

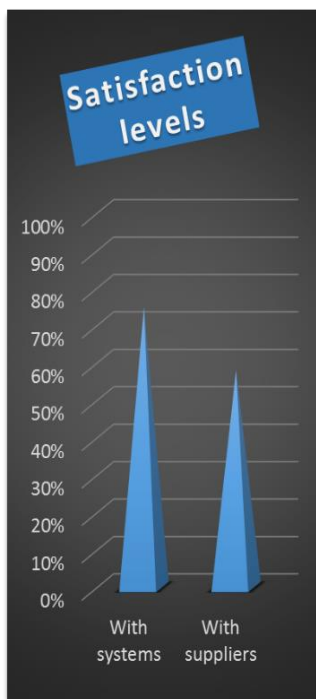
Remit IT Survey: Satisfaction with Property Systems

For the last 10 years we have been carrying out benchmarking to look at how property organisations and teams are managing and using technology. Our previous surveys have addressed IT spending plans, costs, outsourcing trends, social media, cloud usage, and types of software procurement.

This time around, our survey focussed on how satisfied property organisations are with their main property system. This is a summary of our findings.

System Satisfaction

Satisfaction with systems and suppliers is high – much higher than we expected from anecdotal evidence (but perhaps that’s because organisations normally tend to talk to us more when things need fixing!)



The results also indicate that **suppliers have a good understanding of the way their clients need to use the software** (as well as being adept system designers and technical developers).

However, **there is less satisfaction with the suppliers’ services than with the systems**, highlighting potential improvements the suppliers could make to their services rather than a need for new functionality.

The **key themes** that come up again and again when we ask organisations what they want from their ideal software supplier tend to be about the **service rather than the software**:

- Readily available and quality staff resources when they are needed;
- Suppliers taking more responsibility for developing the products;
- “Open and honest” communications;
- Less “over-selling”;
- Fast response to enquiries and in the delivery of solutions.

There are clearly potential improvements that suppliers can make to their customer relationship management rather than the need for new functionality. In the main, it’s still about getting the

basics right.

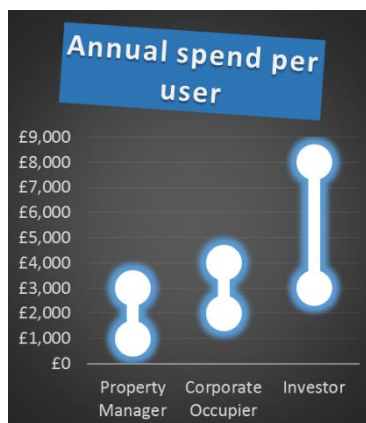
Annual System Spend

Our results showed **big variations in annual spend on systems** - largely reflecting the initial cost of the system and the amount of ongoing development.

Unfortunately, there is **little correlation between annual spend and satisfaction** with systems or suppliers.

Average spend per system users shows a difference across the various types of organisation – matching the pattern of results from our previous surveys.

Interestingly, the organisations with highest spend per user tend to be those with the newer systems – maybe a rise in licence fees as suppliers extend the scope of functionality, but more likely the higher investment on customisation of a new system in the early years after initial implementation.



Survey sample

The survey was circulated to a list of property investors, property managers and corporate property teams in 2014.

There were in total 28 participants: 4 corporates, 8 investors and 16 property managers. These represented a broad spread of well-known organisations and many are now regular contributors to our surveys.

System Age

The **average age of the systems in use today is 10 years old** and one participant has a 29 year old system which has been regularly updated. 10 years is a long time with no upgrade but it does show that long term relationship with IT suppliers can work well

Whilst there was a dip in new systems implementations after the financial downturn of 2007/8, new systems activities appear to have picked up since 2012. Other than that, we have spotted **no direct correlation between economic cycles and new system procurement**.

In our experience, **most property organisations have a more reactive attitude towards IT investments**, often because IT investment goals and benefits are difficult to measure and quantify. We find that organisations only seek IT advice and look to make new investment when they are faced with specific issues.

System Ownership

Surprisingly, only one investor and one occupier said they use their service provider's system. **The majority of the investors and occupiers (and all of the property managers) use their own property system**.

This seems very low compared with our experience in the market. Nevertheless we have seen a number of organisations who previously used their property manager's system switch to using their own system in recent times.

Of course the **property managers do not particularly like this trend**. However, using their own systems gives clients greater feeling of control and security, and a platform on which to consolidate their portfolios where they have outsourced to more than one property manager.

The difficulty for clients using this model has always been **how to efficiently manage a regular feed of clean data from their property manager's systems**. Some interesting products have started to emerge on to the property software market to address this issue.

The future...

The respondents to our survey largely commented on the mainstream property management systems. However we have recently seen a lot more interest in facilities management (FM) functionality as organisations start wanting to better support the FM processes with technology.

It will be interesting to see how the software market develops because of this demand and the gradual increase in data that is becoming available to enable more sophisticated management of buildings. We expect to see a blurring of the lines between the mainstream property management systems and the IWMS / FM systems as they build out functionality which crosses into each other's traditional footprints. Then there's the question of when both these types of system will start to integrate more closely with the building "big data".

So we look forward to an interesting and vibrant period of progress in the property and FM systems market, and to the continuing development of systems for other niche aspects such as fund / portfolio asset management asset and capital planning.

Let's see how products evolve in response to other drivers too – demands from investors for different types of property, pressures to make better use of existing space, changes in retail, sustainability reporting and green leases, and greater compliance to name but a few. No let up!

For more information or to participate in future research and receive a copy of the next IT Survey report in full, please contact **Mark Jones** on 020 7969 2738 or at mark.jones@remitconsulting.com

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