

Has technology truly diminished the value of estate agents?

 By [Ronald Ennik](#)

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"Given the rise in technology, the value offering of real estate agents has fallen - as reflected in their compensation."



Ronald Ennik, founder and CEO of Ennik Estates

This point was made to me last week in a response to my column on diminished agent earnings on LinkedIn. It was preceded by a story I had seen in *The Guardian*, one of the UK's major newspapers, which made this point: "A new generation of property-tech entrepreneurs is transforming the multi-billion-pound industry by seeking to change how we buy, sell and rent."

However, I believe it is a knee-jerk response to claim, or infer, that technology has allowed people to accomplish so much more without the services that estate agents provide. Granted, the roll-out of technology has certainly come as a welcome added dimension to residential real estate marketing, and its benefits will no doubt expand as the roll-out continues in the future.

Best price outcomes

But it will remain no substitute for the key role that professional agents play – and will continue to play – in securing truly best-price outcomes for home sellers. There is no question that unfolding new high-tech has helped both home buyers and estate agents. We have so much more information at our fingertips. We are all on a rising tide of technology. And we will all benefit from it. The fact is that modern day estate agents are providing more services than in the past, because they have so much more information at their fingertips. Equally, technology ensures that buyers can find answers themselves.

A truly personal service

What technology cannot do is negotiate. It cannot pause, put down a pen, set aside a document, look the buyer in the eye and say: "Sorry. You need to up your offer." At the current level, it simply doesn't have enough traction. The real value of what good estate agents do is based on the fact that they are, after all, providing a truly personal service.

For example, new technology cannot accompany the photographer to the home-for-sale; help choose the best angles, in

the best light; and then look over the shoulder of the advertising lay-out artist to ensure that maximum impact will be achieved. Furthermore, new technology cannot negotiate a home purchase. Nor can it provide eye-to-eye contact and personal touches. Home selling is not an order-taking process. Neither is it an off-the-shelf transaction.



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Tony Clarke 16 Jul 2018



Face-to-face focus

But it works well when coupled with the skill, experience and negotiating ability that good estate agents provide. Face-to-face focus is what counts. And it has been so throughout the history of home buying and selling. Ironically, despite the modernisation of the home selling process, the current rate of home sales in Johannesburg's Northern Suburbs has hardly changed compared with decades ago.

Furthermore, the time frames in which homes sit on the market have remained relatively constant over the years - except when economic circumstances are poor, they take longer to sell, as they do currently. It is a sobering thought that, back then, there were no cell phones, laptops and other electronic means of communication. It was all conducted by way of a bell-ringing electric device plugged into the wall!

ABOUT RONALD ENNIK

Ronald Ennik is the founder and CEO of Ennik Estates.

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