

# PROPTech: PROPERTY TECHNOLOGY, THE NEW FRONTIER IN REAL PROPERTY, PART 2: BENEFITS

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In Part 1 of our series, we introduced the concept of PropTech and how it is revolutionizing the real estate industry in innovative and unexpected ways. If you have not read Part 1, please [click here](#).

In this Part 2 of our series, we explore the benefits of PropTech to both businesses operating in the real estate space, and to the consumers of such products.

## **What are the Benefits of Companies Implementing PropTech?**

PropTech offers a range of benefits for owners, investors, real estate developers, and to those who create this technology. Benefits include increased marketability for real property assets (whether residential or commercial), licensing opportunities for integrated platforms, data collection and analytics, environmental efficiencies and improvements, as well as social benefits.

**Licensing.** Consumers in both the residential and commercial real estate sectors are demanding new and innovative products, not only increasing convenience, but also their trust and ability to remain safe and secure in their homes, offices, and public spaces. Property developers, therefore, have opportunities to license-in new, innovative, and practical PropTech into their developments and enhance consumers' experiences in these spaces. Such licensed-in technologies make the developments more appealing; add material value to and interest in the developments while maximizing the profitability for property developers and PropTech creators alike. These technologies are delivered primarily through a SaaS model, allowing for easy and instant access anywhere by developers, owners, landlords and tenants. Examples include:

- Locomobi's solutions that integrate smart technologies for daily conveniences like parking, tolling, transit and storage, [\[1\]](#) allowing developers to introduce highly efficient and interactive PropTech into developments, all while lowering costs and increasing security, ease of use, and peace of mind;
- Licensing smart home technologies to condo corporations or commercial landlords allows for remote control of building functionality (for example, temperature adjustments, door and window locking, leak/floor detection) which can provide cost savings and environmental efficiencies; and
- Managing the rental relationship (in both commercial and residential developments) through

technology which allows for more efficient communications, accessibility to key tenant and leasing features (such as boardroom or games room booking), and increased functionality for invoicing, assessment charging, and related reporting.

**Better Return Through Data Collection.** The ability to collect and analyze data on a real estate project, from pre-construction to post-occupancy, offers businesses the ability to improve and streamline future projects. Real estate firms are leveraging technology and data to deepen their client relationships. With information on a project gathered in a single and accessible space, whether it be information on the sale of a residential home<sup>[2]</sup> or engaging with a commercial space as an office tenant,<sup>[3]</sup> PropTech assists businesses in finding ways to save money and even lower their impact on the environment. Further examples include ecobee's smart thermostats which use technology to maximize energy efficiency<sup>[4]</sup> or Tread's digital platform making the business of moving a construction fleet easier, while improving budgets and timelines through data collection.<sup>[5]</sup>

**Environmental and Social Improvements.** Many consumers continue to seek streamlined services and luxury products at reasonable prices. They are also now increasingly socially conscious; that is, more interested in the environmental and social impacts of their purchases, and willing to spend more to ensure they are lessening their global impact. As such, commercial and personal consumers are increasingly investing in [ESG \(Environmental, Social and Governance\)](#) initiatives, and PropTech innovation can be a leading driver for growth in this key area. Examples include:

- Carbon Cure, inserting carbon dioxide into concrete in order to reduce its carbon footprint;<sup>[6]</sup>
- Large-scale residential or commercial developments integrating PropTech focused on energy efficiency, such as smart lighting;<sup>[7]</sup>
- Increased accessibility and barrier removal for those experiencing a disability; for example, smart lighting allows visually impaired people to control and be aware of the lighting in their homes through their smart device;<sup>[8]</sup> and
- Commercial real estate owners' ability to achieve environmental standards such as WELL and LEED Certification through the use of PropTech, increasing the attractiveness of their assets to the highest caliber of tenants.

This Part 2 of our PropTech series only touches on a few of the potential benefits of introducing and using PropTech technologies. This is a rapidly growing area and there will certainly be significant innovations and developments in the foreseeable future. However, PropTech is not challenge-free. In our upcoming Part 3 of this series, we will address several of the challenges facing anyone participating in the PropTech industry.

If you are looking for advice navigating PropTech matters including real estate acquisition or leasing,

development and construction, software licensing, privacy and data protection, or capital-raising, please reach out to the authors of this bulletin to discover how McMillan LLP's technology, construction, real estate, capital markets and intellectual property teams can assist.

[1] "Smart City Solutions" (last visited 11 January 2022) online: [Locomobi World](#)

[2] "Properly" (last visited 11 January 2022), online: [Properly](#)

[3] "Lane" (last visited 11 January 2021), online: [Lane](#)

[4] "Smart thermostats" (last visited 11 January 2022), online: ecobee. For commercial energy savings see "BrainBox AI" (last visited 11 January 2022), online: [BrainBox AI](#).

[5] "Tread" (last visited 11 January 2022), online: [Tread](#).

[6] "Carbon Cure" (last visited 11 January 2022), online: [Carbon Cure](#).

[7] See for example, "[UK ports implement smart lighting for energy and operational efficiency](#)" (last updated 11 January 2022), online: *SmartCitiesWorld*.

[8] Wirecutter, "[These Smart Home Devices Can Enhance Independence for People with Disabilities and Mobility Needs](#)" (last updated 10 September 2021), online: *New York Times*.

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### **A Cautionary Note**

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

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