

**RentSimple**



# 5 Ways Tech Is Disrupting Residential Rentals

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# Online Everything



The internet isn't a new thing, so this isn't groundbreaking—but the functionality of the internet and how the consumer interacts with it and what they expect from its performance is.

It used to be that the internet was a relatively static place where you could get information on a subject or communicate with specific people that you wanted to. Now the internet is everywhere—and is where you go for everything! This is not an exaggeration: if you are still skeptical about how pervasive its reach is, just do a Google search on “The Internet of Things.”

Chances are that besides the device you are reading this .PDF on, there are probably a handful of other devices within reach that are connected to the internet as well. You might even be wearing one!

You may be thinking, “That’s great, but how does this relate to managing rental properties?” Just as our lifestyle has seen a significant shift towards internet use, so has the way we conduct business. We have seen usage explode exponentially in the past three years as well across the property management industry.

The modern tenant—the one you want renting your home—will no longer accept anything less. Having your property “online” does not merely entail listing the property on a few internet sites and then switching to paper and phone once you look at the property. Digital access now includes the entire lifecycle of a rental property. From the initial contact all the way to move-out day, the incorporation of the rental property into the online arena has a financial impact. The infographic below illustrates this changing dynamic across each phase of the rental property lifecycle.

| STAGE                           | OLD WAY                                      | NEW WAY   |
|---------------------------------|--|---|
| Tenant Procurement              | Static: Word of Mouth, Newspaper, Craigslist | Interactive Sites: Zillow, Zumper, Rently   |
| Tenant Screening                | Paper, Cash, Check                           | Online Screening Including Criminal Background & FICO                                 |
| Pet Screening                   | A Picture & A Prayer                         | PetScreening.com  |
| Security Deposit & Rent Payment | Mail or In-person                            | Online Credit Card, E-Check, and Monthly Direct Debit with Credit Reporting Enabled   |
| Set Up Utilities                | Lots of Phone Calls                          | Online Utility Concierge  |
| Lease Signing                   | Paper & In-person                            | DocuSign, PandaDoc, Dotloop   |
| Move-in Day                     | In-person Walkthrough                        | Self-Inspection of the Property via RentCheck   |
| Repairs                         | Phone Call, Email, or Text                   | 24/7 Emergency Repair Line via Online Portal  |
| Ongoing Communication           | Phone Call, Email, or Text                   | AI-Enabled Texting, Online Portal with Text Enabled Communication, Process Automation |
| Delinquencies                   | Phone Call, Email, or Text                   | Process Automation Communication with Receipts & Credit Reporting to Major Bureaus    |



If you haven't updated your rental property lifecycle to match modern expectations, it will cost you time, money. Additionally, it will frustrate your tenants—which will cost you further when you repeat the whole process over again!

The good news is that most of the basic software packages that assist with incorporating a rental property into an online platform are readily available to individual landlords, and most property management companies have adopted some form of cloud-based management and accounting software. This has significantly benefited the industry as a whole and has gone a long way towards improving landlord-tenant relationships.

The bad news is that selecting the right software to meet your needs is not always easy—and there is a steep learning curve. Additionally, implementing every piece of software you need to provide the experience that today's tenant is willing to pay a premium for will cost you.

New technologies hit the market each year, and selecting the one that adds value to both the landlord and tenant is a moving target. To pull it off effectively, you need time, reliable cash flow for investing in technology, and the willingness to learn and implement the processes you've purchased. If you are willing to do these things, the long-term financial gains are significant!

## Customized Property Viewings

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Do you remember how you felt when you first heard about Instagram? How about Uber? It was a little unnerving, right?

You probably thought to yourself, “You mean people are actually going to share private photos publicly—and see if people want to comment on them and like them?” Or “You are going to get in the car with a complete stranger—and hope you get where you need to go in one piece?” It was just plain crazy—until it wasn't. Ridesharing and social media have become an integral part of our everyday lives.

The “Gig Economy” and the oversharing world that we live in has forced everyone to be a little bit more open with their lives—and trusting of others. This makes it is easy to highlight the downsides of this technological shift. However, it has its fair share of advantages, as well!

The biggest impact on rental properties has been the widespread adoption of Self-Showing Technology. The basic concept of this new technology is that your rental property can be shown during hours you chose via a “smart lockbox.”

### **The prospective tenant:**

- Submits to a short screening process
- Supplies credit card information
- Provides a valid driver's license
- Takes a selfie

Once they do that, they will “check-in” at the property and receive an entrance code valid for one hour. These advances in showing technology mean you suddenly have a much larger pool of applicants to choose from—and in record time.

The most qualified tenants—especially in the Northern Virginia market—usually have high demands on their time. They expect the luxury of viewings convenient to their schedule—not to the landlord or agent.

This type of technology has been a game changer for RentSimple over the past two years: since incorporation, we have seen rental vacancies decrease by 43%. This is also the main reason we can offer a guarantee to rent your property within 17 Days! You won't find another guarantee like it.

## 24/7 Communication, Availability, & Visibility

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There is a saying that goes, “When you are a business owner, you get to work half days! That's right—any 12 hours you like!” When you are a landlord, the unfortunate reality is that it is an around-the-clock job. If you are doing it right, this doesn't just mean being available only during normal business hours—it means being available whenever your tenants want or need you.

Traditionally, expert property management companies have been available for emergencies to protect the property and the health and safety of the tenant—but this is now considered a minimum level of service. Tenants want to be able to get their questions answered, whether they are urgent or not—and at the pace of whenever fits their schedule.

If you are not set up to do this, you will lose money in the form of early tenant turnover—or worse, an unhappy tenant living in your home! Tenants expect real-time responses and solutions and are quickly dissatisfied when property managers don't have the technology or staff to accommodate this. This includes being able to access anything they need via an online portal, including but not limited to:

- The ability to set up and manage their utilities in one place
- Submitting maintenance requests
- Paying their rent
- Viewing their payment history
- Downloading copies of their lease
- Text access to their property manager or landlord.

A good property manager should have their platforms crafted in such a way as to empower the tenant. Benchmarks to shoot for are to get at least 80% of your tenants' questions answered immediately and to respond to anything else within 24 hours.

If this standard of customer service is unmet—no matter how excellent your property is—you will lose good tenants.

# Amazing Photography & 3D Tours



Gone are the days of chunky digital cameras with lousy resolution. The quality of digital cameras on a professional level—and even within 4K capable cellphones—coupled with the ease of editing tools such as PhotoShop and LightRoom, have not only empowered the amateur photographer! Such advances have dramatically reduced the price point of hiring a professional to take listing photos of your rental property.

Sadly, this level of professionalism is still not the norm in the rental industry. The real estate sales industry has understood this concept for quite some time—but it has been slow to catch on in property management. Old habits die hard—and of course, high-quality photography costs a bit more.

Excellent photos that highlight your rental cost around \$250 to get done professionally. This isn't exactly "cheap," but we think it's a bargain! The investment in amazing photography shows immediate returns in the form of reduced time on the market—and, ultimately, high-quality tenants.

According to the National Association of Residential Property Managers (NARPM), the current national market statistic as of 2019 is that 73% of prospective tenants begin their search for rental properties online: in Northern Virginia, that number is even higher!

With such a high number of tenants viewing your property online for the first time, you want to make sure your rental has put its best foot forward with professional photos—at a minimum. In the Northern Virginia market, a high number of tenants are just moving to the area due to a job change or military transfer. Therefore, they are often not able to view a rental home in person.

For this reason, at RentSimple, we also highly recommend taking your property listing to the next level via Matterport pictures. This technology creates a self-guided tour of the home using 3D modeling. You can virtually walk through the house as if you were physically there in person any time—day or night!



# Process Automation

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“Automation” is not a four-letter word: much of your everyday life is automated—whether you know it or not. Much of our modern conveniences rely on automatic updates, scheduling, or behind-the-scenes technology to enhance the daily experiences we share as a society.

Ontraport, Podio, Asana, HubSpot, Basecamp, Processtreet, Infusionsoft—these are the tools that are redefining property management through automation; automation is a landlord’s best friend! A perfect world for a property manager should be just like the movie “Groundhog Day:” rent is paid on time, problems are resolved, and tenants are happy—every day.

At RentSimple, we invest significantly in our HubSpot integrations. This is the most robust automation platform available on the open market, and it allows us to seamlessly be everywhere at once—so that we can consistently deliver a high-level service experience to both our owners and tenants. We know that technology-driven property management is the future:

- Tenant orientation
- Rent collection
- Sending reminders
- Coordinating contractors
- Managing lease renewals
- Marketing the property

All of this—and more—can be achieved through powerful automation.

Such automation allows us, as your expert property manager, to provide the human touch where it’s needed most. Automation can’t do everything for us (even though we wish it could!). Still, it does process the routine tasks and eliminates human error in what we do—mistakes that can have some serious financial consequences.

Most importantly, automation gives us the gift of time, so that we can give our full attention to serving the needs of our residents and owners every day. A good property manager knows that the human element of their job can never be automated. However, using technology helps us to get this core component of property management just right.

In this era, the best property managers will deliver an empathy-driven, tech-enabled experience to their customers—or they will be left behind by those who can.

# RentSimple

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