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68 YEARS

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The Counselors of Real Estate host Midyear Meeting

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Boston, MA If it seems the pace of change is accelerating too fast for people to keep up, you're not imagining it. According to Geoffrey Kasselmann, speaking at The Counselors of Real Estate's Midyear Meeting in Chicago, "Change is increasing exponentially. In this century, we won't see progress typical of 100 years – it will be more like 20,000 years forward," he said, citing a similar quote from author Ray Kurzweil. Kasselmann is a self-described "pragmatic futurist," who is executive managing director, Newmark Knight Frank; and founder/CEO, Op2mize Energy. Kasselmann believes the world is literally reinventing itself.

The counselors' meeting focused on real estate disruption, particularly the technology and transformation driving rapid advancement and new business models. Applying Kasselmann's remarks to the real estate industry, meeting attendees were challenged to accept new technology—or be left behind.

"Make yourself a blockchain strategy—now," he said. "Blockchain will be bigger than the Internet – this technology is an opportunity to gain control of your data. It's a permanent digital ledger. It gets rid of intermediaries, such as title companies. All properties will soon be tracked and transparent on the blockchain platform. If you're not part of a blockchain, you risk becoming irrelevant."

He reiterated that the progression of change around us is both unprecedented, and unrelenting. As an example, he cited in the 20th century and the airplane, a disruptive change to transportation, which took 68 years to reach 50 million users. In contrast, "Pokeman Go" the a recent disruptive change in the game sector – it reached 50 million users in just 19 days. "That," he said, "Is the power of networks accelerating the pace of change exponentially."

According to Kasselmann, who previously spoke to the counselors in the fall of 2017, in just that span of time the world has literally undergone a reinvention fueled by rapidly developing innovative technologies such as blockchain. He said with the world's urgent rush into blockchain, this "disruption" will soon become the standard, which will naturally shape client expectations. China, for example, is expected to quickly ramp up its blockchain usage, particularly in the area of bitcoin mining. In the U.S., by contrast, critical technological infrastructure is lacking, he says. But with pressure to compete for international investment capital, Kasselmann expects to see a fast uptick in adoption within the U.S. real estate industry.

In conclusion, Kasselmann pointed to new business models such as a new real estate blockchain investment website, where accredited investors can buy "tokenized" property shares online in real

time. "This is the future," he predicted. "A year from now most all of us will have bought and sold real estate this way." He stressed the urgency of becoming proficient and comfortable with change as part of the new reality of doing business.

CRE member K.C. Conway moderated the discussion. He is director of research and corporate engagement, Culverhouse College of Commerce – Alabama Center for Real Estate. Conway emphasized that technology will not replace experience and expertise – and there is still a high degree of relevance for the expert real estate advisor and for professionals who fully understand real estate fundamentals.

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