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Advancements in technology have begun to take hold

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On March 26, I attended the 2015 Disrupt CRE conference in Manhattan with EAC Commercial. The term disrupt is used to describe technological innovations that improve a product or service in ways that the market does not expect. To start off the conference I donned a pair of \$15,000 virtual reality goggles and "walked" through multiple class A office spaces. Instead of setting up appointments and traveling across the country to look at different spaces one could potentially sit down at a broker's office and do this all in house. Final tours of the building could be done in person only after filtering out properties that do not seem to meet the needs virtually. While the costs are currently prohibitive from many firms going this route, I see this eventually becoming the norm at the higher end level of retail and office space.

I next attended a forum on the future of crowdfunding through technology for the financing of commercial properties. This is a source of financing that is not only the future of commercial real estate but is also very much so in the present as well. I was surprised to learn that crowdfunding was involved in raising the bonds for the construction of 3 World Trade Center by Fundrise. While the bonds have a 5% return they discussed an average rate of return between 12 to 14 percent for accredited investors. I am currently looking into this as one of the financing options for a development project in the Connecticut market.

Ultimately, what we learned at the conference is that advancements in technology embraced by industry leaders have begun to take hold. Professionals leading the way, and properly integrating these technologies will have a huge competitive edge going forward.

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