





Most brokerage houses are marked by the constant ringing of phones, answered by live employees who then filter and funnel questions about leasing and/or buying real estate to the appropriate person. Perhaps the caller is put on hold and lost because the broker is helping another client.

Now imagine a scenario in which it doesn't matter if one person rings or 50 people ring because a chatbot can handle a virtually unlimited number of basic queries at the same time.

Chatbots are far from mainstream in commercial real estate, according to James Scott, lead researcher at the Real Estate Innovation Lab at MIT. "This is a technology that brokers should begin to understand because it has enormous potential to influence the bottom line of their business and create an environment that can completely streamline their day-to-day operations."

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The technology behind chatbots is designed to handle repetitive daily tasks, that are highly time consuming and often don't provide any return on investment, Scott says. For example, a chatbot can take phone calls, facilitate scheduling, and viewings of properties, while also answering simple client queries. Chatbots can also create detailed user profiles that allow brokers to market tailored products to potential buyers and tenants. Chatbots have advanced to the point where they can filter out realistic buyers or tenants for particular properties in a very humanistic fashion, giving the end user the impression that they're talking to a real person.

CHATBOTS AS LEAD GENERATORS

If a user is not suited for a particular space or property, their information can be integrated into a company's customer relationship management (CRM) system and stored to potentially match with more suitable spaces going forward. Their information and history can also be stored so that when it's retrieved, the chatbot recognizes and addresses the user by name.

Glenn Gutierrez, COO and co-founder of alive5—a Houston-based startup that specializes in chatbots—says one of its most interesting clients is a co-working company called The Cannon, which has multiple facilities around the city and is working with local area governments to create startup hubs.

The coworking space provider began using chatbots at events for lead generation, executing tasks like pre-qualification of prospects—sometimes as simple as gathering names and emails to advanced customization based on business intake questions.

"They hosted a lot of events at their location and they were looking for a more streamlined way to capture information from people attending their events," Gutierrez says. Collecting prospects at coworking space events could likely draw coworking tenants back to the event space or to one of their other locations.

"If you have an issue with a facility, you can scan the QR code [the square barcodes that can be read by smartphones equipped with cameras] or send a text message and engage with our chatbot solution and...be directed to their customer support," Gutierrez explains. "That's usually the first line where people are like 'Okay, you have an immediate need, I need to fix that.'"

From simple solutions such as lead generation and facility maintenance, Gutierrez says companies are starting to see other opportunities where they can use chatbots to manage their whole operations. These include showcasing their communities as well as the people in their buildings and even creating opportunities for collaboration among tenants.

For instance, Gutierrez says a chatbot deployed in a building directory in a lobby can deliver information to a first-time prospect while they wait for the broker, though he admits that this use is still relatively early and "tricky" as building directories are generally set up and configured differently.

Leasing posters placed in spaces on the outside of buildings or in specific spaces within buildings with QR codes allow a random prospect to go beyond a simple text to create a conversation experience about the building with a chatbot as a way to begin imparting information with a prospect. They then have the option to easily schedule a time to speak to the broker and/or to tour the space.

COSTS VARY WIDELY

The cost and time to implement a chatbot can vary widely depending on how much you want to put into it, according to Scott. "You can get very simple software solutions starting at \$1,000, right through to \$30,000, while developing your own proprietary technology can cost much more."

Levi Worts, a Bozeman, Montana-based Tars chatbot consultant and chatbot specialist, says Tars is the name of the company and is also the name of the chatbot-building platform. A no-code visual builder offers 900 templates across industries that can be personalized, starting at \$99 per month

and up to \$499 per month or higher even, depending on the number of chats.

FUTURE OF CHATBOTS

The very first chatbot was developed in 1966 by an MIT professor named Joseph Weizenbaum. The chatbot's name was Eliza and it was able to mimic a human conversation by matching user prompts to scripted responses. More than 50 years later, chatbots are evolving from Microsoft's often misunderstood office assistant, Clippy, to Google's Meena, which it claims can talk like a human with 2.6 billion parameters and more than 300GB of text data.

Meena brings together natural language processing, machine learning, and text-to-speech that allow a natural conversation to take place. For instance, when a user who has a thick accent tries to make a restaurant reservation, the assistant understands the context and nuances, and can handle the conversation gracefully.

That future for real estate is likely at least a few years away. Right now, the industry is still kicking the tires on the technology. Chatbots are more likely to be found in property management roles giving tenants the ability to communicate issues 24/7.

"This technology is only beginning to establish itself in the real estate industry, which for some reason tends to generally lag behind other industries

in its acceptance of new technology" says Scott. "This can be for a number of reasons. The sheer number of new 'Proptech' companies coming to market, for example, make it difficult to make investment choices. But the advancements in natural language processing, together with the vast influx of venture capital investment that has taken place in recent years, means that chatbot solutions will become part of many brokers' offices in the year to come."

Neither the commercial real estate industry nor the United States would qualify as first adopters when it comes to chatbots, Worts says. Other countries that are already embracing chatbots include Russia, China, Germany, and India, where nearly every single website is equipped with a chatbot.

While Worts believes wide adoption has been hindered by earlier, less user-friendly bots, the global pandemic is making the technology even more valuable. His prediction is that in the next two to three years, chatbots are going to be a huge player. ▼

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