How proptech innovation is boosting the local property market

Fintech specialist e4 has noted the substantial impact of proptech-driven innovation on the global real estate industry and South African markets. According to Ian Bayne, proptech executive at e4, it is not only about innovation, but also the rise of property-related services.

Ian Bayne, proptech executive at e4

"While South Africa's property sector has been slow to digitally transform, there is a much greater awareness of the importance of technology and the role it plays in the real estate industry of tomorrow. The benefits from innovations are now propelling businesses forward and resulting in much quicker decisions," says Bayne.

Evolving real estate ecosystems

He says that real estate ecosystems are evolving to include a more significant focus on proptech in an effort to pay more attention to user experience and customer satisfaction. "It's about assisting property businesses to gather and interpret data, which is used to determine the value of real estate instantly, and in real time. It is here that digital platforms enable users to interact with the market, and allow for faster and easier transactions, ultimately impacting the growth of the property sector as a whole," says Bayne.

On the back of Covid-19 and a very challenging 2020, Bayne says that July has recorded a 20% growth in the lower end of the property market, while e4 is also seeing a marked increase in first-time bond grants. "While experts predicted a decline in house prices and subsequent sales, July has proven the market wrong."

Six key technologies

The real estate sector, despite its traditional nature, is well-suited to leverage digital and innovative property technologies. Bayne says that as proptech's value is better understood, investments will likely grow. Of significance moving forward, according to Bayne, are six key technologies: "We see emphasis remaining on big data, while artificial intelligence (AI) and machine learning (ML) will become technologies to watch, as well as the internet of things (IoT). Upcoming tech includes virtual and augmented reality, as well as 5G and drones."

Supporting all industry players involved in the fulfilment of the property life cycle, e4 works across financial services, data and the legal sector, understanding the intricate technology requirements in these areas.

With e4 predicting sustained growth over the next six months, Bayne says that the role of technology will start becoming critical as digital transformation continues to advance: "The use of technology can accelerate processes that have traditionally taken a very long time, while completely changing the face of realty."

Bayne says that the opportunity to modernise real estate isn't novel. Since the 1980s, proptech has undergone many evolutions, each triggered by trends in the broader tech ecosystem: "It is clear that this is a digital transformation wave and we believe that its impact will last for several years, ultimately evolving one of the world's oldest industries."