Press Release
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Commercial Real Estate - Digital Opportunities in a Shifting Industry

Technology is poisoned to bring change to the Philippine real estate industry. Access to data for business decision making is one aspect of the ongoing digitalization of the industry and seems to be the most critical in the coming years. Like other industries in the past, this offers opportunities for early adopters to move ahead of the pack and gain a competitive advantage, especially as the market is tightening. And good news, it will enhance the collaborative experience between two of the industries' main stakeholders – landlords and brokerage firms.

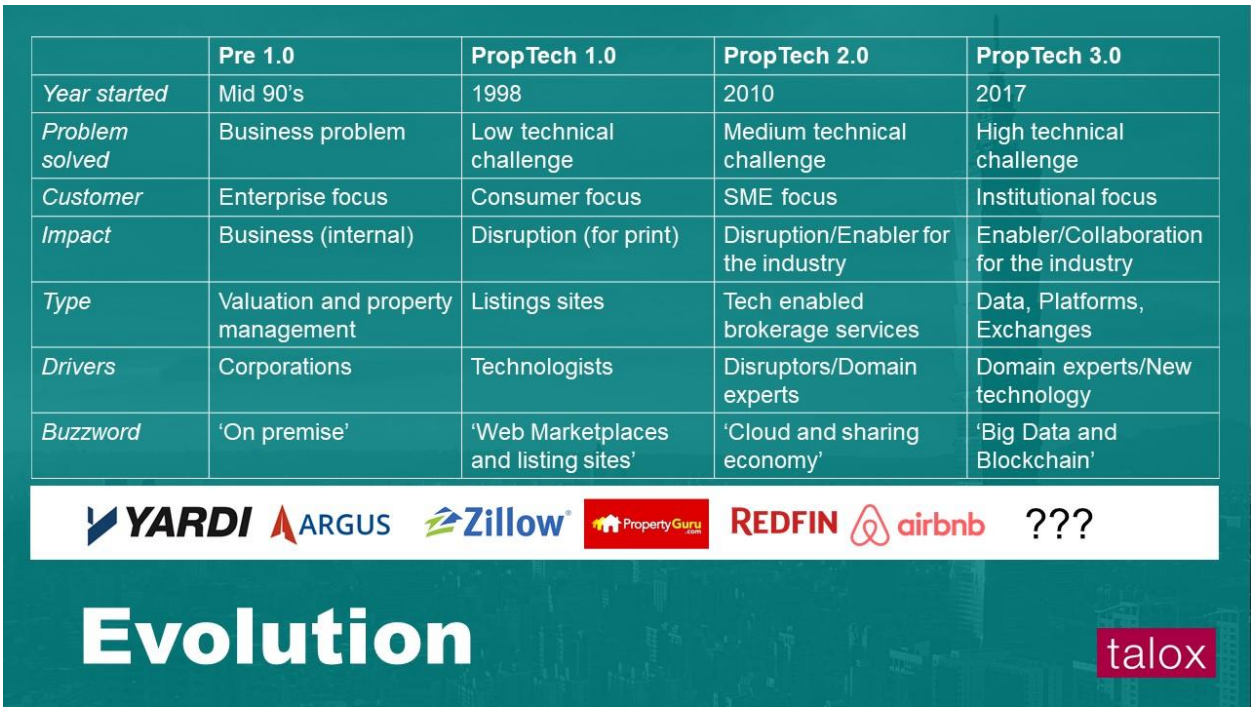
The Urban Land Institute (ULI) Philippines launched its Property Technology ("PropTech") series last Friday with the headline topic: "Digital Opportunities in a Shifting Industry." Real estate industry leaders shared their thoughts on the current challenges and how tech can solve them.

The expert roundtable panel was moderated by Eric Manuel, Vice President & Head of Real Estate at Primeiro Partners and attended by Raymond Rufino, Co-President of The Net Group; Antton Nordberg, CEO of Talox; and Morgan McGilvray, Senior Director of Tenant Representation at Santos Knight Frank.

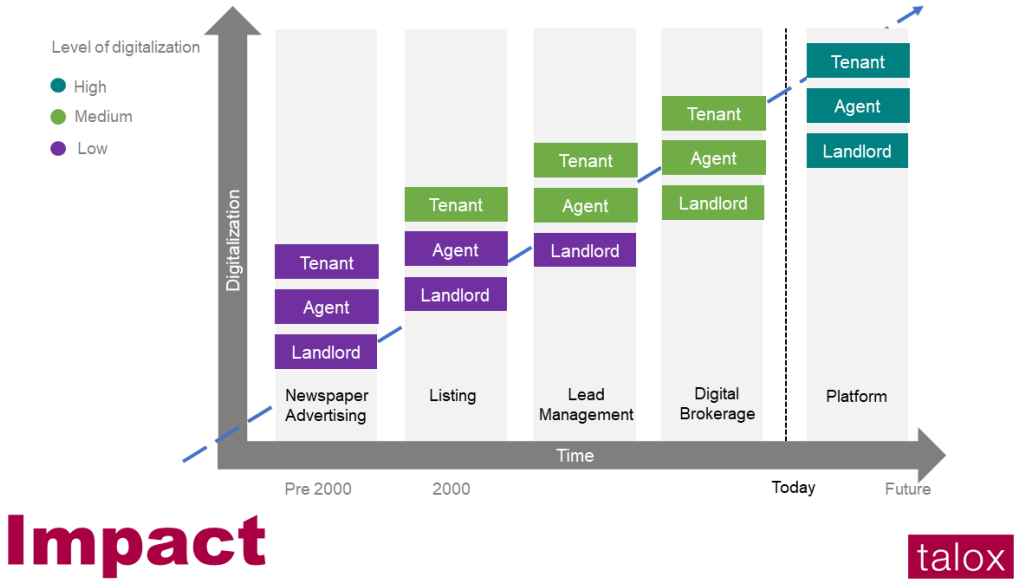
The evening started with an overview of PropTech – the evolution from 1.0 to 3.0, which is the progress in property related technology from property listings sites to complex platforms that digitalize entire workflows. On the other hand, 3.0 is the future with smart contracts and blockchain being some of the buzzwords circulating; however, these technologies are still in an

early stage, so the current tech adoption of the industry is focused around connectivity, data accessibility, and industry collaboration.

Graphic 1, Evolution of PropTech



Graphic 2, The PropTech evolution and its impact on industry and main stakeholders



When asking about the market adoption of technology, Antton Nordberg, former head of research at the Savills affiliate office, now Chief Executive Officer of Talox, a commercial leasing and asset management software commented, “PropTech is still in a very early stage in the Philippines, a few landlords/developers are using enterprise solutions. But enterprise solutions are internal systems, rather than a market-driven platform. And that’s where Talox comes in, we provide an ecosystem for the key stakeholders in the commercial real estate industry, landlords and brokers alike. Effectively Talox operates side-by-side with enterprise solutions, so it’s users can have the both of best world – dynamic market information and ERP solutions – because I think both address very critical needs of any real estate investor.”

Raymond Rufino shared his many years of industry experience. “Since the 90s, most property companies have used Microsoft Office as their primary software tool. And for most professionals, a majority of the data is not sitting anywhere exciting.” Then he added, “At most, the bigger companies are running some ERP, which is mostly accounting and finance. But any owner/developer who does not start using a platform like Talox is going to lose out on opportunities - leasing teams will be missing deals, and tenants will likely favor developers that are using suitable technology because deals are being managed more professionally and efficiently.”

Morgan McGilvray, the representative from the brokerage firm SKF shares the same sentiment, “Regretfully most information is locked away in some excel spreadsheet, which doesn’t really offer a dynamic solution and makes collaboration quite challenging.” Buds Wenceslao, one of the attendees and who is the Managing Director of Aseana Holdings Inc. that built and manages more than 80,000 square meters of Grade A office space in the Bay City adds, “It surprises me that after all these years, it still takes one to two days to gain access to specific internal portfolio information and often longer for critical market information, hence I am really looking forward to gain real-time access to information such as prevailing net effective rents and demand drivers.”

Also discussed was the common fear of technology replacing the middleman, in this case, the real estate brokers. Tyler Station, Chief Commercial Officer of Talox, believes, “In fact, the right technologies will foster collaboration and free up brokers from manual and repetitive tasks so they can focus on relationships while accessing information in real-time. Eventually, technology will push brokers to higher value activities, more in an advisory role.”

And when asked about their two-year outlook, they mutually agreed that data will be impacting the industry the most. Because the ongoing digitalization will enhance the access to data and lift the level of collaboration, Raymond Rufino thinks, “We are moving towards a time where owners and developers will take data collection really seriously. Currently, a lot of developers, owners, and managers are only collecting tiny bits of data, but I believe over the next two years real estate companies will collect larger amounts of data, more data points across everything from building performance to leasing flow to market information. Most Philippine real estate companies have not really explored the value of collecting, analyzing, and acting on data. While companies in the US or Europe have been doing this for a long time, we are just barely scratching the surface of that locally.”

Real estate market participants need to give up on the idea that data itself brings value to their buildings and portfolios - the value creation comes from transparency. The more transparent the market, the lower the cap rates / higher the real estate values. Hence technology is the tool for driving their building values.

Antton Nordberg's agreed, "It's the data collection and digitalization, and basically getting on record everything you are doing, and trying to measure your business."

Raymond concludes, "We should be encouraging more technopreneurs to start thinking about how we can solve the big problems that we have with technology, we are already starting to see a lot of young guys exploring really interesting solutions for our industry. In the case of Talox, it is really exciting because it is built by former real estate professionals directly for the commercial real estate industry."

Antton acknowledges, "It is very valuable that organizations like the ULI are organizing events like PropTech, as they support the ongoing educational process in the industry. Ultimately, it's not a matter of is it going to happen, but rather it's a matter of how quickly it will happen. Because we have seen it in other markets and industries, the ones who adapt quickly gain the advantage, and the ones missing out will be left behind."

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About ULI
Urban Land Institute (ULI) is a nonprofit research and education organization supported by its members. Its mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. Founded in 1936, the institute has now more than 40,000 members worldwide representing the entire spectrum of land use and real estate development disciplines, working in private enterprise and public service.

Across Asia Pacific and Japan, the Institute has more than 1,800 members, with a particularly strong presence in Hong Kong, Greater China, Japan, Southeast Asia, and Australia. The regional office is headquartered in Hong Kong, with a satellite office in Tokyo, and active district councils in key gateway cities in the region such as Manila, Shanghai, Singapore and Sydney.Visit the Asia Pacific website asia.uli.org/

About Talox
Talox is an independent cloud-based real estate platform that digitalizes and optimizes commercial leasing & asset management workflows and data analytics. It helps owners and agents of office spaces collaborate, and to unlock value in their real estate portfolios. The long-term vision of the PropTech venture is to fully digitalize the commercial real estate industry, and to create a real-time exchange.

Founded by commercial real estate professionals, the software application is designed for the current and future needs of the industry, fostering collaboration and data driven decision making. For more information visit talox.com

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