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Tech equity in real estate

May 2023

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Tech equity in real estate

No building should be left behind...

Guy Windsor-Lewis, Chief Executive and founder, Locale

I have been in the real estate tech or PropTech sector since 2005. In my eighteen years, I have worked on some of the most iconic tech transformations at London Olympic Village, Kings Cross and The Shard.

While the adoption of tech has been truly admirable, it has always struck me how real estate tech seems to focus on the iconic and top tier buildings and communities. My estimations tell me that only approximately 10% of UK real estate has been digitised which merely shows the untapped potential. Is and should tech be elitist?

We are living through times where equity is a term we are hearing and reading about almost daily. And so if we are to live in a truly equitable society then real estate, the crux of so many communities, needs to follow suit as does the technology that's within them. No building or community should be left behind when it comes to technology and therefore some of the common excuses such as cost, knowledge and accessibility should not be a barrier.

We have coined the term *real estate tech equity* and are making this one of the cornerstones of our work at Locale. With the real estate sector steadily taking more and more notice of the tech sector and recognising the value it can bring not just to business but also occupiers, we have an opportunity to ensure that there is equity across any real estate asset, futureproofing our communities.

This whitepaper explores some of the themes addressing what we need to consider when it comes to achieving real estate tech equity. Let's be clear – it's not just tech that drives equity. We need to consider the climate, retrofitting and refurbing of real estate, investor attitudes, affordability and power of communication amongst many other factors that underpin the success of technology and ultimately real estate tech equity.

I'd like to thank each author for taking the time to contribute; we are merely scratching the surface, but we hope this is the beginning of a roadmap and ultimately a blueprint in achieving tech equity in real estate.

Guy Windsor-Lewis.

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Is the climate emergency a catalyst for tech adoption?

Michael Beckerman, Chief Executive,
CREtech

- Left unabated, climate change could force nearly a quarter of a billion people to migrate to safer geographical territories
- G20 countries find themselves with unique responsibilities beyond their own borders
- An opportunity for the real estate industry to lead the world in addressing systemic climate injustice

There has never been a more pressing need for the creation and deployment of climate technologies to help rapidly address the planet's climate crisis at scale, as we face a dire scenario of breaching the 1.5°C limit as set out in the Global Climate Paris Accords of 2015.

Against this backdrop, the World Economic Forum (WEF) states that the climate crisis is deeply imbalanced, in that the poor are disproportionately affected. The United States Environmental Protection Agency (EPA) sums this up: "climate change and poverty are inextricably linked, and tackling one problem helps the other."

Developing countries are likely to be impacted more severely both in regards to the toll on human life and suffering, as well as the relative impact on their economies.

According to the World Bank, around one-tenth of the world's carbon emissions are emitted by low income countries, albeit they face the most dire consequences of the ravages of climate change. Since the 1980s, they have experienced eight fold more natural disasters in the past decade.

The impacts of climate change on the lives of vulnerable populations include health, hunger, water scarcity, education, displacement, and work-related hazards. Indeed, from a fundamental need perspective is access to clean, reliable and affordable energy. An area addressed by climate tech. Without these resources, people face challenges in respect of their daily basic needs, including heating, cooling, cooking, lighting and hot water, as well as functioning businesses, schools and hospitals.

The Brookings Institution highlights other adverse impacts of climate change on developing countries, particularly the deterioration of economic performance and productivity, as well as security, as climate-induced migration in fragile countries could pose risks for international security too.

G20 countries find themselves with unique responsibilities beyond their own borders. For example, providing financing and technology transfers that support adaptation policies in developing countries.

Sharing this sentiment, the U.S. Global Leadership Coalition (USGLC) claims that America's investments in development and diplomacy are crucial for U.S. interests, which are placed at risk as a result of security, economic, and humanitarian consequences induced by climate change.

Other bodies of literature by the WEF claim that, left unabated, climate change could force nearly a quarter of a billion people to migrate to safer territories, and with it, nearly half of them will fall into poverty, undoing decades of development.

This coincides with research by Ravi Chidambaram and Dr Parag Khanna, suggesting that while investing in the creation of new climate technologies is critical, in parallel, we need to invest in climate adaptation too. This relates to protecting people, animals and plants from climate change. According to Ravi Chidambaram and Dr Parag Khanna, the UN Habitat postulates that by the end of this decade, around three billion people will require better housing. This means that 96,000 new homes need to be built between now and 2030.

> Indeed the climate crisis presents perhaps the greatest physical and financial risk to ever confront this massive, global industry.

However, as a result of the adverse impacts of climate change disproportionately affecting low-income people, certain populations will need to migrate to areas less impacted by climate change, with lower probabilities of disruption, and access to greater resources and technology. This is where regional and international security risks are posed.

As it relates to real estate, the world's single largest asset class, valued north of $327 trillion, as well as the single largest carbon emitting industry, c.40% of all CO_2 emissions, the need to decarbonise the built environment and transition to greener, healthier buildings is of paramount importance.

Indeed the climate crisis presents perhaps the greatest physical and financial risk to ever confront this massive, global industry. But it also represents the greatest opportunity for the real estate industry: to lead the world in addressing systemic climate injustice by ensuring that the technologies that are being developed to reduce carbon emissions are shared not just with wealthy countries and only the most successful real estate companies, but with developing countries too.

We as a community of climate activists and entrepreneurs have a moral imperative to ensure the well off aren't the only ones to benefit from the projected $100 trillion that is required to both decarbonise and build resiliency in the built environment.

As an industry, the real estate sectors have an extraordinary opportunity to address, head on, the injustice posed by the climate crisis that disproportionately impacts the poor.

Is affordability a barrier to tech adoption?

Melanie Leech, Chief Executive,
British Property Federation

- As innovation marches forward, we have a responsibility to do what we can so that no building is left behind
- We should champion and empower the people making positive changes to the success of our buildings through technology
- Collaboration across the industry is key to driving forward technology implementation

Slowly but surely, emerging technology has begun to play a greater role in how buildings are designed, built and operated – but despite the progress we are still at a nascent stage of industry-wide adoption, and with that brings significant opportunity to digitalise and enhance assets of all sizes across the country.

From technology innovations offering the capability to help solve critical industry pain points such as the decarbonisation of our buildings – particularly relevant for retrofit buildings as 80% of 2050's UK real estate has already been built; to increased operational automation, better analytics enabling data-driven decisions; 'digital twins' of buildings as a tool to improve design and operation; and supporting the evolution of a more flexible hybrid workplace – PropTech has the potential to revolutionise how we interact with our buildings.

While the benefits of the real estate industry embracing and adopting smart building technologies are compelling, and can lead to more effective asset-level operations, energy efficiency and a better overall user experience, we must ensure that the costs for implementing the right tech-led solutions are not prohibitive.

As technology innovation marches forward, we have a responsibility to do what we can so that no building is left behind and is able to benefit from cutting-edge advancements, regardless of an asset's scale or location.

While affordable technology is a critical consideration in increasing adoption in real estate, a cultural shift in mindset is also required. Decision makers in real estate are often not as strongly incentivised for innovating as they are rewarded for hitting commercial targets, and innovation often sits alongside people's day jobs rather than being integrated into them.

The worlds of technology and property often move to different rhythms, but as their interrelation deepens, we must make sure we have the culture and policies in place to reap the rewards of the innovations shaping the future of our built environment.

We should champion the people trying to make positive changes to the long-term success of our buildings through technology and empower them to make material improvements as part of their core responsibilities.

In dealing with long-life assets and customers over decades in some instances, the property industry is sometimes seen as inherently conservative in nature. And this stability isn't always conducive to innovation as you can easily afford to do what has always been done. With change comes disruption to often embedded and familiar processes – but being alive to the tangible benefits can help this transition to a more digitally-enabled world.

We must also reset the common misconception that technology is an IT issue, not a commercial one, as the right solutions can bring unparalleled long-term value to owners and users.

Many property companies still aren't sure where to begin to digitally transform their businesses and their buildings, and consequently there is still not enough collective expertise for the property industry to innovate in an 'open source' way.

> We must make sure we have the culture and policies in place to reap the rewards of the innovations shaping the future of our built environment.

Therefore, collaboration across the industry is key to driving forward technology implementation. The BPF's Tech and Innovation working group is keen to help level the playing field by continuing to share best practices, new innovations, and successful deployments. And by working together and sharing our increasing knowledge, we will be in a better place to find affordable solutions to the many shared challenges facing property managers and owners.

As digitalisation continues to develop across the world, technology's impact on our sector increases alongside it.

We need to ensure we capitalise on the many opportunities that technological innovation can bring for real estate while effectively managing the risks that arise from our transformational digital journey.

By aiming for the inclusive and accessible application of technology in our buildings, we can create the groundswell of industry-wide support we need to propel us towards a more tech-enabled future, creating a more efficient, sustainable and equitable industry for everyone in the process.

Are investors considering tech equity?

Ami Kotecha, Co-founder and President,
AMRO Partners

- Access to data reduces information asymmetry and market imperfections
- Tech drives democratisation, new business models and greater equity
- There is growing demand for tech platforms that help investors organise and analyse data

As investors in the commercial real estate sector, our observation is that there are key megatrends that continue to play out and impact medium to long-term investment decisions.

These can be summarised as shortening lease lengths; growing significance of a customer-centric approach to real estate management; an increasingly central focus on ESG; growing fluidity in work and, therefore, in the nature and geography of the workplace.

All the above trends have an impact on real estate valuations - influencing ERVs, yields and cap rates to determine the quality of investment opportunities. Whereas the traditional approach to investment was heavily influenced by a mix of locational characteristics, tenant collateral and information asymmetry about deals. By contrast, the ongoing market dislocation, most apparent in the office and retail sectors, is additional proof that in today's world investment decisions require access to a great deal more data than they did five or more years ago.

Not only do commercial real estate investors require access to reliable data to drive micro and macro-level insights, but they also require it in efficient and highly customisable formats. This has led to a growing demand for tech platforms that help investors organise, analyse, contextualise and slice & dice data.

The reason we believe that tech is a leveller is that it creates greater equity across CRE investors of all sizes. We see a plethora of solutions today that provide a variety of value-added services that would have been difficult to access for smaller investors without huge additional investments in manpower and resources.

A few significant areas covered by tech solutions are:

- Locational and micro market data with increasingly more dynamic factors
- Transactions and deal flow management
- Capital structuring, including leverage management
- Management and reporting of financial and non-financial risk parameters, including ESG
- Tech-enabled investment decisions have a positive impact on total returns.

The fact that there are solutions available to suit a variety of investors and business sizes makes it possible to selectively onboard solutions to stay at the leading edge. Moreover, they also provide the potential to derive excess returns. Greater granularity through bottom-up rigour applied to any stock selection process is, ceteris paribus, likely to lead to improved pricing and risk-reward profiles.

A case in point is ESG data. The question often asked is, 'who will pay for it?' Investing in ESG data and management solutions can be challenging because there are no standardised formats or data validation processes in place and, in effect, it can become extremely resource intensive and a barrier to entry.

However, we also observe that investment in ESG performance and management tools can lower the cost of capital and provide access to high-quality investment partnerships and hence can pay for itself.

The reason we believe that tech is a leveller is that it creates greater equity across CRE investors of all sizes.

Moreover, the risk mitigation process becomes better defined and inevitably leads to improved LT return profiles whilst contributing positively to the environmental and social impact of investments.

Lastly, we see a growing trend in democratisation in terms of transparency and liquidity with solutions ranging from fractionalisation and tokenisation to blockchain ecosystems for transactions management and AI/ML-driven marketplaces. The increasingly broader access to underlying investment opportunities continues to play out the megatrend mentioned earlier- that of making the sector increasingly less siloed, more sustainable, more liquid, and therefore, more efficient in serving its customer base.

Our overall observation is that technology continues to play a central role in the evolution of real estate as an investment asset class, and in more ways than one, it continues to act as a leveller by providing opportunities for greater participation in the sector.

The role of tech in the retrofit first movement

Charles Begley, Chief Executive,
London Property Alliance

- There is work to do to dramatically bring down emissions generated from the way we use our commercial buildings
- New technologies and innovations are being integrated and harnessed in buildings to ensure they are being used sustainably
- Innovations can ensure our built environment meets both the climate challenge and the needs of generations to come

If the UK is to meet its 2050 net zero emissions goal, our built environment will need to be almost completely decarbonised, despite the capital having the lowest level of emissions per capita of any UK city due to its high population density and wide use of public transport.

Yet, due to the sheer scale of economic activity, central London boroughs are among the highest emitters in the country, with Westminster alone emitting approximately 2.6 million tonnes. The governing authorities of two of the biggest emitting districts in the UK have pledged to achieve either net zero carbon (the City) or carbon neutrality (Westminster) by 2040. The Mayor of London, Sadiq Khan, has gone even further, targeting 2030 for London to be a net zero carbon city.

Reducing energy use in buildings is a fundamental component in central London's carbon reduction strategy, with new development required to adhere to the stringent energy and carbon requirements of the Mayor's London Plan.

But 80% of London's 2050 stock is likely to be comprised of buildings already standing today, highlighting the need for substantial improvements on a massive scale.

This is a huge challenge and while the industry is putting in place strategies to decarbonise their portfolios, there is work to do to dramatically bring down emissions generated from the way we use our commercial buildings (operational carbon).

While there is still a lack of clarity in national policy to drive net zero in the built environment sector, the industry is forging ahead with energy efficiency improvements and phasing out fossil fuel-based heating systems.

Game-changing new and smart technologies and innovations are being integrated and harnessed to shift the dial dramatically. Not least to change occupier behaviour to optimise building energy performance levels and ensure buildings are being used sustainably.

In our recent report, *Retrofit First, Not Retrofit Only: A Focus On The Retrofit And Redevelopment Of 20th Century Commercial Buildings*, landlords such as Derwent London at Tea Building in Shoreditch are actively deploying a mix of the latest technology in energy monitoring and analysis and greater occupier/landlord collaboration, including setting energy targets together.

British Land has introduced *BL:Connect*, an occupancy-based smart building management tool which collects data from thousands of energy-consuming and monitoring devices to provide data on how spaces are being used and in what conditions, to identify opportunities to increase efficiency.

Others are utilising smart metering in accordance with NABERs, connected to the BMS.

Despite this, many of London's energy-intensive buildings are poor performers and will require further intervention via retrofit or redevelopment to reduce the carbon they emit sufficiently.

Our report shows that around 74% of buildings in the City or Westminster will require this level of intervention prior to 2030 to meet evolving MEES regulations alone. And while the industry is increasingly taking a retrofit-first approach to decarbonise its assets, retaining an existing building will not always be the right decision.

> Reducing energy use in buildings is a fundamental component in central London's carbon reduction strategy.

In some cases, more sustainable outcomes can be achieved by mitigating embodied carbon through careful dismantling and maximising the reuse of building materials and replacing it with a more energy-efficient building with lower operational carbon emissions over its lifecycle.

Here, technology has a significant role to play, including the use of technology applications to help streamline and reduce the energy and carbon used via construction.

Innovations in new design and construction methods combined with the driving forward of circular economy principles at pace can ensure our built environment meets both the climate challenge and the needs of generations to come.

These improvements in technology and ideas are rapidly evolving at such a rate that it is no exaggeration to say that the speed of innovation in the sector is unprecedented. Technology, along with ideas and collaboration, will continue to play a critical role in ensuring we meet the net zero challenge.

Building tech equity: creating the right strategy

Rob Stark, Senior Executive Director Property Management Strategy & Operations, MAPP

- We believe the future of real estate is the physical augmented by the virtual
- The best technologies shouldn't be only available to the biggest buildings or newest sites
- Equity allows all stakeholders to have access to technology that is appropriate to their own needs

Building and maintaining a sustainable business means looking to the future and being willing to translate it into our services. Technology, innovation and investment are inseparable strands of our approach to V4 property management and are essential to adding value for clients and their occupiers.

We believe that the future of real estate is the physical augmented by the virtual, and the best spaces will balance both aspects to ensure better experiences for all stakeholders.

Smarter and more integrated design, planning, delivery, maintenance and retrofitting of buildings means improved returns on investment. MAPP's approach to property management has always been founded on democratic principles of service delivery, and this holds true for technology, where we have implemented an ecosystem of technological options designed to support, augment and enhance our people's ability to deliver the best.

That means curating solutions that are both able to scale as the MAPP business continues to grow but that are also appropriate for the site and the occupiers, and not a "one size fits all" rollout of products that may not provide the best outcomes in all cases.

In that respect, the evolution of SaaS over the last decade has meant that most companies, regardless of size, are able to compete on an even playing field, and this provides far wider opportunities for the selection of the most appropriate delivery mechanism.

Importantly, this also means that MAPP is able to hold true to the principle of being equitable with service delivery to its assets. The best technologies shouldn't be only available to the biggest buildings or newest sites, and a critical component of ensuring high standards of delivery across the board is the implementation of technology-informed solutions regardless of scale.

The complexity and sheer variety of buildings under management don't always mean that this approach is straightforward, but we continue to invest in and partner with leading technology providers to ensure that our clients and their occupiers have access to the most advanced, reliable and suitable solutions wherever possible.

Engaging with occupiers in a variety of different ways is absolutely crucial, and MAPP is increasingly using technology to assist our engagement strategy.

For example, MAPP partners with Locale, an occupier platform provider, which allows data and communications to be sent to and from occupiers, providing them with information about the building, including real-time data on health and safety, compliance, financials, service charge and other data.

It also provides occupiers with the ability to manage their occupation more efficiently, with security, delivery, visitor management and room booking functionality, amongst other things.

This provides an excellent case study for clients of a scalable solution that is able to be ramped up as required on a modular basis in order to meet the changing needs of occupiers.

Additionally, in our minds, the choice of partner is as critical as the software solution itself.

> The evolution of SaaS has meant that most companies, regardless of size, are able to compete on an even playing field.

Change management is a core component of successful delivery, and the right technology provider will recognise that at the outset and be involved in the end-to-end process, as opposed to handing off a solution and standing back.

It has also meant that to deliver on a flexible and scalable approach, we have recruited a Head of Building Technology, Ben Hughes, who acts as a guiding hand between our technology partners and the wider business, and who ensures that we have the widest possible impact.

This means aligned values have never been more important, as a wider range of smaller providers are selected to deliver in specific spaces rather than larger and typically more remote enterprise solutions.

In this sense, equity allows all stakeholders, from occupiers and clients, through to suppliers and our own teams, to have access to technology that is appropriate to their own needs and procured with the end users' requirements in mind.

The importance of tech equity in short-term rental recovery

Merilee Karr, CEO of UnderTheDoormat Group

- Those looking for somewhere to stay increasingly want flexibility in their rentals
- There is a gap between property owners who can let their homes and residents in build-to-rent buildings who are often banned from doing so
- The short-term rental technology landscape is fragmented, with many different platforms and software

The Short-Term Rental (STR) sector has bounced back strongly since Covid – travel has bounced back and the return of the megatrend of travellers preferring apartment/home-style accommodation over hotels.

At the same time, the cost of the average long-term rental has increased significantly, as have mortgage rates, contributing to the cost-of-living crisis.

It's tempting to see the rise of short-term rentals as nothing more than individual "Airbnb-ers," amateurs who can't manage the potential impact on other residents and communities. As a result, some building managers and operators think the best route is to try to ban the practice.

This misses two important messages from the market.

Firstly, the sector has matured and professionalised to such a degree that the industry platform TrustedStays recently launched short-term rental inventory on the Global Distribution System in a global deal with Amadeus – the first-ever tie-up of this kind. Where once shorter-term rentals were synonymous with Airbnb anxiety, they're now forming part of government and corporate travel programmes.

And secondly, short-term accommodation is popular precisely because it meets the needs of individuals and residents. Those looking for somewhere to stay increasingly want flexibility in their rentals – to be able to stay for 1, 3 or 6 months at a time when landlords often want 18- or 24-month contracts. And existing residents want the opportunity to travel or work remotely for longer periods of time without having to pay rent for an empty home.

There is an increasing gap between individual property owners who can let their homes out when they are away and residents in build-to-rent and other multi-unit buildings who are often banned from doing so.

To stop this growing disparity between individual home dwellers and apartment dwellers, the real estate industry should embrace the technology that levels the playing field.

Flexible rentals technology captures the future for residential real estate. Existing residential real estate technologies are built to rent for longer tenancies (6+ months), and their architecture is not equipped to handle flexible rentals (especially for less than 1 month).

Newer generation technology in the short-term rental space can solve this and offer a number of benefits:

- Existing residents are able to monetise their property when they travel, helping cover the cost of increasing rent/mortgage and offering a tangible resident benefit
- New residents have more options for flexible stays, better meeting their needs
- Property owners/operators can reduce void periods between tenancies or while awaiting sale or offer current residents a way to travel for longer within their contract

The breakout of Airbnb gave a great opportunity to individual owners but no visibility to building operators.

The real estate industry should embrace the technology that levels the playing field.

Newer technology systems – such as distribution software like *Hospiria* – enable residents to manage their availability and for building operators to see all guest stays in their buildings.

Increasing transparency in this way will enable all types of renter/owner to gain the resident benefit from short stays while building owners and operators have full visibility to ensure all risks are mitigated.

But there is still progress to be made. The short-term rental technology landscape is fragmented, with many different platforms and software. Operators often complain of 'death by Chrome tab' with no one technology having the ability to aggregate the functionalities into one place.

However, new STR property management systems, like Hospiria, are amalgamating all the functions required to operate flexible rentals natively into one place vs a marketplace solution which many other technologies provide.

For residential real estate, these native systems provide a full end-to-end service for customers with everything they need to operate flexible rentals in one place.

STRs have the benefit of capturing incremental value from ADRs (average daily rates), which have risen in comparison to the residential market, where there is reliance on annual or monthly numbers which are often static and not set up to consider inflationary rates. Bottom lines will increase, but their revenues will be stagnant as they are locked into long-term contracts in contrast to the flexibility the STR market brings. Blackstone has stated this as an opportunity for the residential real estate market.

This presents an opportunity for technology investment in the short-term rental space. With the right investment in the STR sector, there are real opportunities to partner with or disrupt the residential real estate market by providing vehicles to offer and manage flexible rentals and support the wider needs in the rental market, which residential real estate technology currently cannot do.

Is unconscious bias impacting tech equity?

Sammy Pahal, Managing Director,
UK PropTech Association

- Using PropTech to communicate proposed developments is proven to engage more of the 'hard to reach' groups
- PropTech can be used to eliminate the impact of unconscious bias in the built environment
- Biases can affect policies, workplace culture and hiring, but it also affects marketing, product design and the implementation of technology

In order to truly understand the power of unconscious bias and explore the impact this could have, not just in the PropTech industry but for all those interacting with the built environment, we first need to recognise that it exists in all of us.

For example, studies have shown that 90% of Westerners associate negative concepts with the elderly, 75% of white respondents and 50% of black respondents show an anti-black bias, and 75% of men and women readily associate "women" with "family" rather than "career."

So, the question is not *Do I have unconscious biases?* but rather 'Where could these unconscious biases lie, and what impact could this have?'

Tackling unconscious bias in the built environment starts at the very beginning in planning and design. Traditionally local citizens were informed of proposed developments through town hall meetings. PropTech has been changing the way that this has been done through digital citizen engagement tools, which have proven to engage more of the 'hard to reach' groups e.g. young people or those whose first language may not be English.

Post-Covid, spaces are being redesigned to maximise use and provide better experiences for those in the buildings – whether it is the home, office, or retail. Data is central to this; however, gender differences are still not necessarily accounted for.

Whilst we can use real-time building data to trigger an adjustment in the temperature and airflow of buildings to increase comfort levels, these are different for men and women.

A study published in the scientific journal *Nature Climate Change* claimed that the majority of office buildings use temperatures that were set with men in mind. The "thermal comfort model" that sets the ideal temperature for air conditioners and central heating systems, and that has provoked so many arguments in its time, was developed back in the 1960s, using Fanger's Thermal Comfort model through an analysis of the resting weight of a 154lb (69kg) 40-year-old male.

PropTech also has the potential to make property investment and ownership more equitable. From peer-to-peer and crowdfunding platforms lowering the barrier to property investment and innovative solutions to help citizens downsize or get onto the property ladder through rent-to-buy models.

However, whilst PropTech can help the property industry to become more equitable, are our unconscious biases limiting the accessibility of the very products and services that are making the property industry more equitable?

In a work environment, biases can affect policies, workplace culture and hiring, but perhaps more surprisingly, it also affects marketing, product design and the implementation of technology.

Notable examples include Amazon scrapping their recruitment algorithm because it had effectively taught itself that male candidates were superior or how Amazon, Apple, and the UK's passport photo checker have all been accused of faulty, biased design. So why is it that these tech giants did not identify these biases in the first place?

> The majority of office buildings use temperatures that were set with men in mind.

Often, the data going into these systems and informing decisions is not representative of different groups of customers/consumers, or the programming of these systems/tools is not designed to consider differences.

In technology industries in particular, developers and product designers tend to be mostly male and white. In marketing teams, the demographic tends to be mostly female and white. How does this shape our products and marketing? As human beings, we tend to attract what is similar and familiar to us.

Recently I spoke with a member of the association who was surprised to discover, through an audit of their marketing collateral, that the images they were using in their campaigns and website were mostly white females.

This bias may be harmful in closing off audiences that may benefit from the products and services the industry can offer – particularly if ambitions are to scale into different regions and go global.

To mitigate the risks and impact of unconscious bias, we need to

1. identify possible biases within the business which could be shaping the products and solutions and
2. look at the way in which we engage with and represent all different types of customers and stakeholders – considering different age groups, genders, ethnicities, cultures, and skillsets.

Only then can we truly have an equitable and tech-enabled property industry and spaces that we can all utilise and enjoy.

Importance of communications in delivering tech equity

Giles Barrie, Senior Managing Director,
Strategic Communications, FTI Consulting

- Digital transformation is key to continuing PropTech's growth through powerful communications
- Data-powered communications are critical to getting this transformation right
- It is crucial that all the UK's properties become not only fit for purpose but as smart as possible technologically

In a former life as editor of Property Week, our team treated technology as an editorial backwater, hidden away at the back of our magazine as a means of generating classified advertising.

Monthly features titled "Software" or "Technology" were good money-spinners, but it is fair to say that the great issues of the day, like the mid-noughties boom and the subsequent Global Financial Crisis in 2008, dominated our discussions far more.

Reporting on the collapse in fortunes of RBS, HBOS and Lehman captivated our writers far more than what none of us would see as another big theme that would unfold through the 2010s and which caught us and many in real estate unawares.

This was the very belated rise through the decade of technology in real estate which has culminated in the last two years with the completion in London of some of the smartest office developments in the world.

And it's not only in office development that technology has asserted itself in real estate: all the big agencies have committed themselves to a digital transformation and there are myriad new entrepreneurs in the sector who have transformed the debate over its future.

People like *Pi Labs* founder Faisal Butt, who uses venture capital to support the growth of fledgling PropTech businesses, have opened real estate's eyes to tech's possibilities and are supported by some of the sector's most influential companies.

Faisal is also a great communicator, and here I want to explain what I see as the power of communications in the establishment of the PropTech sector and, with the help of *FTI Consulting*, research the direction of travel next.

There is no doubt that by the mid-2010s, the real estate world was looking for something new: maybe it was embarrassment that the rise of the smartphone and the ubiquity of Amazon had changed lives, but the most inquisitive real estate companies wanted a new edge.

Cue the rise – in some cases from the United States – of a new breed of PropTech entrepreneurs who looked and acted differently and spoke a different language from many of property's established players and entranced some of the real estate media straight away.

Some of it was smoke and mirrors—and in PropTech continues to be—but PropTech players succeeded in building their reputations by holding up a mirror to the staid property world and persuading them to update what they do quickly.

This has also had the effect of seeing established PropTech players invited into the boardrooms of developers and owners, shaking them out of treating technology as a backwater just as we used to at Property Week.

So far, so good, and the UK real estate world of 2023 is now dramatically different from 2013 when I left Property Week. CRETech itself is a testament to this..

But having established itself as a real estate force, what are the keys to continuing PropTech's growth through powerful communications? The answer, inevitably, is through digital.

There is no doubt that by the mid-2010s, the real estate world was looking for something new.

Last month, we published *The Power of Communications: Unlocking Growth Through Digital Transformation*, based on research conducted in January among C-suite and senior managers of companies with more than seven million workers and generating $1 trillion in global revenue. Our key findings were:

- Businesses who have completed a digital transformation say on average, their turnover is double despite having a similar size employee base
- Data-powered communications are critical to getting this transformation right
- Positioning the CO as the figurehead of a digital transformation is key to the process
- The ability to use analytics to measure reputational impact and adapt when necessary is crucial
- And having reputational data holds the key to success: if you can't measure, you can't succeed

We believe that as companies make their digital transformation, engagement with media and commentators to communicate proactively on the journey is crucial.

Engagement with internal audiences is vital, as is the understanding of the cultural and behavioural changes required for a successful digital transformation.

Only 31% of the businesses we polled have completed a digital transformation, and I would estimate that the figure is lower in real estate.

Never underestimate the power of technology: from personal experience, its impact is always greater than first anticipated – and as you absorb the implications, our advice is always to explain fully and capitalise on tech's huge inherent advantages.

And in real estate, I cannot agree more with Locale that the concept of tech equity should be paramount. It is crucial that all the UK's properties become not only fit for purpose but as smart as possible technologically – anything less will hold us back as a sector and as a nation.

LOCALE°

Let's collaborate and champion tech equity in real estate.
We are keen to hear from you on this theme.

Get in touch on how we can build further momentum.

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