What is ahead for technology in real estate: Globalization, paperless, green and portals

March 06, 2008 - Owners Developers & Managers

Recently, I was asked me to comment on what real estate technology advances the market should anticipate over the next five years. This is a difficult question to answer with any degree of certainty, but the short response is "technology's capacity to deliver transparent, end-to-end integration with investment management and business intelligence tools for global real estate will improve the way people work in dramatic and exciting ways."

This statement reflects the industry's long-standing focus on productivity, and considers how integrated technologies affect daily livesâ€"how we work; how we communicate; how we manage our daily activities; how we shop and travel; and how we learn. It also acknowledges real estate as a dynamic enterprise whose participants use technology as a strategic asset when addressing customer requirements and markets that are constantly evolving.

In the years to come, software will continue to advance and will be accessible wherever we go, and we will interact with technology more easily and naturally. Meanwhile, the proliferation of massive data centers and broadband networks around the globe will create a fabric of information and computing that extends seamlessly across our lives.

Returning to the question posed, following is a capsule summary of major real estate technology trends we should anticipate in the very near future:

Globalization driving end-to-end integration: Real estate market portfolios span the globe; multinational transactions are the order of the day. As this trend accelerates, businesses need to streamline operations to sustain cost-effective, high-performance standards to meet their clients' needs. I believe, therefore, that many real estate companies will continue the trend of converting numerous software products into a single, business-wide solution. This step allows organizations to simplify their business systems and ensure corporate transparency without customized interfaces or the transfer or warehousing of information. Such a system must be scalable to handle large portfolios efficiently and account for multinational interaction (including currency and language). Such an integrated approach is the best way to consolidate, analyze and make reliable decisions for an expanding portfolio.

Paperless processing: Organizations are really beginning to adopt the internet for business transactions and accept paper-free business process automation to eliminate costly manual processes.   This efficiency measure has been gaining traction over the past few years and will continue to gain momentum in response to the need for efficient, cost effective business process and green initiatives. For example, central invoice processing, routing and synchronization with various accounts payable systems across an organization eliminates copying, reduces invoice cycle time, and enforces consistency across the accounts payable function.

Green initiatives: "Going Green" has two principal advantages: It's good for business and it's good

for the environment. New technologies offering centralized online green procurement services, spend management, contract management, and powerful tracking and reporting are going to set the standard for efficient, cost effective procurement practices in commercial real estate.

Portals: Along with seeking integrated solutions to eliminate silos and create transparency, companies are seeking ways to connect their business to the client, prospect, tenant, and vendor communities. One way to do this is through portal technology, which enables real estate companies to extend their system to interact with prospects, tenants and clients. Already widely adopted in the residential/multifamily real estate markets, portals are gaining acceptance within the office, industrial and retail markets as well, and provide valuable marketing and leasing capabilities not previously possible. Online leasing, automated input of retail sales are just some of the ways portals will be used in the future.

One lesson I have learned in this business is that prospects, tenants, investors and vendors have at least one thing in common: they all expect instant information and transactions over the Internet in both business and personal endeavors. Not surprisingly, they expect the same dynamic access from their property and asset managers. Leading real estate companies will respond by leveraging technology to provide such services as dynamic online space availability and marketing, online bill payment and ledgers, electronic vendor invoicing, and mandatory reports.

These are just a few of the prominent trends that come to mind. New England Real Estate Journal readers will no doubt add others to the list, but it all testifies to technology's stature as an increasingly important strategic business element for real estate organizations across the globe. It is truly exciting to be at the forefront of technology's progress, and I look forward to the future with great anticipation.

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