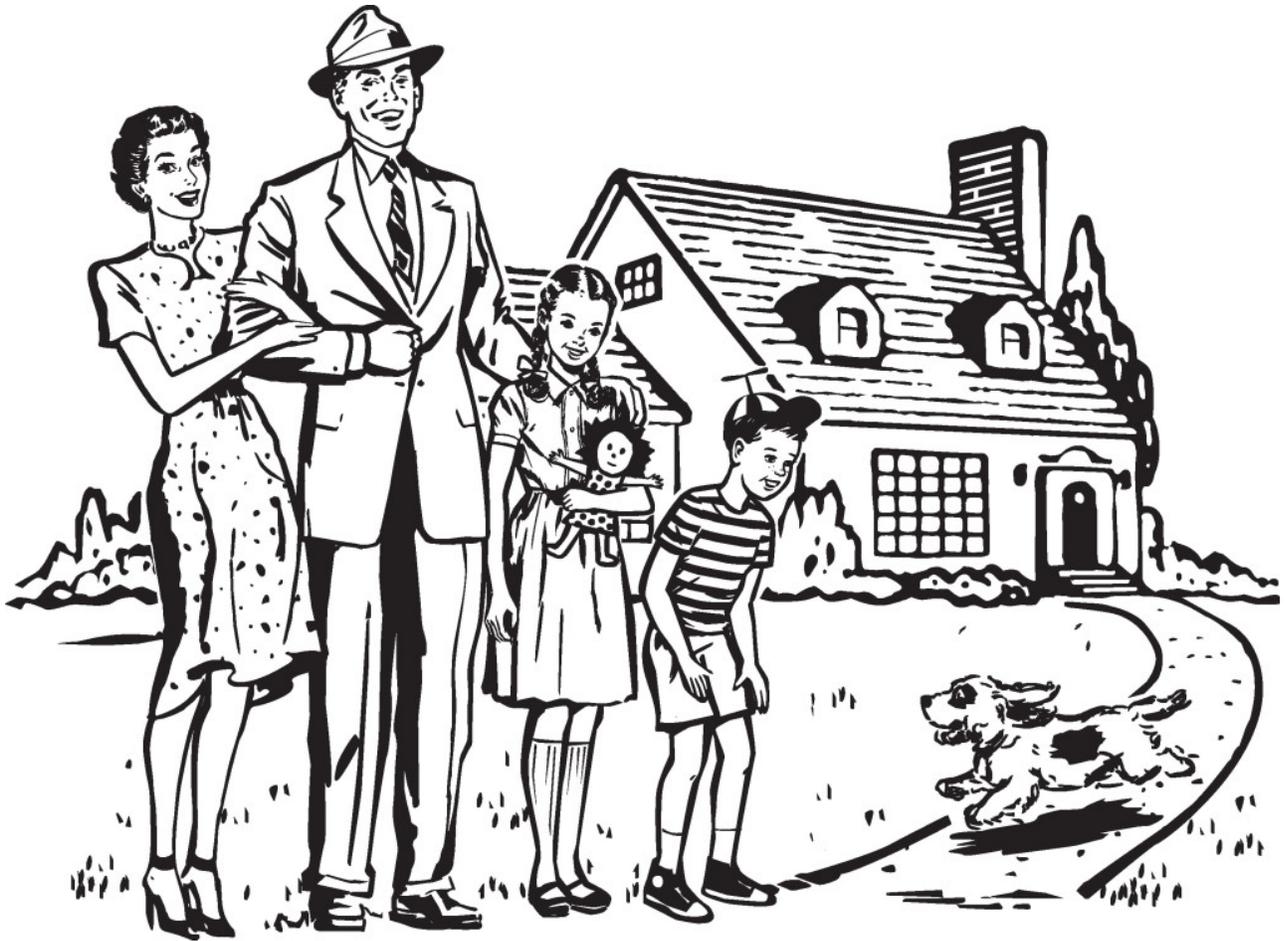
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The real estate industry is no stranger to being on the defensive. A recent editorial in Forbes, titled “[Are Real Estate Brokers Obsolete?](#)” was yet another example of what is becoming a niche industry in business blogging and journalism — debating the value of the real estate agent/broker in the information age.

Often this debate is, not surprisingly, far from a debate at all; rather, it takes on the real estate establishment and challenges the consumer to do the same. I can't say I blame people for thinking this way.



[Retro homeownership](#) image via Shutterstock.

I remember going into a local real estate office as a soon-to-be first-time homebuyer and the excited nervousness that filled me. An agent greeted me, took me back to an office that had more awards hanging on the walls than my high school's trophy case and then invited me to have a seat.

What followed was akin to something from "Raiders of the Lost Ark" as from behind that desk he produced a magical stack of listing printouts with a sly smile that seemed to say, "You've come to the right place." He was the gatekeeper AND the keymaster. Those days are thankfully behind us.

I've spent my entire real estate career working within one brand, and that brand was very forward thinking when it came to information and sharing. Beginning in 2006, they started the first nationwide network of IDX websites and within six months consumers could search over 3 million listings around the United States. The last decade has seen IDX become industry standard with new innovations related to listing search and promotion coming at a furious pace.

The real estate industry has changed as a result, but not just because of the fantastic technical advances our industry has seen. The real estate industry has changed because people have changed, and people are the constant in this business.

Much of what is discussed in these types of articles seems to have much more to do with a poor choice of real estate agent (game playing with information, agents not communicating flexibility or motivation to the other party, the buyer's agent not prequalifying their clients) than it does the industry in general.

It is one thing if the general public isn't sure what exactly the benefits are of working with a professional real estate agent -- it's quite another if we cannot answer that question ourselves."

That does not absolve us from needing to look in the mirror, though. NAR's 2013 member survey found the average age of a Realtor to be 57 years old, yet the average age of homebuyers was 35. Age certainly does not dictate your technical prowess, but it is fair to say that many in our industry have seen themselves dragged into this new information age kicking and screaming.

They have hardly adapted their business model from what worked in decades prior, and they have essentially done the bare minimum required to keep their business functional in terms of technology. Forget optimized landing pages, drones for virtual tours or a social media mix being part of your business plan — these agents do not even have email set up on their phone.

We all know these agents, and most of us work with a few of them. Few agents will look you in the eye and say that the industry does not need to do a better job as a whole in adapting to changing client expectations, mortgage regulations and technology. The industry will do these things, or the industry will suffer the consequences.

Where does this leave us? Is an online auction model the way to go, as the author seems to suggest? Do agents go the way of the dodo bird?

Auctions are part of the real estate landscape; however, properties have been listed on eBay for years and it hasn't exactly been a game changer. A home is more than just another item being sold; it's not a boat or an iPad.

A computer pricing algorithm does not know if those countertops were put in correctly, or what lies beneath those new floorboards, or if that third bedroom used to be a garage. It most likely doesn't know the motivations of the previous owner, upcoming development changes that may affect property values, and it certainly cannot negotiate.

To properly sell a house, real estate agents spend their career learning about neighborhoods, zoning laws, rates of return on investment, and financing. There is no magic pill or real estate agent cheat sheet, and you cannot “Google” it. I can enter an online search for how to fly a jumbo jet, but I doubt seriously anyone reading this would want to see me in the pilot’s seat.

The real estate industry is about “real property,” but it’s also about the real human beings who buy and sell those properties. Every transaction has its own story; every seller has their own motivation; and every buyer has their own goals they wish to achieve.

Real estate professionals spend their lives as mediators and educators, using their experience to help a successful outcome to occur. When negotiations get testy, agents can be a much needed cooler head to prevent emotions, misunderstandings or hurt feelings from derailing a positive transaction.

Low-cost brokerage models and FSBO champions will often claim that by cutting out the real estate commission, you can see a higher net from a transaction. But they fail to mention that most buyers are savvy enough to discount their offer due to this knowledge.

Concerned about honesty? A professionally licensed real estate agent is governed by the laws of both municipal and industry legislation, and when working with an agent in this agency capacity, they are bound by law to be honest and work in your best interest. In the rare instance that they break that agreement, you have multiple recourse options at your disposal.

Finally, working with a real estate agent is about time. Properties sell faster when an agent is involved, saving sellers carrying costs, stress and the added workload of being their own real estate professional. You expose yourself to far less liability personally, and often once attorney’s fees are factored in you rarely save much money by opting to go at it alone.

As real estate professionals we give our time so that our clients do not need to use any more of theirs than is necessary. We are compensated for this service, as are millions of professionals offering their expertise and time to their clients in thousands of different industries.

We will continue to see articles like this as the next great industry technical innovations roll out. As an industry and a community of professionals, we should see these stories not as attacks but as opportunities.

We should look at ourselves in the mirror and ask those questions of our own business model and methods, and if we don't like what we see, we should take steps to rectify the problems. Then when the next dialogue is opened on the subject of agent competence and the need for the human element, we should take part in that discussion.

Successful agents already know that part of providing excellent service is the education of their clients not only on the homebuying or selling process, but the agency process as well. It is one thing if the general public isn't sure what exactly the benefits are of working with a professional real estate agent — it's quite another if we cannot answer that question ourselves.

We cannot let the bad apples spoil the bunch; we must lead by example, influencing our industry and those who work within it to raise *their* standards.

At a brokerage level we can set the tone by creating a corporate culture of education and business development that is not only client-centric but helps to ensure that we are proud to associate with every agent whose business card has our name on it.

As agents, we can and should embody the changes we wish to see in this industry and be a part of the solution, not part of the problem.

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