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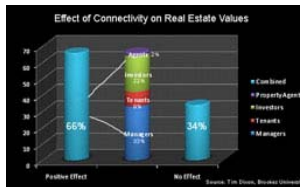
TECHNOLOGY


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It's Not Your Father's Phone Service Anymore

By Noreen Seebacher

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 Communications technology isn't what it used to be. That's a good thing, commercial real estate professionals generally agree. Simple telephone service--manually operated as recently as four decades ago--has morphed to comprehensive information and communications technologies or ICTs.

ICT is a generic term embracing consumer electronics, computing (hardware, software and services) and telecommunications and spans both the processing of information and the electronic transfer of text, pictures, video and voice.

Industry experts say ICT has a significant impact on commercial real estate, especially office space, through the characteristic of connectivity. It affects space needs, design and construction, productivity, location and even the organizational design and culture.

"ICT is clearly important in transforming real estate," reports Tim Dixon, a professor of real estate and director of the [Oxford Institute for Sustainable Development](#) at Brookes University in Oxford, England.

ICT "can affect real estate and the services that are provided for owners and occupiers. The physical nature of buildings means they can also act as conduits or objects within which the transforming power of ICT is offered by landlords for tenants or 'customers.' Increasingly therefore buildings are referred to as 'intelligent', 'smart' 'or 'wired'," he explains.

According to Dixon's research, ICT adds value to buildings. "Owners and investors were asked about requests from their tenants for facilities: Broadband, ADSL, Internet access, VOIP, ISDN, e-mail services, and wireless connections. Around half of owner/investors had seen requests for each of these features, with no one feature taking any precedence," he notes.

A study by the American Council for an Energy-Efficient Economy suggests ICTs have contributed to the economy-wide reduction of US energy intensity and the stabilization of overall levels of energy consumption. The research, Information and Communication Technologies: The Power of Productivity,

was released earlier this year.

It notes huge cost cuts and new ICT innovations have worked together to drive the expansion and diffusion of new information and communications technologies without increasing overall energy consumption in the US economy. The study highlights the growing role of ICT applications in enabling new high-tech products and services, as well as creating new investment and ways of delivering energy services.

The assessment shows that for every extra kilowatt-hour of electricity demanded by ICT, the US economy increased its overall energy savings by a factor of about 10. "Data for the past 37 years indicate the pace of energy efficiency gains has increased significantly since 1996, which was a watershed year in expanding ICT in Internet-based and other electronic applications," the study notes. "While US energy intensity declined 1.8% per year between 1970 and 1995, it declined at a more rapid rate of 2.4% between 1996 and 2006 as a result of the expansion and diffusion of ICT innovations as well as other ICT-related changes in the economy."

Property owners are no longer asking whether they should provide ICTs, but how. And increasingly, they're embracing turnkey or hosted solutions.

Hosted Solutions are packaged and ready-to-go services for businesses that want next-generation applications at minimal risk and cost. Rather than invest in ever changing technologies, they contract with third-party providers to host and manage the solutions, reducing new capital investments.

Frank M. Grillo, executive vice president of marketing at Atlanta-based Cypress Communications, a provider of managed communication solutions for mid-sized businesses, says technology ownership has become less important. "Hosted technology, modular IT services, virtualization and other technologies will make IT asset management a choice, not an obligation. Just as Software as a Service (SaaS) changed people's perspective on software ownership, communications as a service (CaaS) is emerging as the innovative communications trend.

"CaaS allows enterprises to reallocate dedicated IT resources and apply them where they will create the most business growth and value. Companies will increasingly rely on hosted technologies, like CaaS, so that they can focus on what they do, and not just on how they do it," he says.

The CaaS solution can provide users with options including bundled VoIP service, complete with local and long-distance voice services, voicemail, VoIP technology infrastructure, advanced PBX functionality and other features, including desktop video, chat, file sharing, Web conferencing and other collaboration tools.

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