

THE FUTURE OF FACILITIES, PROPERTY AND ASSET MANAGEMENT GOES UNDER THE SPOTLIGHT

Hosted by Building Relations PR and curated by Faisal Butt of
Spire Ventures and Pi Labs

Roundtable Summary – Wednesday 9th May 2018



Attendees on the day

- Tim Baker, Transformation Director, RE_SET
- Faisal Butt, Founder and Chairman, Pi Labs & Founder & CEO, Spire Ventures
- Yvonne Coombes, Marketing Communications Officer, Encore Group
- Johanna Courtney, Managing Director, The Digital Marketing Bureau
- James Davis, Founder & CEO, Upad
- David Goldberg, Founder & CEO, POD Management
- Ben Lerner, Managing Director, Qube Operations
- Laurence Levy, Assistant Surveyor, CBRE
- Isla MacFarlane, Online Editor, Showhouse magazine
- Veer Mehta, Investment Analyst, Spire Ventures
- Rajeev Nayyar, Managing Director, Fixflo
- Philip Oades, Estates Manager, Mount Anvil
- John Redfern, Director of Property Management, Savills
- Duncan Rendall, CEO & Founder, Rendall & Rittner
- Tom Shrive, Co-Founder & CEO, Ask Porter
- Paul Unger, Publisher, PlaceTech
- Esha Vatsa, VC Investor, Pi Labs
- Kevin Watson, Operations & Commercial Director, PLATFORM_
- Debra Yudolph, Partner, SAY Property Consulting



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Efficiency

As a landlord and as a PRS landlord in particular, what are the pain points that you experience and those of your occupiers?

Kevin Watson, Operations & Commercial Director, PLATFORM_

“For us it is about how we stay in contact with our residents who are spread out across the UK through the channels they want. A lot of our customers still want to call us. **The key is how we do that efficiently** – I would love to have 10 on site staff but that simply isn’t viable.

“The solution we are looking at is managing this between our property manager, ourselves running the portfolio and **using some smart PropTech solutions to fill the gaps in between.** The crux of our business is about delivering amazing customer service in a building which residents respect; if we can offer the wrapper and service on top of that, then we end up with a successful business.”

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Efficiency

As a landlord and as a PRS landlord in particular, what are the pain points that you experience and those of your occupiers?

Philip Oades, Estates Manager, Mount Anvil

“We have a number of investors from the Middle East, Far East and beyond so they are distant. This makes the **whole process fragmented** and residents are left dealing with the letting agent who doesn't necessarily have all the right information, for example what to do if the heating or hot water stops working.

Basic stuff in the 21st century can bamboozle tenants, especially if English isn't their native tongue. We have thought outside the box with our managing agent choice as we know historically the most basic of tasks can otherwise get forgotten. **Property management definitely needs to reinvent itself.”**

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Engagement

If each of you had £1million of an R&D budget to address the challenges that you and your clients are facing, how and where would you allocate it?

Duncan Rendall, CEO & Founder, Rendall & Rittner

“IT would be where we start as it is where we are heading. It is a key priority for us.”

John Redfern, Director of Property Management, Savills

“I don’t think that £1million would get you very far. **The big thing for us now is engagement** and we have just partnered with a company who specialise in building engagement and community apps. This encourages residents to feel part of a development and helps build the community. The issue is finding the information and linking that all together in one place.

“Some clients we have to push to think about this. **Our role as property managers is to try and enlighten people** and make them aware of what is going on. It has changed dramatically over the last five years from simply collecting rent and managing a service charge to trying to think of how you can manage a building better and engage with all the different stakeholders.”

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Engagement

If each of you had £1million of an R&D budget to address the challenges that you and your clients are facing, how and where would you allocate it?

David Goldberg, Founder & CEO, POD Management

“The CRM side is massive. Most traditional software has concentrated on reporting and accounting and there are powerful tools out there that do that, but they don’t understand customer engagement. They are behind the times and don’t integrate well into the traditional platforms that managers use.

“**Information flow** is really important. Our industry operates in silo’s. If you look at traditional managing agents, information flow is poor between departments as traditional one to one methods of communication like email are used. I would spend money on collaborative working tools and that is certainly what we are doing. How we interact with customers and bring everyone into the conversation is how I would spend all my money, and this would probably cost more than £1million!”

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Flexibility

If there is one thing that your clients want to have done differently what would it be? What really matters to them?

Debra Yudolph, Partner, SAY Property Consulting

“To find a solution that can deliver across different types of managers and tenures, a platform that everyone can use is really difficult. Most new developments are mixed use and there are often a lot of stakeholders involved.

“There needs to be a way of consistently collecting data, so operators can compare their performance otherwise the sector is going to stall. Often it is better to be working with a client that has no platform, because we can then curate their own bespoke system. If you are working with an incumbent system, it is very difficult to update and modernise this.

From our experience, our clients want something that is flexible, so that as technology moves really fast they’re not stuck with a system that becomes redundant. When you are working on buildings that aren’t going to be built for another three years, they **want to future proof.**”

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The evolution of property management

Rajeev Nayyar, Managing Director, Fixflo

“Today’s discussion reflects an **evolution of property management**. If you go top down from landlords, through to operators and managing agents; the nature of property management has changed. It was historically about lease administration and making sure that the terms were adhered to. Now, property management like most professional services has evolved into **relationship management**. The expectations of consumers are that there will be connectivity and communication and that change in expectations has been what has **fostered the new wave of PropTech 2.0**.”

“The property managers that I think will really thrive in this new environment are the ones that understand which parts of the customer journey are transactional and can be automated, and which parts are relationship building and can’t be. You **can’t digitise empathy** so understanding the distinction between being transactional and people wanting an immediate outcome and visibility, versus an opportunity to make people feel good about their interaction. **PropTech 2.0 is the layer on top of the system of truth that makes people feel good.**”

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Adaptability

Ben Lerner, Managing Director, Qube Operations

“The challenge is communicating with people whether it be with other systems or tenants. It is about having a system that is open, adaptable and offers connectivity. We look at bolting on different systems to our own to give clients the end to end, collaboration and communication that they need. This delivers clients with a system that is integrated and allows them to bring information out of multiple systems into a coherent port that they can then use to benchmark and report.”

James Davis, Founder & CEO, Upad

“What we find with our customers who are residential landlords, is that they don’t actually know what they want. The more you interact and engage with your customers, advising them of what is going on in the space, reporting how their property is performing and the data behind it, the better. More is better when it comes to reporting and engaging with your customer base, rather than a hands-off operating behind closed doors ‘smoke and mirrors’ mentality.

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Inertia

What is standing between you today and this vision of transparency that you have?

James Davis, Founder & CEO, Upad

“British inertia. Tens of thousands of landlords still advertise in classified ads in local newspapers, dating has moved from classified to online but a lot of landlords are still stuck in their ways in terms of what worked ten years ago.

“I don’t think it is a case of educating them, it is a case of trying to virtually shake them through sending out emails and content; trying to get their mindset to shift. Professionalisation of the sector requires key players to help drive that change and awareness that there are tools out there.”

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Transparency

Tom Shrive, Co-Founder & CEO, Ask Porter

“There is a difference between what is transactional and what is value add. There are a lot of PropTech products out there, which do the front end and community piece, but because the conversations that one property manager is having in the retail space versus the conversation a property manager is having in the residential space, are different and unless your **platform can deal with those slight nuances**, it won't work.

For a property manager to do a really good job, you have got to have a system that enables them to do business in the way that they want to do business.”

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Optimisation

There are sceptics out there that often comment and say that all these PropTech start-ups that have emerged are building solutions to problems that don't exist. What are your views on the new emerging players in this sector and do you feel they are addressing the needs you and your clients are facing?

Lawrence Levy, Graduate Surveyor, CBRE

“Client expectations are changing, and the traditional property manager doesn't necessarily have the skillset to figure out the best way to capture the type of data they require or how to manage it. All this innovation and optimisation is increasing the amount of work that the traditional property manager needs to do.

Automating a lot of the processes that are really tedious in property management like lease abstraction and building out counting systems would help.”

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Innovation

There are sceptics out there that often comment and say that all these PropTech start-ups that have emerged are building solutions to problems that don't exist. What are your views on the new emerging players in this sector and do you feel they are addressing the needs you and your clients are facing?

John Redfern, Director of Property Management, Savills

“The difficulty for managing agents is that there are lots of ideas out there, but how do they know which is the right one? It is important to be aware of innovation and try new things, but you also must be conscious of what you are spending, especially if **in three years the tech might already have moved on.**”

“You also need to have a landlord who wants to engage in and try these things. For most, an office is seen as a service not as a space, but there are still some people who just want cheap accommodation and no service charge. It is a very **difficult balancing act.** In my opinion, it is important to take a step back and **go with best in class.**”

Try and **be an early adopter but don't jump in too deep.** New developments are genuinely exciting as they are blank canvas, but in the city of London you are constrained by its physical nature and the infrastructure that is already there.”

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Automation

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David Goldberg, Founder & CEO, POD Management

“We are finding from speaking to small developers, that they are afraid to embrace PropTech, as they are concerned they are going to be used as **guinea pigs**. That is quite a difficult hurdle to get over. Bigger developers tend to be less worried however as they know it is for the betterment of their brand and buildings.”

Debra Yudolph, Partner, SAY Property Consulting

“Residential property management has a very **low regard** in the property industry and with the public. One of its issues is that it is very low margin business. To get the wider industry on board you need to be able to optimise and automate the day to day, which would make a huge difference to the return. This could potentially **change the perception of the industry**.”

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Ben Lerner, Managing Director, Qube Operations

“Nowadays, property management isn’t just property management, it is providing a much bigger and better service. Whilst everyone is trying to look after their tenants, clients, customers, we have moved more towards facilities management, where the margins get narrower. We are seeing people on one hand wanting client engagement but given they must provide better service at the same or less cost, also looking for efficiency and optimisation. Those are the things that we are trying to balance all of the time.”

Rajeev Nayyar, Managing Director, Fixflo

“**The property manager of the future is not a bot.** The company that is going to win is the company that is best equipped to use technology to support their business. **Tech doesn’t replace people.** Tech enabled businesses that properly adopt, adapt and get on board their entire teams onto technology platforms will be the ones that win because they have a sustainable advantage.”

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There are sceptics out there that often comment and say that all these PropTech start-ups that have emerged are building solutions to problems that don't exist. What are your views on the new emerging players in this sector and do you feel they are addressing the needs you and your clients are facing?

David Goldberg, Founder & CEO, POD Management

“Traditionally software is built around properties. However, properties don't change with any degree of frequency. It is people and their expectations, as well as legislation that changes. **Software needs to evolve quickly and flexibly** around those things.”

Duncan Rendall, CEO & Founder, Rendall & Rittner

“The question that we grapple with is how we balance having the best people providing empathy and quality of service with interaction and investment in systems. Developers also want to minimise their operating risk. They want instant data on their rents and service charge collections, and to make sure that health and safety is being managed well. **Balancing all those sometimes-competing influences is very important. If you can invest in the technology shrewdly you will come out ahead.**”

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Automation

Is the future of property management a collection of disparate systems that are used by a manager or landlords to help employees do their job better and bring satisfaction to end tenants and occupiers? Or, is it an end to end solution that encapsulates the whole piece?

John Redfern, Director of Property Management, Savills

“Managing agents should be looking at what technology they can use to enhance their service not trying to be a tech company. The most important piece in my opinion is financials with operational risk second. The **engagement bit sits at the top of this triangle. Without those bits at the bottom it all collapses.** Managing agents should look to partners to help build that triangle not necessarily try and build it themselves.”



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Ben Lerner, Managing Director, Qube Operations

“There is never going to be a system that is best of breed end to end. What is best of breed to some people isn’t necessarily best of breed to others. Having many options that are all best in class and being able to link them together is ideal.”

Tom Shrive, Co-Founder & CEO, Ask Porter

“There is never going to be one solution that is perfect. However, I do think that there is going to be one platform that will start to tie together these elements. The PropTech marketplace is very fragmented currently and there will undoubtedly be a **consolidation by one platform in the future.**”

Debra Yudolph, Partner, SAY Property Consulting

“What the industry wants is the **motherhip** that does as much as possible. Currently it is really fragmented. I would like to see it become more joined up with a core base line system that brings together all ancillary services to feel like one system.”

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The Future?

Is the future of property management a collection of disparate systems that are used by a manager or landlords to help employees do their job better and bring satisfaction to end tenants and occupiers? Or, is it an end to end solution that encapsulates the whole piece?

Rajeev Nayyar, Managing Director, Fixflo

“Property technology is five years behind most other technology options. I believe that a proliferation of small apps can work but as long as there is insurability.”

David Goldberg, Founder & CEO, POD Management

“PropTech isn’t necessarily behind our industry, it is the people. There are some great bits of PropTech, but it is **more about the players in our industry who are willing to embrace the technology**. We desperately need everyone in the industry to do these things for our business to evolve.”

John Redfern, Director of Property Management, Savills

“Ultimately, people want an invisible managing agent and everything to work.”

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The Future?

Is this sector going to see the 'Purple Bricks' effect that the residential agents have seen? Is there going to be a new player that emerges as a digital first manager which takes the sector by storm and landlords start to sign up? A new player that tackles the industry with a complete tech first approach or are we going to find one of the incumbents that will start to think about the future and make significant smart investments in tech?

Duncan Rendall, CEO & Founder, Rendall & Rittner

“The process of managing buildings is inherently quite complicated, whereas Purple Bricks has a very simple proposition.”

Tim Baker, Transformation Director, RE_SET

“If the pre-fab thing becomes more common place I can see the virtual side might kick in because there will be a more consistent pattern. However, until the physical side becomes more standardised its unlikely that a digital manager will win out.”

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The Future?

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Kevin Watson, Operations & Commercial Director, PLATFORM_

“In the Build To Rent space we build a lot of similar units; it means we know what they look like and they how operate, but each resident is different, and they want different things. It has to be about understanding what a resident wants, and for that you need to have a physical presence. To build a digital player is going to take a lot of effort and investment to understand those individuals and to get that scale.”

Ben Lerner, Managing Director, Qube Operations

“AI should be able to deal with a lot of this, however, it can't engage with the tenant and understand them. I believe there may be room for a hybrid player to come in that has team of very good agents, which is backed up by tech.”

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The Future?

10 years from now, what is the next big thing we are going to see in property management that will disrupt the sector?

Tom Shrive, Co-Founder & CEO, Ask Porter

“AI is going to be in a very different place and it will be difficult to **understand who is human and who is not.**”

Rajeev Nayyar, Managing Director, Fixflo

“The aggressive ‘residentialisation’ of everything. With people now able to work from wherever they want, there will be a **blurring of residential and commercial property** management. This will mean a higher turnover of leases and more relationship management.”

John Redfern, Director of Property Management, Savills

“AI being able to automate processes, bring down overheads and make property management more **profitable** so that the industry can invest in more important things.”

Debra Yudolph, Partner, SAY Property Consulting

“Buildings and management will become more integrated. Alexa will **finally become useful** and we will be able to ask her what the service charge bill is and pay it, or to come and sort a leak out.”

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