

Unlock Visibility in Commercial Real Estate with Data Digitization

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Mapping the path to performance, compliance and sustainability

Well-constructed and maintained buildings are paramount to the health, safety and well-being of occupants. Sustainably built and run buildings also play a critical role in our ability to protect the planet. A growing contingent of green investors demands environmental, social and governance (ESG) reporting, which – in turn – requires visibility across building portfolios.

While comprehensive digital transformation in the commercial real estate (CRE) sector continues to be somewhat aspirational, a growing number of stakeholders including building owners, operators and developers are seeking greater visibility into and across their building portfolios. The adoption of technologies that deliver consolidated data, meaningful insights and clear visibility across large portfolios of buildings will position stakeholders to achieve greater performance, compliance and sustainability in their buildings.

Explore the path forward and the potential for technology to empower stakeholders, increase safety, sustainability and tenant satisfaction, and streamline ESG reporting.



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Technology positioned to deliver meaningful change in CRE

Commercial real estate comprises multiple stakeholders, overlapping responsibilities and complex systems. This complexity makes it challenging to access consolidated, timely information across multiple geographies. Great potential exists for technology to impact CRE in meaningful ways, delivering visibility, facilitating collaboration, and offering accessibility to critical information and insights.



25%

CRE firms that have a well-established data strategy that enables the capture and analysis of the right datasets.¹



5.4/10

Real estate professionals ranked their systems integration low.¹



20%

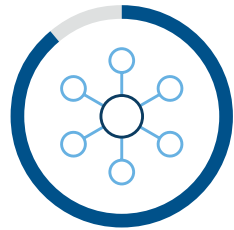
Properties that commercial real estate executives say qualify as smart buildings.³



42%

Real estate managers who use spreadsheets or paper-based processes to manage their properties.²

Obstacles to adoption



89%

of CRE executives say that significant consolidation is needed to more effectively deliver on the needs of the commercial real estate industry.⁴



34%

of CRE executives said that lack of a designated person to drive the strategy was a barrier to digitization.¹



40%

of CRE executives said unclear return on investment (ROI) was a barrier to digitization.¹

Use of technology in CRE is largely limited to specific applications

Top use of IoT sensors in buildings³



53%

Building temperature and air quality



48%

Building performance data



47%

Occupant movement data within building

Technology needed to deliver actionable insights, visibility

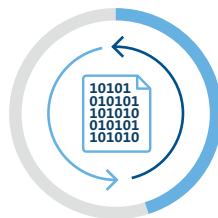
<p>“Designing buildings that meet performance, sustainability and budget criteria can be daunting.”</p> <p>– <i>Architects and designers</i></p> 	<p>“Paper-based documentation makes it difficult to share information.”</p> <p>– <i>Construction teams</i></p> 	<p>“Achieving true visibility across large portfolios of properties is nearly impossible.”</p> <p>– <i>Real estate owners</i></p> 
<p>“We have to be laser-focused on efficiency and cost effectiveness to deliver value.”</p> <p>– <i>Facility managers</i></p> 	<p>“It’s about more than the four walls. Today it’s about sustainability, security and flexibility when selecting property.”</p> <p>– <i>Tenants</i></p> 	<p>“Building data is required to evaluate risk and make investment decisions.”</p> <p>– <i>Investors</i></p> 

Stakeholders across the board lack access to critical information, source of truth and vital data needed for decision-making.



28%

of respondents said one of the greatest challenges they face is lack of quality data to make timely decisions.³



45%

of CRE teams are spending up to 25%* of their time managing and organizing data.⁵

*equivalent to 2-3 months a year



53%

believe access to the latest workplace technology would make them more productive.⁶



The potential is great for technology to provide a consolidated “source of truth”

Better tenant services

As the industry grows more competitive, tenant-centric services become more critical to success. Technology delivers tenants convenience, flexibility and access that were never before possible. Using technology, tenants can pay their lease online and manage their accounts. Using mobile apps, they can collaborate remotely with colleagues in the office, verify security while away from the office, or monitor the status of facilities management requests in a way that is more streamlined and convenient than ever.



80% 

of CRE professionals dedicated at least half their time to improving the tenant experience, but only

28% 

allocated at least half of their operating budget toward the same goal.⁷

Improved physical security

Technology can deliver clear, consolidated security information and controls. Using Internet Protocol (IP) technology, building owners can integrate systems including video, access control, alarms and visitor management systems to provide more consistent, automated control and security on the premises. With artificial intelligence (AI) and machine learning, facial recognition technologies can be used to provide access, eliminating the problem of stolen or borrowed access cards. Alarms can be automatically set at certain times to ensure monitoring during closed hours and tenants can log in remotely to check systems during after-business hours.



60%

said security-app based entry into relevant areas was a critical feature to improve tenant/end-user experience.³

Property management

Automation brings consistency and closure to the property management function. By systematizing how buildings are managed, facilities managers can gain great efficiency and even collaborate with approved third parties to handle repairs, installations and other critical tasks. Streamlined maintenance and janitorial requests in addition to proactive monitoring of critical systems like HVAC and security maximize productivity, mitigate risk and improve tenant satisfaction.

67%



64%



In a survey of facility managers, 67% said that improving facility image was a top concern and 64% said improving productivity/efficiency was a top concern.⁸



Sustainability reporting

Reporting sustainability performance across a large portfolio of buildings — or even effectively calculating the true carbon impact of one can be an arduous task. Carbon, waste and other reporting solutions allow CRE leaders to input data from across their portfolio of buildings and deliver visibility into carbon footprint in a timely, comprehensive manner.



59%

said building information, such as environmental impact or sustainability efforts, was the second-most important mobile app to improve tenant or end-user experience.³

Governance, risk, compliance

With the majority of CRE providers managing building maintenance, inspections and compliance documentation in paper files or spreadsheets, there is significant risk of missing red flags or being unable to access critical files when needed. Technology simplifies governance, risk and compliance by consolidating data across disparate properties, and providing a single source of truth and instant access to information when needed.

72%



85%

In one survey of apartment owners, 72% of respondents knew of defects in their complex. That rose to 85% for building constructed since 2000.⁹

Shifting the status quo

With so many benefits to be realized, CRE leaders can take immediate steps to leverage technology in meaningful ways. Here are some tips to keep in mind during this journey:

Identify critical needs

Whether driven by ESG reporting data requirements under the Global Real Estate Sustainability Benchmark (GRESB) framework, safety or code mishaps that could result in larger problems, or the desire to pursue more advanced sustainability initiatives, start by making a list of information that is important, but difficult to access or unavailable.

Identify new tools

Multiple tools facilitate data consolidation, sharing and reporting. Introducing some of these solutions into the CRE ecosystem will provide a glimpse into the value of visibility and collaboration across stakeholders.

Map the path to visibility

The path to visibility becomes clearer after some of the primary data needs are met and stakeholders begin to engage with new tools. Once the initial critical needs have been met, it's possible to envision greater needs, expanding the focus to more comprehensive safety, sustainability and compliance issues.



As CRE takes steps toward visibility, the industry as a whole will benefit greatly. With true information and insights in hand, stakeholders can collaborate to help ensure that buildings maximize occupant health, safety and well-being as well as long-term sustainability.

A photograph of a busy city street, likely in New York City, with tall buildings and pedestrians. The image is used as a background for the top half of the page.

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Sources

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