Ownli uses AI to shake up homebuying

Tech tools would allow consumers to bypass agents and their commissions

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Ownli, a Denver tech startup, is racing to get an early start in deploying artificial intelligence and machine learning to replace the tasks that real estate agents have long handled. The end game — help consumers do it themselves, avoid commissions and keep more money in their pockets.

"I have sold $200 million in homes, yet I couldn't shake the feeling that the system was outdated and unfair to consumers," said Blake O'Shaughnessy, CEO and co-founder of Ownli.

O'Shaughnessy, a Colorado native and University of Denver graduate, became a Realtor after working in the oil and gas industry, which has an intense focus on productivity. He has struggled with how inefficient home transactions are and how the industry has resisted lowering costs for consumers, despite the dramatic rise in home prices this decade.

MyOwnli.com offers consumers a way to bypass real estate commissions that typically run between 5% to 6% on a home sale. In July, the platform launched with a focus on self-directed buyers, charging a flat $999 to help them find and purchase a home. In two weeks, MyOwnli.com plans to launch a service that charges a flat $1,999 for FSBO or for-sale-by-owner listings.

The median price for a single-family home sold in metro Denver in August was just under $650,000, according to the Denver Metro Association of Realtors. At a 6% combined commission, a seller would pay $39,000, or $32,500 with a 5% commission. Going FSBO could cut that amount by close to half, generating savings of $14,250 to $17,500 after paying Ownli's listing fee.

Buyers could also put themselves in a better bargaining position if they ask a seller to cover a $999 fee rather than a buyer agent commission of 2.5% to 3%.

Home shoppers are already doing a lot of the legwork in terms of finding properties, and the platform provides more filters and targeted search capabilities in that regard, said Jacob Sherman, the company's chief technology officer and a co-founder.

"We are using AI and machine learning and modeling to look for indicators that are more useful than a neighborhood or proximity to a school. It can predict which areas might be more interesting for a buyer," he said.

Sherman takes existing large language models and codes the interface or front end to apply to the homebuying process. The website offers a detailed competitive market analysis to help determine a fair price, which addresses the criticism that FSBO sellers leave too much money on the table. The platform offers templates and guided workflows and scheduling tools to keep users on track. It is also has a preferred vendor site for real estate services. One of Ownli's innovations is an AI tool that helps buyers decipher a home inspection report and understand what repairs should be prioritized and which ones are minor enough to let slide. Based on faults and failures popping up in a specific neighborhood on homes built by the same builder, the goal is for the tool to eventually predict what repairs will likely be needed, not only the ones an inspector is catching.

The platform contains a chat function that allows buyers to reach out directly to sellers or their agents to negotiate terms, with AI helping craft messages. State-specific real estate forms are provided throughout the process.

When it comes to drafting a contract, MyOwnli.com auto-populates existing information and takes the user through a simplified question-and-answer format, similar to how TurboTax fills out a Form 1040. It translates the jargon.

FSBO has been around for a long time. And buyers could always represent themselves, even without a catchy acronym. Despite that, only a small fraction of consumers take that route. One reason is that sellers have remained willing to cover buyer agent commissions, even after a court ruling last year that made it easier for them to refuse.

O'Shaughnessy argues that the brokerage industry has convinced consumers that buying or selling a home is a complicated endeavor with multiple pitfalls and hazards, and that they aren't competent enough to do it on their own. He counters that consumers don't get the credit they deserve, and that technology has leveled the playing field.

Ownli is not anti-agent but pro-consumer, he emphasized.

But Cooper Thayer, a Denver Realtor, said it is hard for agents not to take offense when the landing page of the company's website says, "How the Real Estate Cartel's Scam Works. Move the slider. Do the math. Get angry."

"I think most real estate professionals fully support consumer choice. Buyers and sellers have always had the right to self-represent. That is part of the free and transparent marketplace," Thayer said. "But his company is making some claims that are a little pushy. I understand they are trying to convert customers. It doesn't leave a great taste in my mouth."

Thayer said he is excited about the changes that technology like AI are bringing. But he favors a hybrid model that empowers agents and keeps humans involved in the process. His biggest issue with the Ownli model is that it offers advice detached from a fiduciary duty to protect the interests of the consumer.

"Ownli is explicitly a tech platform, providing tools, guidance and standardized forms, but not acting as an agent. We maintain no agency/fiduciary relationship and display disclaimers in our terms of use, listing submission flow, closing instructions, marketing and site copy," O'Shaughnessy said.

Residential real estate has seen repeated efforts to break down the commission barriers that have stood for decades, even as middlemen have vanished in other industries. The ground beneath those seemingly impenetrable walls is littered with broken lances and rusting armor from the numerous thwarted or failed efforts.

One of the most controversial disruptors to come out of Denver was Trelora, a brokerage firm started in 2013 by Joshua Hunt that initially charged sellers a flat $1,700 fee to list and buyers a $3,000 fee. Hunt didn't hide his desire to shake up the industry, choosing a name crafted from the scrambled letters of Realtor. But the brokerage was eventually acquired without achieving the transformation Hunt envisioned.

Several flat fee firms like Houszeo, OwnerEntry.com, and Flat Fee Susie are active in Colorado, but lag behind in market share despite offering consumers substantial savings. Even a well-funded national discount brokerage like Redfin, which offers verifiable savings, has struggled with a declining market share over the past two years.

The problem with other models that have sought to disrupt the industry and save consumers money is that they have remained agent-centric, O'Shaughnessy said. Consumers typically receive a lower quality of service. Ownli's goal is to empower its customers through technology to get the job done themselves.

Ownli is banking on consumers who are willing to do more of the legwork in return for lower transaction costs. For sellers, that would involve preparing the listing, hosting open houses and negotiating terms. Buyers would need to find their own prospects, something most already do, schedule showings, order an inspection and appraisal, and draft offers.

The average listing fee in Colorado runs 2.8%, and bypassing an agent can save an average of $15,287, according to a blog post from Clever, a real estate platform that connects buyers and seller. In about four in 10 FSBO sales, the seller already has a buyer lined up, which can result in an average savings of $30,520 if that buyer doesn't have an agent.

But there are significant trade-offs. A typical FSBO sale prices at about 13% below a comparable home sold with the help of a Realtor, according to the National Association of Realtors. How much of that reflects a "friends and family" discount versus an unrepresented "lamb to the slaughter" scenario is hard to parse out.

But on a median-priced home in metro Denver, the average discount works out to $76,310, which far surpasses any savings in commissions, Clever estimates.

"AI can write a listing, but it can't close a deal. Generative AI can polish descriptions or automate communication, but it can't resolve inspection disputes, negotiate repairs, or guide a nervous buyer through financing issues. These human challenges are where FSBO deals most often collapse," said Victor Lund, managing partner at WAV Group, a real estate consulting firm that is closely tracking the integration of AI into the industry.

He adds that it takes two skilled parties to get a deal to the finish line and that transactions can suffer and even fall apart when one side lacks experience. The day may yet come when two detached AI agents can gather all the relevant data and calmly negotiate an amenable deal in seconds, absent all the emotional baggage that complicates so many transactions.

But to borrow a Star Trek analogy, the process maintains a personality more like Captain Kirk than Mr. Spock. Until it gets there, Lund said he favors AI-rich platforms like Homepie.com, which allows FSBO owners to add on a full-service agent at any point in the process. (Homepie.com isn't licensed to operate in Colorado.)

O'Shaughnessy said he plans to include a human agent option for customers who want a higher level of personal service.