

The Impact of Emerging Technologies on the Property Profession

Executive Summary of the discussions at Burlington House
London - 7th June 2018

Prepared by



Some Interesting Issues:

The Property Director's skillset is changing and data analysis tops the list

- **Data capability becomes the most important skill**
 - Over three quarters (77%) of Property Directors think the skill to analyse data will be what they look for in recruits
- **Property skills remain important**
 - Almost three quarters (70%) think property skills will still be key when recruiting in five years' time
- **Business planning and reporting becomes third most desired skill**
 - Over half (58%) think business skills will be central to the CRE's role
- **Workplace skills and looking at the impact on people also features**
 - Over half (53%) think workplace skills will be something they will look for when recruiting
- **Adding technology skills likely to underpin salary stability or growth for CREs**
 - Nearly half (47%) think their salaries will stay the same as a result
 - 28% think they will grow
 - Only 1 in 16 (28%) think salaries will fall.

Increased focus on people as technology predicted to free CRE's time for a more strategic role

- **A strategic future with an increasing focus on people**
 - 84% see the role of CREs becoming more strategic
 - Over three quarters (77%) see an increasing focus on people and their productivity
- **A move from property to people – working across functions – and a focus on planning and analysis – will shape the CREs role**
 - Almost three quarters (72%) see technology driving CREs to act across multiple functions
 - Over two thirds (67%) see employee engagement as a key function for CREs
 - About a half (53%) see a role in a range of planning and analytical areas.

More collaboration between landlords and CREs needed to ensure emerging technology adds value but also complies with GDPR

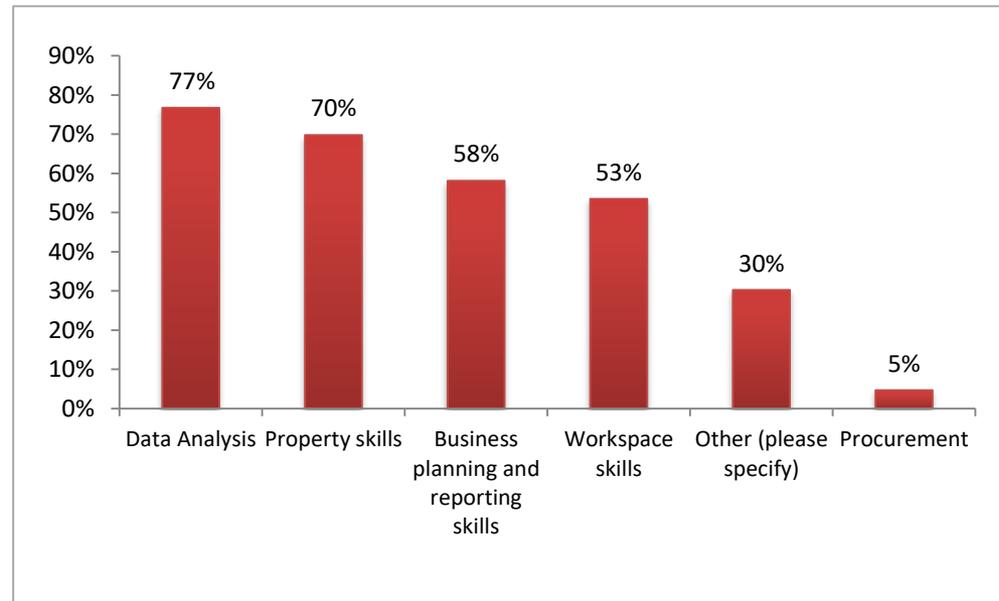
- **Maximising new technology is a shared responsibility**
 - Just over half (53%) of Property Directors see emerging technologies as something that sits with the landlord to provide as part of a suite
 - But almost 40% see it as down to the occupier, reinforcing the view that it's a shared responsibility
- **As CREs see data as a big part of their future, they want to make sure it is properly protected**
 - Almost three quarters (74%) of Property Directors believe protection for data by landlords is vital
 - Over two thirds (70%) believe there should be a clear, published privacy policy
 - Almost six out of 10 (58%) believe the privacy policy should include a clause to destroy data after a set period
- **Increasing use of technology should drive down service charges**
 - About a third (35%) of Property Directors think service charges will fall as more technology is deployed
 - One in nine (12%) think charges will rise as a result
- **Access to internet is a 'must have' for business**
 - Inevitably, 95% see Internet as a 'must have' that should be ready (e.g. capacity, telecoms providers, draft wayleaves) and in place as part of the landlord's marketing pack
- **UK sits in the top quartile in its adoption of emerging technologies and innovating the workplace**
 - 60% believe UK is in the top quartile while just over a quarter (28%) think the UK lags behind other nations.

The Impact of Emerging Technologies on the Property Profession

The changing face of CRE skills

- Data capability become the most important skills
- Property skills remain important
- Business planning and reporting becomes third most important skill

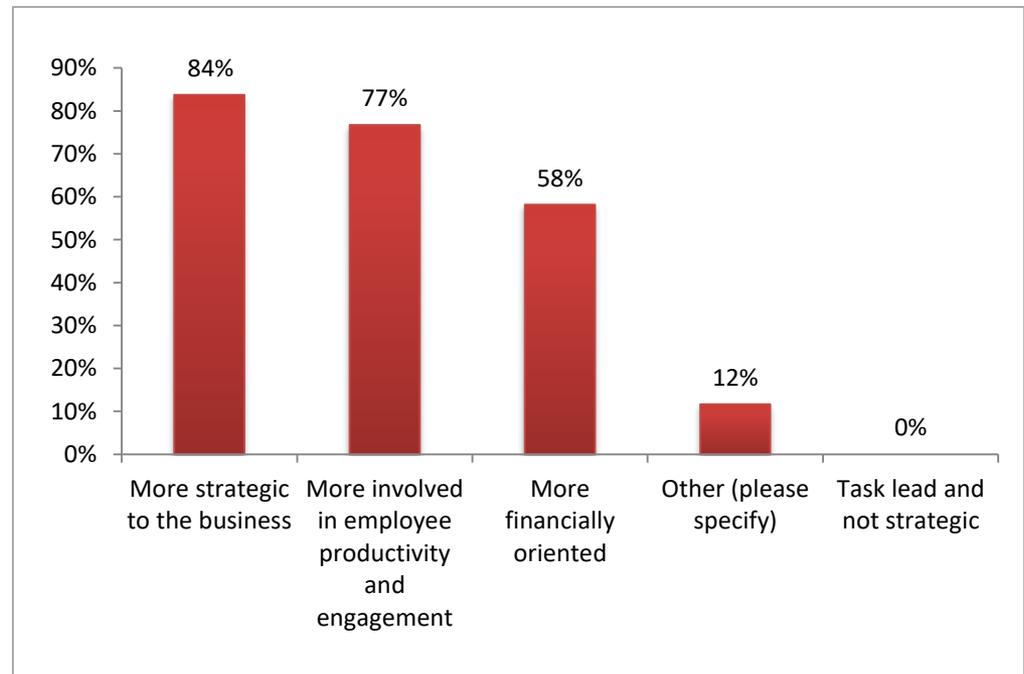
In 5 years' time, when you are recruiting for your team, which of the following skills and experiences will you be looking for?



A strategic future with an increasing focus on people

- 84% see the role of CREs becoming more strategic
- Over three quarters see an increasing focus on people and their productivity
- Almost six out of 10 see an increased financial orientation

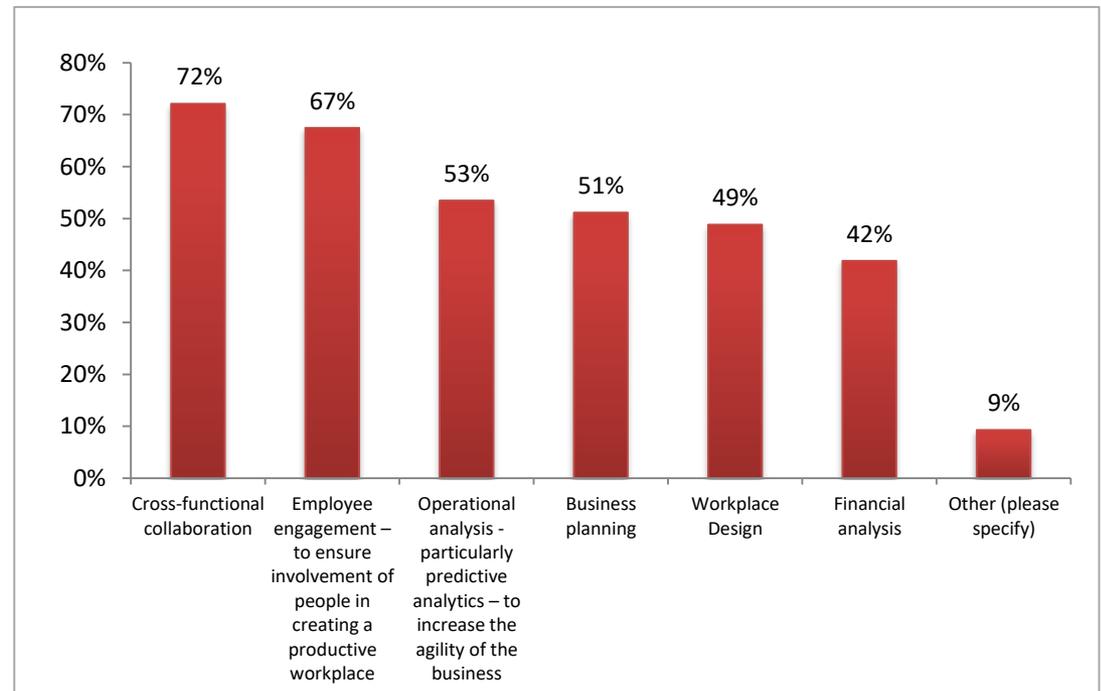
How do you see the scope of your role adapting or changing over the next 3 - 5 years?



A move from property to people – working across functions – and a focus on planning and analysis – will shape the CREs role

- Almost three quarters see technology driving CREs to act across multiple functions
- Over two thirds see employee engagement as a key function for CREs
- About a half see a role in a range of planning and analytical areas

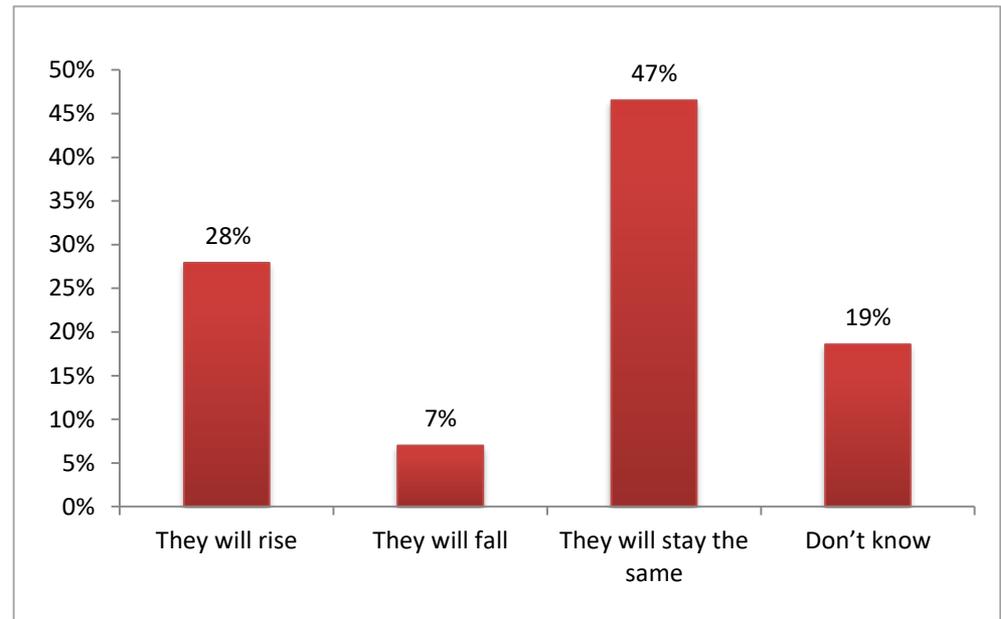
If new technologies reduce the workflow, what additional tasks / roles will your Company expect you to perform?



Adding technology skills likely to underpin salary stability or growth for CREs

- While the RICS see emerging technology as likely to remove 88% of jobs this survey shows that adding technology skills will underpin salary security at worst and most likely aid salary growth
- 28% think salaries will rise
- Only 1 in 16 think salaries will fall
- 73% of those who think salaries will rise expect them to increase by up to and including 10%
- 27% believe it will be up to or more than 20%
- 66% of those who say it will fall expect a 15% decline. One third see a 5%-10% decline

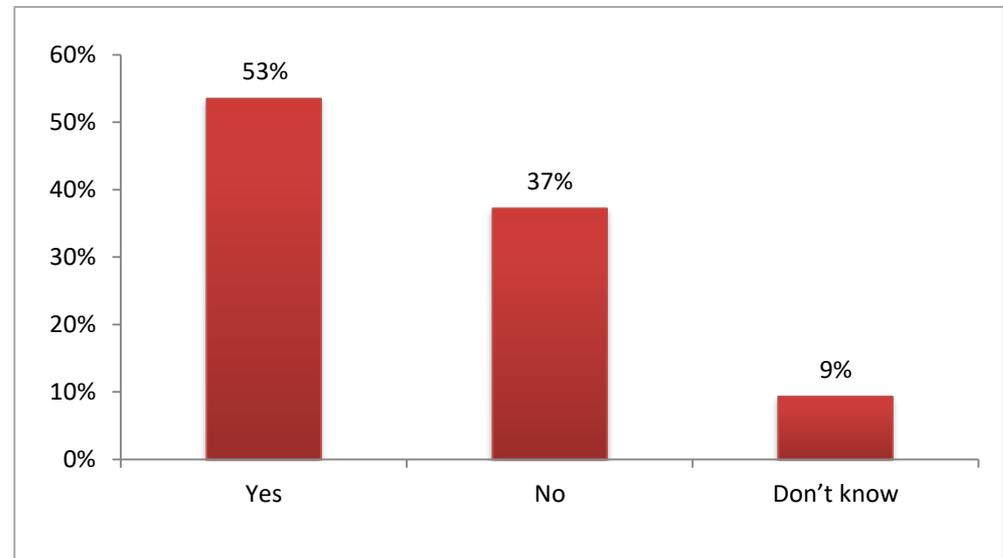
What effect will the use of emerging technologies have on the salaries of CRE executives?



Maximising new technology is a shared responsibility

- Just over half see this as a landlord responsibility
- But almost 40% see it as down to the occupier
- This reinforces the view of delegates at the Forum event that it's a shared responsibility

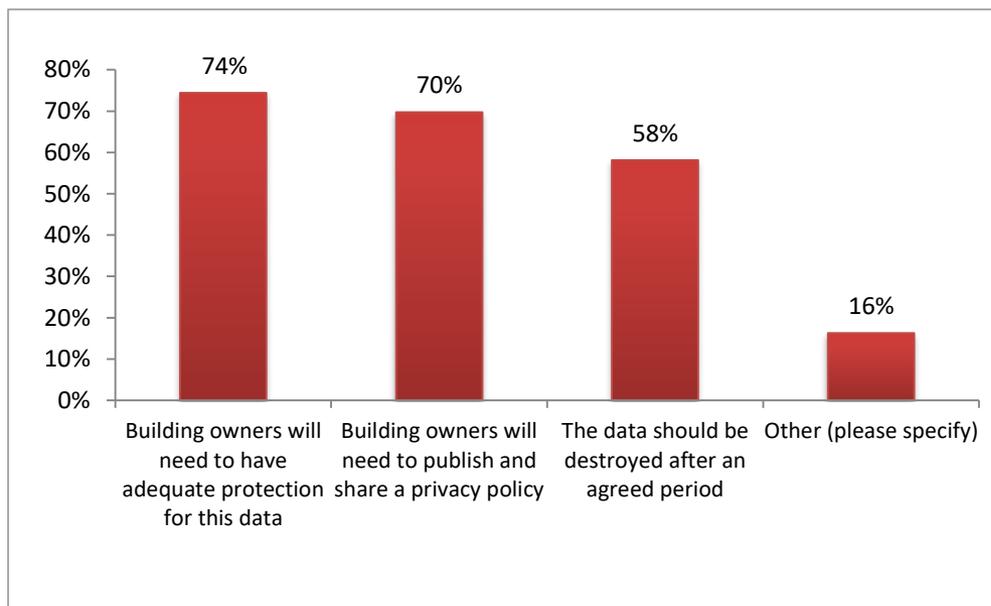
Do you see emerging technologies as something that sits with the landlord to provide as part of a suite of services in a building rather than something that a tenant provides?



Data protection and privacy is vital

- As CREs see data as a big part of their future, they want to make sure it is properly protected
- Almost three quarters of property directors believe protection for data by landlords is vital
- Over two thirds believe there should be a clear, published privacy policy
- Almost six out of 10 believe the privacy policy should include a clause to destroy data after a set period

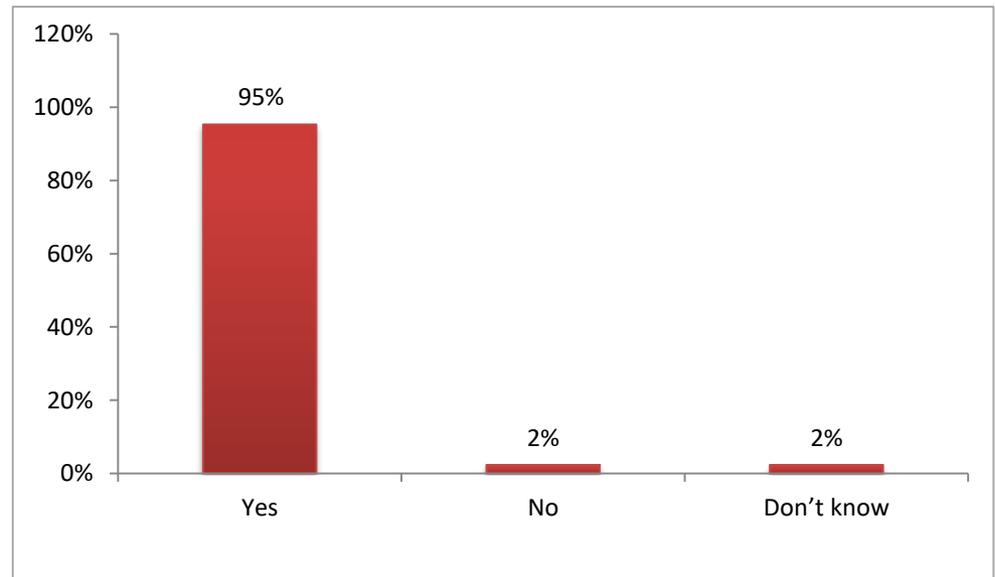
'Smart' buildings collect data on building use (e.g. when people enter and leave). Where does that fit with GDPR, the right of individuals to privacy v collective security?



Internet capability – and all that goes with it - is a must have

Access to the internet is a “must have” for business – should this be ready (e.g. capacity, telecoms providers, draft wayleaves) and in place as part of the landlord’s marketing pack?

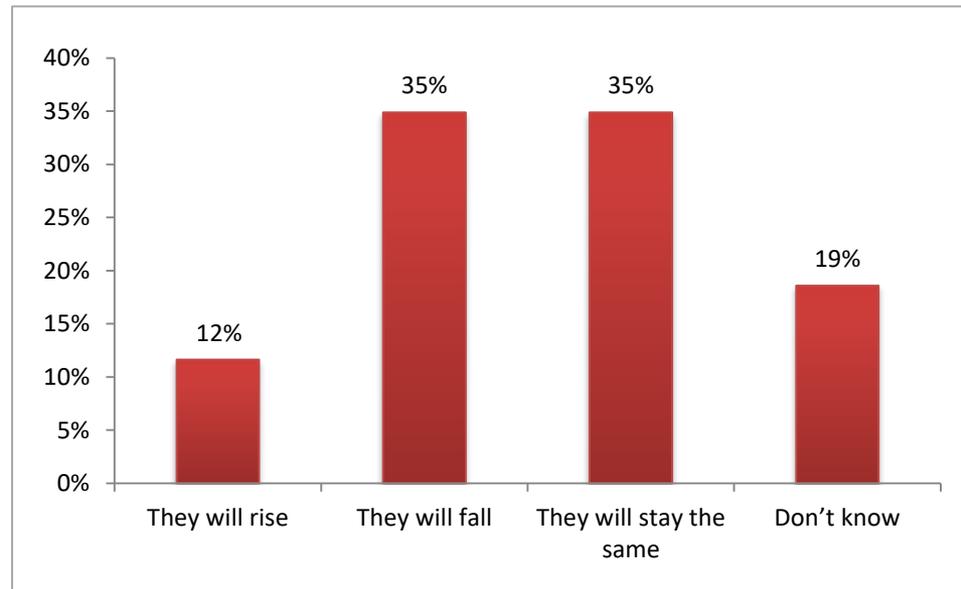
- 95% see Internet as a must have



Technology should drive down service charges

- Just like the round table debate conclusions. About a third of property directors think service charges will fall as more technology is deployed
- 35% think service charges will fall by 10%, 38% by 15% and, 24% by 20%-25%
- One in nine think charges will rise
- Of those 66% think charges will rise by 10% and one third by 30%

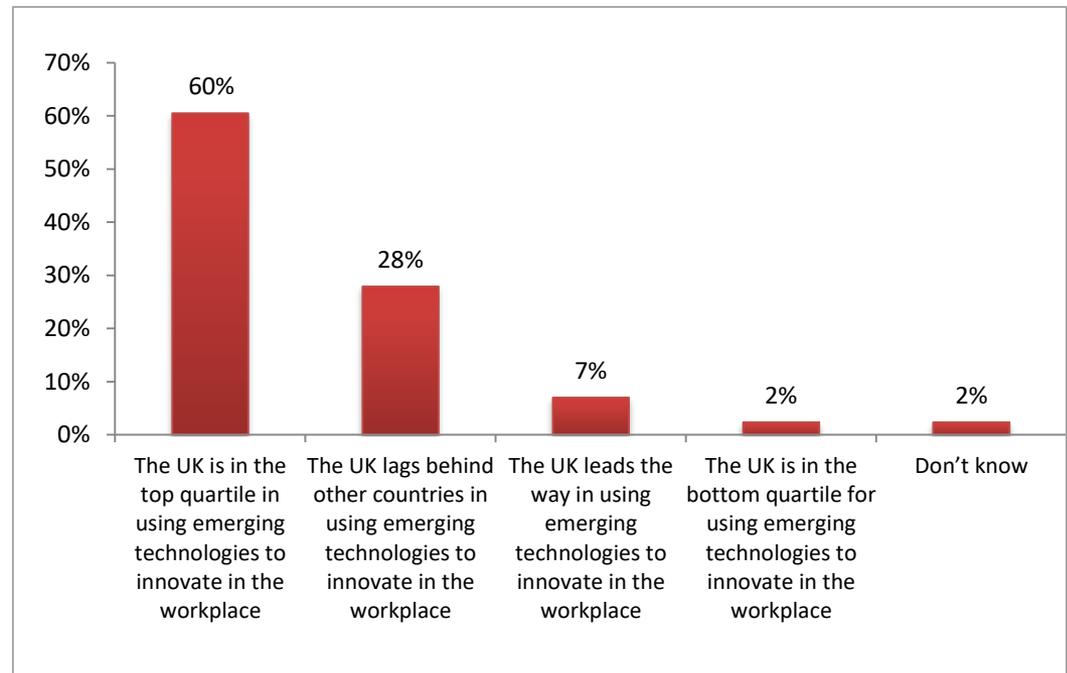
What will be the effect of the increasing use of technology on service charges?



UK sits in the top quartile in its adoption of emerging technologies and innovating the workplace

- UK is the top quartile of countries when it comes to adopting new technology and workplace ideas
- Just over a quarter think the UK lags behind other nations

Where do you think that the UK sits internationally in its adoption of emerging technologies, new ideas and workplace thinking?



The Property Directors Forum – helping you collaborate to innovate

[The Property Directors Forum \(PDF\)](#) is an exclusive, invitation-only community that was created to provide Occupier Property Directors with a stronger VOICE in the market. Since 2013 we have run several successful and well attended events with industry leading speakers and experts on the most current topics affecting the occupier community. Each event has used participants' contributions to create value-add content on the topics concerned.

The Property Directors Forum provides Occupiers with:

- A collective VOICE
- FORESIGHT to identify current trends and challenges
- NETWORKING, COLLABORATION and KNOWLEDGE SHARING opportunities
- Access to INDUSTRY LEADING EXPERTS

“I find the Property Directors Forum really well organised, with topical issues on the agenda supported by well-informed external presenters. This coupled with the presence of Property Directors across various sectors leads to good insights and debate.”

David Fry, Head of Property, Vodafone Limited

For more information about – or to join – the Property Directors Forum please contact Gail on 020 7041 9991 or gail.wickes@propertydirectorsforum.com

The next Property Directors Forum will be on Thursday, 15th November 2018.
We look forward to seeing you there.

