



Technology becomes strategic centerpiece in the property management industry

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As the current economic climate extends into 2009, Yardi Systems expects the major focal points among property and investment managers to include doing more with fewer resources, keeping close tabs on the bottom line, attracting and retaining tenants, and making decisions quickly and accurately. The occupant of the White House will change, global economic conditions might shift (either for better or for worse), but one thing will remain unaltered in 2009: a marketplace marked by increasing competitiveness.

Within that context, we expect the property management industry to increasingly adopt technology tools that drive success in key strategic focus areas. More and more companies will discover that advanced technology can drive end-to-end business solutions and set the stage for growth and profit when economic conditions improve.

From Yardi's perspective as a product and services provider with a global client base, we see several trends that will be of particular interest in 2009 to property owners, as well as asset and investment managers:

- * Operational efficiencies and services, including electronic transactions, data centralization and a business-wide management system that reduce non-value-added actions and lower operational costs;
- * Integrated, real-time business intelligence tools that enable smart, timely decisions by coalescing information from multiple sources within a global portfolio;
- * A sustainability strategy that cuts costs, reduces paper and other resources and drives retention and occupancy rates;
- * Accurate formulation of complex valuations that automates regulatory compliance established by the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 157, International Financial Reporting Standards, and others;
- * Leveraging technology in an increasingly globalized economy to manage diversified holdings and accommodate an array of currencies, languages and accounting rules

An array of value-added tools will gain greater prominence in the drive for increased operational efficiency, including:

- * Portals, which attract prospects through property marketing websites, including property tours, area maps, and online applications. Portal technology also improves resident retention with such self-service tools as rent payments, service requests and community bulletin boards;
- * Analytics tools that helps owners mine raw data from anywhere in the world and convert it into clear, actionable information in a real-time, centralized database, a capability that is extremely useful

for anticipating and overcoming obstacles.

- * Centralized, automated A/P systems that minimize touch-points and errors, centralize controls and standards, reduce paper use, and dramatically lower per-invoice costs with shorted invoice cycle times;

- * Check-scanning technologies that maximize cash flow and streamline processing costs and labor by scanning and digitizing personal checks, money orders and corporate checks and converting them to electronic (ACH/X9) deposits;

- * Integrated valuation and discounted cash flow modeling tools that reduce risk and promote portfolio growth with automated portfolio valuations that are reliable, reduce risk, and improve agility;

- * Revenue management and price control automation toolsets, which deliver accurate calculations of supply and demand, and therefore maximum revenue, by assimilating all pertinent internal and external conditions into rent calculations;

- * Automated notification systems, which promote business integration and operational efficiency to a degree not possible with manual tickler systems and calendar reminder. Notifications can be uploaded to the e-mail server as well, integrating notifications and key events with day-to-day calendar items.

It's a virtual certainty that technology's already considerable stature as an important strategic business element will only grow in 2009. Accordingly, property and asset managers will leverage technology in new ways to trim costs, stabilize and grow their business, raise capital, instill confidence in investors, and secure that most vital of resources—accurate, up-to-date, actionable information.

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