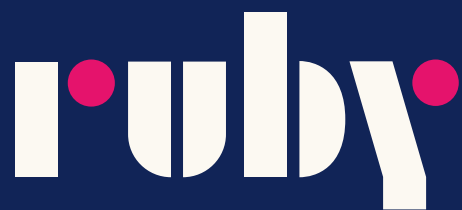


eBook



CRE industry shifts.

The changing roles of people &
technology in commercial real estate.



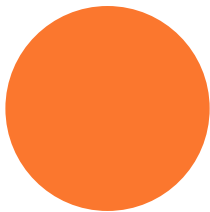


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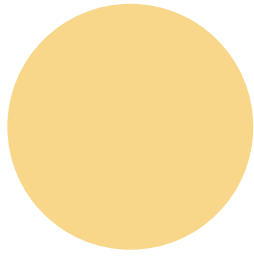
Since the JOBS Act moved commercial real estate (CRE) conversations off the golf course and onto the Internet, the ways in which potential investors engage with and choose properties and brokers have shifted. The most successful CRE brokers are finding success in this new digital landscape by leveraging the right technologies while still maintaining a people-centric approach that meets evolving investor expectations.

Empowered by the JOBS Act, CRE investors have taken charge of their portfolios and the way that they research and choose properties. Conversations once held over a steak dinner have now moved online with many investors choosing to do the preliminary legwork of finding or pricing commercial spaces before ever reaching out to a broker.

CRE brokers must now redefine their place in a new digital landscape, and reassess the value they bring to clients beyond access to information that's now easily discoverable online, such as property and financial specifications. Today's brokers must move smoothly between digital and analog worlds, be available and responsive at all times, and offer high-touch service to woo, win, and retain clients.

Plain and simple? Top CRE brokers are finding new ways to balance proptech with a people-centric approach to win new business.





In this eBook, we feature insights from three thought leaders in the CRE space and reveal new strategies that successful brokers are employing to acquire new clients and nurture their network.

TOPICS INCLUDE:

- The biggest technology shifts happening in the CRE industry.
- Maintaining a strong business in the face of market corrections.
- Adding value to the client experience in the midst of growing tech automation.
- The ROI of making personal connections through the phone.



An industry in transition.

As more aspects of the commercial real estate business are called to transition to meet the new needs of CRE clients, it becomes important for CRE brokers to address the barriers that are creating a slower road to the adoption of new technologies.

Aaliyah Haqq, Vice President at Dominus Commercial Inc. in Dallas, Texas, attributes some of the barriers to tech adoption in commercial real estate to the fact that there are a wide-range of generations in the workforce.

She says, "We've got people in their 20s who just graduated from college, and people in their 70s who feel very young and spry and they're not ready to stop working. The paradigm has really shifted."

Haqq believes that what's happening in commercial real estate, just like in other industries, is that people are having to adjust to a new way of doing things with technology.

It becomes apparent that a large portion of the CRE industry is not keeping up with consumer trends when you consider that 23% of CRE agents report¹ that their website doesn't have a contact form or chat option enabled—making it impossible for web visitors to contact them directly online.

This democratization of information has upended the real estate industry and disrupted the traditional processes that many agents and brokers have been accustomed to working within, and is the exact reason why we've witnessed the meteoric rise of CRE crowdfunding platforms.

Haqq says, "Change is just one of those things, it's really hard for people. People are very attached to their winning formula."

She continues, "There are brokers who just haven't quite embraced all of the technology that can add support and help us do our jobs a little bit better."

¹ RUBY 2019 "STATE OF THE UNION. LEAD GENERATION TRENDS IN THE REAL ESTATE INDUSTRY" SURVEY

Did you know?

36% of CRE agents spend one or more hours each day looking for new leads online.²

Whether you fall in the camp of those CRE brokers eschewing today's client communication technologies—CRMs, email platforms, marketing automation, and messaging apps—or you're on the other side of the coin and embracing it all, it's important to take note of the wave of next-gen technology that's already hitting the market.

Diane K. Danielson, Chief Operating Officer at SVN International Corp., told SharpLaunch that one trend coming to commercial real estate is augmented reality. "We are already starting to see this in proptech in the facilities maintenance realm. But, as more of our world gets digitized we will one day be able to view a building or property through our smartphones or tablets and have relevant data overlay the buildings in real time," she said.

Regardless of the types of technology that become more prominent in CRE, the central theme emerging out of the desire to implement these new tools and software is one that prioritizes brokers' and agents' ability to deliver more customized interactions for their clients.

This is exactly why more and more CRE professionals are considering adding a chat option to their website. In fact, 37% of CRE agents report³ that they are considering adding a chat option to their site in the next 12 months.

Beyond offering superior, personalized client experiences, CRE industry leaders are also keen to find ways to buffer against fluctuations in the market.

² RUBY 2019 "STATE OF THE UNION. LEAD GENERATION TRENDS IN THE REAL ESTATE INDUSTRY" SURVEY

³ IBID



PREPARING FOR MARKET CORRECTIONS

Even top brokers who have adapted to the new trends and shifts affecting the CRE industry must still contend with economic factors that are difficult to forecast.

The good news? The best way to insulate against market corrections remains the same as ever: maintain a strong and steady connection with the network you've already developed.

Tiffany Colvert is a CRE broker specialized in retail and restaurant sales and leasing. She became the number one retail CRE broker in the state of Colorado and now teaches other women⁴ how to grow and thrive in commercial real estate.

Colvert encourages her fellow brokers to focus on relationships and data. "They go hand in hand. Focus on building strong relationships with tenants, buyers, landlords, sellers, and even other brokers. In the process, gather as much data as you can. Try to understand what are their long-term goals, when leases are expiring, what a person's exit strategy is, and so on. The more info you can gather, the better position you'll be in during times when the market corrects and slows down. The relationships you build and the corresponding data will serve you best in these times."

Brian Gruber is a co-founder at Range Partners⁵—a service-disabled, veteran-owned commercial brokerage in San Diego, California—and his company's strategy to insulate against market corrections lies in the foundation of their business structure.

"Because Range Partners is a service-disabled, veteran-owned small business we can help clients with things that other commercial real estate businesses can't. This designation allows us to provide a specialized value to our clients and help them be more competitive and win business at higher rates."



⁴ [TIFFANY COLVERT](#)

⁵ [RANGE PARTNERS](#)

*Gruber believes that the key in times of economic downturn is to learn how to be of **greater service** and value to your clients whenever possible.*

RELATIONSHIPS AND DATA A MATCH MADE IN HEAVEN

There's no denying it: the commercial real estate industry is in the midst of major change as a wave of venture-backed proptech (real estate focused technology) companies flood the market. In an interview with Bisnow,⁶ Mihir Shah, co-CEO of JLL Spark (JLL's proptech division has a \$100M global fund dedicated to investing in real estate tech companies) reported that real estate firms that have traditionally gone through long RFP processes before adopting new technologies are now showing interest in piloting new products at an expedited rate in order to help them stay competitive and prove ROI faster.

While it may not be obvious on the surface, pairing the efficiencies afforded by these new technologies with a commitment to nurturing human relationships can prove to be a match made in heaven if we understand when to leverage a people-first approach versus a tech-enabled one.

Gruber says that he and his partner's top priority is to do everything in their power to ensure the professional and personal success and happiness of their clients.

"We are connectors at heart and fiercely loyal to our clients. Our team spends an immense amount of time building genuine relationships in and outside of the commercial real estate industry."

That being said, Gruber feels confident even amidst the overall growth of AI (artificial intelligence) and tech automation because "no day is exactly the same in commercial real estate." He knows that the proptech technologies that are available only serve to optimize the face-to-face interactions his company prioritizes. He says, "This industry requires a human mindset and capability to think creatively and be flexible when it comes to clients and what they need."

⁶ BISNOW

Gruber recalls a time just recently when a potential new client cold called him on a holiday. Gruber answered the phone and the caller wanted to know if Gruber's brokerage could assist with the acquisition or lease of a 300,000 square foot industrial space. While still in negotiations, if the deal ends up going through, it would amount to significant commission earnings for Gruber's company.

"This person told me he had called three other brokerages before us and I just happened to be in the office and picked up the phone," he says.

Gruber continues, "When it comes to leaving voicemails, especially as a potential client in the commercial space, it's really easy for someone to leave multiple voicemails at multiple brokerages until either someone picks up the phone or they get that first call back. So when you don't answer the phone, you may end up losing that potential client. I have secured business just by picking up every single call that comes through on my phone. People tell me, 'I've called three or four other firms and nobody picked up so I'm going to work with you guys.'"

With 50% of CRE agents reporting⁷ that they don't have assistance from an answering service or admin staff, it's no surprise that a large portion of incoming calls land in voicemail or go missed altogether.

⁷ RUBY 2019 "STATE OF THE UNION. LEAD GENERATION TRENDS IN THE REAL ESTATE INDUSTRY" SURVEY



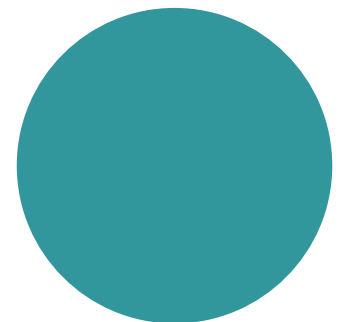
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Brian Gruber

CO-FOUNDER, RANGE PARTNERS

At Range Partners, Gruber and his partner use tools like Asana and GSuite to communicate with their team members internally and track the conversations they're having externally to create efficiencies when it comes time to provide information to landlords, sellers, or clients. They also invest in securing new business through advertising on platforms like LinkedIn.

Regardless of how much technology you choose to incorporate in your day-to-day CRE business, there are key elements of business that can't be solved with an app, algorithm, or API.



THE HUMAN ELEMENT IS STILL KEY.

Phone calls and in-person interactions are still paramount for CRE brokers who want to establish and nurture a healthy book of business. In fact, keeping people first is critical to success in CRE. Even in this age of technology, you can't expect to rely solely on software tools and email to communicate with your clients.



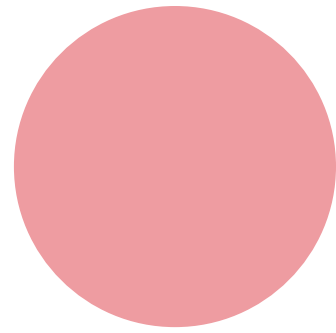
Did you know?

54% of CRE agents report that the most frequent way a new client or referral chooses to reach out is by calling their phone.⁸

People still need that human touch and in commercial real estate—where deal amounts are relatively large—people expect a high-level of personalized communication and service.

Haqq says, “We would not have a business if we didn’t keep people first. We’re balancing the need to keep people as a priority and the need to utilize technology for efficiency gains. So for example, we have a really robust CRM system, and it helps us as salespeople essentially build and nurture relationships. It gives us email reminders and we can run campaigns from there. However, if I’m not interacting with my clients one-on-one to build a true, trusted advisor relationship with them, well, all of that technology, it almost doesn’t matter. Because if I’m sending you articles and notes on things I know that you’re interested in, but then I don’t pick up the phone, well, the nurturing doesn’t necessarily matter because the heart is not there.”

⁸ RUBY 2019 “STATE OF THE UNION. LEAD GENERATION TRENDS IN THE REAL ESTATE INDUSTRY” SURVEY



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Aaliyah Haqq

VP, DOMINUS COMMERCIAL, INC.

Colvert says, "The new technology and automation emerging in the CRE industry provides a way for brokers to keep the people-side of the business their number one priority."

"Instead of spending hours looking for comps online, creating in-depth financial analyses, or even answering the phone, brokers can now find a tech solution for those tasks and spend more time developing relationships face-to face and focusing on how to truly serve their clients."

Tiffany Colvert

CRE BROKER & COACH

Even newer CRE agents are staying focused on how best to truly build a sense of real world community with their clients. J'nai Stuller, a commercial real estate agent in training at Talk to Tucker in Indianapolis, Indiana, has a strong foundation of contacts from the eight years she worked in the architecture industry, but she supplements those connections with volunteering.

Stuller says, "I love getting out to do things for others. Volunteering and being involved in the community helps me meet new people and build my network. I'm involved with Samantha's House & Van Foundation⁹ that enables house and van modifications to make everyday life work for persons who have been seriously injured."

Clearly, community connections and the human touch are still required in CRE, but with the rise of crowdfunding, commercial real estate marketplaces, and email communications, today's brokers are being called to optimize their working hours with an approach that blends leveraging the tech tools and prioritizing person-to-person interactions.

So how do you know the right mix for your business? What's the correct tech-to-human ratio to set your CRE business up for increased commission earnings? Lucky for you, we ran the math!



The ROI of human connections.

The average commercial real estate agent completes 7 deals every year, with the average deal size being \$602,000. Referral-based businesses rely on building meaningful connections with your existing clients and prospects and being available and present whenever (and however) the people in your network choose to reach out to you.

VIRTUAL RECEPTIONIST SERVICES

If you get **3 calls per business day**, and answer 100% of them

60

Inbound calls/month

13.25% of those calls will result in a sale

8

New leads/month

17% of those leads will become new clients

1

New client/month

For agents earning **3% commission**

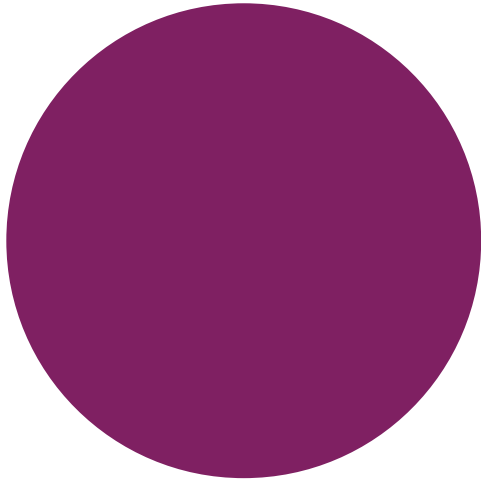
\$18,060

In earnings each month



31%

of agents report that they have received a client complaint due to a delay in returning phone calls.¹⁰



When you consider this fact and break down the numbers to calculate the ROI for cultivating an engaged client base, it becomes obvious that missing phone calls—a current norm as reported by many brokers—is not one that's engineered for the highest chance of success.

Especially when 55% of CRE agents say their current clients prefer reaching out to them with a phone call over all other methods (email, text, etc.), and 44% of agents admit to being unavailable to answer the phone two or more hours every day.¹¹



¹⁰ RUBY 2019 "STATE OF THE UNION. LEAD GENERATION TRENDS IN THE REAL ESTATE INDUSTRY" SURVEY

¹¹ IBID

Closing thoughts.

With the rise of crowdfunding and platforms that allow investors to browse listings and submit inquiries online in a matter of a few clicks, brokers must adopt new technologies that allow them to keep pace with the state of the market. At the same time, CRE brokers are challenged not to sacrifice client experience in the name of convenience.

While technology can leverage data to enable some degree of personalization—no platform or bot can deliver the personal connections and experiences investors require.

Ruby combines proprietary technology with live virtual receptionist and 24/7 chat services supported by real people to deliver exceptional customer experiences that help you win trust, capture new business, and build loyalty. Our specialists are trained to represent your business just as you would, and are indistinguishable from an in-house coordinator, at a fraction of the price.



Haqq says, "I was in executive leadership development for quite some time, and one of the practices we taught was attention management because people think they are great multi-taskers, but no one is truly good at this because it's literally impossible. So, I try to time block as much as I can. I turn off notifications when I can."

From answering your calls while you're in showings, transferring high-priority callers, and taking messages, to confirming your next appointment, and capturing lead data after hours while you're with your family—Ruby has your back. Even better, we offer a convenient mobile app you can use throughout the day to update your availability, check messages and more.



Try Ruby risk-free and see why 10,000+ customers trust Ruby with their most important asset: their clients. Our customers report increased productivity, better profit margins, and higher client retention rates.

Learn more about how Ruby's live, friendly receptionists and chat specialists can help you turn prospects into clients, earning more referrals and commissions.

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Try Ruby Risk-Free

Call and talk to a live Virtual Receptionist. Hear why 10,000+ companies ♥ Ruby.