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## **Real estate needs of the future and effect of technology**

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A friend and I recently had lunch and the topic of conversation turned to evolving real estate needs. We are both real estate professionals who have each been practicing for at least two decades. After many years of working within an existing commercial brokerage firm, my friend has started her own brokerage business and works out of her house.

"I decided that I really didn't need the big fancy downtown office space with high quality finishes and a receptionist to answer the phone. Besides, I can't afford it. I have my Blackberry with voice mail and e-mail so my clients can always reach me or leave me a message and I find that I'm more available to them. I'm connected to the internet at my home office and can work any time of the day or night. All my files are kept on my computer."

We realized how radically different business is conducted now than when we first started out in our respective fields. When I first started in appraisal, reports were dictated onto tapes which were then transcribed by support staff as a document on a computer and then printed out as a paper copy of a draft report. The appraiser then reviewed the draft, made changes on paper and returned it to the support staff person who then made the changes and printed a final copy. Now, reports are written directly on the computer, no support staff required.

Back then, research was done in person at the various town halls and registries of deeds. The Multiple Listing Service consisted of weekly and quarterly publications on newsprint quality paper in black and white print. The telephone was about the only means of contacting brokers, sellers and buyers. These methods seem so archaic today.

Technology has changed almost every aspect of our lives and as a result is having a lasting impact on real estate needs. Many services such as those provided by travel agencies that once required a physical location are now mostly internet based decreasing the need for office space. A person can purchase almost anything on the internet thereby decreasing the need for retail space. Due to the storage capacity of computers, the need for warehouse space for paper files such as legal documents is greatly diminished. The decrease in the need for paper is diminishing the demand for paper manufacturing and thus industrial space. The increase in employees being able to work from home is increasing the need for office space within the home. On-line banking has decreased pedestrian traffic within banks. The instant communication provided by e-mail, twitter and facebook has decreased the need for the US Postal Service again resulting in less demand for real estate. The list of change goes on.

The current economic crisis has also had its impact on the demand for real estate in that businesses are contracting and even closing the doors thus decreasing demand. The areas where demand appears to be increasing includes small office space of 1,500 s/f and less for those who want work space outside the home, quality meeting space for professionals to meet face-to-face with clients, and medical space as the demand for medical services increases with the aging of the

baby-boomer. Smart property owners will evaluate these needs and respond accordingly to maximize occupancy and profitability of their real estate investments.

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