There's a
Storm
Brewing in the
Construction Industry...
are you Ready?

Forward Thinking Organizations Invest to Convert ROI Vision Into Reality

By Andy Fuhrman, OSCRE Americas, Inc.

BACKGROUND

Incorporated in Washington D.C., as a non-profit organization, OSCRE Americas mission is to facilitate the standards development process among key real estate stakeholders, including owners, tenants/occupants, investors, operators, developers, regulatory agencies, service providers, vendors, utilities and suppliers; *essentially anyone who has anything to do with land, buildings, structures and infrastructure*—resulting in benefits to all stakeholders by enabling the industry's supply-chain to easily and cost effectively exchange accurate information more efficiently in the digital economy.

Supporting member organizations of OSCRE Americas represent in excess of $2.1 trillion in real estate assets, 12.3 billion square feet of floor space and 1,370,500 association members.

OSCRE's recently expanded fifteen member Board of Directors consists of major forces representing a significant cross section of the industry including Appraisal Institute, BOMA International, IFMA, CB Richard Ellis, Cisco, Cushman & Wakefield, Data Consortium, Jones Lang LaSalle, National Association of Realtors (NAR), Realcomm, Argus, Yardi Business Solutions, U.S. General Services Administration (GSA), Public Works Government Services Canada (PWGSC) and RealFoundations.

OSCRE Americas and OSCRE EMEA/PISCES will soon be joined by OSCRE Asia Pacific. All three regions will be coordinated by OSCRE International which looks to reduce the proliferation of conflicting standards an issue of considerable importance to global multi-national organizations requiring consisting reporting values.

OSCRE DOESN'T CREATE DATA STANDARDS, OUR MEMBERS DO

OSCRE members submit recommendations to launch interest groups based on business processes that could be greatly improved via interoperable data exchange and must be of high value to OSCRE members and the industry to evolve to a sanctioned workgroup voted on by OSCRE's Executive members.

Instead of the traditional method of individual companies hiring consultants and convening internal teams for months at a time to create their own best practice, OSCRE members who are highly experienced and knowledgeable professionals from public and private sector end-user organizations, associations, vendors and the service provider community, work together with OSCRE's workgroup project managers, trained to extract the necessary information and insert it into template documents that are handed off to OSCRE's technical team who convert the information into an XML Schema, the main component of the Standard required for interoperable data exchanges between trading partners.

Employing a democratic process, each member organization has only one vote per workgroup where small organization with four employees have a seat at the table and an equal vote to that of the largest global organization.

OSCRE members have launched workgroups designed to provide value to a cross section of the industry:

- **Commercial Information Exchange (CIE)** designed to move commercial property listings between sellers, brokers, listing exchanges and buyers;
- **Work Request and Work Order Fulfillment**, applicable for corporate and commercial property management;
- **Commercial Property Management**, eases the pain associated with the investment community's purchase and/or mergers and acquisitions of portfolios where the buyer needs to streamline the way they import the sellers portfolio of properties, buildings and leases;
- **Lease Abstract**, designed to streamline the exchange of lease abstract information between landlord and tenant;
- **Real Property Unique Identifier**, said to be the glue that will bind the real estate industry together. Applies a unique ID to land and buildings where all other information will be associated to, including addresses and assessor parcel numbers;
- **Space Classifications**, an essential component required for a large number of metrics, benchmarks, moves/adds/changes, programming, space forecasting, strategic planning and maintenance operations; and
- **Appraisal Institute**, utilizing AI's +1,700 data fields to create thirteen standardized electronic Appraisal report templates.

Several of the above listed workgroups are about to be published making way for new workgroups to be formed. Do you have a recommendation for a new OSCRE workgroup? If yes, submit it to OSCRE.

VIEWING REAL PROPERTY INDUSTRY AS A HOLISTIC ECOSYSTEM

Historically the transfer of information between sellers, brokers, listing exchanges, buyers, appraisers, inspectors, mortgage bankers, title companies, regulatory agencies, architects, engineers, contractors, utilities, vendors and service providers have all been manual paper-based transactions. Though differences existed between the data originator and data recipient's information,

the person manually re-entering the information into the recipients system would interpret and modify the information accordingly.

Web-based technologies have enabled the exponential growth of available information from around the globe on any subject and Extensible Markup Language (XML) enables the sharing of data across different information systems.

Combining Web technology and XML doesn't necessarily result in efficient interoperable data exchanges the way sending and receiving email can today on almost any computer or phone using almost any type of operating system and email software. It just seems to get there.

In the past it didn't really matter much that the appraisers and mortgage bankers using Marshall & Swifts nine single digit construction classification codes didn't match the International Code Council (ICC) codes used by the architectural, engineering and construction (AEC) sector for planning, design and construction using a multi-code classification that combines 4 construction

types (I through IV) with 26 different occupancy type codes that cover everything from construction materials, fire separation, allowable number of floors to maximum allowable constructed floor area. While both can continue to co-exist in their own context within the digital economy, the ability to perform "Sweet Spot Modeling™" via System Dynamics Modeling—a method to run multiple time based "what-if" scenarios, will be hampered by appraisers, mortgage bankers, insurance companies, FEMA and even web-based content service providers, until the ICC codes providing more, detailed, scientifically proven and tested data is selected as the dominant classification code for construction type.

OSCRE provides a forum to bring together industry experts from across the industry for open exchange of ideas that increases the opportunity to formulate new interoperable data standards and value-based business processes such as Sweet Spot Modeling™.

While OSCRE workgroups represent individual business processes, the overall

strategy is to someday connect business processes together. One such scenario is the exchange of real estate between seller and buyer and each step along the way, including agreements with brokers, finding properties, conducting appraisal valuation reports, inspection reports, agreeing to the sale leading to the title search, mortgage, taxes, digital signature and electronic funds transfer.

Rather than trying to boil the ocean, OSCRE is boiling a gallon at a time by improving and automating individual business processes. In an effort to significantly reduce the time to market of industry standards, OSCRE has identified other SDO's across the supply-chain to partner, with the intent these bodies of work will be interoperable throughout the industry. Current and future collaborations include, though are not limited to:

- **Appraisal Institute** (www.appraisal-institute.org) – Valuation.
- **Data Consortium/NCREIF** (www.ncreif.org) – Investment.
- **Mortgage Bankers Association** (www.mismo.org) (Pending) – Lending.

- **National Institute of Building Sciences** (www.nibs.org/projects.html – Oversees and is linked to a large number of AEC sector SDO organizations including National Building Information Model Standards (NBIMS) (www.nibs.org/newsstory1.html) and the buildingSMART alliance™ (www.nibs.org/buildingsmart3.html).
- **Open Applications Group** (www.openapplications.org) – B2B XML Interoperability.
- **oBIX** (www.obix.org) – (Planned) Building Automation & Systems Integration.
- **CABA** (www.caba.org) – Residential & Commercial Building Automation.
- **Open Geospatial Consortium** (www.opengeospatial.org) (Pending) – Integrating electronic location resources into commercial and institutional processes worldwide.
- **U.S. Green Building Council** (www.usgbc.org) (Planned) – Environment & Sustainability.

SOCIAL RESPONSIBILITY

Because of OSCRE's unique position bringing together Associations, End-Users, Vendors and Service Providers from across the real property industry, the U.S. Department of Commerce (USDOC) has identified OSCRE as a conduit to bolster the export of industry related goods and services to emerging markets. Increased exports drive the increase in domestic jobs and need for an educated workforce. USDOC has expressed an interest to:

- Advocate internationally on behalf of OSCRE members with a desire to introduce their goods and services in emerging markets; and
- Provide assistance in the development of programs to build an educated workforce starting at the elementary grade level.

INDUSTRY RESPONSIBILITY

The holistic view that drives OSCRE evolved from stakeholder interest industry-wide to improve inefficient business processes. Software and hardware technology have matured and gone about as far as they can go. It's now time for the terminology used by the industry to catch up, requiring industry professionals to come together and finally place a stick in the ground.

OSCRE offers its published standards for free. In order to provide this value to the industry, OSCRE requires support in the form of membership dues, sponsorship, grants, donations and of course—member participation. This isn't rocket science and shouldn't require just a few forward thinking organizations to shoulder most of the burden if many contributed to the effort. ∎

Andy Fuhrman has served since June 2004 as Chief Executive Officer for OSCRE, where he has been responsible for day to day operations, including business development, membership management, Executive Committee support, oversight of the organization's working groups and coordination with the technical and harmonization committees. Fuhrman has been instrumental in making strategic alliances with some of the most important professional organizations in the real estate industry, such as the Appraisal Institute, the Data Consortium, the National Association of Realtors and CoreNet Global.