Real Intelligence Still Critical to Artificial Intelligence

This year has seen a sophisticated new chatbot garner headlines thanks to its natural-language processing skills that enable a user interface on par with human-to-human interactions.

Chat GPT – short for Generative Pre-trained Transformer – was developed by San Francisco-based OpenAI and released in November 2022. It remains free to use as it's not yet commercialized. (Unlike many articles on Chat GPT, this one is not written with its assistance.)

However, commercialization isn't far off. Microsoft, an investor in the company since 2019, is incorporating the underlying technology into its Bing search engine as well as its Microsoft365 and Azure cloud computing tools. By some estimates, it could be worth upwards of US$30 billion in new annual revenue for Microsoft, whose annual revenues are currently in the range of US$208 billion.

But make no mistake, Chat GPT is still just a bot, even if it's the best of the efforts to allow humans to query the vast store of data on the Internet just as if they were asking a friend or trusted advisor.The bot is pre-trained, which means it draws on a large dataset. Sources include the Internet, including articles, blog posts, discussion groups and other readily searchable sources.

But the dataset itself also has its limits. It doesn't extend past 2021, or at least not in any comprehensive fashion. Similar to existing chatbots, such as Google uses, it can't do a deep dive into databanks or document libraries to retrieve specific statistics or bylaws unless they're called out in secondary sources. It speaks in generalities, sagely advising users to consult their professional advisors before making any decision. It's very good at searching disclaimers.

But the potential is huge, if chatbots can be trained to query the market data offered by the real estate boards, major brokerages or Statistics Canada. This could initially allow Chat GPT to answer basic questions such as, "What's the current industrial vacancy rate in Burnaby?" or "What's the average cost to rent a home in New Westminster?" Ultimately, it lays a foundation for more complex queries, such as the change in vacancies, rents and the like. It just needs to be hooked into the right database.

However, the intelligence is artificial. While it may be fact-based, it can't make qualitative distinctions. It isn't ground-truthing the data with first-person interviews let alone experience. Real estate is very much a real-world business, dependent not just on the relationships between facts and figures but how people work together and socialize.

We all know how easily it is for GPS to direct us down the most direct route on the map, which may not be a road at all, let alone a very good one. Chat GPT is the same. Just because the numbers available on the Internet make a certain neighbourhood look good doesn't mean it's where you want to invest. It may tip you off to opportunities, but further analysis is required.

This is where brokers, like our team at Block to Block Commercial, remain important. Once you've asked Chat GPT about the prospects for the market, ask us for our insights, and to connect you with the people living in the post-2021 reality who might be interested in buying your property or offering you one to purchase. We have real intelligence that will help you put your research to work.

Block to Block Commercial is here for you to answer any questions you have regarding the current state of the market and the opportunities for your property.

Macdonald
COMMERCIAL

Sam Emam
Personal Real Estate Corporation
604. 420.4205
sam.emam@macdonaldcommercial.com
www.blocktoblockcommercial.com