

A PropTech (R)evolution

 By [Daniel Lew](#)

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It's no secret that technology has revolutionised much of our lives. From buying groceries, to going on holiday, and booking a taxi, to finding a plumber: tech has made our lives easier and more rewarding. Why then, is the property rental journey still the same as it was 100 years ago - archaic and disconnected? Even the word "landlord" is a draconian term: it implies that if I have the land then I have the power over you, the tenant.



Daniel Levy is co-founder of Flow

Where we live, and how we pay to live there, is one of our most basic needs, yet we seem to still be relying on an outdated system that only rewards a few parties, and certainly doesn't reward the tenants.

We want to be an enabler in this new era that we call "Generation Rent", by creating a transparent ecosystem where we empower and reward tenants to take care of the landlord's asset. This benefits both parties and allows for a symbiotic relationship to last in perpetuity.

Here are the trends we're witnessing that I think will lead to a proptech revolution:

1. Generation Rent

Generation Rent – those millennials aged 21-35 who are increasingly becoming tenants, because they can't afford to own their own home – is on the rise. Renting property is becoming much more prevalent than in previous years, as people cannot afford to own, nor do they want to be ring-fenced.

In fact, if you look at the world over, people in various European countries like Germany have never had a notion or need to own a property. The world is also smaller these days, and people want to be more transient and have their freedom. The old concept of working your entire life to pay off one property does not necessarily appeal to millennials any more – especially to Generation Rent.

2. Changing the tenant value paradigm

Property is the biggest asset class on the planet and rental is a significant portion of it. Tenants are therefore an increasingly important part of the economy and property ecosystem, especially as fewer people choose to buy property. If you run the numbers, nearly a third of a person's income goes towards rent so it's only fair to assume that the value a tenant derives from this large expenditure will evolve over time.

3. Different purchasing decisions

As I mentioned above, generations before us typically worked diligently to pay off that one property, which they usually achieved later in life. Millennials are different - they don't see the point of working hard to put their money into an asset that may only benefit their own children one day financially, and not necessarily themselves. Millennials want to go on holidays, soak up experiences, and enjoy more instant gratification than people decades ago may have wanted. This is all having an effect on the property market and will play a big part in driving a revolution in proptech.

4. Streamlining

Think about financial technology and how processes like applying for a loan have changed. No more going into a bank, meeting the manager and pitching your idea for why you need a loan, followed by filling out reams of paperwork that are then diligently filed away in a physical warehouse. You can do it all online now, so there is less face-to-face interaction which means the process has been completely streamlined. People are increasingly looking for shorter ways to get to the same point, especially with millennials, because their most precious commodity is time. We think that the property market is going to undergo the same types of tech innovations.

5. A more egalitarian society

There's a general trend that we're all striving for equality in the workplace, in the home and in the world at large, and I think this is going to feed into many other relationships, notably the tenant-agent-landlord one. Through technology, tenants will be placed at the centre of this relationship, instead of them being peripheral.

6. Automation

There are already players in the property market who have actively gone out to replicate physical processes online. Companies like [HouseMe](#) connect "prospective tenants to landlords with full automation of the letting agency process", [PropertyFox](#) is a local company that focuses on selling your home, while Purple Brick does similarly in the UK and US.

Another interesting company that has digitised the physical experience of looking around a property is SpotAHome. They have their own independent employees who go into a property and make a realistic video of the property, going as far to check every cupboard hinge, and peeking inside the toilet lid.

They're honest and realistic, and may say things like, "the traffic noise is a bit loud during rush hour", but this gives the prospective tenant or buyer a more realistic representation of the property than a landlord/homeowner might. And because all this information is online, you can go back and view the videos and images as many times as you like, without even having to physically visit the property, unless of course, you want to.

This desire for authenticity and tenant empowerment, the streamlining of processes and rise of "Generation Rent" are just a few of the trends that I feel will radically disrupt the rental property market – with tech at the heart of it all. Watch this space.

ABOUT DANIEL LEVY

Daniel Levy is a co-founder of Flow, a proptech company which is revolutionising how people rent and live.
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