

# 2017

## Property Management Operations & Technology Survey



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### OVERVIEW

In 2017, BillingTree surveyed property managers and homeowners' associations (HOAs) to gain their perspectives about the opportunities and challenges they face to meeting their business objectives as they relate to payment collections and processing. Rather than attempting to conduct a comprehensive, in-depth benchmark study, our goal was to capture a snapshot of the current state of the industry in terms of payment channels, payment technologies, challenges and opportunities for property management service providers.

Some of what we learned was not surprising. Our respondents told us that their top concerns as it related to their success in 2017 was *Compliance regulations* and the *Economy*. *Law suits* and the *State of the property management industry* were tied for the second ranking for the top challenges faced by the property management organizations we surveyed.

When it came to strategies for growth, property management companies and HOAs identified *Cost reduction* and *New technology adoption* as key factors. Half of the survey respondents indicated that payment technologies including *Online payment portals*, *Mobile payment apps* and *Automated phone/IVR solutions* were part of their technology adoption/cost reduction strategies.

All firms surveyed relied on *Live agents over the phone* for payments, with half accepting payments *In person or via US mail* and half offering payment via a *Web portal*, suggesting that online payment acceptance is in the mainstream and quickly headed for mass adoption. None of the firms surveyed indicated that they were using *Automated IVR* for after-hours phone payment collection, suggesting that automated phone collections are headed for greater acceptance and adoption in support or cost reduction and added customer service and convenience.

The good news for growth- and service-oriented property management organizations, is that payment automation and technology-enhanced services remain a tremendous opportunity to streamline payment collections while continuing to cut costs, support compliance and increase profits.

## SURVEY RESULTS

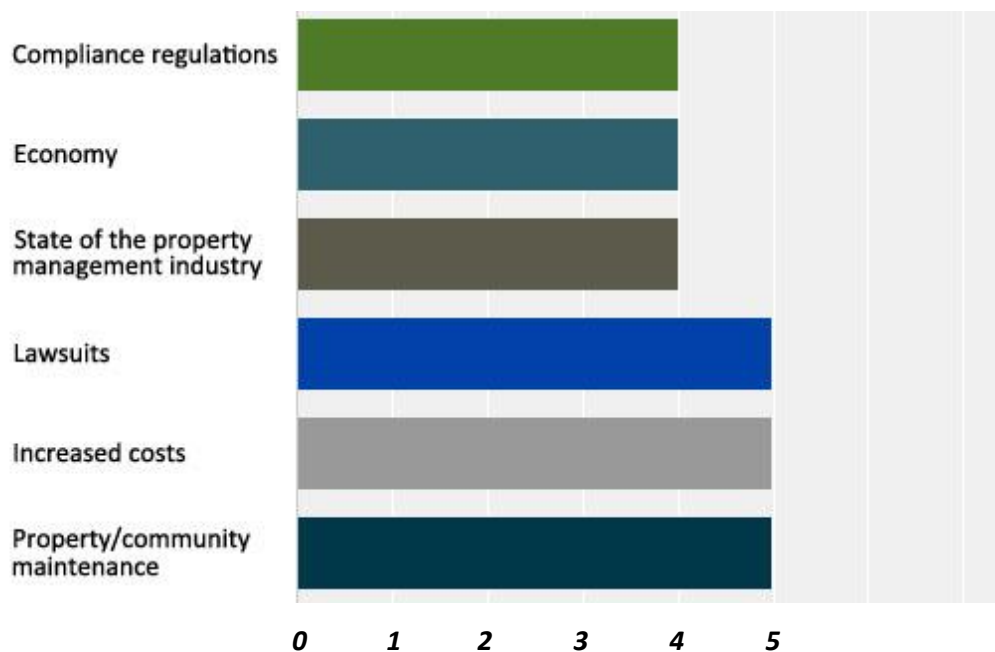
### Methodology & Demographics

This benchmark report is based on a survey of U.S. Property management companies and homeowners' associations collected over a one-month period. Half of respondents (50%) identified themselves as managers of a property management company and the other half (50%) represented themselves as homeowners' association (HOA) managers.

### Top Concerns

When asked to rate their concerns on a scale of 1 (Not at All Important) to 5 (Extremely Important) survey respondents indicated that *Compliance Regulations* (Average rating of 5.0) and the *Economy* (Average rating of 5.0) as tied for the top challenges cited by property management organizations in 2017, with *Lawsuits* (Average rating of 4.0) and *State of the property management industry* (Average rating of 4.0) tied for a second ranking. Respondents ranked *Increased costs* and *Property/community maintenance* as tied for the third rank, with an average rating of 3.0.

***Please rank your TOP CONCERNS for each area below as it relates to your company's success in 2017 on a scale of 1 (low) to 5 (high).***

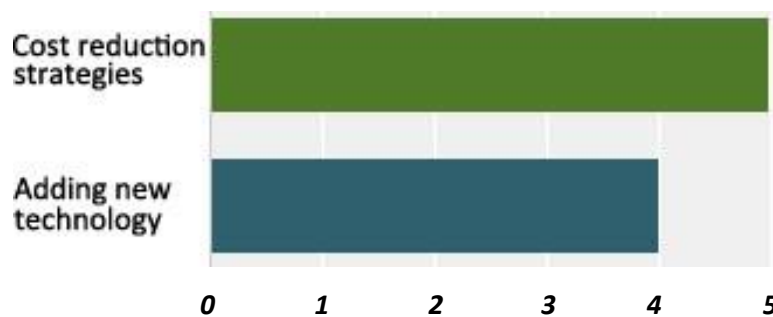


With broader economic concerns, worries over the state of the property management industry and rising costs top of mind, property and HOA managers seem challenged by market forces while they must navigate and mitigate legal and compliance risks, as reflected in their concerns about law suits.

### Growth Strategies

*Cost reduction strategies* (5.0 Average rating) and *Adding new technology* (4.0 Average rating) were the top two collections challenges cited by property management organizations in 2017 factors in the growth plans of property management and HOA survey respondents, suggesting that firms were looking to technology as a solution to cut costs and address their compliance concerns.

***Please rank your TOP CONCERNS for each area below as it relates to your company's success in 2017 on a scale of 1 (low) to 5 (high).***

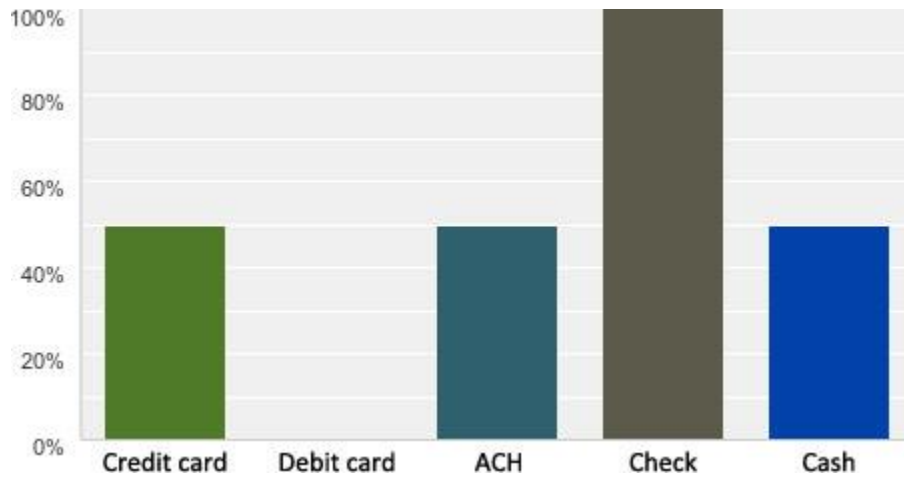


### Forms and Means of Payment

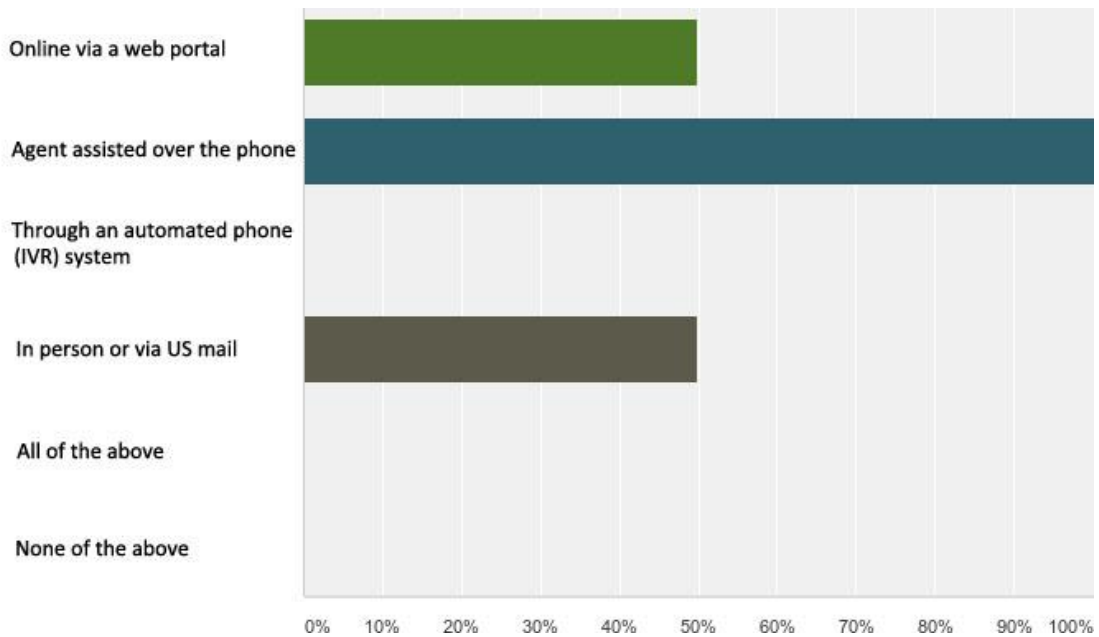
When asked about the payment channels they accepted, all survey respondents indicated that they accepted checks/money orders, with half (50%) accepting cash, half (50%) accepting credit/debit and half (50%) accepting ACH electronic check transactions.

All respondents (100%) accepted payments via live agents over the phone, with half (50%) accepting in-person payments and half (50%) providing an online payment portal. None of the survey respondents indicated that they currently relied on automated, phone-based (IVR) systems to collect payments—though when asked about technology plans, IVR was identified as an avenue for growth.

*Which payment options do you offer your clients/tenants? (select all that apply)*



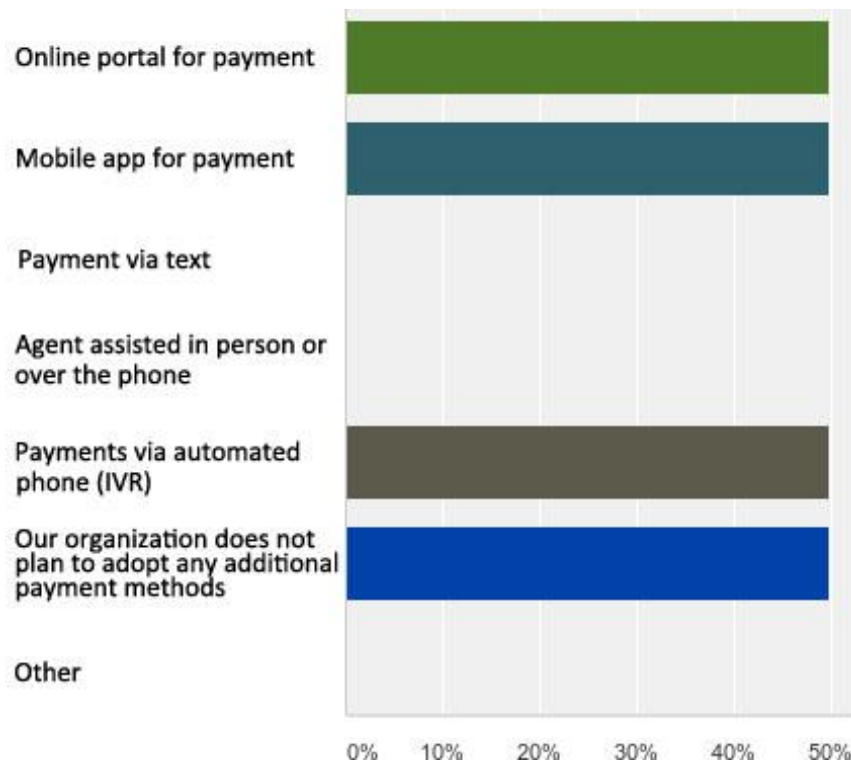
*Which of the following payment options do you offer clients/tenants? (select all that apply)*



**Technology Adoption Plans**

When asked about plans to enhance or augment their payment collections in the next 12 months, half (50%) said they had no plans to adopt new technology. Of those who indicated that they DID have plans, responses suggested that technologies to extend payment channels to the Web and cell phones, plus extending 24x7 phone support via IVR were prominent. Half of the firms surveyed (50%) indicated that online *Web payment portals*, *Mobile apps* and *Automated phone/IVR systems* were part of their technology adoption plans.

***Which of the following payment options do you offer clients/tenants? (select all that apply)***



Interestingly, this suggests that firms adopting web portal payment technology may leap frog other industries in terms of mobile and IVR adoption as they seek to elevate the level of efficiency, convenience and customer service.

## CONCLUSION

From the perspective of BillingTree, technology service providers have a more critical role to play than ever in helping organizations of all kinds striving to collect payments in a timely and efficient manner to maximize revenues and controlling operational costs while mitigating compliance risk. Beyond simply processing transactions, industry-leading payment processors partner strategically with their clients to provide education and guidance on best practices to maintain regulatory compliance. They share technology knowledge and expertise to help ensure security and streamline and automate processes. They foster industry relationships to support technology implementation and integration among payment collection systems to maximize clients' return on investment.

By 2018, we look forward to seeing whether property management organizations have executed their technology adoption plans as part of a growth strategy that can help to ensure compliance while enhancing customer service and increasing the efficiency of their collections process.

For those property management organizations who seek to manage compliance, control costs and optimize collections and cash flow, the technology and expertise exists to help achieve their goals.

## ABOUT BILLING TREE

Headquartered in Phoenix, Arizona, Billing Tree is developing ways to make it easier for people to get paid for their products and services. Billing Tree has become the trusted, competitively priced, and proven solution provider to a variety of industries looking to increase efficiency and process payments quickly. Billing Tree has lead the way with progressive, innovative solutions that address the diverse needs and challenges surrounding the payment process.

The Billing Tree mission has always centered on simplifying the often-confusing world of electronic payments, thereby allowing clients to focus on their core competencies. Billing Tree combines state-of-the-art technology with decades of customer-service experience to give clients the latest payment solutions available to succeed in a highly competitive marketplace. Billing Tree continually strives for excellence through superior technology and industry expertise. Driven by a need to create solutions that provide customers with strategic advantages in their marketplaces, Billing Tree has become the industry expert in payment technology.