Management

Leasing technology offers tools for savvy managers

The sky isn't falling on retail real estate, but just as the Amazon distribution center arose slowly like an ominous cloud over the Interstate 25 and 144th retail corridor, so too can the realization that you have lost deals, tenants or capital due to preventable lapses in technological adoption.

As the market inevitably cools down from the strong rebound over the last 10 years, more real estate committees that were once aggressive in the face of unit-growth targets now are ratcheting back site selection and spending more time on analysis. Investors who were once tossing cash at retail projects in the cap-compression days now are taking a more measured approach in the face of market uncertainty. Landlords who were all too eager to sign any reasonable tenant with a business plan and a checkbook, are underwriting with greater scrutiny and oversight in the leasing process. As the market evolves, it's important to step back and take stock of how to better position vacant spaces through technology.

The "3-mile pop" may never retire from its position as the gold standard of site selection, but static demographics and traffic counts are merely snapshots of information in a fast-evolving market. As technology has continued to advance, so too have the abundance of proprietary data aggregation systems and algorithms, which promise to predict a retailers' customer count and sales revenue at potential locations.

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Real estate is an information-centric industry, and the race for better data never stops. Below is a general round up of information technology services to help you better market to retailers, more efficiently run your restaurant, buy a shopping center or land that next In-N-Out pad deal.

• **Real estate analysis.** Global commercial real estate transaction volume was up 13 percent last year to $341 billion, according to Deloitte. The growth of both the commercial real estate and technology industries have led to an even larger wave of the already sizable list of offerings to identify sites, research properties and obtain market insights. Costar still leads the market with its dominant and costly database access, but specialty data services like Reonomy and CompStak are providing niche services to a growing number of customers.

• **Space plans.** Brokers, tenants and landlords want to help facilitate a seamless transaction and having as-built plans for each rental space is a critical step to that end. Just as the evolution of the gig economy has helped to lower prices for many types of contract work from graphic design to dog walking, the "appification" of real estate services has made obtaining CAD plans or a space survey as easy as ordering a pizza from your phone. ID Plans, Precision Property Measurements or even Room Sketcher can get you started on a budget and will push pricing down, but the best option continues to be survey plans developed by an experienced local architect who understands construction and knows the local codes.

• **Customer tracking.** Whether for leasing, acquisitions or marketing,

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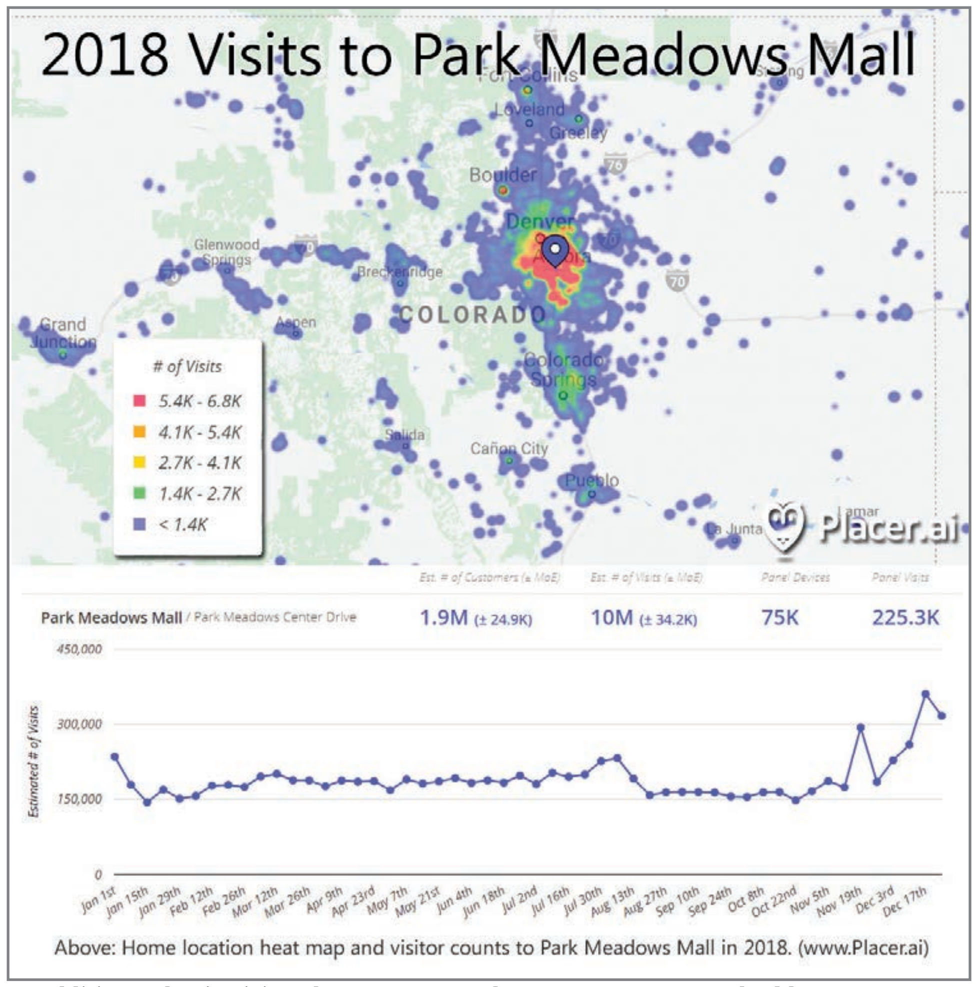

Above: Home location heat map and visitor counts to Park Meadows Mall in 2018. (www.Placer.ai)

In addition to basic visitor data, owners and managers can see valuable customer data like visit duration, path of travel, demographic information, new versus return customers and much more using new technologies.

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heritage. Because tenant spaces vary widely, from midconcourse kiosks and bars to in-line, full-service restaurants, it is important for designers to consider key elements like overall visibility and visitor flow, as well as the balance of programmatic requirements like a variety of seating options, ordering and pick-up locations, luggage storage and back-of-house operations.

The "storefront" of in-line spaces, like the approximately 2,000-square-foot Post Brewing Co. at DIA (the largest of the Great Hall's new dining options) is an important area to design with the busy traveler in mind. While the design of the restaurant brings some seating almost to the entrance of the space, the overall design is open and inviting, giving travelers a view through the interior to the signature bar and illuminated keg wall at the rear. The storefront also features clear signage in keeping with the airport's design guidelines.

Jax Fish House, in contrast, occupies a standalone space in the middle of the Great Hall. As a bar-in-the-round, there is no backside to the Jax experience, which meant careful consideration of staff operations as well as providing both bar dining and grab-and-go components. At approximately 900 sf, the Jax design leverages its high-visibility location toward a "see and be seen" attitude, with shucking stations and striking, glass-enclosed aquarium displays anchoring either end.

As airports continue to renovate and expand, we look forward to seeing the evolution of new food and retail offerings that contribute to making the travel experience more exciting and enjoyable. ▲

BCV Architecture + Interiors

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for years landlords and tenants have been trying to figure out who their customers are and where they come from. Vehicle strip sensors, Wi-Fi tracking and even optical counting have been the common tools for obtaining foot fall numbers in the past. With the unprecedented access to "big data" generated by monetizing phone apps in recent years, ESRI, Carto, Placer.ai and many others are incorporating the use of aggregated anonymized cellular tracking statistics within their mapping systems. In addition to the basic visit data shown in the graphic on Page 16 we can now see valuable customer data like visit duration, path of travel, demographic information, new versus return customers and much more.

• **Merchant centric.** Tenants are the lifeblood of the shopping center, and ultimately their ability to thrive (and pay rent) depends on their competent and consistent management of the business. Managers can't visit these businesses every day, but you can leverage an army of third-party reviewers to fill in the gaps. Merchant Centric and a handful of similar offerings allow landlords and tenants to track social media ratings of individual stores and restaurants with both historic performance and in real-time across platforms like Yelp, Google and Facebook to help identify trends and potential management issues with tenants before they become a costly vacancy.

• **Property listings.** Just as MLS aggregation sites like Zillow, Redfin and Open Door have helped lead to a steady decline (of more than 25 basis points, according to Real Trends) over the last 10 years in average residential brokerage commissions, the explosion of new franchisees and next-generation business owners may slowly move the leasing process out of brokers hands and lead to the erosion of commercial brokerage commissions. Although Loopnet remains the juggernaut in this space, a steady stream of new competitors like Catylist, 42 Floors and RealMassive will continue to nip at their market share with lower-cost and "freemium" direct-to-consumer commercial real estate listing services.

• **Portfolio management.** Gone are the days of an unwieldy network of human-error-prone Excel spreadsheets. The vast sea of commercial property management software solution providers is constantly expanding and new features evolving as landlords demand the integration of more technologies. MRI, VTS, Datex and other sophisticated providers offer out-of-the-box portfolio management software solutions that can quickly streamline operations. The savvier managers have worked with these companies to develop custom interfaces that include features like the automation of custom reports, tenant contact notes and health alerts, customizable investor portals, cloud lease documentation databases, and invoice payment systems all into a single package.

These technologies can create efficiencies in the office, but there is no substitute for hands-on management and face-to-face human interaction. Tenant interviews, broker tours, budget meetings and the Colorado party at International Council of Shopping Centers are not going away any time soon, but perhaps they can be made a little more effective with the right technological tools. ▲