

Rising importance of proptech in a new world

 By [Johette Smuts](#)

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Amplified by the pressures of a global pandemic, 2021 has begun as a continuation of the challenging economic conditions that plagued the year before. Throughout 2020, businesses across all sectors have been pressured to adopt virtual technologies and processes to enable staff to work from home. The property sector was no different, and real estate agencies needed to quickly adapt to accommodate virtual client-facing processes to ensure that property sales and leasing continued.



Johette Smuts, head of data analytics at PayProp

The lockdown was by far the biggest catalyst for the notable shift in the way rental agents are operating and managing their businesses. For many rental agencies in South Africa that still relied on outdated processes to manage their portfolio payments, Covid-19 brought on a new urgency to adopt technology.

The pandemic has hastened the long-awaited digitisation of many business processes in industries and organisations around the world, with tremendous spin-off benefit for efficiencies, scalability (growth) and new products and revenue streams.

The importance of getting it right

There's a real concern that rental agencies choosing not to adopt proptech solutions will be left behind and become vulnerable in this new virtual world in which their competitors are reengineering payments, document signing, property viewings and much more.

But with the brave new world of tech enablement comes a responsibility to choose the right platforms and providers - payments, for example. Many software providers claim to offer a full digital payment service, but it is an area steeped in industry knowledge and regulation, and there are some key questions business owners must ask of their providers: Can the system in question account for where the landlord or tenant's money is, where it came from and what account it was paid into? Does it offer permanent audit trails, strict user permissions and daily reconciliation? How clearly are consumers' trust funds separated from business funds, and how clearly are one consumer's trust funds separated from that of another consumer? What data security is in place – in storage, use and transit?

Agencies are now increasingly asking these questions and many more, understanding the vast untapped opportunity of keeping their processes up to date with the aid of smart technologies from trusted providers. Partner with the best, and you can expect to taste benefits including resource savings, work and business process flexibility, portfolio growth, and the assurance of bank-grade security protocols.



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Protective, proactive strategy

On the one hand, it's a protective strategy: Having peace of mind around data being stored safely, and encrypted when being transferred, will be especially important for rental agencies going forward as cybercrime continues to rise. On the other, it's a proactive business growth strategy. Having powerful proptech on your side means resource savings and rapid scalability of automated processes.

Agents continuing to embrace the regenerative powers of smart technologies will lead the way in reducing time-wasting process complexity, making life easier for themselves and their clients and potentially creating growth and revenue opportunities.

ABOUT JOHETTE SMUTS

Johette Smuts is head of data and analytics at PayProp, a processor of rental payments for the property management industry. In addition to being a CFA charterholder, Smuts is a Stellenbosch University graduate with a BCom honours degree in financial risk management. She is the author of the *PayProp Rental Index* - a quarterly guide that outlines trends in the South African residential rental market.

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