
The Technological Yin-Yang of Modern Mixed-Use

In pursuit of an ever-evasive equilibrium, CRE sees tech innovation both mix and match.

By Brian Lee | August 12, 2019



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RICHARDSON, TEXAS—The balance of power between the consumer and commercial tenants has changed a lot during the current economic cycle. Aided by technological innovation, the consumer has gotten the upper hand in the situational seesaw while many tenants struggle to find a lift. GlobeSt.com spoke to **Alex Stanton**, VP of solution engineering at **RealPage**, a more than 20-year-old Dallas metro-based real estate software and data analytics provider, to discuss the real estate laboratory that is mixed-use properties and how they reflect the changing real estate dynamic between customer and vendor.

“Really the focus, more and more, is on the consumer where in the past it was the tenant,” he said. “With the evolution of work-live-play, it’s all about the all-inclusive life.”

In this e-commerce era, consumers increasingly can tell service providers that they have to come to them, from next-day delivery of a shopping purchase to a GrubHub drop-off within the hour. Given those realities, mixed-use properties have to be more and more versatile while attracting and serving consumers.

Technology turns that delivery dichotomy into a real estate yin and yang of sorts. It has expanded the consumer’s total experience, but on the service provider side innovation can also help reduce and thus better manage the granular transaction load to which many tenants will have to adapt given the smaller space and terms of the present-day mixed-use environment.

“While there’s still a binding agreement in the form of a lease, the desire of the market is for it to be much easier to procure because there are far too many transactions now for them to be all serviced by a broker,” said Stanton, adding that the “amenitization” of leases on the management side will drastically change the revenue mix.

Another property-based paradox – or market adjustment – could be mixed-use properties but of a single brand. The RealPage vice president cited WeWork Co. going into high-density environments and expanding its offerings, Related Cos. leading with the Equinox brand at Hudson Yards in New York, and Lifetime Fitness rolling out co-working spaces under its brand.

“We’re in a great spot in history with projects like Salesforce Tower and Hudson Yards, an amazing mixed-use development,” Stanton added. “Start to look at the edges of where it’s going. We want to be close to everything, but there’s going to be a big brand influx with how that happens. This notion of zeroing in on the individual will continue to have legs as everything becomes packaged under one umbrella.”

A great deal of attention was paid to the zero-sum game that tech introduced into CRE in the past decade. The new mix of complementary innovation and all-inclusive brands will no doubt change the game again.

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