



AI Trends that will reshape Real Estate and Mortgage Industry in 2024

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1. WHAT IS AI?

The rise of digital technology ushered in a new era for the mortgage application process as the industry is rapidly progressing towards widespread artificial intelligence (AI) adoption. From the underwriting stage to document reviews, as well as title and servicing sectors, 75% of all financial firms are leveraging AI, high-performance computing, and machine learning in at least one use case, according to a recent survey by NVIDIA. So let's answer the question- what is AI?

Artificial Intelligence is understood as the ability of computers and machines to handle tasks that require a human touch or intelligence. Machine learning is the most common application of AI, and it involves training machines with large amounts of data, to analyze it, recognize patterns, and run forecasts and algorithms.



2. WORD OF THE YEAR : AI

2023 was the year of mind-boggling AI inventions. One of the best-known AI programs is ChatGPT; the program can discuss philosophy with people, read books, create images, and much more. Other AI tools such as Dall-E, Bard, Anthropic, and many more have been making waves across the world since the launch of OpenAI's chatbot ChatGPT. Hence, without a doubt, "AI" was chosen as the Marketing Word of the Year for 2023 (with 70% votes in favor) by the Association of National Advertisers (ANA), reflecting the pervasive impact of artificial intelligence on the marketing landscape. In the real estate industry, too, AI has unlocked a new era of business transformation with its unparalleled capabilities to redefine the way we buy, sell, and invest. AI is catalyzing a paradigm shift in the landscape of property ownership, mortgage lending, and rental living ecosystem.



Higher Productivity



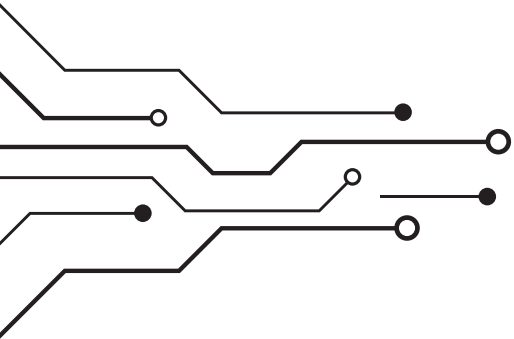
Better Security



Improved User Experience



Fewer Touchpoints



AI TRENDS IN 2024 WITH THE POTENTIAL TO RESHAPE REAL ESTATE AND MORTGAGE INDUSTRIES





GENERATIVE AI IN REAL ESTATE: AN OVERVIEW

Generative AI refers to artificial intelligence technologies that can generate new content, data, or solutions based on the training they have received. In the context of real estate, this technology can be transformative, offering novel ways to analyze markets, design properties, and enhance customer experiences.

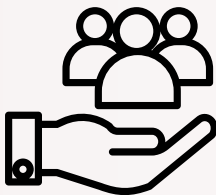




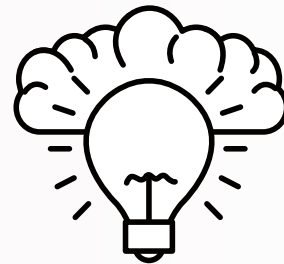
Real Estate can benefit from Gen AI in a Multitude of Use Cases



Gen AI's strengths generally fall within one of four categories, which McKinsey dubs "the four Cs."



The first is **customer engagement**, which can be supported by tools such as chatbots that answer questions and remove doubt from customers' decisions.



The second is **creation**, in the form of tools that generate new creative content, including text and images.



The third is **concision**: Gen AI excels at synthesizing insights from unstructured data, interpreting conversations, and querying large data sources.



The fourth is **coding solutions**, of which Gen AI offers many, including interpreting, translating, and generating code.



1. Market Analysis and Prediction (concision)

Generative AI can process vast amounts of data, including market trends, economic indicators, and consumer behavior, to predict future real estate trends more accurately. This capability enables investors, developers, and realtors to make more informed decisions about where and when to buy, sell, or develop properties.



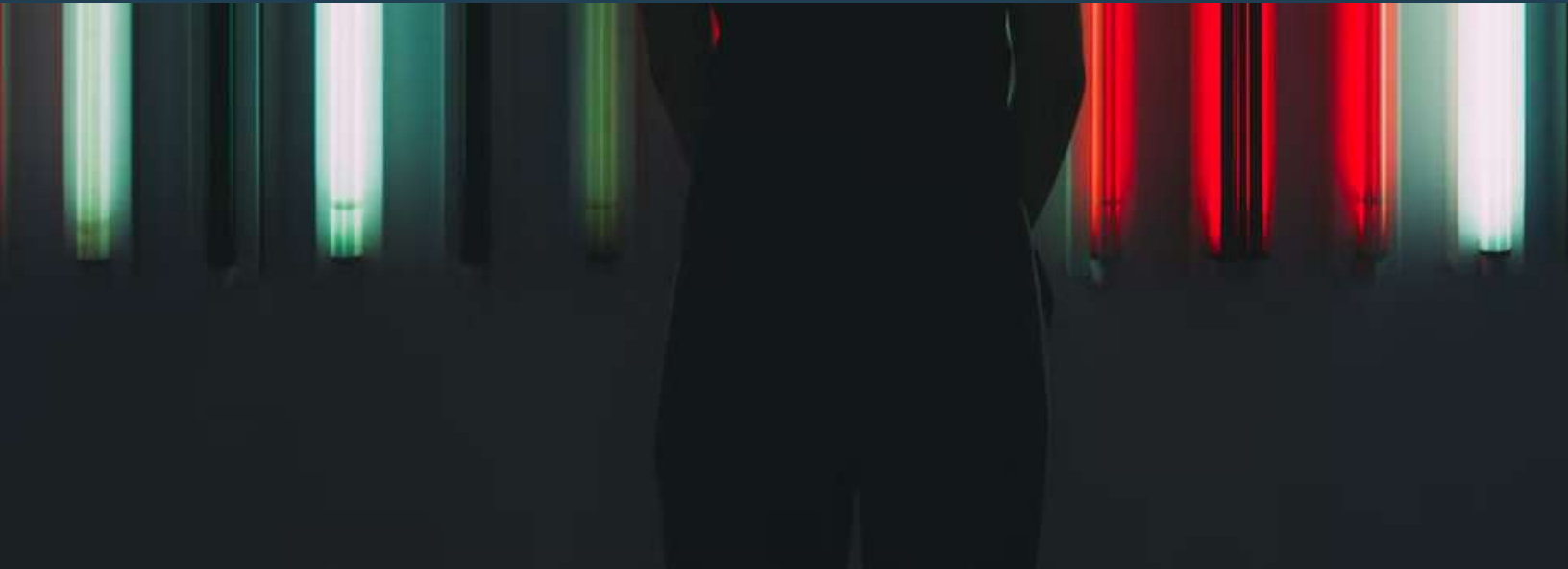
2. Property Design and Visualization (creation)

AI tools can generate realistic architectural designs and 3D models, facilitating a more efficient and creative design process. This technology allows for rapid prototyping and visualization, helping clients and stakeholders better understand and contribute to the design process.



3. Enhanced Customer Experience (customer engagement)

In real estate sales and rentals, generative AI can create virtual tours, simulate renovations, or furnish empty spaces in real time, providing potential buyers or renters with a more immersive and personalized experience. This technology can also generate targeted marketing content and personalized property recommendations for clients.





4. Operational Efficiency

Generative AI can automate routine tasks such as document generation, contract analysis, and compliance checks, thereby reducing administrative overhead and increasing operational efficiency.

Typical mortgage loans can exceed 500 pages and continue to take 40+ days to close. A dabbbble into Optical Character Recognition (OCR) technology in the last decade barely moved the needle on the speed of processing this vast amount of data inputted in various formats, making extraction and analysis very complicated. Computer Vision technology will finally change that. Our early experiments are extremely encouraging and solve most of the problems associated with OCR at a fraction of the cost.

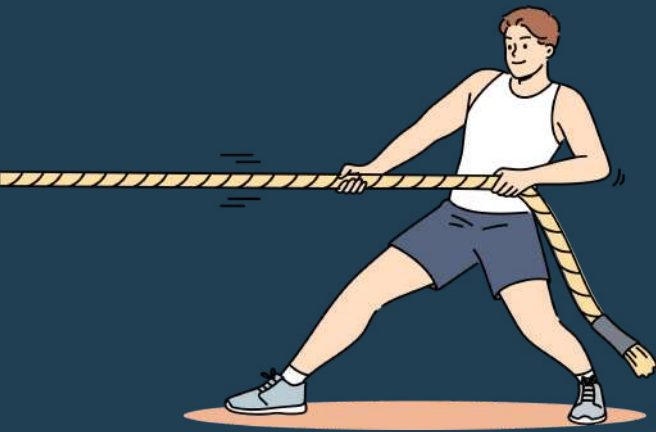


5. Personalization of marketing campaigns

Crafts retailer Michaels Stores, for example, is using gen AI as part of its approach to deepen customer engagement through more personalized and frequent interactions with its shoppers. Michaels has gone from personalizing 20 percent of its email campaigns to personalizing 95 percent. This has lifted the click-through rate for SMS campaigns by 41 percent and email campaigns by 25 percent.

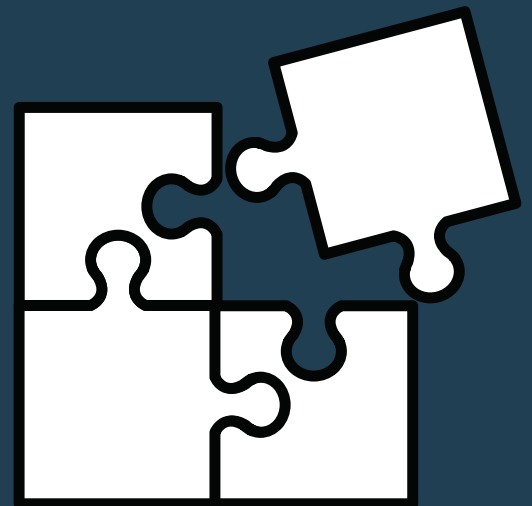
Personalization will take a giant leap from a content creation perspective. Technology will be able to mimic your voice, text, and your appearance, literally. AI tools will be able to write just the way you do, will generate a custom voice to sound just like you, and will create video content using an AI avatar of you, which will make it hard to distinguish between your real self and the AI self. See how to do this in the tools sections later in this white paper.





Challenges and Industry Adaptations

While the potential benefits are significant, the real estate and mortgage industry must adapt to leverage generative AI fully.





1. Ethical and Legal Considerations:

The use of AI in real estate raises ethical and legal questions, particularly regarding data privacy, bias in AI algorithms, and intellectual property rights in AI-generated designs. The industry must develop robust frameworks to address these concerns.

Gen AI is new and maturing, with potential biases and IP issues. Some use cases may not be right for gen AI in its current stage. Deploying gen AI introduces new risks that have to be weighed. Companies that identify risks early on will be positioned to react effectively.





2. Skill Development and Workforce Transition:

As AI transforms traditional roles, professionals in the real estate sector need to acquire new skills, particularly in data analysis and technology management. The industry must invest in training and education to prepare its workforce for these changes.

3. Collaboration and Innovation:

To fully exploit the benefits of generative AI, stakeholders in the real estate sector must foster a culture of collaboration and innovation. This involves partnering with tech companies, investing in startups, and encouraging a mindset of continuous learning and adaptation.

4. Data Quality and Accessibility:

The effectiveness of generative AI depends on the quality and quantity of data available. The real estate industry must prioritize data collection and management, ensuring that AI systems have access to accurate, comprehensive, and up-to-date information.



5. Engineer a Prompt Library and Create Additional Digital Tools:

Prompts are used to fine-tune gen AI models for real estate. Slight edits in the prompt can yield different outputs. There is no precedent for knowing what works until it is tried. A rigorous process of testing and refining is essential to create a playbook. However, to go beyond insight to real action, Gen AI outputs often need additional tooling to be useful to an organization.

Generative AI has the potential to revolutionize the real estate industry, offering enhanced predictive capabilities, design innovation, customer engagement, and operational efficiency. However, realizing these benefits requires addressing data, ethical, skill, and collaboration challenges. The industry must evolve, embracing new technologies and approaches to stay competitive in an increasingly AI-driven world.





TOP 10

AI TOOLS

that we love!



 runway

 Bard

 Bard

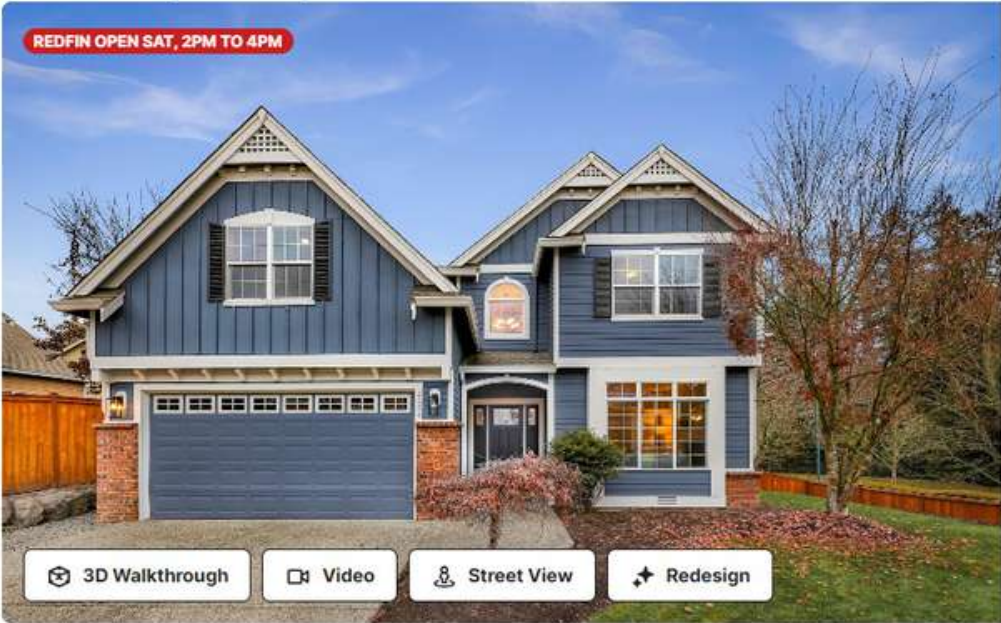
1. REDFIN LAUNCHES AI-POWERED TOOL TO REDESIGN LISTING PHOTOS

ol, Agent, ZIP



1-844-759-7732 Buy Rent Sell Redfin Premier Mortgage

Search Overview Property details Sale & tax history Schools Climate Favorite X-Out Share

REDFIN OPEN SAT, 2PM TO 4PM



3D Walkthrough Video Street View Redesign



79 photos

FOR SALE - ACTIVE

2224 250th PI SE, Sammamish, WA 98075

\$1,595,000

Est. \$10,504/mo Get pre-approved

4


Beds


2.5

Baths

3,031

Sq Ft



 This home is popular

It's been viewed 6,236 times. Tour it before it's gone!

Today: 5:00 pm • 6:00 pm • 7:00 pm • 8:00 pm • More times

Tour with a Redfin Premier agent

DEC 6 WEDNESDAY

DEC 7 THURSDAY

DEC 8 FRIDAY

TOUR IN PERSON

TOUR VIA VIDEO CHAT

Schedule tour

Next Available: Today at 4:30 PM

Ask a question

(425) 777-0583



- Buyers often want to know what a home will look like with some changes, not just what it looks like right now,” said Ariel Dos Santos, Redfin’s senior vice president of product
- “Sellers want their listings to appeal to the broadest pool of buyers, regardless of design preferences.”
- The launch of Redfin Redesign represents a major step forward for the real estate industry. Through the utilization of AI technology, which can transform listing photos and improve the visualization experience, Redfin is reshaping the boundaries of what can be achieved in the domain of home purchasing.



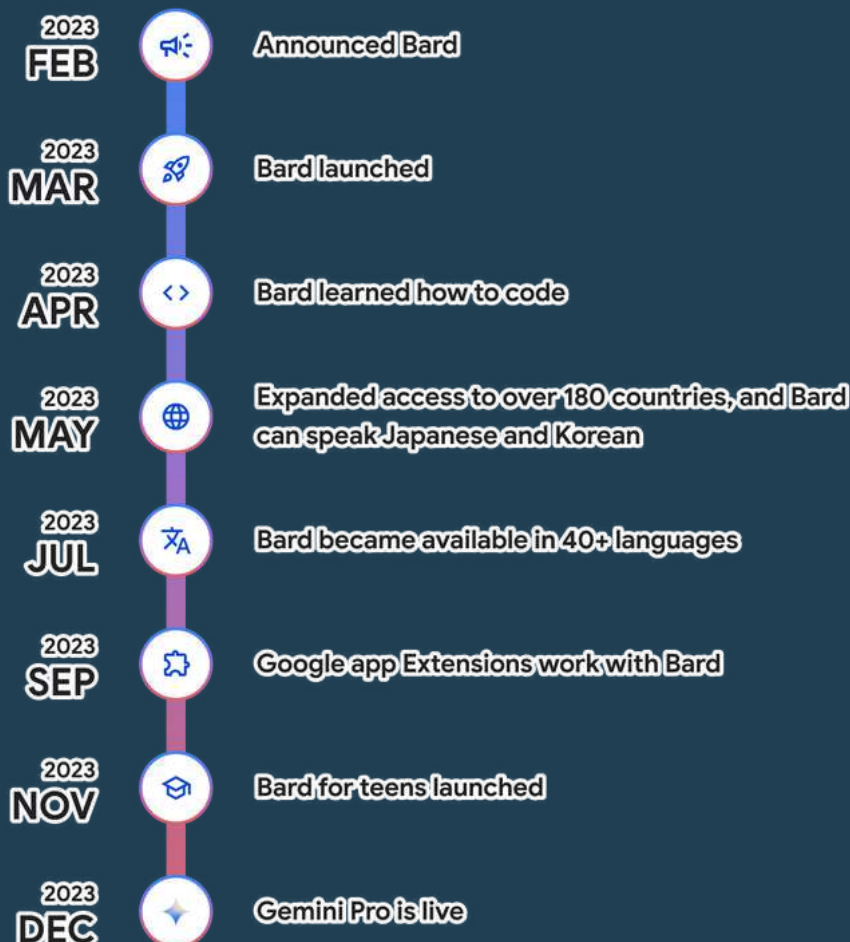
2. OPEN AI: CHATGPT



ChatGPT, a major catalyst to the AI craze way back in 2022, continues to be a major player today. Developed by OpenAi, it is a natural language processing tool driven by AI technology that allows you to have human-like conversations and much more with the chatbot. The introduction of ChatGPT in the real estate industry provides real estate agents with a range of benefits, including efficient customer communication through quick responses to common queries and 24/7 availability. It can aid in lead qualification, automate appointment scheduling, and assist in property searches, helping agents save time and prioritize high-potential leads.

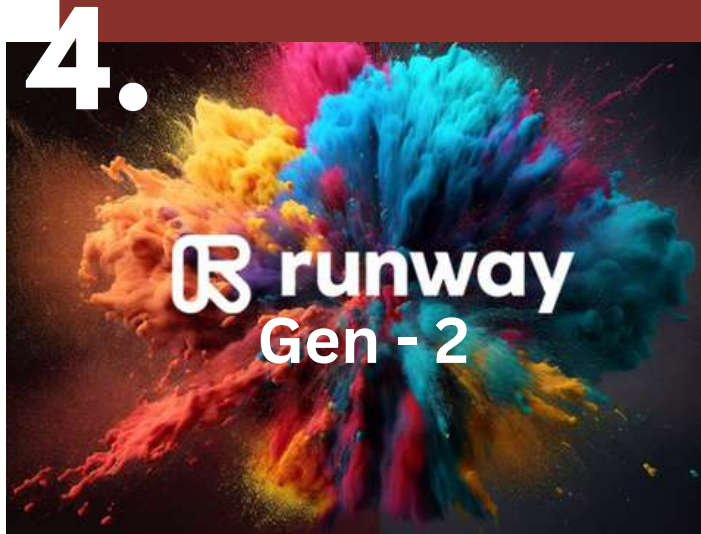
3. GOOGLE CHATBOT: BARD

Bard is an AI-powered chatbot tool designed by Google to stimulate organic human conversation through deep language processing and machine learning. It can also be integrated into websites and messaging platforms. From acting as a virtual assistant to generating personalized marketing materials and providing 24/7 support, Bard can save real estate agents time, increase conversion rates, and create a more satisfying experience for clients. As Bard continues to develop, its impact on the real estate and mortgage sectors is poised to be even more significant.



Runway ML has released a significant update to its Gen-2 video generation AI, greatly improving the quality and consistency of AI-created video. The enhancements showcase the rapid evolution of generative video and its potential for creative professionals.

"Genesis," is a multimodal AI system that can generate novel videos with text, images, or video clips. The upgraded model generates video with remarkably smooth, natural motion and lifelike clarity.

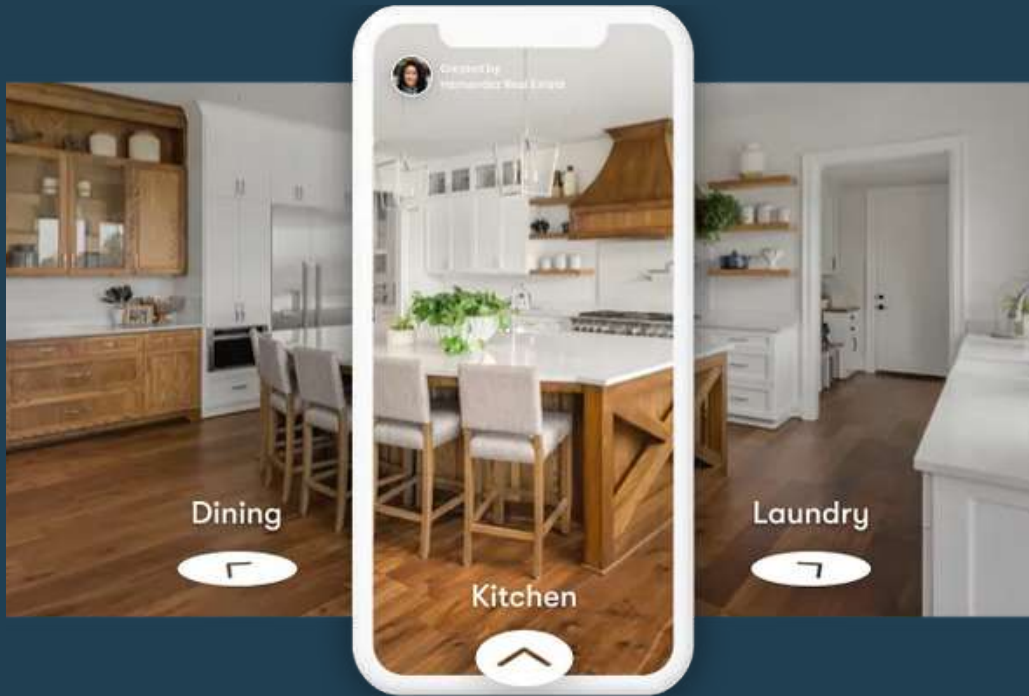


5.



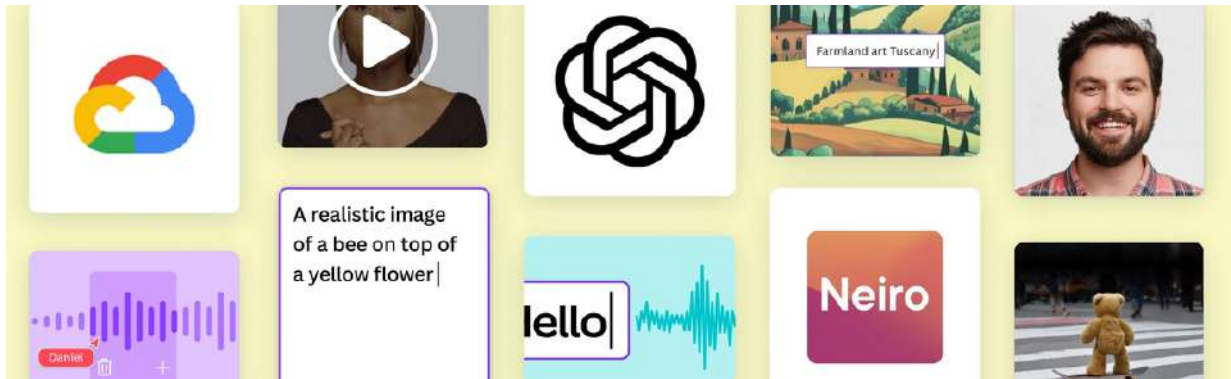
- Ava is an outbound sales rep who you can onboard in 5 minutes with a conversation via Slack - it sends 1000s of hyper-personalized emails per month, replies to prospects' questions, and books meetings into your calendar.
- It can qualify leads by asking initial questions and understanding customer needs, saving agents time and effort by focusing on promising leads. Ava can also personalize interactions with each customer, remembering their preferences and search history to recommend relevant properties

6. ZILLOW 3-D VIRTUAL TOUR



Seattle-based real estate technology company Zillow is leveraging artificial intelligence to create more immersive listings designed to stand out from the pack and help a home sell faster. This 3D generator can create virtual tours for your clients using AI. It helps any real estate business promote and sell properties. The greatest use comes for commercial real estate professionals since there is always a need for virtual tours of large properties as fast and cheaply as possible. Using this tool, the job is halfway done.

7. CANVA AI APPS



November marked the start of Canva's next chapter, when they unveiled their biggest AI product launch to date, Magic Studio, to bring all of the power of AI into one centralized space. But the magic doesn't stop there: the Canva Apps Marketplace is a nest of powerful AI apps (including some of the most loved!) that use this exciting technology to streamline workflow and take creativity to new heights. The days of sketching images from scratch or spending endless hours scrolling for something that doesn't exist are gone- Generate video avatars with human-like features and micro-expressions with Neiro AI or D-ID, create 3D animated avatars with Krikey, or save hours on filming by turning scripts into talking videos with DeepReel or HeyGen.

8. HEYGEN



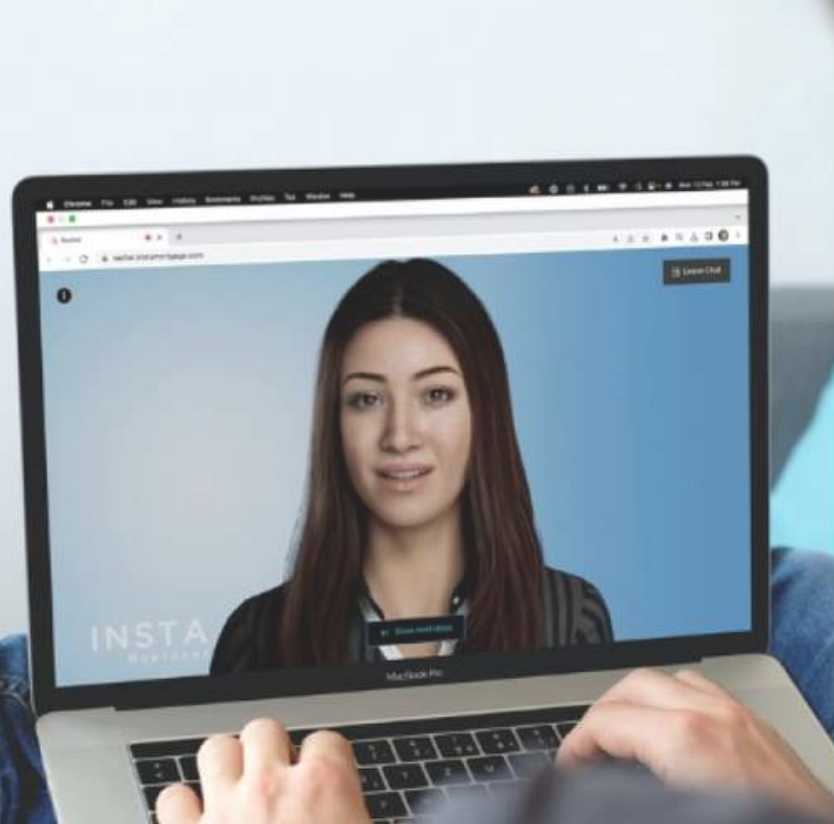
Heygen AI video editor cuts through real estate marketing with automated, immersive videos. Whether you're a professional or a beginner, you can create stunning videos in minutes instead of hours. Its potential to revolutionize real estate video marketing is undeniable.

1. Create or choose an avatar: It has over 100+ AI avatars or you can customize your own.
2. Record or choose a voice
3. Select a template or start from scratch: Select from an extensive array of ready-to-use templates for any scenario, or begin with a clean slate.

9. || Eleven Labs

ElevenLabs is a software company developing natural-sounding speech synthesis and text-to-speech software, using artificial intelligence and deep learning. It has been seen as one of the major companies behind the ongoing AI Spring. The most realistic and versatile AI speech software, ever. Eleven brings the most compelling, rich, and lifelike voices to creators and publishers seeking the ultimate tools for storytelling. The company's mission is to make on-demand multilingual audio support a reality across education, streaming, audiobooks, gaming, movies, and even real-time conversation.





INSTA
MORTGAGE

SAVING THE **BEST FOR THE LAST**

our very own

INSTA
AI



InstaMortgage launched InstaAI in November, 2023

The company is a pioneer in AI innovations and created the mortgage industry's world's first digital human in 2010.

Welcome to InstaAI!

Start a New Chat

1. Type Your Question: Enter your query in the chat box below
2. Mention a Topic: For best results, provide more context
3. Get Expert Guidance: Our AI will assist based on your query

Topics You Can Discuss:

-  General : Home buying, Industry updates, Loan Limits
-  Company : News, Policies, Benefits
-  Content AI : Generate Blogs, Emails, Video Scripts, and Social Media Posts
-  Freddie Mac : Mortgage Guidelines
-  FHA : Mortgage Guidelines, MIP
-  Fannie Mae : Mortgage Guidelines
-  VA : Mortgage Guidelines, Funding Fees

Send a message

Send

InstaAI uses Large Language Model (LLM) technology through an API integration with OpenAI. It's also powered by LangChain and LangSmith. The case study was featured on their [blog](#).

Their tweet on X garnered 24,000 views.





InstaAI has 3 core modules –
MortgageAI, ContentAI, and PolicyAI

MortgageAI – The goal for this module was to be the industry's most extensive knowledge base. Loan Officers, Processors, and Underwriters can now find answers to guideline questions, loan limits, and industry updates in seconds, which used to take minutes or even hours.

What are the terms of a buy-down mortgage?

A buydown mortgage is a type of loan that starts with a low interest rate and rises over the next few years until it reaches its permanent rate. The specific terms of a buydown mortgage can vary depending on the program and lender. For example, a 3-2-1 buydown mortgage starts at 3% lower than your note rate in year 1, 2% lower in year 2, and 1% lower in year 3. On the other hand, a 2-1 buydown mortgage starts at 2% lower than your note rate in year 1 and 1% lower in year 2. A 1-0 buydown mortgage starts at 1% lower than your note rate in year 1. After the initial period, the interest rate typically goes back to your note rate for the rest of the loan term. You can use our buydown calculator on the InstaMortgage website to estimate the payment terms for different buydown options. [link](#)

What is FHA's annual mortgage insurance premium?

Most borrowers will pay 50 bps (or 0.5% of the loan amount) as the FHA annual mortgage insurance premium. The MIP is dependent on the loan term (higher for a 30-year loan than a 15-year loan), down payment (lower for >10% down payment), and loan amount (higher for loan amounts greater than \$726,200). To find out exactly how much you would pay, check out the [premium table here](#) .

ContentAI – This is the first-of-its-kind generative AI platform designed exclusively to create mortgage-related content. If you're a loan officer in need of content for blogs, videos, social media, or email marketing, ContentAI will create all that with a click of a button. Be seen as an expert, build relationships with real estate agents, and get new mortgage leads without much work at all.

The prompt -

The screenshot shows the INSTA AI web interface. At the top, there's a navigation bar with the logo 'INSTA AI' and three tabs: 'Mortgage AI', 'Content AI', and 'Policy AI'. The 'Content AI' tab is selected. On the left side, there's a sidebar with two options: 'Blog Post' and 'Email'. The 'Blog Post' option is selected, and its description is 'Write an SEO-friendly blog post about the given topic & keywords'. The main area on the right contains the following prompt details:

- Topic: When should I refinance my mortgage?
- Keywords: Refinancing, Mortgage Rates
- Target audience: Homeowners with mortgage

Part of Generated Response



Title: When is the Right Time to Refinance Your Mortgage?

Introduction

Refinancing your mortgage can be a smart financial move if done at the right# Title: When is the Right Time to Refinance Your Mortgage?

Introduction

Refinancing your mortgage can be a smart financial move if done at the right time. It can help you save money, reduce your monthly payments, or even shorten the term of your loan. However, deciding when to refinance can be a complex time. It decision that depends on various factors. In this article, we will explore the key factors that homeowners should consider when deciding to refinance their mortgage.

1. Mortgage Rates Drop

One of the most common reasons homeowners choose to refinance is to secure a lower interest rate. When mortgage payments. If your financial situation has changed, and you need more breathing room in your budget, refinancing to a lower interest rate or extending rates drop significantly below the rate you currently have, it may be a good time to refinance. Lowering your interest rate can result in substantial the loan term can help lower your monthly payments. However, it's important to weigh the long-term costs of extending the loan term against the short-term benefit of lower payments.

3. Change Loan Terms

Refinancing also provides an opportunity to change the terms of your mortgage. For example, savings over the life of your loan. Keep an eye on the market and consult with a mortgage professional to determine if the current rates are favorable if you currently have an adjustable-rate mortgage (ARM) and want to switch to a fixed-rate mortgage, refinancing can make that possible. Changing loan for refinancing.

2. Financial Goals

Consider your financial goals when deciding to refinance. Are you looking to reduce your monthly payments, pay terms can provide stability and peace of mind, especially if you plan to stay in your home for the long term.

4. Build Equity Faster

If you have built up equity in your home and want to pay off your mortgage sooner, refinancing to a shorter loan term can help off your mortgage faster, or access equity for other purposes? Refinancing can help you you achieve that goal. By switching achieve these goals by adjusting the terms of your loan. For example from a 30-year mortgage to a 15-year mortgage, for

PolicyAI – This module contains all the company updates, policies, and guides. No need to email or call multiple parties or find information hidden on your intranet. Your wish is PolicyAI's command.

INSTA
AI

Mortgage AI

Content AI

Policy AI

What is the open-door policy at InstaMortgage?

At InstaMortgage, we have an open-door policy that encourages open communication and accessibility. This means that employees are encouraged to approach their managers or supervisors with any questions, concerns, or ideas they may have. The open-door policy promotes transparency, collaboration, and a supportive work environment where everyone's voice is valued. It fosters a culture of trust and encourages employees to actively participate in the growth and success of the company.

Can the marketing team post on my behalf?

No, the marketing team at InstaMortgage does not post on behalf of loan officers. However, they can provide you with content that you can post on your own social media platforms. It is your responsibility to manage and maintain your own social media presence.

Final Thoughts

As we conclude this white paper on the transformative potential of AI in the mortgage and real estate industry for 2024, it is paramount to recognize that AI's influence could be as revolutionary as the internet itself. This groundbreaking technology is not just a fleeting trend; it is a paradigm shift that promises to redefine how we approach real estate transactions and mortgage processing.

For loan officers and real estate agents, the advent of AI should not be viewed as a threat, but rather as an invaluable ally. By embracing AI, these professionals can harness a competitive advantage, enhancing their ability to serve clients more efficiently and effectively. AI tools can augment human expertise, automate routine tasks, and provide deeper insights into market trends, thereby allowing agents and loan officers to focus on the more nuanced aspects of their roles.

It's crucial for industry executives to adopt an early adopter mindset. By doing so, they position their organizations at the forefront of innovation, ready to leverage new tools and technologies as they emerge. This proactive stance is essential in staying ahead in a rapidly evolving market.

Furthermore, AI's capacity to significantly improve consumer experience cannot be overstated. However, this requires a collective effort from all stakeholders. Everyone involved in the industry, from CEOs to end-users, must play a willing and active role in integrating AI into their operations. This collaborative approach will ensure that AI's benefits are fully realized, leading to more streamlined processes, enhanced accuracy, and a more personalized customer experience.

In summary, the potential of AI in the mortgage and real estate sector is immense, but realizing this potential demands a unified commitment to innovation and adaptability. As we move forward, it's clear that AI will not just be a tool for efficiency; it will be a catalyst for transformation.

To stay updated on AI Trends in 2024

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