

Artificial Intelligence for Real Estate Agents: Opportunities and Concerns

Artificial Intelligence (AI) presents numerous opportunities for real estate agents by improving efficiency, accuracy, and customer satisfaction. Real estate technology has evolved considerably over the past decades, and AI represents another advancement in technology that may have a significant impact on your business by allowing professionals to focus more on building relationships and providing value-added services to clients.

Here are just a few ways AI can enhance the work of real estate agents:

- **Predictive Analytics:** AI can analyze historical data and market trends to help agents make informed decisions and stay competitive.
- **Generative AI:** This technology can automate the creation of listing descriptions, marketing content, and even virtual property tours.
- **Lead Identification and Prioritization:** AI may be able to help identify and prioritize leads, providing real-time insights into market conditions.

By leveraging these AI capabilities, real estate agents can enhance their productivity, provide better service to clients, and ultimately drive business growth. Before diving headfirst into AI, consider the following guidance to manage its use in your agency.

Vision and Intended Use

We recommend that your agency establish a vision for the use of AI by asking the following questions:

- How can we use AI?
- How should we use AI?
- What can AI do well? What can't AI do well?
- Can AI improve efficiency in our business through the automation of certain (repetitive) tasks?
- Can AI augment real estate technologies currently used in our company?
- Can AI promote innovation in our business?
- How can we use AI in a purposeful, thoughtful, and quality manner?



Professional Practice, Policy, and Procedures

After crafting an AI vision for your agency, establish a policy on its development and use. Identify an executive leader for your company's AI initiative and a team of staff members to facilitate its development and provide "bottom-up" input and advice. Proceed thoughtfully and cautiously based on research and knowledge-gathering applicable to your business.

Establish Written AI Practice Standards

Elements of an AI policy manual include the following:

- Definition of intended use and allowable use of AI
- Explanation of the process of oversight and review that will occur as usage evolves
- Determination of specific and appropriate application of AI in conjunction with other technologies used in professional practice

Apply thorough research and vetting techniques in the use of AI, including confirming the validity, integrity, and accuracy of source data and control of your agency's output.

Do Not Compromise Professional Responsibility

When using AI, it is critical to maintain human, professional responsibility for oversight. Be cautious about over-reliance on technology and automated processes without applying foundational real estate experience and expertise. Ensure that you or other expert personnel at your agency review AI output for consistency with professional knowledge and expertise, rather than relying blindly on AI technology. Provide training about this advanced technology and create an environment of ongoing and continuous learning and education. Establish a process and communication system within your organization to share ideas, thoughts, and experiences to promote better quality and efficiencies.

Understand Legal, Regulatory, Compliance, and Ethical Requirements

When contemplating the use of AI and creating your policy manual, recognize legal, regulatory, compliance, ethical, and other requirements governing professional practice and supervisory duties. Predictive analytics, for instance, can suffer from data quality issues or bias, while generative AI can present copyright challenges. There are also data privacy concerns with the use of AI. Over-reliance on AI and automated processes can reduce human oversight and expertise, potentially leading to errors and a lack of critical thinking in decision-making. Maintaining a balance between AI and human judgment is essential. Consider these questions:

- Do you understand the source, ownership/copyright, and usage restrictions of material and data that may be identified, used, and relied upon in an AI search?
- Do you have the right to use data and information derived from an AI search?
- Will potentially inaccurate AI-produced content expose you to liability?
- Should you disclose the use of AI to your clients?

Understand and adhere to professional and contractual obligations for data privacy and security in the use of electronic data, systems, and tools.

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Conclusion

Embracing AI opportunities allows real estate professionals to enhance efficiency, boost customer satisfaction, and drive business growth. It is essential for real estate agencies and their leaders to comprehend both the benefits and risks associated with AI, establish a clear strategy and vision for its use, and meticulously plan and manage its implementation. By recognizing and addressing potential risks, real estate agencies can harness the advantages of AI while mitigating any downsides. Implementing robust governance frameworks, ensuring transparency, and prioritizing ethical considerations are crucial steps in effectively managing AI deployment.



Additional Resources

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National Association of Realtors: Artificial Intelligence (AI) in Real Estate

<https://www.nar.realtor/artificial-intelligence-real-estate>

National Association of Realtors: Using AI in Your Real Estate Business? 3 Traps to Avoid

<https://www.nar.realtor/magazine/real-estate-news/law-and-ethics/using-ai-in-your-real-estate-business-3-traps-to-avoid>

IOI: Best Practices and Experiments Using AI in Real Estate: Recap from REALTOR® Magazine

<https://ioi.realtor/2023/08/08/best-practices-and-experiments-using-ai-in-real-estate-recap-from-realtor-magazine/>

JLL: AI is here. How can real estate navigate the risks and stay ahead?

<https://www.us.jll.com/en/trends-and-insights/research/how-can-real-estate-navigate-ai-risks>

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