



How COVID-19 is accelerating PropTech

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Real Estate has been slow to introduce significant technological changes, but the impact of Coronavirus has made it a necessity *by Robert Campkin*

COVID-19 has fundamentally changed what is essential and what is nice to have in the commercial property sector. PropTech is now an essential tool.

The Global Financial Crisis has been credited with accelerating FinTech and transforming the previously stagnant financial sector. Now COVID-19 is set to do the same with PropTech in commercial real estate, and the effects will be even more far reaching. One of the advantages of coming after FinTech is that lessons have been learnt about not being seduced by buzzwords and superfluous solutions.

Before the pandemic brought about social distancing and lockdown, the aim of agents was to get potential tenants or buyers into the building (be it office, hotel or shed) in order to look them in the eye and convince them to rent or buy.

UTILISING TECHNOLOGY

PropTech was barely understood or appreciated and in some cases even resisted. Then COVID-19 changed real estate almost overnight and suddenly utilising technology became the only way to continue day-to-day business.

Virtual viewings using videos have become increasingly popular. Meetings that would have taken place face-to-face have been conducted on Microsoft Teams and Skype. Virtual valuations have been conducted, as well as virtual inspections.

We are at a stage of PropTech development where the important thing is to be asking the right questions and moving beyond the usual "if it isn't broken, don't fix it".

Having been involved in multiple PropTech start-ups over the last five years and more recently as a mentor in Colliers PropTech Accelerator powered by TechStars, it is clear that a strong filter is required to find the companies that will truly be transformational and add significant value.

HUMAN CAPITAL

Products that enable us to do our jobs more efficiently at a time when cost control is so vital, focussing human capital on the highest and best use is going to be increasingly critical in order to maintain financial performance and come out of the crisis in a stronger position than how we entered it.

The reason for technology should not be merely to become more technical, but to add purpose to how time is spent and enable teams to allocate more time to advising their clients. Product selectivity is key, as there are many thousands of new PropTech companies out there making bold statements on how they are going to transform the industry without any significant substance.

The examples of how PropTech will improve functions throughout our sector are myriad. In the new world that has been created by COVID-19, the so-called 'Internet of Things', whereby objects will be able to communicate via the internet, will have massive significance. New technology, data-connected devices and sensors will enable buildings to become more interactive and responsive – something that will be essential with the installation of technology such as temperature monitors as part of the ongoing battle against COVID-19.

DEAL-AGNOSTIC TRANSACTION TOOL

Within our own business of Corporate Capital Solutions, we have been working closely with Arextech. This Collier's Techstars company has

designed and developed a deal-agnostic transaction tool which encompasses client relationship management, a blockchain-enabled data room and team management system on a single platform. Our aim here is to co-develop a client facing deal management solution which can reduce the number of human hours per deal through standardisation and automation, solving both today's needs and positioning our business for the future.

PropTech has the potential to be a game changer when it comes to capital markets brokerage transactions, investment management and asset management. For example, the time spent producing an investment memorandum brochure can be reduced by up to 80 per cent and by automating mundane tasks through the application of Artificial Intelligence and Machine Learning, we can free up human capital to focus on more valuable tasks. Weeks that would have been spent negotiating 20+ Non-Disclosure Agreements or developing and checking an investment memorandum marketing brochure will be managed more efficiently through the technology to streamline the need for constant back and forth of emails. Our team will be able to focus on creative problem solving and developing deeper, stronger relationships with our clients.

With time set to become an even more precious commodity, innovation, which gives back more time to advisors will be valuable in the new way of working, as we manage our way through and eventually exit the current crisis. The greatest significance of PropTech is not just that it will signpost the way to the future. It will also take us 'back to the future', by making it possible to spend more time with clients in a way that agents used to decades ago, with the added support and efficiency of the latest technology.

About Colliers International

Colliers International (NASDAQ, TSX: CIGI) is a leading real estate professional services and investment management company. With operations in 68 countries, our more than 15,000 enterprising professionals work collaboratively to provide expert advice to maximize the value of property for real estate occupiers, owners and investors. For more than 25 years, our experienced leadership, owning approximately 40% of our equity, has delivered compound annual investment returns of almost 20% for shareholders. In 2019, corporate revenues were more than \$3.0 billion (\$3.5 billion including affiliates), with \$33 billion of assets under management in our investment management segment. Learn more about how we accelerate success at corporate.colliers.com, Twitter @Colliers or LinkedIn.