



Real Estate Is Changing in 2020...Are You?

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Oct. 18, 2019*

As a title agent, you may not feel a close connection to the fast-paced world of venture capital—but that doesn't mean there isn't one. The fact is, record levels of venture capital have been pouring into real estate technology, or "realtech," startups for the last couple of years. Every day, new players appear with the dream and the team to enhance or disrupt the real estate industry. Not to be outdone, many real estate and mortgage industry giants have launched their own game-changing innovation programs to protect their turf. How does all of this affect you, the title agent?

Here are some top trends to watch in 2020 and beyond:

- 1. iBuyers** – Instant Buyers launched in 2014 and have brought a new look to the old "guaranteed sale" programs of the past. Homeowners who want to sell quickly without fixing, staging, and showing now have many iBuyer companies to choose from. Some iBuyers have over \$1b in venture funding to foster innovation ranging from AI-powered market analytics to seamless app-based property showings that automatically unlock doors, turn on lights, and activate cameras.
- 2. Bottomless Brokerages** – Some large brokerage firms are funded by seemingly endless amounts of venture capital. While the publicly held brokerages are pressured to produce profits each quarter, the VC-funded startup brokerages typically have a long runway before profits are expected. With big bankrolls, they often look to add mortgage and title in order to control more aspects of the transaction—and the transaction dollar.
- 3. Teams and Top Producers** – All agents may be created equal in the beginning, but they don't stay that way. Some become top producers and some form high producing teams. Take note that top producers and teams are taking a larger share of the transactions. As they take control over technology and process to ensure the important "Three R's" of real estate—Reviews, Repeats, and Referrals—they may demand more from their title partners or even seek out joint venture relationships.
- 4. Indies** – Top producers and teams sometimes rise to the point where it pays to step out and form their own independent brokerage, or "Indie." Unlike traditional brokerages that constantly recruit new agents, many of these independent brokerages are closed offices that essentially allow a strong team to go to the next level.
- 5. Captives** – If you noticed a theme in the first four trends, it's that iBuyers, big brokerages, teams and top producers are using captives and joint ventures to capture more wallet-share. This

hasn't escaped the notice of the more traditional brokerages that are also moving down this path.

6. **Rentals** – As a rule, most of us start adult life as renters before finding our way into homeownership. Institutional landlords have “gone digital” to improve the rental experience which, in turn, sets expectations for the homebuyers of the future.
7. **Remote Technology** – “Location, Location, Location” used to refer only to choice in real estate investments. Today, it highlights the fact that agents, lenders, and title agents need to serve customers and consumers both online and offline. While remote online notarization usage is small in comparison to the overall number of transactions, it's use continues to grow nationally.
8. **Augmented and Virtual Reality** – More and more tools are being created that augment street-views of homes with property data and even allow for “virtual showings” of homes using immersive virtual reality. One can see how viewing and closing will only become easier in the years ahead through the use of AR and VR technology. These technologies are also being used as a foundation for collaboration with the new virtual brokerage concept use by eXp Realty.
9. **Artificial Intelligence** – While blockchain was the buzzword a few years back, “AI” is making the news today. Blockchain's adoption has been relatively slow in real estate, mortgage, title, and settlement, because the primary use cases require coordinated effort across multiple industry participants. Maybe that's why so many innovation efforts have turned to artificial intelligence, which produces immediate benefits in title search.
10. **Social Media** – Are you socially inclined? Your customers are! As one real estate expert recently said, “There is no such thing as a top producing agent or team that is not heavily into social media.” A top real estate coach recently told a room full of high-volume producers, “Don't settle for landline partners in a digital world.” Social media may not be the shiny new object anymore, but it is increasingly becoming table stakes for today's real estate professionals and home buying public. Venture capital continues to pour into social media management tool vendors, giving real estate professionals ever-easier methods of managing their personal brand online.

As title agents, it's time we understand that our real estate and mortgage lender customers are undergoing tremendous change to meet the needs of the largest generation of homebuyers in history – the digital native millennials and iGen buyers of 2020 and beyond.

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