Data management changes the property management game

By Kate McFarlane
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Without effective data analysis, property investors don't have a hope against their more digital-savvy competitors when it comes to tenant retention and managing vacancies.

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For many, the status quo involves outsourcing property management to different service providers. However, the past few years have seen a shift take place where property investors are starting to hold on to their data and looking at ways to extract better insights from it.

As with many other industries, this entails a more dynamic way of analysing statistics to deliver measurable results. This involves examining the data from tenants, property managers, area-related statistics, and the industry in general to get a real-time view of what is required when it comes to service delivery and investment opportunities. This also helps to identify any trends and anomalies that managers need to be aware of.

Similarly, property is as much about the physical management as it is about tenant satisfaction. This is where owning data is important especially when it comes time to developing data warehouses, using enterprise resource planning systems, leveraging business intelligence, and identifying key property trends.

Mining data becomes a fundamental enabler for managing tenant morale. For example, using connected devices, think the internet of things to proactively alert property managers of maintenance requirements. This can also be used to analyse trends important to preempt preventative maintenance.

Given the diverse nature of residential, commercial, and industrial properties, each segment requires a different approach. Property specialists can ill afford to ignore the value residing in the data they have collected, not only from tenants but from the industry. For example, this data can help identify elements such as rental trends, high growth suburbs, and even individual buyer preferences over a period of time for specific types of property.

State of market

The South African property market is being shaped by an increasing need for more affordable offerings. Given the difficult economic conditions in the country, tenants focus on affordability and property investors would do well to keep this in mind when acquiring these assets. Furthermore, we are seeing the inner cities of Johannesburg, Durban, and Cape Town experiencing a property rejuvenation especially within mixed-use precincts. Space in cities will always come at a premium and these environments provide savvy property investors with portfolio growth opportunity across residential and commercial segments of the market.

Up to date area data allows investors to pay careful attention to property values and help identify investment opportunities.

Analysis alignment

Other trends require property investors to effectively analyse and manage their strategic objectives to that of prospective tenants (whether residential or commercial). Even though uncertain political conditions heading into the elections might see many adopt a wait and see mentality, this should not be the case for property investment.

Instead, property managers need to intensify efforts to capture, manage, and analyse the data in these 'quiet' times. From operational data all the way through to financials, everything must be in alignment to understand buying patterns and rental trends where tenants are considering things like high-speed internet access, security, convenience in terms of location, and affordability. This is essential to stay ahead of the curve.

Mapping geographic data on top of problematic rental units or buildings, overlaying this with LSM data and area statistics, and mixing in big data analysis, can combine to provide insights managers would not ordinarily have had been able to access.

Of course, the best business intelligence in the world means very little if the underlying data is not of good quality and presented in a manner that drives better business decisions.

Reporting elements

Beyond data reporting is analysis that adds a critical component to the success of any property management and property ownership. Using tools that can report directly out of enterprise resource planning not only reduces the risk of human error, but it creates a consistent and seamless experience that requires no manual intervention. This greatly reduces the time to reporting and enables property companies to gain a better real-time understanding of their assets, and areas where to further enhance value.

Furthermore, scenario analysis becomes an empowering way for property managers to determine (and plan) what the financial and operational impact would be if a building is sold. Everything from the financial position all the way through to nuances in the retail environment can be incorporated to do better planning and get an optimum return on investment.

All told, the property sector is in for significant disruption in 2019. Embracing the data management needed to capitalise on it will be an important first step for any property investor.

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