

How to survive the disruption of estate agencies

 By [Paul Stevens](#)

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The estate agency profession is facing disruption, and for agents to survive, they need to evolve. Many factors are contributing to this disruption which is already underway.



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One of the looming threats to traditional estate agencies is the rise of the online property portals, which don't just showcase properties, but have a back-end support team that now supports the entire sales process at significantly lower commissions than traditional estate agencies earn.

Another is that the property profession is under pressure to transform; the average age of South Africa's agents is around 58 years and agent demographics do not reflect the transformation goals of our country. However, many of us are averse to change and are not ready to embrace technology and diversity with all the challenges and opportunities they bring.

Millennials entering the market

Possibly the most significant change factor that we are facing is the fact that our buyers are changing too. Millennials are entering the property market and their needs are different to what we are used to. Buying a property is a major milestone for them, and the message of competence and reassurance that they need to receive from industry players needs to be carefully crafted. For all the talk of how this generation of buyers likes to operate online, at this significant milestone in their lives, they are still humans who need human guidance. We need to be present online and on social media – in the right, personal way – but the purpose of all of this is to ensure that they want to engage with us in the real world, providing value that they can't find anywhere else.

With all these factors at play, change is inevitable. There is nothing we can do but work with it. And those of us who work out how to harness the disruptive forces and become better, stronger agents, will have a place in the agency of the future.

One interesting response to the challenges the industry is facing has been the rise of the hybrid agency. The agencies that offer online support, marketing and availability, but still have local branches or outlets to support buyers and sellers, haven't yet gained much traction, but I believe that they will. They provide elegant and practical solutions to both the old and the new pain points experienced within our industry.

Fee reductions

We might also have to accept that fees are going to drop until they're something more in line with those charged in the rest of the world. In the UK, for example, they charge between 0.75% and 3% commission on the sale of the property. This may be a bitter pill to swallow, but if we do not start looking at ways to accommodate our clients with fee reductions, then we are going to see more and more clients using the online property agencies and portals with their more competitive fees and very effective sales support systems.

I believe agents will always have a place in the estate agency landscape of the future, provided that they can add exceptional value through the services and advice they offer. Every deal in buying, selling and renting property comes with a unique set of circumstances - human elements that a skilled agent can and must manage. The value we provide by bringing people together, by solving problems along the sales or rentals process will justify the fees we charge. Technology will be our partner, a tool to help make our clients' journeys to renting, buying and selling easier and more pleasurable.

The evolution into the tech space is the next big thing in our industry. We can resist it, or we can embrace it. But, as I have said, the thing that will differentiate agencies from their competitors is providing solutions to our clients that enable property deals to be simpler, fairly priced, and with lots of value – which really isn't any different from the differentiators of the past.

ABOUT PAUL STEVENS

Since 2013, Paul Stevens has been the CEO of Just Property Group Holding (Pty) Ltd which controls an international group of property franchises specialising in residential sales, rentals and management. He joined as a franchisee in 2003 and now, as CEO, drives the strategic direction of the Just Property brand with his charismatic optimism. He is also actively involved in the evolution of the South African property landscape, working closely with high-level industry stakeholders.

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