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The new digital age: A call to digitally transform the commercial real estate industry - by Anthony Romano

April 30, 2021 - Front Section



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The blindsiding impact of COVID-19 has forced commercial real estate professionals to adopt a digital transformation strategy to adapt to the new business climate caused by the pandemic. However, many commercial real estate teams are at a disadvantage as they have been slow to adopt technology and suffer from inefficient processes, long lead times, and slow decision making. One thing is for certain, whether you are a lender, investor or property owner, firms that have embraced technology are well positioned to win.

A study by Deloitte suggests that only one-third of commercial real estate business leaders feel they are equipped with the resources and services required to manage a digitally transformed CRE business. The same study also reveals that 41% of those surveyed believe that their company has increased its efforts to reevaluate business processes, job roles and skill requirements to include the use of CRE technologies and digital tools. This creates an enormous gap between those who embrace technology and those who do not, which should raise a red flag for the entire commercial real estate industry.

Despite the complexities of critical processes like underwriting, due diligence, reporting and day-to-day management, many commercial real estate organizations continue to use outdated systems and processes. These methods affect the consistency, accessibility, and timeliness needed to make informed decisions, can delay loan closings, and lead to unhappy clients. It can also result in management taking reactive measures instead of proactive ones, which can ultimately damage their business.

For CRE companies to remain competitive in the new digital environment, it is critical to invest in technologies and workflow platforms and processes that will accelerate and simplify traditional, outdated processes. Digital transformation helps to optimize and simplify business operations, and ultimately lead to a better customer experience. CRE companies can expedite implementing a digital transformation plan by investing in strategic partnerships with technology providers or other tech-savvy real estate companies.

Platforms that facilitate decision making by streamlining access to property information are helping successful CRE professionals balance prudent risk management with speed. Whether it is ordering third party opinions for property value, environmental or physical condition, flood risk or other data, most agree that gathering this information is one of the most time-consuming aspects of any real estate business. For a firm with nationwide coverage, finding third party providers and vetting and managing them is quite a challenge. To complicate matters further, this due diligence is often performed again at some point during loan servicing or over the investment period.

The best CRE teams are finding ways to apply the right amount of due diligence as quickly as possible. At times, a quick, immediate “pre-screen” assessment will suffice and other times a

full-scale report is needed. A platform that provides varying levels of due diligence – a one stop shop – simplifies things immensely and saves time and money.

Investing in a commercial real estate technology platform can provide businesses with a single and easy-to-use resource for the full range of commercial real estate needs. With a platform that delivers a complete suite of digital solutions, companies can maximize efficiency and minimize the time it takes to evaluate properties. The CRE industry is changing. To remain successful and competitive in the new age of business, the move to upgrade, simplify, and streamline processes could prove to be vital. Companies who do not embrace the change could become obsolete.

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