

Capitalize on the Data Boom

Technology platforms are revolutionizing how prospective deals are sourced

By Richard Sarkis

In recent years, commercial real estate data has become much more expansive and accessible, completely transforming the time-consuming process of identifying property and ownership information for industry professionals. Those who have yet to join the tech movement could find themselves falling behind in a hurry.

For commercial lenders and mortgage brokers, the process of seeking out and finding properties that need financing or refinancing used to require a great deal of research and analysis — even to find a single property of interest. That's no longer the case, however.

Previously, whether it was an investor looking for the next lucrative asset, a developer looking for a buy-low option in a ready-to-flourish market, or a mortgage broker sourcing a valuable property deal, there were systems in place to get the proper data. It simply came at a very high cost.

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Think about the days when a broker relied on their Rolodex. The person-to-person manner of collecting data from large brokerages and banks was time-consuming and often inaccurate. The broker would have to dig through online and offline sources to find the mortgage history on specific properties, another source to find building-level details on the same properties, and yet another source for ownership data. The process would continue ad nauseum from there.

Without the right tools, the best option for commercial mortgage professionals often was to visit a town or city hall to gather data on local properties, or dig through the archaic online search tools on county websites, which usually had incomplete results. And because different types of mortgage professionals need different granular pieces of data, these were actually the most reliable options for them to find the information they needed.

Data curation

In many industries around the world, tech-driven solutions are no longer something that are “nice to have.” They’re a necessity. The same can now be said for the commercial real estate industry. As tech-based automation is used more commonly and regularly, the aforementioned processes have become much quicker and more accurate.

Although data collection is surely important, the true benefit of commercial real estate data platforms is curation. There are now a variety of tech platforms connecting commercial mortgage professionals to vast sets of curated data — targeting any asset type in any U.S. municipality.

Tech companies give users access to programming interfaces that pull custom data sets for them in real time. Mortgage professionals can use this data whether they’re looking to source loans for retail properties, farms or vacant land, mixed-use developments, warehouses, medical office buildings and more. Truthfully, no financing niche is left out when it comes to these tools.

These platforms also typically have something close to a “pay-for-what-you-use” type

of subscription model, making the entry point much less daunting. With a low financial hurdle, commercial mortgage professionals can start small and gradually build. It is smart to integrate at least one of these tech-driven platforms into your business.

When you think of the day-to-day duties of a mortgage broker, it’s a constant process of analysis and making contacts, then rinsing and repeating. Through machine learning and advanced algorithms that assess property data, these data tools assist brokers and alleviate pain points in every stage of the dealmaking process, from search to close.

Competitive advantages

A critical part of any broker’s job is to identify new loan opportunities. Their competitive advantage in doing so typically comes from extensive market knowledge. Although that is still the case, that advantage is also now dependent upon bolstering their existing expertise with the most up-to-date and accurate property and market information available.

This information helps mortgage professionals identify property owners who are, for example, likely to want to refinance, but it also helps them better understand the risks and values of these opportunities. Think of how credit card companies use consumer data to assess the risk and return of a potential cardholder — which, by the way, some credit card companies were doing as early as the 1990s. Today, mortgage professionals can do the same by looking at the current debt and debt history of individual properties.

This level of information is not limited to mortgage professionals either. A commercial real estate investor, for example, can look at the sales history and market value of a property to analyze its investment potential. All of this happens without having to go to a town hall or someone else’s office.

Search methodologies are very flexible and customizable as well. Let’s say John Smith is a mortgage broker who focuses on refinancing opportunities for warehouse properties in Orange County, California. He can now run a search within Orange County for warehouses

that have had loans originated in the prior five to seven years.

Data like this can be identified in seconds because of how customizable these search platforms are. Whether a broker seeks to identify information on a single property, or canvases the entire country for properties with specific criteria, there are tools to help do it faster and more accurately than ever before.

Professional relationships

The other big win for commercial mortgage professionals who incorporate data into their businesses is the readily available ownership details on almost any commercial property. Limited liability companies, or LLCs, have made it notoriously difficult to find true ownership information, but tech platforms now pull that information in seconds.

Mortgage brokers can use this information to get ahead of the competition. It allows them to spend more time developing and building new relationships, which, all things considered, may be the key to success in commercial real estate finance.

Think of the advantage that comes with the ability to establish trust and credibility in the very first interaction with a property owner. Instead of spending hours talking to gatekeepers and non-decisionmakers, commercial mortgage brokers can find out exactly who the ownership entities are for specific properties and then identify the decisionmakers within those entities. From there, they can access contact information for those decisionmakers and reach out directly.

By integrating all of this available data into their everyday processes, mortgage professionals can fully immerse themselves in their markets while bolstering their in-house databases. They can support each and every one of their decisions with accurate, timely data. With that, they spend less time on the inconvenient parts of their day, and more time building and maintaining professional relationships.

They can amass tons of data while prospecting, then use the time they’ve saved to build thorough, in-depth, custom pitches for

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each and every prospective client. And that's the beauty of data — the time that mortgage brokers used to spend searching the internet and jogging down to the local public office for property information can now be spent building amazingly detailed, expert-level pitches that have the potential to immediately impress property owners.



All of these factors combine to empower lenders, loan originators and mortgage brokers to reinforce their existing knowledge of the commercial real estate market, all while saving them time and better connecting them with the prospects that matter most. Commercial real estate professionals should seriously consider falling in line with these data trends, or they risk getting left behind. ■