

.....

# Why Real Estate Consulting needs Technology Partners?

Answering the what, why  
and how of tech partnerships in  
commercial real estate consulting

# What's changed?

The pandemic has impacted most industries. Commercial real estate, in particular, was hit badly.

Real Estate cost optimization has become the new focus area for most businesses. For instance, about a third of companies in insurance, banking, and investment management sectors plan to optimize their real estate footprint this year.

The resulting reduction in office space utilization is leading to a decline in US retail and office price indices by **4.1% and 0.5% YoY**. Consequently, real estate consulting has also suffered.

Looking at the current situation, some might say it's the end of the road real estate consulting. But it isn't. If anything, 2020 taught us that businesses would go on, come what may. The demand for commercial space will also continue to exist; only its nature will change.

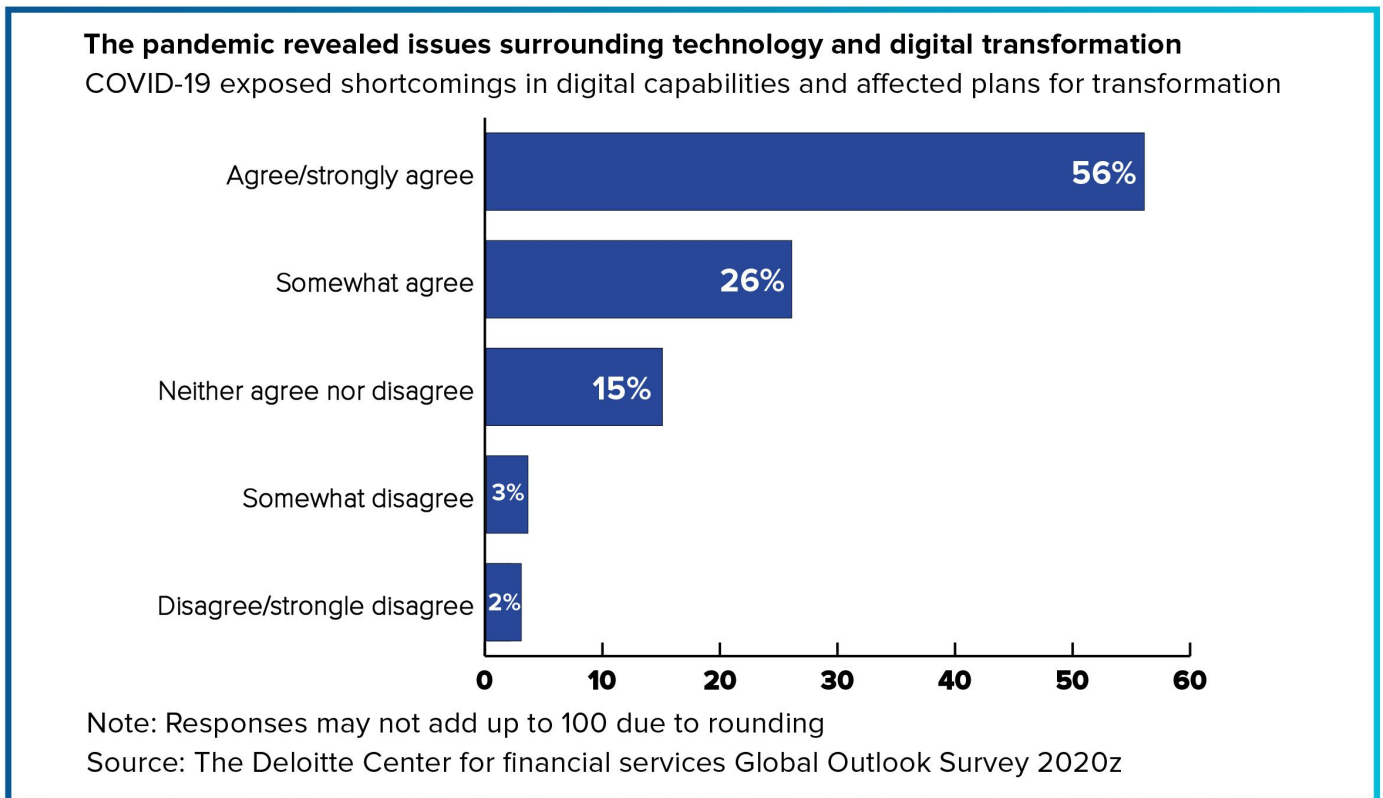
The pandemic has forced a few changes upon the value proposition of the CRE consulting industry. Earlier the array of services included portfolio/asset management, workplace strategy, people engagement, and better workplace utilization.

Going forward, real estate consulting businesses need to factor in the changing requirements of their clients and sell them those benefits. For example, most companies are now actively looking to optimize their real estate costs. To that end, quite a few are exploring the option of creating hybrid workplaces, while others are prioritizing employee safety.

This shift in customer needs has to be responded with changes in the type of services. Commercial real estate (CRE) consultants should strive to meet the new needs replete with workspace management solutions, technology solutions that boost productivity and collaboration. Also, they need to factor in the differences that exist between various clients. The solutions would have to be accordingly modified.

# What's not working currently?

A recent Deloitte survey revealed that 56% of CRE leaders believed that the pandemic exposed the shortcomings in their digital capabilities.



Of the 200 participants, more than two-thirds do not have the required resources and skills for digital transformation. Only 40% can deliver a digital tenant experience – a prerequisite for business continuity as client companies extend WFH for their employees.

Even as the stats reveal that a change is a must, few companies are acting on it. Only 32% of US companies are redefining their approach and creating a roadmap for digital transformation.

Given the reactive approach, fewer companies have been able to develop a structured plan. Most lack the digital maturity to identify the gaps in their existing capabilities. As a result, their digital strategy focuses more on technologies and initiatives without considering the strategic value.



# What needs to be done?

Given the reactive approach, fewer companies have been able to develop a structured plan. Most lack the digital maturity to identify the gaps in their existing capabilities. As a result, their digital strategy focuses more on technologies and initiatives without considering the strategic value.

To stay competitive, real estate consultants need to focus on three main requirements of their clients:

- 1 Real estate cost optimization**
- 2 Effective office space utilization**
- 3 Deployment of workspace management solutions**

Additionally, they need to focus on elevating the digital experience of their current clients for increased engagement. For example, by providing real-time updates about facilities, automated desk/meeting room booking solutions, and other solutions for regulatory compliance, CRE consultants can address the employee safety concerns of their current and prospective clients

# How can technology partnership help?

Several real-estate companies are expecting a decline in rentals over the next year. They are also expecting an increase in vacancy levels. Adding to their woes is the implementation cost of health and safety measures. The cumulative effect of a decline in revenues and increased costs calls for the use of technology. Investing in technology will help real estate companies and their clients to preserve capital and create a differentiated experience for their clients in a buyers' market.



An efficient tech solution can provide real-time insights into challenges faced by tenants and also resolve them faster. It will help them optimize costs by tailoring solutions to meet specific client requirements. It can also bring down maintenance costs significantly with IoT-powered predictive maintenance solutions.

With the right technology partner, CRE consultants can offer more holistic solutions to their clients. An ideal solution would include essential bits like tech for collaboration, better connectivity, and digital infrastructure that supports a hybrid working model.

Real estate players with large portfolios need technology to predict risks with a direct impact on profitability. Some of these include tenant-default probability, renewal probability, optimum market prices, and so on.

# Taking a long-term view

It is tempting to use technology partnership as a hotfix given the advantages it offers. However, it is equally important to take a long-term view for multiple reasons.



The primary reason is that the behavioral transformation could outlive the pandemic. It's been more than a year of both employers and employees working differently from what was once the norm. The longer the crisis persists, the greater is the chance that workspace formats of yesteryears may not work in the future. For instance, employees may never again want to be seated within arm's length of a colleague. Desk booking, pre-entry health scans, reduced office density may become the new norm. So, choosing a technology partner with the capacity to evolve and cater to ever-changing requirements becomes a must.



The other reason is the regulations around office spaces could also undergo drastic changes to prevent the spread of pandemics in future. The compliance requirements could acquire new dimensions like defining HVAC standards, deciding the area allocation for each person, new entry and exit conditions. All of which may be difficult to manage without technology.

# Conclusion

The market has shrunk in terms of square foot requirements. But it has grown in terms of client expectations. CRE consulting businesses need to revisit their value proposition, looking at it from a client perspective. Adding customized technology solutions that address specific client problems in the post-pandemic world can provide much needed boost to their business.


Increased scope of CRE consulting services will not only attract new clients but can also elevate the overall tenant experience. Real estate cost optimization and workplace management solutions are two essential components of it. However, both require a considerable amount of time and investment to develop in-house. Therefore, a partnership offers the best way forward.

**Workinsync** offers a complete range of technology solutions that can significantly enhance the value of your services. It can help you provide a better and differentiated experience from the competition. A distinct competitive advantage is all you need to survive and thrive in a market that has shrunk and is likely to stay that way for some time to come.

# About WorkInSync

WorkInSync is a technology solution that enables organizations to establish hybrid workplaces and enable employees' safe return-to-office. WorkInSync is used by global organizations such as Hudson's Bay Company, AB InBev, Randstad, and Deutsche Bank.

WorkInSync is backed by our decade long experience creating **MoveInSync** – the world's largest office commute platform that is currently used by 150 global enterprises, including 38 of the Fortune 500 companies.



"One App to manage  
your hybrid  
workplace needs"