

Key Proptech Trends in African Real Estate Markets

Exploring Innovations in Nigeria, Kenya, Egypt, and South Africa





Improving Access in Nigeria

Housing in Nigeria faces significant challenges, including inadequate supply, poor infrastructure, and rental barriers.

Proptech innovations are addressing these issues, enhancing accessibility and streamlining processes for renters.

Overview of Housing Challenges

- In Nigeria, over 17 million housing units are needed to meet demand.
- Limited access to quality housing is exacerbated by high rental costs.
- Renters often face lengthy approval processes and lack transparency in transactions, and upfront annual rental
- Infrastructure issues, such as poor public transport and basic amenities, hinder access to housing.





Proptech Solutions for Renters

- Proptech companies are leveraging technology to simplify rental processes.
- Online platforms enable easier property search and vetting.
- Features like virtual tours and e-signatures enhance the rental experience.
- Chatbots and AI-driven customer service help address tenant inquiries promptly.
- Financial technology innovations are facilitating easier payment systems for rent.



Case Study: RentSmallSmall

- RentSmallSmall is an online platform connecting renters with property owners in Nigeria.
- It streamlined the rental process, reducing time and costs, and improving transparency
- Landlords receive verified tenants and PM services
- Tenants have vetted properties to choose from
- Emergency maintenance coverage
- Feedback highlights increased satisfaction and accessibility in navigating housing options.

A man and a woman are sitting in a modern living room. The woman is on the left, wearing a light-colored sweater and blue jeans, working on a laptop. The man is on the right, wearing a white t-shirt and dark pants, looking at a tablet. They are sitting on a dark grey rug. In the background, there is a large window with a view of a city, a green wall, and a wooden desk with various items on it. A potted plant is on the left side of the frame.

Opportunities for Home Buyers in Kenya

The Kenyan real estate market presents unique challenges for home buyers, particularly in terms of financing. Innovative proptech approaches are emerging, addressing these gaps and creating opportunities for potential buyers to access homes and financing.

Financing Challenges in the Market

- High cost of housing limits home ownership opportunities.
- Limited access to affordable mortgage financing deters potential buyers.
- Traditional banking institutions impose strict collateral requirements.
- Many citizens lack financial literacy to navigate home purchasing options.
- Informal employment and income variability affect mortgage eligibility.





Innovative Proptech Approaches

- Introduction of online platforms that connect buyers with financial institutions.
- Crowdfunding models enable groups to pool resources for home purchases.
- Mobile apps simplify loan applications and documentation processes.
- Alternative credit scoring systems assess borrowers beyond traditional criteria.
- Real estate technology companies offer financial education resources to buyers.

Case Study: RentScore

- RentScore is enabling access to affordable housing and finance. Their goal is to make underbanked tenants become creditworthy for mortgages by scoring them based on their rental history and mobile money statements.
- Thereafter, they close the value chain by providing a pool of selected financial institutions for affordable mortgages and partner developers for affordable homes.





Creating Transparency in Egypt

The real estate market in Egypt is experiencing a transformation with the introduction of proptech solutions aimed at establishing transparency. This shift is vital for fostering trust among buyers, sellers, and investors in a historically opaque industry.

Current Market Landscape

- Egypt's real estate market has been characterized by fragmentation and lack of standardization.
- Limited access to information on property values and transactions has created challenges for investors and buyers.
- Recent initiatives aim to digitize property records and transactions to promote transparency.
- Government support for proptech companies is crucial in driving these changes, encouraging innovations that enhance market access.
- There is a growing number of startups focused on providing data analytics tools for better decision-making in real estate.





Importance of Transparent Markets

- Transparency in real estate builds trust between stakeholders, leading to increased participation and investment.
- Clear property information reduces the incidence of fraud and misinformation within the market.
- A transparent market enhances property valuation accuracy, benefiting both buyers and sellers.
- It attracts foreign investment, ensuring a more diverse and stable real estate market.
- Transparent data also facilitates better urban planning and infrastructure development initiatives.

Case Study: Nawy



- Nawy is an Egyptian proptech company that provides a digital platform for buying, selling, and renting real estate.
- Founded in 2016, Nawy simplifies the property search process by offering users a comprehensive database of listings from a variety of developers and agents.
- It also offers virtual tours, property valuations, and an AI-driven recommendation system to help users find properties that suit their preferences.
- To address a lack of formal funding, Nawy facilitates payment plans of up to 10 years as well as rent-to-own products





SPaaS in South Africa

Growing Demand for Flexibility: South Africa's economic uncertainty and fluctuating business climate have made companies reluctant to sign long-term leases

Changing User Needs

- For many small businesses and startups, traditional office spaces are expensive. SPaaS allows them to access premium office locations and amenities at a fraction of the cost. It also removes the burden of maintenance, utilities, and administrative tasks, which are included in the service.
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How Innovation is Transforming the Use of Space

- Space as a Service (SPaaS) is an emerging trend in South Africa's commercial real estate market, where businesses and individuals can lease flexible, on-demand spaces instead of committing to long-term rentals or ownership.
- The concept involves providing space on flexible terms in a serviced manner, including various support services and amenities

Case Study: Inospace

- Servicing a host of business such as manufacturing, storage, office or logistics spaces, their parks provide environments for the modern world, helping businesses to 'compete effectively, meet customer expectations and achieve goals'.
- Inospace delivers real estate solutions including value-adding facilities and services at scale with the aim of relieving tenants of property admin and operating.

inospace

