

A background image is divided diagonally from top-left to bottom-right. The left side is tinted blue and shows a person's hands working on a laptop keyboard. The right side is tinted green and shows a close-up of a person's hand interacting with a digital screen, with a glowing network graph overlaying the bottom right corner.

SOFTWARE PROPERTY MANAGEMENT COMPANIES MUST BUDGET FOR

TABLE OF CONTENTS

INTRODUCTION:
TECHNOLOGY PROVIDES A COMPETITIVE EDGE

MAINTENANCE MANAGEMENT SOFTWARE

VIRTUAL REALITY TOURS

MOBILE LEASING TOOLS

DATA INTEGRATION

TENANT SCREENING SYSTEMS

ACCOUNTS PAYABLE AND PAYMENT AUTOMATION

CONCLUSION:
ADOPT DISRUPTIVE TECHNOLOGY TO REMAIN PROFITABLE
AND EFFICIENT IN THE FUTURE



INTRODUCTION: TECHNOLOGY PROVIDES A COMPETITIVE EDGE

The demand for rental property is on the rise and isn't expected to slow down. According to a report from [Harvard University](#), 60% of residents in major U.S. cities now rent their homes, and investors have been turning their real estate into rental properties, leading to an increased need for property management services.

Over the last few years, the responsibilities of property management companies have shifted. They're no longer only collecting rent and paying maintenance bills, but delivering a whole range of services. For instance, they might be contracted to provide resources for a homeowner association (HOA) or a multi-family community, or they could be managing commercial properties; they may also oversee marketing, arranging insurance, supervise security, and making sure they're compliant with government regulations.

As their workload increases, technology has become crucial to performing these duties effectively, raising two vital questions: How can property management companies seize this market opportunity and what innovations are available to help them achieve growth?

Property management has historically been slow to embrace change, but innovations are beginning to reshape the sector. Some companies are specializing in more niche services, while others are consolidating into large organizations that serve the growing numbers of real estate investment trusts and large real estate companies. Competition within the sector has never been fiercer, and client expectations have never been higher.

Technology companies can provide the competitive edge a property management company requires to succeed and remain profitable. These organizations are offering innovations that can improve the customer experience, increase efficiencies, and business relationships. This eBook will explore five of the critical technologies set to disrupt and reshape property management in the months and years to come.



1) MAINTENANCE MANAGEMENT SOFTWARE

Every property management company needs an effective way of organizing maintenance operation and human resources functions. Computerized maintenance management software (CMMS) dates to the early 1990s, but there's been a recent explosion of new functionality and improved software integrations.

Modern CMMS can transform the routine tasks of maintaining a property portfolio. These databases are typically used to process work orders, record safety permits, document safety requirements, and manage inventory and assets. Regular tasks such as ground maintenance, boiler service, and renovation of exterior doors can be scheduled and arranged through the software.

Instead of a reactive approach—only fixing things when they break—you can be strategic, and it's simple to respond promptly to reports of faults or problems. CMMS uses the records of individual assets (such as central heating systems) to predict when maintenance is needed, which helps to prolong the life of assets.

Another significant benefit is that maintenance records are always visible, making it easy to show compliance with local and government regulations on building safety. CMMS can be found in all industry sectors, from manufacturing to the military, and they can be customized to meet the needs of any size of an organization.

Linking CMMS to accounting software enables property management companies to manage budgeting, purchases, and payments associated with maintenance. It's also easy to track the cost of owning assets and make informed decisions about when items should be upgraded or replaced. When integrated with online payment systems, further efficiencies can be achieved: more visibility into optimizing supplier purchasing and executing all payments electronically. The purchase-to-pay process is streamlined and accurate, with no need for manual approvals, saving time and staff costs.

CMMS is like enterprise asset management (EAM) and shares many of the same features. However, their purpose is different: The focus of CMMS is on maintenance, whereas EAM is intended to cover the whole life of a built asset.

Next-generation CMMS, such as Common Area, is cloud-based, allowing the maintenance team to manage upkeep in real-time, on-site or in-office, by using their mobile device or tablet. Some CMMS is connected to the internet of things (IoT), enabling a wide range of smart technology features. Embedding sensors in buildings, for example, offers the ability to monitor factors like temperature, occupancy, and chemical hazards. These integrations significantly enhance the control of building operations such as fire safety, waste removal, and energy use.

A property management company that is still using paper-based filing systems should make investing in CMMS a high priority. The benefit of switching to CMMS does more than free up office space: Automated maintenance management is accurate, traceable, and efficient; and visibility of every maintenance task reduces the cost of an audit because all the required information is easily accessible and reliable. Detailed reports are available to staff whenever needed, enabling them to plan the workload for maintenance teams as required. These reports clearly show what does and doesn't need maintenance, freeing up skilled technicians to focus on the tasks that add the most value.

2) VIRTUAL REALITY TOURS

How do you give a tour of a property that's not finished? Virtual reality, once the domain of video games and sci-fi movies, is soon to be a big business in real estate. Real estate applications using the technology are projected to be worth 2.6 billion dollars by 2025, according to research from Goldman Sachs. Initially deployed to market luxury properties, the technology is now affordable enough for companies to use in marketing everyday properties.

In the age of the internet, most prospective purchasers and tenants will be searching for properties online, and they expect to take advantage of increasingly sophisticated ways of exploring what's on offer. Virtual reality tours add impact to property marketing campaigns, enabling prospects to view a property digitally.

Potential customers can explore a property from room to room, view the outside amenities, and even take measurements within the virtual environment. This technology can help establish more direct and seamless connections between property management companies and their prospects/clients.

Virtual reality tours can be linked to the business or property location, an approach that's very popular with retail businesses and restaurants. Tours can be integrated with Google Street View, or platforms such as Gear VR and Oculus Rift, to make them accessible to prospects from as wide a range of devices as possible.

New York City-based Floored is taking virtual reality to a new level: The company has recently won an award for its groundbreaking 3D-imaging software combined with virtual reality for commercial office space. Developers can create accurate floor plans, then take prospective commercial tenants through immersive tours. Panoramic views from every floor are possible, together with different options for configuring the space. Commercial real estate clients, especially at the top of the market, expect this level of innovation, so it's no surprise that Floored was acquired by CBRE, the world's largest commercial real estate firm.



3) MOBILE LEASING TOOLS

Mobile leasing tools provide leasing managers with all the information and data they need to interact with prospective tenants and residents. Using tablets or smartphones, leasing managers can match available rental units accurately to prospective tenants' preferences, then send floor plan information and property photos.

They can also access internal leasing policies and procedures, then take a prospect through every step of the leasing process, from the first contact to signing the lease with electronic signatures. This seamless flow from initial inquiry to contract execution is quick and convenient for both manager and tenant. Managers can also help tenants to move into their new home, move out, or renew the lease all from their mobile device, by accessing relevant paperwork remotely.

Yardi's Leasing Pad, for example, brings together contact, prospect, lease, and resident data from its proprietary Voyager property management system for employees in the field. It includes property marketing listings and enables managers to track and manage their interactions with prospective tenants. Operations and leasing dashboards provide displays of high-level information on activities; reports on residential analytics are also sent directly to Leasing Pad.

Meanwhile, AppFolio's apps provide instant access to the leasing manager's entire database from a mobile device. These apps enable more effective problem-solving and better customer service to tenants, owners, and vendors.

They can send emails or click-to-call directly from the app, and find their destination with integrated maps; also, they can take photos during mobile inspections and add them to the Appfolio property record instantly, together with attachments, such as notes and work orders.

For small-scale landlords, there's DIY Landlord, which helps landlords keep track of rental business on their mobile devices. They can organize a property by unit, lease, and tenant information; or they can enter rent payments, expenses, and run financial reports.

Other mobile apps include facilities for maintenance teams to access work orders from the field and enable property managers to access and approve invoices quickly. It's even possible to post vacancy ads and market units as they become available from a mobile device, marketing to sites such as Apartments.com and Rentals.com, as well as the property management company's website.



4) DATA INTEGRATION

Access to real-time data and automation of manual processes enable property management companies to be more efficient and make significant cost savings.

Data integration can take many forms, depending on the industry sector. Typically for property management companies, a central core database provides information on all aspects of vendors, properties, units, and tenancies. This database manages information about the core business: the properties and units available, the tenants, and the vendors supplying goods and services relating to a location.

The central core database can be expanded to include information about a facility's management, covering a wide range of responsibilities for managing a built asset for a client. Environmental information is often integrated into the core database, providing reports on issues such as air pollution. Project management information is also useful, reporting on the progress of ongoing capital projects and lessons learned from previous projects.

Financial management information is arguably the most valuable component of a fully integrated database. It enables timely and accurate reporting on all financial information across the business—like recent transactions, budgeting, and cash flow. Managers can track and analyze financial information relating to tenancies, facilities management activities, and capital projects underway. Qube's Integrated Workplace Management System (IWMS) is an example of data integration that can be scaled to global, national, and regional property portfolios and tailored to the needs of individual businesses.

The benefits of data integration can be significant. At the strategic level, it's much easier for a property management company to have a clear overview of the property portfolio. Vital information aligns with the company's business priorities and key performance indicators. Senior managers have all the headline information they need in real time to make decisions about future investments and relationships with business partners.

At the operational level, more accurate and detailed information about lease-related data supports improved decision-making. All the info that managers need is in one place and accessible to all, with reduced risk of human error. Repair response times decrease through better communication between all the parties: departments, suppliers, and contractors. Space can be managed much more efficiently, including asset moves and relocations.

There's significantly improved visibility and control of real estate costs when the company's accounting systems are integrated with other vital systems and data sets. For example, some systems enable integrated management of all real estate and facilities costs, suppliers, and purchasing. This provides much more detail on payments of real estate costs, vendor management, paperless-purchasing, and even multi-currency options.

Data integration can also help to deliver projects on time and budget, whether the project is a major relocation and new build, or a small-scale refurbishment and planned maintenance. Funds can be allocated and tracked, and budgets for all the suppliers involved in the capital project can be managed more efficiently. Meanwhile, document management systems take care of keeping project assets up to date.

5) TENANT SCREENING SYSTEMS

There's nothing property management companies love more than reliable tenants, but screening processes can be incredibly time-consuming. Additionally, it's often a challenge to demonstrate compliance with Federal Trade Commission (FTC) guidelines for protecting tenants' privacy and personal information.

However, few landlords and agents would be willing to skip the screening process. Viewing the credit history and criminal record history of an applicant is a crucial step. It's the most reliable way to determine if there is a financial or safety risk before completing a lease agreement.

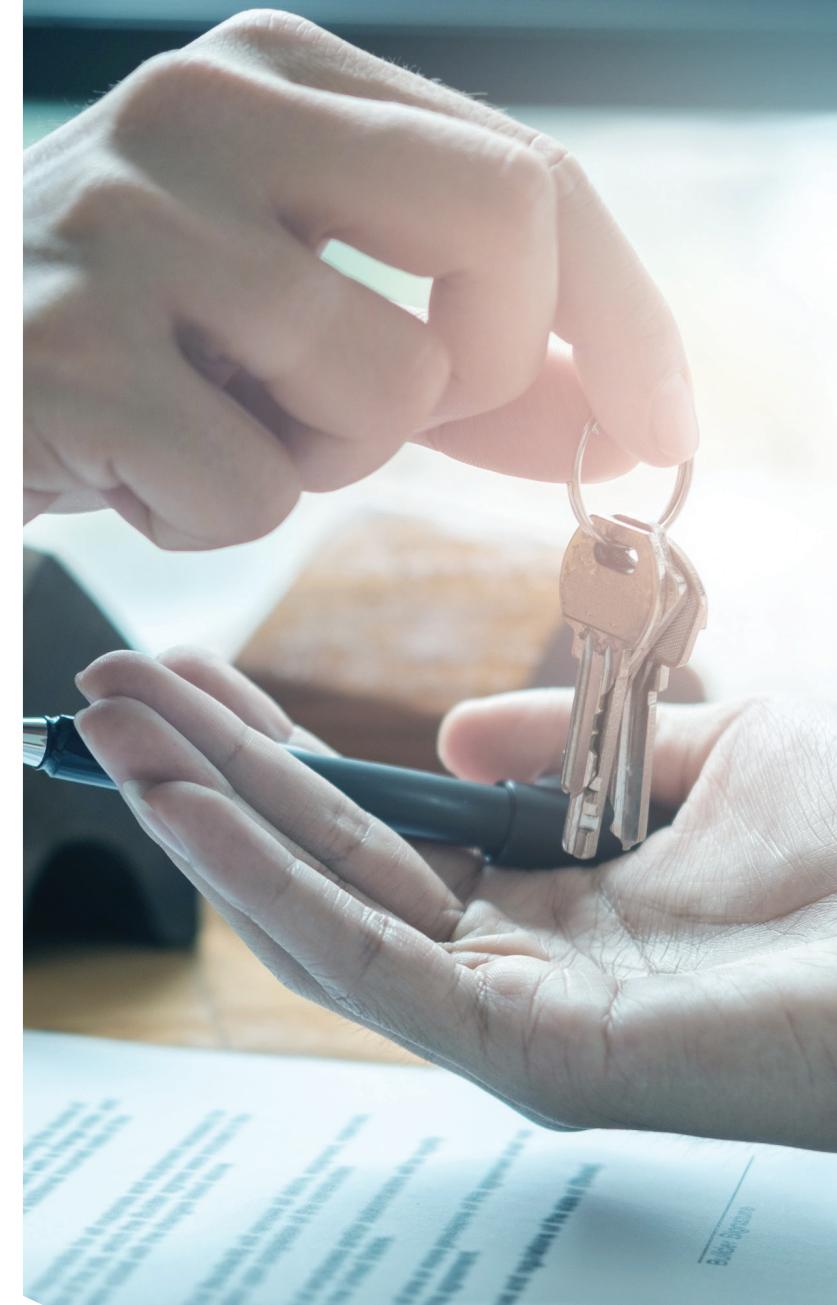
Available tech applications can screen prospective tenants with online searches for a wide range of criteria. Typical searches can be about identity (via social security, fingerprints, or person-search); they might be investigative, such as county criminal records, national rental records, or social media activity; or they could include professional license credentials, residence verification, or credit history.

Tazworks is used widely as a background screening service. As well as tenant screening, it's used to screen potential employees and volunteers, even for criminal investigations. Another example is Rentscreener, specifically designed for the property management sector.

The tenant screening process is conducted online. The exact details may vary, but typically the landlord or agent initiates the process by emailing a screening request to the applicant. Next, the applicant authorizes a screening by providing selected personal information online. Then the screening service runs a range of screening checks. Finally, the screening service offers credit and criminal reports, usually with a leasing recommendation.

It's confidential, secure, and reliable. Tenants like these systems because they're quick, convenient, and safe, and aren't impartial as they don't rely on subjective judgments. Landlords and agents like them for similar reasons, primarily because all the complexity of checking is removed. On top of that, compliance with FTC requirements is assured.

In some systems, the landlord pays; in others, the tenant pays for the service. It can be pay-as-you-go or charged in a variety of different charging models, and some systems integrate the rental application process with tenant screening for even more efficiency.



6) ACCOUNTS PAYABLE AND PAYMENT AUTOMATION

AAs an AP professional working in property management, you handle competing responsibilities daily. One of those tasks is making sure all the bills are entered correctly, approved, and paid on time. The worst part is that the traditional, paper-based accounts payable process is costly and exposes your company to errors and internal control failures.

Handling AP is a challenge that property managers can easily solve with the right resources. Whether you oversee single-family rentals, multi-family rentals, condos, commercial properties, vacation rentals, or industrial properties, you probably manage many bills and expenses. Imagine dramatically cutting the time and cost it takes to handle AP. You could save money by lowering your staffing or redirecting your employees to more lucrative functions. The possibilities are endless when you have more resources at your disposal. But you won't have them unless you take steps to automate your AP process.

Over the last decade, it has become increasingly apparent that automating accounts payable processes can significantly improve an organization's overall financial operations. Automation eliminates paper and adds significant value to accounts payable, including real-time visibility into performance and cash flow, increased reporting accuracy, and better compliance with tax laws and FASB regulations.

AP automation solutions integrate with your real accounting software and mimic your current approval process. No longer does a staff member need to worry about fixing data entry errors or spending half

a day chasing down approvers to sign off on an invoice or check. In addition to eliminating paper and the manual tasks associated with it, cloud-based AP and payment automation solutions, like AvidXchange, allow members of your team to access performance data and reports anytime, anywhere.

Controllers and CFOs can study financial operations dashboards and see and compare real-time metrics – such as days payable outstanding (DPO) and days sales outstanding (DSO) – for a comprehensive view of the company's financial health. By carefully examining the overall process and establishing the time associated with each step in your accounts payable workflow, leaders of well-run property management companies can make strategic decisions on how to eliminate costs from their departments.

If your property management company is still receiving paper invoices or paying with paper checks, you're not capitalizing on today's best practices. You're also missing out on the potential for savings by streamlining processes, reducing operating costs, and creating efficiencies. Research by AvidXchange shows that utilizing automation technology allows businesses to act more strategically, thanks to improved visibility into cash flow. In addition to saved time, reduce their AP and payment processing costs up to 60% with automation – that's time and money that could go toward your organization's cause instead of its upkeep.





CONCLUSION: ADOPT DISRUPTIVE TECHNOLOGY TO REMAIN PROFITABLE AND EFFICIENT IN THE FUTURE

Until recently, many property management companies used paper-based systems. Their maintenance managers worked on site with a notepad and pen, together with a paper copy of the site plan. Today that is mostly gone. New technology is taking these companies to the next, innovative level. In real estate hotspots, booming rental markets are attracting innovative tech firms that are investing in new solutions to help the property management sector.

These solutions aid a wide range of property management companies in improving operational efficiency and profitability. Crucially, most of these solutions also enhance the customer experience and drive better customer relationships, a vital step in a people-focused industry where excellence in customer service means a competitive advantage.

The challenge for property management companies is deciding which technology to invest in. Research shows that these businesses are concerned about the high cost of new systems, upgrades, and integration. However, the technology landscape is changing so fast that traditional ways of creating IT support are being reinvented and made more affordable.

As the management consultancy Deloitte supports, the way forward involves radical thinking. It's about bringing together predictive analytics capability, big data, and the cloud; holistic, disruptive technologies must work in harmony with each other and reshape the way work gets done.

For the property management industry to achieve success, it, too, must adopt disruptive technology to remain profitable and efficient in the future.

SAY GOODBYE TO PAPER CHECKS AND INVOICES

AvidXchange™ simplifies the way companies pay their bills. Serving more than 5,500 clients throughout North America and 400,000 vendors nationwide, AvidXchange is an industry leader in automating the end-to-end payment process for midmarket companies, spanning multiple industries including Real Estate, Financial Services, Energy, Construction, and more.

Interested in automating your payables and creating efficiencies for your AP team? Schedule a meeting with an AP automation expert to learn how you can increase productivity and protect your business. Our automation specialists will create a customized demo and walk you through the streamlined workflow of an automated AP process.

Call us at (888) 918.2843, email the sales team directly at sales@avidxchange.com, or [click here](#) to schedule a demo today!

CONTACT US

REQUEST A DEMO

