

## Auctions lead proptech's bid to update the industry

By Stephen McCarthy | Fri 20 April 2018

**The phrase 'proptech' evokes images of fast-moving, lean start-ups trading in virtual reality or artificial intelligence. It is hard to discuss real estate nowadays without addressing digital strategies or the concept of futureproofing your business.**

Online estate agents are enjoying prominent 'share of voice' [online advertising exposure] with their bold, tech-first strategies, and some plan to cut out the physical agent altogether – acting as disruptors.

However, proptech is not a shiny new plaything for the industry, and it is not merely a playground for millennials. Technology in the property industry forms a useful business tool that works for the benefit of the whole sector.

We have seen the early onset of proptech strategies in the UK, with residential agents and large commercial vehicles looking to secure a first-mover advantage. However, the real mark of tech's success as a business tool is its ability to permeate into even the most traditional areas of the property industry.

The word 'auction' may conjure up images of a large, closed room and a select audience bidding on high-priced lots. In the context of the property sector, this is a very traditional area, which is primarily served by the same players.

This nurtures an environment where the industry only deals with the industry. It is certainly the last place you would expect to see technology taking hold.

However, the use of proptech by auction houses has now become an accepted concept. BidX1 has proved that the model works in Ireland and has recently launched in the UK, with the acquisition of Andrews & Robertson.

## A hybrid model

We are essentially a property company that uses technology to provide better outcomes. The use of tech doesn't have to indicate a profound shift in a company's business model. In fact, building a hybrid model, that uses proptech but retains a human element in the transaction pipeline is the best formula. The process remains the same, but technology smooths out certain pain points.

Property companies are data rich and when this data is harnessed it can create a more efficient and transparent process, as well as helping to prevent problems such as money laundering. For example, online auctions provide much greater protection because bidders are required to register, provide anti-money laundering documentation and security deposits prior to bidding. This allows full traceability of all bidders and bidding patterns.



**BidX1 is a pioneering global online property platform**

The nature of online platforms provides full transparency to the market and creates an environment, especially in what are considered to be more traditional and closed-off industries, that encourages more people to enter the market. Anything that invites new players is certainly a good thing. By democratising the route to market we can level the playing field and expand our reach, leading to a higher success rate and better returns.

Educated and interested players know that technology will play a major role in the future. Most applaud the fact that companies such as ours are pushing up against robust, traditional and successful businesses to provide a more efficient way of working.

The fact that such a traditional area of the property industry has embraced technology shows how profound a shift is taking place. The auction sector has the potential to be a great test-bed for all technologies, such as lawtech, fintech and insuretech, challenging normal business models and helping to further democratise the transaction process. Perhaps online auctions will become an exemplar model for the use of tech in property?

***Stephen McCarthy is founder of BidX1***