

Rental property, like any other asset class, requires strategic management to reach their full potential

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Property management services are scarcely a new thing. In fact, most landlords consider their property managers an essential part of their rental portfolios. Recent changes to the rentals landscape have heaped significantly more complexity on property managers' plates, however, begging the question: are traditional methods still keeping up and delivering the value landlords need?



Johann van der Merwe, MD of WeconnectU Intelligent Property Management Systems, elaborates. “People often assume that the majority of landlords’ needs are to have the admin of running a rental property taken care of,” says Van der Merwe. “That’s certainly a big part of it, but it’s not the whole picture. Owning a rental property isn’t just about keeping it tenanted. It’s about turning it into an appreciating and profitable investment. That’s something a lot of property managers and property investors forget, letting the title of ‘landlord’ disguise the investor – and investment – behind it.”

In truth, rental properties are often the most valuable individual assets in an investor’s portfolio. Yes, they require significant amounts of admin to run successfully, but they also require strategic management, like any other asset class, to reach their full potential.

According to Van der Merwe, that means property management services really need to include optimisation of returns on investment, risk reduction, portfolio expansion strategies, comprehensive investment reporting and more. “The problem property managers are facing is that the admin side of property management, have become a lot more complicated and time-consuming thanks to increasingly complex regulations,” says Van der Merwe. “As a result, they’re spending the majority of their time keeping properties tenanted and compliant and have little to no capacity to focus on the strategic side of the investment.”

This, in turn, affects the service landlords receive, which often becomes limited to the basics of sourcing qualified tenants, rental collections, reactive maintenance, arrears and lease management.

“Property managers are some of the hardest working individuals I’ve ever met,” says Van der Merwe. “They’re not struggling to provide the kind of value modern property investors need because of a lack of effort, but rather because their

traditional tools, techniques and technology are letting them down.”

Attempting to use multiple disparate systems to perform cohesive property management services while navigating an extremely complex regulatory environment leaves most property management agencies fighting information siloes and difficult operational gaps. Without improving these inefficiencies, Van der Merwe says, it becomes a genuine struggle to deliver the bare essentials, let alone solve the four main challenges of property management: compliance, manageability, scalability and profitability.

According to Van der Merwe, the key lies in a growth-oriented business model, supported by standard operating procedures for every workflow, run via a unified, purpose-built technology solution.

“Until fairly recently, there wasn’t a single software solution available that covered all the elements of South African property asset management,” he says. “This was a major frustration in my own property management business and inspired the creation of WeconnectU.”

By bringing all functions of property management together in one, cloud-based software ecosystem, WeconnectU has enabled hundreds of property management business around the country to drastically improve the speed, accuracy and overall efficiency of their processes. This has not only given them more capacity to focus on the strategic side of property asset management, it has also enabled them to communicate more effectively with their clients thanks to WeconnectU’s comprehensive and largely automated reporting.

“Communication is another frequently overlooked aspect of property management,” says Van der Merwe. “Without access to consistent and comprehensive data and reporting, it’s impossible to truly optimise an investment.

“WeconnectU doesn’t only streamline property management processes, it also provides big-picture and granular insights into all measurable aspects of a property or portfolio’s performance, acting as an invaluable source of strategy-shaping data for investors and their property asset managers.”

While the technology property managers need is now available, Van der Merwe says it’s also essential for a conscious mind shift to be made. “I think it’s high time that we acknowledge the value of property managers’ advice, experience and ability to optimise rental asset performance,” says Van der Merwe. “We need to embrace the modern mindset, and skillset, of property asset managers, and open the door to a world of opportunities that didn’t exist before.”

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