



## IREM® From the Front Lines Podcast

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### Episode 6.2

2/4/25 Release

NOI-Positive PropTech

Erin:

Welcome to another edition of From the Front Lines, where we discuss both the day-to-day, and one-of-a-kind issues facing real estate managers. Today's episode is sponsored by SERVPRO®. SERVPRO® is the #1 choice in cleanup and restoration, with over 50 years of experience and 2,250+ locations nationwide, serving 97% of US zip codes within two hours. Available 24/7, they ensure immediate assistance with highly trained professionals specializing in fire and water damage, specialty cleaning, mold remediation, and more. Insurance agents can rely on SERVPRO® to satisfy clients and make the job easier. Visit <https://www.servpro.com/decision-makers> for more information.

Todd:

Ashkán Zandieh from CRETI, the Center for Real Estate Technology & Innovation, joins us in this episode to talk about selecting and implementing NOI-positive proptech solutions. To learn more about CRETI, visit [creti.org](https://creti.org). Welcome to the podcast, Ash!

Ash:

Thank you, Todd. It's a pleasure to be here.

Todd:

First, can you tell us a little about yourself and CRETI?

Ash:

Absolutely. Hello, everyone. It's a pleasure to digitally meet you. My name is Ashkán Zandieh, and I serve as CEO and managing director at the Center for Real Estate Technology and Innovation. I know it's a mouthful so we shorten it to CRETI. My background spans over 2 decades of experience at the intersection of real estate, venture capital, and technology. I've worked in various capacities across the industry, including leading real estate companies, innovative prop tech companies, and advising many technology companies in today's market. This experience has shaped my understanding of the challenges and opportunities in the industry, particularly as it relates to leveraging technology in a meaningful way for property managers. As it relates to our conversation today, CRETI was established as a platform to bridge the gap between real estate and innovation. Our mission is really simple. It's to provide founders, investors, and industry leaders with the tools, data, and community they need to really scale their impactful solutions. We curate insights through proprietary market reports, host events like demo days to connect startups with investors and industry professionals, and facilitate really critical and meaningful discussions about the future of real estate tech.

Todd:

Now, can you characterize where proptech stands today, both in terms of investment in proptech companies and the level of adoption in real estate management?

Ash:

Absolutely. So proptech has never been more dynamic or even promising. In 2024, venture capital investments in the sector reached about 15 billion, a high from last year, about a 32.5% increase from the previous year. This surge really underscores growing confidence in the ability of technology to address inefficiencies and create value across the real estate life cycle. Sectors like construction, multifamily, and residential saw the most significant inflows, driven by the demand for solutions that enhance operational efficiency and sustainability. AI and automation are particularly noteworthy for this year, particularly because 3.2 billion invested in these technologies alone. And the latter part of your question, on the adoption side, the picture is evolving but uneven. Certain sectors, such as multifamily and office, are really leading the charge by embracing AI-driven leasing and technology solutions and engagement platforms, predictive maintenance systems, and others. Meanwhile, other sectors like retail and hospitality are fast to adopt, but the innovation there is pretty stagnant, especially this year, often due to fragmented ownership structures or legacy systems. Real estate management companies are increasingly recognizing the need for data-driven solutions to maintain competitive advantage, but challenges like cost, integration, and change in management still pose barriers. I think overall the industry is at a pivotal point. Transitioning from experimentation with proptech to a broader ROI-driven approach I think is going to be key, especially as mid-market and mom-and-pop managers and owners start adopting tech. This shift reflects a growing maturity in how real estate professionals approach technology, with a strong emphasis on scalability and long-term financial impact.

Todd:

So much of new technology has to do with sorting through what's hype and what truly delivers value. What do you recommend real estate managers do to find the most valuable solutions?

Ash:

That's such a great question, Todd. Navigating the crowded proptech landscape is absolutely a challenge. I think every owner, manager, or leasing professional is probably getting emailed on a regular basis on some new and innovative, "paradigm-shifting" technology. I'm using air quotes here, everyone. But there are effective strategies managers can employ to separate the signals from the noise. I think first and foremost, focus on your specific pain points. For example, if your vacancy rates are high, evaluate platforms and tools that can address leasing inefficiencies. If maintenance costs are rising, look at platforms offering predictive maintenance solutions. The best solutions are those that, I fundamentally believe, directly address your operational challenges and align with your business objectives. The second part to that, I believe, is leveraging peer networks and industry events. I think real estate managers are probably the most well-networked people within our industries. So, real estate managers who have successfully implemented solutions can really provide valuable insights into what works and what doesn't work and why. Forums like ours, for example, our demo days, they're really product demos. Or, events like what you're hosting, Todd, with these panels and podcasts are excellent opportunities to hear firsthand accounts from real adopters and tech leaders on what's working, what's not working, and what could be working better. And I think the last point that's worth noting, is lastly, insist on measurable results. Ask these tech providers for data demonstrating their impact on metrics like NOI, tenant retention, or energy efficiency. A compelling pitch is not enough in today's world—the technology must deliver

quantifiable benefits. Real estate managers and owners should approach technology adoption with a critical eye, treating every potential solution as an investment that must yield a clear ROI.

Todd:

What about screening potential solutions providers and implementing solutions? How do you maximize NOI in those phases of adoption?

Ash:

Absolutely. Screening potential solution providers is a critical step in the adoption process. Fundamentally I believe you should start by assessing the provider's track record—how many properties or portfolios have they successfully served? Do they have case studies or testimonials from operators in specific sectors? Red flags include unproven scalability or solutions that require significant customizations, which can delay implementation or increase costs. If there are technology solutions that are new-to-market solutions, it's okay to pilot them, but have a clear pilot strategy. Implementation is where companies falter. A clear strategy is going to be essential here. Start small with a pilot program. For instance, if you're adopting a tenant engagement platform, roll it out at one or two properties first. This approach usually allows you to identify challenges and gather feedback without disrupting your entire portfolio. I think the second part to that is training. Training is another crucial aspect. Tech companies and tech adoption often fail because solution is flawed, not because the solution is flawed, but because the end user—which is a property manager, maintenance team, or leasing agents—haven't been adequately trained on the solution. If you're going to invest in technology, whether it's a financial investment or time in the form of a pilot, invest time in onboarding and ensure the provider offers ongoing support. And the last part again is, maximizing the NOI. To maximize NOI, integrate the technology into your existing workflows in ways that create efficiencies. I can't begin to tell you how many inefficiencies there are in our industry, and managers know that. Technology solutions like AI-driven rent optimization tools can really help managers optimize their time and workflow. So again, to maximize NOI, for example, AI-driven rent optimization tools can help set dynamic pricing strategies that maximize revenue. By trying technology adoption to specific financial outcomes, I really think managers can ensure it directly correlates to their bottom line.

Todd:

Are there any new technologies and solutions that have promise in impacting NOI?

Ash:

Oh man, there's so many. There is one company that comes to mind—actually, a few companies. One is Surface AI, doing incredible work as an all-in-one agent for property managers. There's tools like Hello Data that are out there for lease comps. There are platforms that are out there like Hire Super, which is for maintenance solutions. And another for tenant engagement, like Tourus. So the short answer to your question is absolutely. This is where I think proptech's potential really shines. The overarching theme from 2023 entering 2024 is that AI and automation at the forefront of technologies that can directly impact NOI. For example, AI-driven leasing platforms can reduce vacancy times by targeting the right tenants with tailored marketing. Sustainability-focused solutions are another area of promise. Energy management systems that use IoT sensors and smart grids to optimize energy consumption are not only cost-effective but also aligned with growing ESG requirements, especially for publicly traded real estate companies that are out there.

And lastly, the rise of alternative financial platforms. I think this is a big one that's not really talk about much in our industry. I won't get in to tokenization, I think it's a little too early and I think that's layered in complexity that I don't think is appropriate for our industry. But you're seeing an unlock in alternative financial solutions, like credit systems, paying with credit cards, and others that can drive real positive results for tenants, maximizing rents for the owners, and a better owner-renter-manager experience.

Todd:

Well, thanks so much for joining us, Ash.

Ash:

My pleasure. Thank you so much for having me, Todd.

Erin:

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