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Build vs. Buy

Part 2 | Strategy

Why strategy favors renting your CRE system

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Read Part 1: Cost.

By Will Trepp, Co-Founder and Co-CEO

Build vs. Buy (Part 2, Strategy): Why strategy favors renting your CRE system

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This is the second paper in our build versus buy series. The first one put a hard number on what building a CRE system costs, and the number is large (5x-10x more expensive than renting per year).

But cost is only one factor. Set cost aside, and a second question remains: even if building costs nothing, would it be the right strategic call?

This question is being asked again with the rise of AI. A coding agent can stand up something that looks like a real system in weeks, which has a lot of firms asking whether building their own is finally reasonable. It is a fair question.

Our analysis of cost showed that it is cheaper today, but still 1/5th to 1/10th cheaper to rent—so no big strategic win there.

Our analysis of strategy alone is below. It moves less than cost, so fairly similar to a pre-2026 world, where it was deeply tipped towards using a SaaS, which is why SaaS had ruled the world for the preceding decade.

1. TOTAL CONTROL IS THE ONE CASE FOR BUILDING

Start with the one place building genuinely might make sense. If you are Blackstone, or backed by a billionaire, you want total control and have an incredibly talented tech team you can take off other projects for a year+ and then substantially ongoing, an internal build has its merits. You can tell the team exactly what to build every single day, and you own 100% of the roadmap. As noted in part 1, this is a bit of a mirage because if you offered a SaaS company a comparable amount of money to the cost of building, they would very likely be receptive to finding a way to build it for you.

2. A PROVIDER'S PRODUCT IS ITS BUSINESS; YOURS WOULD BE A COST CENTER

A lender makes its profit on loans. A SaaS provider makes its profit on its platform. That single difference drives everything. The provider is motivated to build the best possible product and to spare no expense, because the more it invests, the more it wins. A SaaS business behaves like a building: large cost upfront,

profit years later, which means the number one provider in each segment out-invests everyone else and pulls away. Internal development has no such engine. Over any reasonable period, a platform company will dramatically out-invest an internal team. AI has widened that gap rather than closed it, because keeping pace with AI is now a permanent, ongoing, and accelerating cost that a provider absorbs as its core business, and an internal team must fight for budget for every year.

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3. A PLATFORM SEES THE MARKET FROM EVERY ANGLE

Socrates is quoted as saying, "I am the wisest man alive, for I know one thing, and that is that I know nothing." Perspective is powerful. Describe a coffee cup to someone who has never seen one, from a single angle, and you leave out almost everything that matters. What does it look like from above, from below, from the side? A SaaS platform is pushed, constantly, by a large base of clients telling it what works and what does not. The exercise is tiring, yet invaluable, because the platform comes to understand a market's nuances, like CRE data structures, from the vantage point of every kind of participant. An internal system is never forced into that.

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4. A TESTED SYSTEM VERSUS AN UNTESTED BET

A mature platform carries hundreds of thousands of hours of development, testing, and iteration, plus millions of hours of real usage across a large and demanding client base. Market leaders have been through multiple real estate cycles serving best-in-class firms that do not tolerate imperfect products. That battle-testing is what makes a platform solid. The alternative is to bet that your internal team ships a near-perfect product on its first try, which is like betting on a perfect game in your first outing of the season. It's theoretically possible, but the odds of it approach 0%.

AI has made that bet more tempting and more dangerous at the same time, because a coding agent can produce something that looks finished in weeks, but looks are deceiving, in the same way a cardboard cutout on a showroom floor is not a real car. Serious studies show AI can prototype incredibly quickly but cannot build enterprise software in nearly as short a window.

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5. BUILDING ALWAYS TAKES LONGER THAN BUYING

Building always takes longer than buying, every time, for everything. Whether it is a house or a complex system, building is always slower and riskier than buying. Nothing complex gets built quickly, least of all with internal politics, competing priorities, and technical hurdles in the way. Often it does not get built at all. If the system needs to be in place in any reasonable timeframe, an internal build will not get you there.

6. DOMAIN KNOWLEDGE IS THE PART THAT TOOK DECADES

Rockport's management, product managers, client success team, analysts, and developers know both technology and real estate. Most have worked on the business side of CRE, and the rest have been trained exhaustively. And in 2026, every Rockporter is being deeply educated in building with AI.

This integrated knowledge set beats the typical internal setup, where some people know real estate, others know technology, a few might know AI, and rarely do the skill sets sit in the same head.

There is no shortage of capable AI-native tools built by strong engineers with no experience of the actual work, and therefore no true domain understanding, the thousand details earned slowly, often painfully, in the field, and augmented over decades and trillions of dollars of real deals. A coding agent cannot intuit that, in the same way that a brilliant graduate with a real estate diploma can't magically run a leading CRE firm.

The internal build has to learn each of those lessons live, on your own deals.

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7. CHOOSE A PARTNER YOU CAN TRUST TO STAY

System relationships are like marriages. You will be stuck together for a very long time (ideally forever), and divorces suck. For this one, you need to do diligence on the SaaS providers and look at your internal team. Go with the one you trust and trust them to be there and prioritize your needs for the next decade. Go deep into the reference checks. Look at their brand in the market. Ask to talk about the implementations that have failed in the last couple of years.

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8. ONE FOCUS BEATS A DOZEN COMPETING PRIORITIES

Internal IT maintains, improves, and builds many applications for many divisions. A platform company has one focus: improving its system. That singular focus produces faster, better results, free of the fire drills and distractions that pull an internal team in ten directions. The deeper principle is the one behind every assembly line and economy of scale: a company that dedicates itself to one product builds something better, cheaper, and more durable than a company doing a one-off.

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9. A PLATFORM KEEPS INVESTING; AN INTERNAL SYSTEM STALLS

Systems have to keep evolving. The financial industry changes constantly, and so do technology, security, compliance, and now AI. A platform company funds that evolution every year, rain or shine, which means its clients historically got dozens of features (now hundreds with AI's acceleration) and improvements annually without lifting a finger or spending an incremental dime beyond their license. An internal system

is the opposite. Every improvement is fresh cost, fresh work, a bigger code base, and more bugs, and sooner or later the firm tires of the constant investment, or a downturn arrives, and the budget tightens. The moment that happens, the system stagnates. AI makes stagnation worse, because the stack now turns over faster than it used to, so a frozen system falls behind at the new, quicker pace rather than the old languishing one.

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10. OPPORTUNITY COST: THE REAL, HIDDEN ISSUE

This is the cost that never shows up on the invoice. Acting as a subject matter expert, sitting in roadmap planning, doing user acceptance testing, teaching developers CRE, training coworkers: these are time-intensive jobs. In an internal build, they can take as much time as the development itself. Done internally, every one of those roles falls on people who already have day jobs, the ones producing your actual profit. Pulling your best people off revenue work to build infrastructure is frequently the largest cost of the whole exercise, and it is the one firms only notice once they are halfway into the project.

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11. ONE DEPARTURE CAN SINK AN INTERNAL BUILD

Build an internal system with one person or a small team, which is the only cost-conscious way to do it, and the key person risk is enormous. When that person leaves or moves on, their understanding of the system goes with them, and whoever inherits it has to relearn it from nothing. It has sunk many entire internal systems. Rockport cross-trains its people specifically to remove that risk and keeps retention high by treating the people who build the product as the revenue creators they are. There is a reason our employee retention is the best in the business.

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12. AN AI BUILD INHERITS A DEPENDENCY YOU CAN'T CONTROL

Here is the point that did not exist in the past. An internal AI build does not stand on its own. It sits on top of an LLM model provider's technology, and it inherits that provider's pricing, availability, deprecation timelines, and data terms, every one of which can change without your agreement. You set out to gain control by building, and you end up holding a dependency you cannot hedge and a provider who probably doesn't even know your name.

IN SUMMARY

The Strategic Scorecard: Build versus buy, point by point

Strategic Point	Advantage
1. Total control	Internal build
2. Cost	SaaS platform
3. Perspective	SaaS platform
4. Tested system vs untested bet	SaaS platform
5. Time to market	SaaS platform
6. Domain knowledge	SaaS platform
7. Trust	Tie
8. Focus & dedicated resources	SaaS platform
9. Sustained investment	SaaS platform
10. Opportunity cost	SaaS platform
11. Key person risk	SaaS platform
12. Dependency & control (AI era)	SaaS platform

At its most basic, a firm decides what its core competencies are, pursues those relentlessly, and outsources the rest. That logic is well understood in the business world. CRE systems are no different. AI has not rewritten that conclusion.

Rockport has decades of a head start and all the advantages above.

Focus on what makes you money. Do not reinvent the wheel. **As a lender, you make your profit by doing loans, not by building technological infrastructure that requires constant tending forever.**



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Will Trepp is the Co-Founder & Co-CEO of The Rockport Group, where he leads SaaS solutions managing over $2T in CRE assets. With a background in Computer Science and CRE finance, he focuses on the intersection of technology, real estate, and data.