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## **The real estate revolution in progress - by Daniel Calano**

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Daniel Calano  
Prospectus, LLC

This article is mostly about questions, not answers. I'm only hoping to provoke your thinking about transitions in real estate. My premise is that we are on the precipice of significant change in the building and use of real estate.

Let me start with a brief history class: How long were the Middle Ages? Answer: They started around the 5th century lasting to the 10th, about five centuries. How long and when was the Renaissance? Started around the 14th century and lasted through the 17th, about three centuries. As you recall, this period was also called the Age of Discovery, fostering huge change in culture, art, and economic revival. How long was the Industrial Revolution? About 1750 to 1850, with cars disrupting horse carriages in the late 1880s. When did robotics start to change the industrial process? In the 1950's and still going strong.

See the pattern? Time "moved" more slowly in the days when there were less events to change it. Time frames were many centuries long in the beginning, and merely decades long towards our modern day. Real estate and buildings are built to support culture and economy, and we have come a long way from building medieval castles and moats. "We" have been part of rural landscapes, urbanization, low-rise brick construction, high-rise steel and concrete construction, even higher rise of more glass, and presently to virtual buildings. All of these changes were made possible, if not necessitated, by discovery and technology. Most importantly, the periods of change have shortened from centuries to a few years. The pace of technology now has geometric speed.

You and I have discussed the obvious demise of shopping centers, the reduction in office building needs, the morphing of healthcare in hospitals, one more migration to suburbs, etc. Technology has moved us to virtual meetings, compressed home gyms, home movie theaters, short and effective virtual doctor visits, digital purchasing. You know them all, because you use them all. Why, because we are forced to at the moment, but results are sometimes brilliant and always more efficient.

My new poster child of technological change is Bitcoin and Blockchain, both new venues for change.

Have you noticed that there are very few people in banks these days? Clearly this has happened with more credit card usage way back in the 1950s, digitally morphing to things like iPhone photographs for check deposits. There are very few reasons to go to banks, and if you do visit, there are so many available bankers standing to greet you. No wait line there.

As best I can simplify it, bitcoin is a form of digital money, and blockchain is the technology that powers it. It is the logical progression of a cash-free society, made possible by blockchain, a perfected data storage and accounting system. All “transactions” are recorded and accounted for in the cloud, transparently, available, ubiquitous, and decentralized. It is a great example of the intersection of technology and real estate. In short, we will not need bank buildings, at least the kind we have. Is this a frightening future? I don’t think so, unless you are building a bank building at the moment. My point is simply that technological change is having a warp speed impact on society and the buildings needed to house our activities. We need to be adaptive, and as real estate professionals, prescient about what is needed in real estate. Think big, and stay flexible, and you will be ahead of the game, or at least in the game.

Daniel Calano, CRE, is managing partner and principal of Prospectus, LLC, Cambridge, MA.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540