November 2016 Newsletter

Are You Ready for Blockchain?
Lisa Stanley, CEO, OSCRE International

Technology is expanding our ability to collect, analyze and transfer information in ways not previously imagined. From building sensors to smart contracts to cryptocurrency transfers, blockchain technology is shaping up to be a powerhouse and a major disruptor to the real estate industry and the world.

What is blockchain? It is a distributed digital ledger that changes the way information is stored and shared between parties with no central database to hack. It resides on a virtual network, not within a single organization and uses encryption with both private and public keys for access. This distributed ledger approach includes a time stamp and stores value exchanges in a permanent record, making it extremely difficult (some say impossible) to alter a record as it would require rewriting the entire history of the record with all participants watching. Bitcoin is one of the most recognized applications of blockchain technology. Others include Bitshares, Ethereum, and Abra, a smart wallet application.

On the continuum of technology-based evolution, we’ve experienced the Internet of Things moving toward the Internet of Everything. With blockchain technology driving bitcoin and other cryptocurrency applications, we are rapidly moving to the Internet of Finance. The financial services industry likes the security and other features of the technology, and some have already heavily invested in it. One large financial institution has more than 35 patents either approved or pending based on this emerging technology. One of the leaders in this initiative is Goldman Sachs, who has a history of innovative platform development.

Regulators are looking at the technology with interest, and a Blockchain Innovation Center opened in September in Washington, DC as a joint venture between the Chamber of Digital Commerce and Technology Incubator 1776. The center is focused on fintech applications, aiding regulators and governmental agencies at all levels to understand the benefits of the technology and address issues including asset registry, cybersecurity and identity management.

How fast is this new technology moving? In August of this year, The World Economic Forum estimated that about 80 percent of top global banks will have launched blockchain projects by 2017, describing the technology as the future "beating heart" of the financial sector.

US-based banks are proactively engaged in building a blockchain-inspired platform and are driving an international initiative through the R3 Consortium. This commercial venture includes more than 70 of the largest financial institutions globally with the heaviest concentration of members from North America.
Blockchain is based on a single source of truth, and mandates a standardized approach to the collection and distribution of information that populates the ledger and drives decision making - that's exactly what OSCRE Standards provide to the industry. The efforts of the R3 Consortium demonstrate financial institutions have firmly planted a stake in the ground to identify ways to monetize this new technology.

Are you prepared? Standards implementation is a critical step to prepare for this new technology that will no doubt change the way business is conducted globally. The stakes are high. For more information on OSCRE's initiatives, please email us at info@oscre.org

OSCREE - a Progressive Campaign of Current Activities
Ian Cameron, CIO, OSCRE International

True to its origins, OSCRE is out in front again as an industry leader with initiatives focused on emerging trends and challenges facing the real estate industry. Common themes are emerging which drive OSCRE's activities, including:

1. **Data Exchange Strategy Forum** - Emergence of new technologies for data exchange and data aggregation causes OSCRE to take a look at data exchange strategies in general - where is this headed and what does OSCRE do about it?

   Data aggregation is taking on even greater importance as technologies and data exchange mechanisms evolve. Xml still holds the pole position with most practitioners, but some have begun to use j-son...and Blockchain technology is gaining ground at an extraordinary pace. One of the questions the OSCRE community is trying to answer is, "Where is the industry headed and what are the relative merits of these technology-based options?" The target outcome of the work is to provide OSCRE members and the industry with a guide to data exchanges in the future, and standards that enable the associated flow of information. It's about interoperability.

2. **The OSCRE Academy's Data Governance Certificate Program** - is designed to build skills in areas where there is a real shortage in our industry - a need for effective skills in data management, data governance, and complex data integration/aggregation projects, including implementation of standards.

   The curriculum is built on a foundation of data governance with a strong practical perspective based on the experience of companies with years of experience. Case examples are used to explain how the process works. The curriculum focuses on the following skills:

   - Building an information-enabled business
   - Linking information management and sourcing strategies
   - Information architecture, data integration and business intelligence
   - Information standards strategy
   - Data quality and data governance
   - Implementation and change leadership

3. **A Focus on Leases** - as the primary engine for many other areas of real estate operations and portfolios, OSCRE is reviewing the core data requirements for lease abstracts. This initiative is taking a course that includes:

   - Engaging with stakeholders from corporate and investment real estate, service providers, software firms and consulting companies.
   - Revisiting the core data terms and definitions required for a lease abstract, seen as essential to many uses including valuation updates, lease administration, portfolio performance reporting and others.
   - Pilot projects will be conducted to implement the re-focused lease abstract and a campaign of engagement with leading companies and collaboration partners will
4. Integrated Facilities Management - the growth of IFM calls for greater rigor in standards for the FM world, especially in relation to the flow of information. OSCRE has already been collaborating with IFMA on an ISO Standard for FM as a profession, which addresses high level functionality FM needs in the future.

The OSCRE IFM initiative is focused on emerging requirements for FM systems design and data exchanges as a result of shifts in the role of FM and new service lines being offered by the FM service providers. The initiative is focused on the emerging demands for data and analytics in the FM arena as well as data integration and information management strategies linking service firms and their clients - corporate and investment.

**OSCRE Member VTS merges with Hightower**

A newly announced merger between OSCRE member VTS and Hightower combines two industry powerhouses under one brand, and they will continue as VTS. They are expected to combine platforms over the coming months and continue their strong focus on standards and customer service. We wish the combined teams at the newly merged company well and look forward to their continuing engagement on OSCRE projects and implementing OSCRE Standards.

*Interested in learning more about OSCRE membership? Visit our website to view membership options and benefits [here](#) or email us at [membership@oscre.org](mailto:membership@oscre.org).*

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