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By **Simon Johanson**

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The accidental real estate agent: Tech entrepreneur starts own agency

Property is a long way from entrepreneur and investor Evan Thornley's first successful business venture, a dotcom-era internet search and listings darling called LookSmart.

Back in 1999, Mr Thornley and co-founder Tracy Ellery took the dual Nasdaq and ASX listed LookSmart to a market capitalisation of \$14.2 billion before the dotcom crash.

Now Mr Thornley has turned his business skills to real estate.

"I'm an accidental real estate agent," he says.



LookSmart co-founder Evan Thornley's next business is a real estate agency.

A conversation with business partner Antony Cohen four years ago, about the poor service property investors encounter in the real estate industry, led them to launch an investor-focused estate agency called LongView.

"It's not intuitive to me as a business person that an industry would be so neglectful of what potentially are its most valuable clientele," he said.

Mr Thornley describes the four-year journey to starting LongView as a search for answers to problems encountered by residential property investors.

While LongView is not a high-tech play or a property disrupter, it does have a point of difference.

"The most basic requirement property investors expect from an agent is that you will find good tenants, collect the rent on time, and when those tenants leave, you will replace them quickly," Mr Thornley said.

"Why is it that if the agency doesn't fulfil that basic need, the person who loses money is not the agency, it's the owner? That doesn't make any sense to me."

His solution was to provide a rental guarantee to landlords.

"We've just released a guaranteed rent product which makes it our problem if we don't do those things and makes sure the owners get stable cash flow from their rent at the same time every month, whether the property is let or not," he said.

"The idea is that our landlords get exactly the same amount of cash they would have got anyway, but they get it without risk. At a certain level, that's not a big ask."

Mr Thornley said the agency employs a data scientist who mined the five-year rental histories of properties on its books to establish risk profiles by vacancy and property type for all suburbs, underpinning the rental guarantee business model.

LongView has about 1800 landlords on its books, which puts it among the top 20 agencies in Melbourne, after acquiring three high-quality property management businesses whose former owners now work at the firm.

It expects to grow organically but will consider opening in Sydney and other capital cities.

Its size means it's not confined to one geographic location. "We service clients in 146 suburbs across Melbourne," he said.

Another area in which LongView hopes to differ from a traditional agency is its willingness to manage the letting of properties on its books through Airbnb or other short stay sites.

"If you ask a traditional agency should my property be on Airbnb, they'll say it's too hard, it's too risky, etc. If you go to an Airbnb agency, they'll tell you it's great."

Most investors want a realistic assessment of their property's Airbnb potential and a solution.

LongView recently offered one client who had been renting their property at \$525 a week a positive appraisal for Airbnb.

"They said, 'Sounds great but I don't want to deal with all that stuff'. We said, no problem. Here's a guaranteed rent at \$580 a week and we will deal with all that stuff. If we do it well, we'll make a bit of money. If we don't, it's our problem," he said.

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