





How Mobility is Changing CRE

By Steve Bergsman

Barely able to keep his eyes open, Steve Kapp, SIOR, an executive managing director with Newmark Cornish & Carey in Hayward, Calif., was sitting in a basement conference hall in Miami listening to a speaker drone on, when his phone vibrated. He picked it up and realized he had to do a docu-sign. So he opened the requisite page on his smartphone, signed it on his smartphone, and it was all done in about three minutes. When he looked up again, the speaker was still talking.

Mobility either means you are never away from your desk or always away from your desk. New technologies, which gives workers greater mobility, has quietly changed the commercial

Compared to 10 years ago, the amount of time Randolph T. (Randy) Mason, SIOR, CCIM, managing partner with Commercial Realty Specialists in Newport Beach, Calif., spends in his office is much diminished. "In years past you had to be at the office to answer a telephone call or do any type of work," he explains. "Not anymore. And when I'm out of town, I'll bring my laptop, but I notice that for a majority of the things I have to do, I'm able to do on my smartphone. The mobility factor allows you to be out in the field more."

Mason doesn't use a tablet, nevertheless, he can, by using his smartphone, search properties, read proposals, review a lease, or even sign documents.

about it, technology and mobility has changed the way brokers do business. We have Docu-sign, a purchase and sale agreement that in the past you had to press hard because there were five copies (and snail mail it), now we just e-mail a purchase and sale agreement or lease and have it signed online. Someone, anywhere in the world can sign it without even having a pen."

"The research, which used to take days, now takes minutes because almost everything a commercial real estate broker has to find has an online program. A broker can pull records from the county. Brokers used to have to call the title company and wait until the next day or later, until the title people got back to them. Now they can be driving down the street, pull over at a parking lot, tap the phone, and pull up title information, as well as all kinds of Google earth views, street views, plat views, and ownership records. Then they can go to another website and find out if the LLC is registered and who it is registered to and what is the contact information."

"It has made the business a lot faster and more fun and in other ways it has leveled the playing field to those that know technology," says Black. "Now if you embrace technology, everyone has an advantage. It is hard for baby boomers to do, but if they do, they combine old school face-to-face conversation with technology to knock it out of the park."

Geoffrey Kasselmann, SIOR, LEED AP, executive managing director of Newmark Grubb Knight Frank in Chicago, and the incoming president of SIOR, says, mobility has affected the commercial real estate business in five distinct ways that even those people in the industry don't realize:

"Clients don't just need brokers for information anymore, they need brokers to interpret data, identify trends, and find value creation opportunities."

real estate broker business and that transformation is ongoing.

"My entire CRM (customer relationship management) database is in the cloud, so it is accessible anywhere I have a connection" says Kapp, who calls himself a mobile warrior. "That is what mobility has changed. Brokers don't feel as if they have to come into the office to sit down at a desk and a computer to get their work done."

"What mobility does is allow you the opportunity to have more facetime with a client or your family as opposed to having to do everything in your office," he says.

"Brokers don't need to come to the office anymore", reiterates David Black, SIOR, CCIM, CEO of NAI Black in Spokane, Wash. "We have brokers working out of their homes, flying around the country and on working vacations. No question

1. Speed

With more robust connectivity and universal standards, mobility increasingly means “always on,” which, in turn, means that we can do more in less time with access to a greater range of tools and resources than ever before. And interestingly, every time we engage in expedited mobile communications and processing, we are training our clients to expect this new level of expedited service. Besides, if we don’t oblige them in this way, surely our competitors will to gain an edge.

2. Obsoleting

Mobility has made some brokers better and antiquated other brokers who have been reluctant to embrace mobility. Progressive brokers have evolved and improved the value that they generate and deliver to their clients and employers. Brokers who have not progressed are in danger of becoming dinosaurs. Mobility has created haves and have-nots in the industry.

3. Flatter Fees

Potential downward pressure on fees is accumulating as the inefficiencies of the overall market are systematically eliminated. As an always on, more powerful dynamic (what *can't* you do from your phone these days?), mobility as a key enabler is helping to make this a reality.

4. Paradigm Shift

Clients can access more information from more sources than ever before, so broker value to them is less about accessing the information than it used to be. Clients don't just need brokers for information anymore, they need brokers

to interpret data, identify trends, and find value creation opportunities.

5. Spacing Out

How we utilize our office space is changing radically, from private offices and work stations to open spaces that are collaborative and rich with common amenities. You still have to touch-down at the office, but when you do, you are doing it in a collaborative, semi-social context so furniture systems and space allocations are different.

Steve Kapp adds a sixth, seventh, and eighth stealth change to the commercial brokerage world. These would be:

6. Reimbursement Roundelay

The old model was, here is Broker X and his production is out of this office – that office gets his revenue and his split. Now, when you have brokers that are mobile, they might say, “I’m going to work half my time at this office and half my time at this other office. I’m still going to do the things I do, but since this other office is convenient and on my way home, I’ll work half my time out of that one so I can avoid traffic.” From an operating perspective, you think, “huh,” because how do you allocate that broker’s revenue. He is still working the same markets, has a primary office, but he is also spending a lot of time at this other office, so how do you allocate revenue? “That is something we are wrestling with right now,” says Kapp. “There are brokers who don’t feel they are married to any office. They can start in the morning in one, go for a meeting in another, and then finish up the day somewhere else.”

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Information,
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Jay Olshonsky,
President
212 405 2500
jolshonsky@naiglobal.com
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7. Tech Stuff

What constitutes technology and how often do you need to change it so you remain up-to-date? Some of it is easy to envision, like the smartphone, iPad, tablet, and notebook computer. As Kapp notes, "I use the Apple iPhone 6 and when Apple comes out with the new one, I'll be one of the first to get that." However, the biggest tech innovation is, indeed, the biggest – your automobile. The technology, including Bluetooth and voice recognition, within the car is improving so rapidly, that the automobile is virtually a moving office. Brokers pretty much have to change cars every year or two to keep up with the technology. "That's why all the major, U.S. carmakers are moving operations to Silicon Valley," says Kapp.

8. Vacationland

Remember those notifications we would leave for e-mail or voice-mail: "Out of office and won't be back until September." Is it really necessary anymore as most people stay connected with the world through their smartphone or tablet? As Black notes, "I always take my phone while on vacation and spend an hour or two a day going through e-mails because I run a company and need to know what's going on. It makes for a vacation that is not so freeing, but it also makes for a vacation that makes leaving and returning that much easier." Kapp adds, "It used to be that I would put one of those vacation notifications on my phones and e-mails, but I don't do that anymore because I'm not really out."

Kasselman, who is both a techie and a futurist, notes, "Increasingly, we are doing our searching, shopping, etc., through the internet; cloud access is trending up. Through mobility we have untethered ourselves from our desktops

and laptops. Wherever we go we either have Wifi or cellular service. Provided we have service somewhere, we are doing more with every passing day with our mobile device of choice, whether it is a smartphone, tablet, or notebook."

Then he adds "I don't think people will continue to carry or utilize multiple devices, it is actually quite inefficient. Device convergence will be inevitable. In fact, what will end up happening is your computer, tablet, phone, television – everything will be combined into something that will resemble a VR set of goggles, only more advanced. Think of Google Glass meets VR goggles, meets supercomputer, phone, and TV, because at that point the system has wrung out all, or most of, the inefficiencies. You will have one primary device and it will always be on and it is always with you until you take it off. That's the inevitability of mobility for the business and commercial real estate world."

Kasselman likes to quote Moore's Law, espoused in 1958, which says approximately every 18 to 24 months, computing power doubles, as does price performance (which in effect is halved).

"We have had about 30 iterations of Moore's Law so far, which is exponential in its effects and impact," says Kasselman. "With just two more turns of Moore's Law, or by 2020, the amount of computing power that we will all be carrying around in a mobility context will exceed the equivalent of the human brain – all for under the cost of a \$1,000. Everybody in the world, in theory, will have excess to quantum computing power at lower cost." ▼

CONTRIBUTING SIORS



David Black,
SIOR, CCIM, CRB



Steve Kapp,
SIOR



Geoff Kasselman,
SIOR, LEED AP



Randolph Mason,
SIOR, CCIM



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