New proptech startup Averly takes rental applications online

Zabeth Venter and her team at Averly, a new South African startup aimed at positively impacting the rental space, was just about ready to launch when the national lockdown was announced. "There were definite moments of panic," she remembers.

Zabeth Venter, co-founder, Averly

Averly was about 85% done at the time. "All I could think was why did I quit my job and decide to tackle this beast now?" she says. Luckily, the team – already working remotely long before it became the new normal – came together to determinedly finish the project they started years before.

Digitising the rental industry

Venter and her team have created a platform that digitises the rental industry – moving the whole process of applying for accommodation, sifting through possible applicants and managing properties online. Averly combines technology and behavioural analysis to help landlords and rental agents identify – and keep – good tenants.

The platform revolves around an Averly score that tenants obtain through answering a set of 22 specifically formulated questions. Averly uses machine learning and behavioural science to extrapolate from those questions if a person will make a decent tenant or if they're likely to disrespect the property, be disruptive neighbours or submit late or no payments.

The higher the score, the better the tenant.

Beneficial for all

Venter, a chartered accountant with a background in finance, co-created Averly for two distinct reasons: To disrupt the highly administrative and subjective way the rental market still operates and to make the process fairer for both parties.

Rental agencies and landlords have found comfort in the way they've been operating thus far, but the landscape was far from ideal, says Venter. "If you have a good credit score, landlords think it's okay because at least you'll pay your rent."

But what about those terrible tenants that trash a property and break every rule, but their payments are on time? Or the rental agent that's only in it for the commission, ignoring all other responsibilities?

"It became clear that something has to change," says Venter.

Going from corporate to startup

About four years ago, Venter started playing with the idea, together with her husband and brother-in-law, of creating a scoring system based on behavioural analysis that rental agencies and landlords can use to predict good tenant behaviour. At the time she was working at a large insurer, using only her free-time to collaborate on the project that would later become Averly.

A neuroscientist in Poland helped to determine if calculating an Averly score was possible through answering a simple set of questions.

"The challenge was to learn more about a person's behaviour by asking him these, sometimes silly, questions. If I ask you if you'll pay the rent, you'll naturally say yes, because you know it's the right answer to give.

"But how do I know it's the truth?" she asks.

Averly uses technology and machine learning to evaluate not only what applicants answer, but also how they answer. "It monitors the person's attitude towards the question, as well as his conviction," Venter explains. "And if you modulate that, it can tell you how they will behave under normal circumstances."

Impact of Covid-19

In October 2019, Venter resigned after 18 years in the corporate world to focus on Averly full-time. "It was scary to go from the security of a corporate to a small startup," she remembers. And then Covid-19 struck a few months later, almost derailing the entire project.

Venter, her husband and her brother-in-law funded Averly themselves using the cash reserves from their family business in the property industry. But when the money stopped flowing in, times got tough. "I often thought this is it, now it's over. But then a new loan gets approved and we can keep going," she remembers.

Luckily, lockdown didn't disrupt the business development too much, but costs had to be reconsidered and sacrifices made right until the very end. The core team was kept small, with a lot of the development and design work handled by external teams.

Gender diverse team

Emli-Mari Nel, an expert in machine learning who for years worked at Empiric Capital and Cambridge University, came on

board as a consultant. Apart from Nel and Venter, more than half of the team that created Averly are women, including the lead designer and head of marketing.

Venter says she's excited to see how Averly will disrupt the property industry. "We know it won't be a quick fix, but we really want to make a difference to everyone where it really matters."