



The New Technology Landscape of Commercial Real Estate

By Michael Griffin, Xceligent Inc.

These are exciting times for commercial real estate technology. It's been 15 years or more since I've seen such diversity in new industry startups. The pace of innovation is quickly accelerating and fueled by an eager audience. Understanding where we are now and where we're headed is important in order to take advantage of these emerging opportunities.

SLOW TO CHANGE

I've had this debate with many of my peers, but it's my belief that our industry remains slower to adopt technology.

Commercial real estate automation is often compared to our cohorts on the residential side of the business where technology abounds, comparatively speaking. The fact that so much operational inefficiency still exists suggests that there's opportunity for improvement. As a software developer and entrepreneur – that's exciting.

TECHNOLOGY TODAY

Let's consider the level of technology that would be considered "state-of-the-art" in the typical commercial real estate office today.

WEB PRESENCE

By now, every company has a website featuring a company overview, team member biographies and listings inventory. There might even be a lead capture form. Many companies are using website design systems like WordPress to create stunning websites and blogs. Most are often able to manage their site themselves with little technical expertise required.

Gone are the days when website maintenance was the domain of sophisticated web masters coding everything by hand. I invested more than \$10,000 for the design of a website in 2008 and re-designed the site for only \$49, less than four years later. With a little effort, just about anyone can take control of their own website.

PROPERTY RESEARCH

Commercial real estate information is the foundation of any competitive CRE firms. Most rely on research services like Xceligent or CoStar for market data. This includes property inventory, listings, tenants and comps. Some years ago, a typical CRE company was forced to do this research internally. Now, it's far more cost effective to outsource these services.

"The level of efficiency that we've been able to achieve in our property research workflow has led to incredible gains in accuracy and timeliness," says David O'Rell, vice president of business development at Xceligent, Inc. "This allows us to deliver a truly unique level of service at extremely competitive rates."

The good news is that these types of research services are now available for companies of all sizes. In addition, if you're like most CRE professionals these days, your deals often come from outside your market. Be prepared and look for a service that provides access to the broadest possible geography for the lowest cost.

MARKETING AUTOMATION

Email is used everywhere as a marketing channel, especially for listings. Some would say that it's no longer effective, but there are few resources that are as cost- and time-effective. Fortunately, the latest email marketing tools make it easier than ever to produce quality content and identify leads.

Subscription services like MailChimp or ConstantContact are commonly used to create professional looking email broadcasts like listing flyers. Their latest innovation is recommending the optimal time of day to send a campaign, based on past trends with your recipients. They also offer amazing insight to help identify likely leads based on engagement with your email.

CRM

Customer relationship management (CRM) is a hot topic. Companies big and small have been trying to get this right for years. Leaders today, such as ClientLook and Salesforce, continue to refine the cloud-based commercial real estate CRM experience in the hopes of hitting the optimal mix of simplicity and effectiveness.

A CRM helps you manage your contacts, track leads, organize your schedule and your deals. It serves as the hub of many companies to help promote more cooperative business practices. When it's implemented correctly, CRM is one of the key factors to promoting growth, and it's important to look for a solution that most closely matches the way you work.

CLOUD STORAGE

Our ability to generate distributable content is growing fast. The average deal can have dozens of related documents with numerous disconnected parties that require access. Cloud storage sites like Google Drive and Dropbox appeared on the scene a few years ago to make file sharing easier. They've evolved into a core part of most CRE offices today.

In our office, we use Google Drive, as an example. We keep our entire file system online, and it's shared between locations across the country. Sharing rights are assigned to folders and even files in order to dictate access rights. We don't need to maintain local file servers. Setup is easy. Most of the content is even accessible from mobile devices – it's great.

SOCIAL MEDIA

Social media's momentum continues to build. We all know people who create online personas and develop sizable audiences from scratch. These audiences are valuable in that they can propagate your message – whatever that might be.

The debate continues as to the best way to engage with social media, and I don't have the answers. Personally, I find LinkedIn and Twitter to be the most effective. Creating an audience takes time and effort, but the rewards seem worth it.

HARDWARE

Mobile phones are becoming the most common conduit for online productivity. Tablet use seems to be waning as phones are becoming big enough to bridge the gap while in the field. New devices like the Microsoft Surface are starting to gain traction. And, despite the premium price tag, Apple laptop use continues to grow.

OUR CHALLENGES

Let's face it, commercial real estate technology is a niche, since few products are made solely for our industry. Some things, like mobile phones, don't require any customization since the typical use is aligned with the product's core design. However, other tools for email marketing, investment analysis and CRM can require lots of customization. The problem is that most people don't have the time or ability to make things work right.

These challenges cause user adoption to suffer. Low adoption produces a significant amount of cost through failed initiatives and lost productivity. Unfortunately, this is common. That's no excuse to continue to eschew technology though. The potential for failure is always possible with any tech initiative, but there are ways to minimize the risk. Seek references, spend time with training and commit to trying. Know when it's time to pull the plug though, and invest in something new.

WHAT'S IN OUR FUTURE?

I'm personally excited about the opportunity that exists in mobile computing and particularly smartphones. Some suggest phones may become mobile data servers that always maintain a connection to secure networks containing all your data. Your "personal clouds" could bring the corporate IT infrastructure to the palms of our hands explained O'Rell with Xceligent, Inc. "This would enable storage and retrieval of all forms of unified and connected communication like email, voice, video and instant notes, etc., leading to more immediate value creation."

Industry-related technologies have become more reliable, more integrated and more robust, and implementation of these new technologies is no longer optional in today's CRE environment. Get on board now before this next wave of innovation passes you by.

"Technologies are only getting better," said O'Rell. "The key is to leverage them in ways that have the most impact on operations, provide a quicker ROI and enable real estate professionals to be more strategic and more effective."

Collectively, these emerging technologies should provide more organizational flexibility, reduced costs and increased workplace efficiencies. Ideally, this allows our industry to achieve new levels of effectiveness that accelerates deal-making and promotes greater transparency. Time will tell which technologies become the winners, but this evolution will definitely make for an exciting ride. ■