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## Big Data's Role in the New Real Estate Boom



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With the US residential real estate market finally beginning to track upward, long-dormant investors are returning to the fray, scooping up properties and flipping them at a profit (hopefully) -- and big data applications have popped up to help.

Successful real estate investing requires access to a wide range of accurate information. There are three essential basic types of data: property data, customer behavior data, and market data. All three can be fully integrated and exploited via big data analytics.

### Getting started

Few individual or small-business investors possess the expertise or resources to acquire and use big data analytics. However, businesses serving the real estate community are tapping into the technology and aiming to bring big data insight to real estate buyers and sellers at an affordable price -- sometimes for free.

In mid-January, the residential real estate search website Trulia introduced [Trulia Insight](#), a service designed to give investors, real estate agents, and other advanced users buyer leads based on big data insights sourced through the company's consumer search dataset. Trulia says Trulia Insight is built on a rapidly expanding dataset of consumer-submitted preferences, online search behavior, email traffic patterns, and hyperlocal real estate information. Perhaps most importantly, the service is designed to connect sellers with potential buyers who have been pre-approved to purchase a property within a specific price range.

[Zillow](#), Trulia's archrival, is turning to big data to enhance the accuracy of its property value estimates. Unlike Trulia, Zillow isn't directly marketing its big data intelligence to investors and other professionals. For now, it is using a scalable cloud network as a foundation to make more accurate estimates by running more predictive models. By renting space in Amazon's cloud, Zillow can run 1.2 million proprietary statistical models, based on country- and state-level data, three times per week.

Yet another real estate search site, [BlockAvenue](#), is using big data to help users make better-informed decisions about specific properties. The company has gathered statistics on attributes such as crime, schools, restaurants, and transportation (including train, bus, and ferry routes, as well as nearby parking garages and bike sharing services) for individual blocks throughout the US. BlockAvenue then uses these structured data points, as well as unstructured social media reviews, to award each block a letter grade ranging from A through F. It has also configured its interface so that users can turn off data layers that don't concern them and zero in on the information that's most relevant to them.

Big data as a residential real estate intelligence-gathering tool is only in its infancy. However, it won't be

long before big data-powered analytics will provide essential research to virtually all types of home buyers and sellers, not just investors.

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