

Agreeable real estate

**From lead to close, simplify and
accelerate real estate transactions with
a modern system of agreement.**

Executive summary

In a world defined by the speed and convenience of digital, on-demand services, real estate organizations that still rely on manual, paper-based processes are losing business to digital challengers at an alarming rate. While firms that use electronic signature technology are ahead of the curve, most are still struggling to simplify and accelerate the way they prepare, sign, act on, and manage the many agreements involved in a real estate transaction.

The agreement process is critical to your customer experience and competitive advantage in business, whether residential or commercial sales, leasing, or property management. But there's no place for paper in real estate processes, not anymore. Today, real estate agreements can be done faster, with less risk, lower costs, and better experiences for everyone – especially your clients. That's what we call agreeable real estate, and it's possible now, thanks to new digital technologies for modernizing your entire system of agreement.

Digital opens more doors faster, for you and your clients

The real estate industry has changed. Today's buyers and sellers are more informed, empowered, and digitally connected than ever before. They expect every business transaction—even a complex real estate transaction—to be fast and easy. Delivering on those expectations requires a modern system of agreement.

Your client base is changing

According to the National Association of REALTORS® (NAR), 76% of all buyers searched for homes on their mobile device.¹ Technology adoption is only increasing, as millennials – the generation that grew up with the internet and now makes up 65% of first-time home buyers² – increase their share of transactions. Clients increasingly expect convenient, around-the-clock service and no paperwork from agents and brokers. This is especially true in residential real estate. Firms must reshape the client experience in new, digital ways, or risk becoming obsolete.

Digital rivals are winning

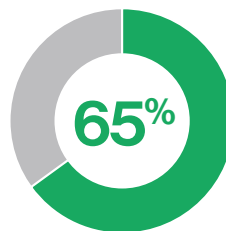
Venture capital investments in real estate technology surged from \$33 million in 2010 to a whopping \$5 billion in 2017,³ both modernizing traditional models and creating disruptive new competition. Compass, Redfin, and Keller Williams are residential brokerages building integrated technology platforms to make the home buying process faster and more efficient. Services like OpenDoor, Zillow Instant Offers, and Redfin Now leverage AI and pricing algorithms to make cash offers with no agent at all. Meanwhile, in commercial real estate, WeWork is using technology to position itself as a services company rather than a traditional property owner, offering flexible leases and appealing workspaces.⁴ This tech-centric, hyper-competitive environment puts increased pressure on the traditional agent-brokered transaction model.

Disconnected legacy systems are holding you back

While many residential and commercial firms have invested in technology, they often don't use it effectively. Deloitte reports that commercial real estate firms spend too much time and too many resources force-fitting modern technologies into legacy IT infrastructure without fully realizing the benefits of going digital.⁵ Instead of defining a holistic digital strategy, firms are using individual tools to tackle specific pieces of the process, resulting in siloed information, patchwork IT systems, and, ultimately, frustrated clients.

In residential real estate, the problem is even worse. Agents often have a patchwork of systems and apps, sometimes as many as twenty different applications to manage different aspects of the real estate process. Brokerages that don't provide a connected experience force agents and administrative staff to rekey data – creating errors, and keeping them away from spending more time with their clients or seeking new clients to serve. This outdated approach isn't competitive in today's environment.

Agents and brokers can no longer differentiate with mere access to property data but can offer unique value by providing superior customer service and local market expertise. Unfortunately, managing the inefficient paperwork and manual processes involved in transactions takes time away from advising clients on neighborhoods or providing guidance during negotiations.



Millennials make up 65 percent of first-time home buyers.⁶
National Association of REALTORS® (NAR)
2018 report



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Digitally transform your agreement process

Signed, written agreements are everywhere in real estate. They are fundamental to doing business. Many parties are typically involved, including buyers, sellers, tenants, agents, inspectors, attorneys, and more.

Dozens of agreements can be used in a single transaction, from lead to close. Examples include:

- Forms and checklists
- Appraisals and disclosures
- Inspections
- Leasing Contracts
- Listing agreements
- Purchase contracts
- Agent onboarding and licensing

Every organization already has a “system” for getting agreements done – from preparing and signing documents to acting on terms and managing completed agreements. Unfortunately for most real estate firms, it is a mess of manual processes and office technologies that involves printing, scanning, emailing, and even faxing. Every delay, mistake, or frustration raises the likelihood that a transaction will fall through. More so now than ever, the competition is just a click away.

Electronic signatures are a good start, but don't stop there

The real estate industry has widely adopted electronic signature technology as a way to streamline the agreement process. But there are many manual steps before and after the signature that waste too much time, paper, and goodwill.

Are digital forms pre-filled with property and customer information you already have, or are your agents or transaction coordinators required to rekey it? Are broker approvals and reviews routed automatically? When an agreement is signed, does it automatically trigger downstream processes – such as collecting a rental deposit – or do people need to push buttons or pick up the phone?

Is there a single, auditable process by which all of this happens? For any transaction, and the many agreements involved in each transaction, can you show that the process was followed? And for that matter, can authorized employees quickly and easily find any completed agreement?

Your system of agreement is at the heart of these questions. It includes all the people, processes, and technologies involved in your entire agreement process. The more digital, automated, and connected you make it, the less time, money, and paper it will consume, which makes agents, brokers, and, most importantly, clients happier. That's what we call agreeable real estate, and its possible now, thanks to new digital technologies for modernizing your system of agreement.

With DocuSign, brokers and agents find that⁹

80%
of documents are completed in one day

127%
average increase in client satisfaction of working with the brokerage

25x
faster turnaround time on agreements

“In a world where real estate agents are no longer gatekeepers of the data, our true value proposition is to create a great experience for our clients.”⁸

Michael Thorne
RE/MAX Little Oak Realty

A modern system of agreement saves a lot more than paper

With a modern system of agreement, you can significantly reduce, if not eliminate entirely, in the agreement process:

- Manual and paper-centric processes
- Costs associated with paper and storage
- Bottlenecks and delays
- Errors and misunderstanding
- Frustration, mistrust, and dissatisfaction
- Security and compliance risks

A system of agreement includes all the people, processes, and technologies needed to prepare and sign documents, act on terms, and manage completed agreements.

Five guiding principles for designing a modern system of agreement

A modern system of agreement can help drive competitive advantage in real estate. Focusing your efforts on these five principles will put you on a faster path to agreeable real estate.

No. 1

Take a mobile-first approach

Real estate transactions happen on the go. Deals are done on site, in coffee shops, and from the car as agents are driving from one property to another. Going digital isn't enough; you need to go digital in a mobile-first way. For example, if you have listing forms digitized as PDF files, that's digital but it's not mobile-first. Why not? Because PDFs are essentially digital pictures of paper. On a typical smartphone, a PDF's text is often tiny; agents and clients must repeatedly pinch and zoom to read it. It's frustrating and decreases adoption of digital tools by agents.

The modern expectation is responsive digital content that automatically adapts to a mobile device's screen size and orientation – agreements should be no exception. Even if a PDF version exists, a responsive version should also exist for mobile agents and clients. Remember how you felt the last time you tried to use your smartphone to visit a website designed to be viewed on a laptop? You don't want a client that's about to purchase their first home, or sign a multiyear lease on an anchor commercial retail property, to feel that same frustration.

No. 2

Bring everyone involved in a transaction together, digitally

Real estate deals are large transactions. For consumers, it's often the largest purchase of their lives. For businesses, real estate is often the largest expense and represents multi-year commitments on the balance sheet. Appropriately, there are a lot of people involved in every deal – buyer and seller agents and brokers, attorneys, inspectors, appraisers, lenders, and more. The number of people is what often drives the complexity and delays involved in real estate. Has the appraiser filed their report? What's the status of financing? Have the potential commercial tenant's attorneys redlined the lease agreement? With so many people involved, it can be hard to keep everyone on track and deals moving forward.

Digital tools make it possible to transform every step of a complex real estate transaction into a simple automated process. For example, solutions like DocuSign Rooms for Real Estate create a secure, digital workspace for all of the files involved in a real estate transaction. Configurable permissions by role allow you to invite not just your agents or employees into a transaction, but also external parties such as attorneys or inspectors to share documents. Flexible workflow allows you to guide everyone through the deal, eliminating the typical delays that result from wondering where a document is or waiting on an approval.

No. 3

Integrate existing customer and property data into every agreement

Real estate firms have invested hundreds of millions of dollars to digitally transform how business is conducted, from marketing automation systems, multiple listing services (MLS), customer relationship management (CRM) systems, and more. Yet too often the data from these systems resides in silos, and agents have to manually re-enter information that already exists in other systems. Worse, sometimes clients are asked to fill out the same information multiple times on different forms, applications, or agreements.

A modern system of agreement enables data to be pulled from other systems automatically to populate agreements. For agents or employees, it's a remarkably right experience to have agreement fields filled in; it saves time when multiple systems are connected seamlessly. Errors are eliminated, completion times reduced, and everyone's experience improves.

“The real estate industry is changing, and DocuSign is one of the leaders defining its digital future. DocuSign empowers agents to do more with their businesses by getting transactions done quicker, easier and on their own terms.”¹⁰

Bob Goldberg
CEO

National Association of REALTORS® (NAR)

No. 4 Focus on ease of use and remove barriers to adoption

With so many people involved in a real estate transaction, changes to the process, or the introduction of new technology, can be extremely complex. Often individuals that are necessary to keep your deal moving forward don't work for your organization. New technologies to modernize the agreement process need to be intuitive and extremely easy to use, not just for your employees, but for all parties involved.

Additionally, having a change management plan is critical to the success of modernizing your existing system of agreement. Evaluate and select technology providers with the ability to support your evolving organization. Consider factors such as ease of integration, cost, mobility, and user-friendliness. Most people in real estate are not technologists, so simplicity is key.

No. 5 Insist on full compliance across your system of agreement

Increasingly digital and automated processes create new challenges and opportunities for regulatory compliance. A modern system of agreement is built for both. Full audit trails, available on demand, provide the ability to view and report on who signed, reviewed, or approved each step of your transaction, helping you deliver evidence of compliance easily.

Meanwhile, completed agreement documents are stored in a secure, high-availability system and can be easily retrieved when needed. And, the underlying technology infrastructure has the security, privacy, and reliability standards that meet or exceed those of even the largest banks, government agencies, and industry organizations. To regulators and clients, the message should be clear: you are using new technologies not only to fulfill but to enhance consumer protections and compliance.

Let's agree to agree, better

Everyone in real estate – buyers, sellers, tenants, agents, brokers, property managers, and more – now expect real estate services to offer personalized, digital solutions, regardless of whether they involve signed, written, agreements or not. Firms that can offer seamless, mobile-native technologies that make it easy to navigate the real estate transaction process quickly and confidently have the advantage. Real estate firms that fail to modernize their systems of agreement will simply not be able to compete effectively.

The DocuSign Agreement Cloud for Real Estate can help your organization modernize your system of agreement and deliver digital real estate experiences that exceed client expectations, are easily used by employees or agents, and comply with legal and industry requirements.

Learn more about the DocuSign Agreement Cloud for Real Estate

Notes

- 1 NAR Home Buyer and Seller Generational Trends Report 2018
- 2 <https://www.nar.realtor/sites/default/files/documents/2018-real-estate-in-a-digital-world-12-12-2018.pdf>
- 3 <https://www.forbes.com/sites/valleyvoices/2018/02/13/future-of-real-estate-tech/#51da888a1c13>
- 4 <https://www.businesswire.com/news/home/20190429005696/en/Company-Announces-Confidential-Submission-Draft-Registration-Statement>
- 5 <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/financial-services/us-fsi-dcfs-2019-commercial-real-estate-outlook.pdf>
- 6 <https://www.nar.realtor/sites/default/files/documents/2018-real-estate-in-a-digital-world-12-12-2018.pdf>
- 7 <https://www.forbes.com/sites/valleyvoices/2018/02/13/future-of-real-estate-tech/#51da888a1c13>
- 8 <https://www.docusign.com/white-papers/how-has-the-on-demand-economy-impacted-real-estate>
- 9 <https://www.docusign.com/industries/real-estate/agents>
- 10 <https://www.docusign.com/industries/real-estate>

About DocuSign

DocuSign helps organizations connect and automate how they prepare, sign, act on, and manage agreements. As part of the DocuSign Agreement Cloud, DocuSign offers eSignature: the world's #1 way to sign electronically on practically any device, from almost anywhere, at any time. Today, more than 500,000 customers and hundreds of millions of users in over 180 countries use DocuSign to accelerate the process of doing business and to simplify people's lives.

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