

Overwhelmed By Too Much Tech? You're Not Alone

Owners can lose out by thinking every operational process must be automated.

Todd Watkins

A deluge of new property technology (proptech) has debuted in the past few years, which has brought about dramatic changes in property management. Gone are drop boxes, payments by checks and, to some degree, knowing your residents. Instead, we've got payment portals, online tours and chatbots in the lower right corner of your website.

Based on the success of early products, particularly revenue management, proptech is exploding. Not a day goes by without someone asking if we would like to demo some new product.

The best proptech feels your pain. Having identified a problem that can be handled better or done faster by a machine, it offers an automated solution that reduces errors and/or the time it takes to complete a task. On top of that, it is easy to incorporate into your staff's daily activities. These technologies offer the promise of saving you time and boosting efficiency, which should translate into higher profits.

How Did We Get Here?

In some way, shape or form, proptech has been around for a long time. More recently, we have been told that millennials don't like to talk to people and would prefer to do everything online, usually at 4 a.m.

We heard that claim and made slight changes in that direction, but real change came with the pandemic. During the pandemic, we not only accepted but actively sought out new technologies for basic tasks like credit screening, property tours, work order submissions and even resident engagement.

Almost overnight, these technologies went from "wouldn't that be cool?" to "we've gotta have this." We wanted solutions that kept business going without endangering our people: a noble goal done at breakneck speed. But if we were being honest, we also wanted to solve another problem: skyrocketing payrolls.

To be clear, the dramatic growth of proptech was fueled by a lot of different factors including changes in consumer preferences and increasing demand for digital solutions — as well as the cybercrime that came along with it — but it was also encouraged by our "war for talent."

Adding to that, as a recent study out of the University of Georgia suggests, people may trust computers more than people. Preying on this bias toward machines and faced with ris-

ing personnel costs, companies sprung up that automated anything and everything.

That is what has brought us to the point of a global proptech market projected to rise from \$26.2 billion in 2022 to \$119.9 billion in 2032.

So Many Options

I'm not in the tech business. At least I didn't think I was. And, though I do have an iPhone 7, I'm no tech expert. So, there are times when I feel at sea trying to sort out the necessary from the good and the valuable from what is simply marketing mumbo-jumbo.

Since you know your business better than I ever could, I won't try to tell you how to spend your tech money (though I hear iPhone 8s are on sale). Here's how I've been thinking about it:

- **Don't take unsolicited calls** — I said not a day goes by that I don't get an invitation to demo some new proptech. What I didn't say is that not a day goes by that I don't reject that invitation. I recently broke my own rule. The email mentioned my college, and I was just back from vacation. Long story short, I was weak. What a mistake.

Thirty minutes of my life gone, and I learned two important lessons: a) no one really knows what artificial intelligence is, and b) don't ever break the rule of not taking unsolicited demos. There are enough conferences and industry days out there that pre-select technology providers that you should never schedule a Zoom call with a 24-year-old and a Calendly app.

- **Be flexible** — There are a lot of solutions to a lot of problems. We're all special, but none of our problems are unique. Find a trusted source, perhaps even a competitor, and get his or her feedback. Ask everyone for references. I always ask, "Why did someone not buy your product?"

- **Know your own timeframe** — Every salesperson wants the sale now. Proptech is sticky and they know that once you buy, you'll be loath to get rid of it quickly. Try small experiments. Implement a solution at one property and don't get pushed into buying something you can't replace easily.

- **Take it easy on everybody** — Tech solutions are only good if they're used. The odds are if you're deciding which system to use, you're probably not the one using it. Prioritize prop-

tech that is user-friendly for those who will actually be using it.

- **Don't automate everything** — There are functions onsite and in your back office that need actual people to manage them. No system will tell you there's a Styrofoam container in the middle of your knockout rose bushes. Employees need to be vigilant, often with the most menial parts of their job. Owners need to hold them accountable, not search for a tech workaround to a difficult conversation.

- **Look for force multipliers** — The greatest courtesy officer cannot be everywhere on your property. Find a camera system that monitors the places the officer cannot be. Your water company won't tell you about leaks in your irrigation system. Find a system that monitors water usage at various points. You could never hire enough people to solve these problems.

Dollars and Sense of Proptech

We all recognize that new technology is necessary and that we must either keep up or risk being left behind. But we must also be realistic. A few years ago, we raised rents with abandon. Now we're facing taxes and insurance costs that are rising 100 percent or more in a single year and dealing with substantial deliveries of new housing supply. In short, our industry is feeling the pinch. In 2024, we'll have to truly control our controllable expenses and determine what we need versus what we want. We'll also need to determine what makes our business better versus what makes our lives easier.

Like all new technologies, proptech can be exciting and overwhelming. In this environment, though, we must focus more on need and less on want. A plan to meet your needs that includes technology is better than a technology plan. But at the end of the day, no technology can substitute a capable human. ●



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