

# MyRental4U for Landlords and Tenants: Enhanced Conceptual Business Model

<sup>1</sup>Muhamad Amiruddin Amin, <sup>2</sup>Muhamad Zahiruddin Zaini,  
<sup>3</sup>Abdul Rahman Ahmad Dahlan, <sup>4</sup>Mohd Izzuddin Mohd Tamrin

<sup>1,2,3,4</sup> Kulliyah of Information and Communication Technology, International Islamic University Malaysia

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**Abstract:** This paper proposes a conceptual solution to help people to overcome the communication problem among landlords and tenants by providing them an effective application through mobile application-based platform “MyRental4U”. “MyRental4U” is a business model which provides a digital platform for tenants to communicate with their landlords without meeting them face to face. “MyRental4U” also provides the opportunity for landlord by providing them a platform to maintain their business to the customers. Nine blocks of Business Model Canvas (BMC) framework, Literature Review, strategy canvas, value proposition design canvas (VPC), environmental map and conducting interview/survey with potential customers to validate BMC/VPC have been used as the methodologies for this paper.

**Keywords:** tenant, landlord, 4 Lenses of Innovation, Business Model Canvas, Value Proposition Canvas, Strategy Canvas, Environment Map.

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## I. INTRODUCTION

The advancement of information technology and the internet has created wide access of information. Technology plays a great role in transforming the way people do their activities. One of them is to find boarding house(s)[1]. This paper proposes a conceptual solution that use system development which is a mobile application called MyRental4U Application. Rental house management has become important factor in modern society hence the need to have a rental house management system [2]. The specification of this application is to make users easily access to their tenant property, unit and payment. Tenants also will be able to make maintenance request and keep up to date with the tenant information via push notifications. Tenants also can give feedback about the landlord and helping to improve their services.

## II. BACKGROUND

In this 21st century, the contribution of technology in the regular life is hard to deny. Everything is now technology oriented. We are stuck with technology when what we really want is just stuff that works. With the current paradigm shift in technological field, there is an urgent need to embrace and appreciate the power of technology. Housing sector remains vigilant to face the challenges of change by employing a new strategy that facilitates easy management of rental house [2]. To cope up with this progressive era, one needs to be multitasked in almost every spare of life. This mobile application is developing for residential area. The users could be the workers, students, family and tourist. It can be used to get detail information of facilities available, the pricing, number of rooms available, and even contact the manager of the building the landlord usually forgets where they keep the data or information about the tenant and the tenant also cannot review their status of tenancy [1]. Sometimes, both parties do not come to agreement when involving using unit property which can lead to conflict between them. So, with this application, both parties can easily manage, keep track the progress and have official agreement of tenancy so that there will be problems in the future. Based on the observation and current scenario, it seems like this tenant management application may be a good solution to the problem.

### III. PROBLEM STATEMENT

There are countless of rental houses that provide accommodation to the customers. But based on the current scenario, it can be said that not many rental houses using mobile application for their services. Increased number of tenants and landlords makes management difficult especially for the landlords who are losing huge sum of money through tenants who evade rent [2]. If there are any, the existing tenant system does not have actual record of the tenant. Papers can easily get damaged or get lost leading to loss of data. It is also expensive to keep on buying files to store your records. A lot of files make a place look untidy and also consume a lot of space. Getting a certain file to check data from many files becomes a difficult task [2]. The purpose of this study is to develop a conceptual mobile application incorporating chat and push notification features to provide information about boarding houses and then evaluate it. As we know, tenant have to pay the rent when it is due so sometimes they tend to forget and this sometimes will be difficult for the landlord to give reminder for them. So, with this feature it will indirectly can give benefits for both tenant and landlord. The chat and push notification features are novelty features in this application alongside other features, i.e. login, view boarding rooms list, view boarding room detail, and review [1]. As we know, every record of the tenant is very important for the future review and keep track of their status. In addition, tenant does not receive notification about payment or property changes. Sometimes tenant may have forgotten about the payment due and this push notification can be a remainder for them so that the payment is settled on time. Next, existing system do not require official document for agreement about maintenance requests. As we know, every tenant may have their own complaint about the house and the landlord may forget or ignored their complaints and it is not good for business and services.

### IV. METHODOLOGY

#### **A. Literature Review:**

A literature review is done since it is very important to identify the similar products in the area. Researchers need to know the competitive environment. Therefore, research on the internet and Application Store are done to find the similar products such as Cozy.co, TenantLoop and Landlordy. Researchers compare the advantages and disadvantages of existing products with each other. Through literature review, researchers can find the pains, gains, and job-to-do for the consumers which will help to come out with the solutions.

#### **B. Benchmarking:**

Benchmarking is the process to measure the performance of own product against other good products in the industry. To produce the best product, reference to the best products that perform similar features in the industry is needed such as Cozy.co, TenantLoop and Landlordy. This is very important, so we can identify their best practices that will help us to improve the performance of MyRental4U.

#### **C. Interview/Survey:**

We collect data that can help us to improve MyRental4U through interview. We do some interviews with the landlord. Then, we also interviewed the experienced and inexperienced tenant.

#### **D. 4 Lenses of Innovation:**

There are 4 specific perspectives that makeup 4 lenses of innovation. The first one is challenging conventional wisdom where innovators will take a different path than a normal way. The second perspective is emerging trends where in this exponentially changing world, business, as usual, is no longer good enough. Innovators should embrace and harness the change. Are websites good enough to attract targeted customers? What are the platforms that most people use now? The third one is leveraging resources, alternative way of viewing skills and assets. Innovators will use the skills to repurpose and recombine to create new values. Finally, the fourth perspective is a deep understanding of unmet needs.

### V. LITERATURE REVIEW

#### **A. House Rental Industry:**

Accommodation is very important in our daily life as we struggle to find a good place to live this era of globalization. This accommodation is offered anywhere in the globe and it can be found easily online for convenience. The universal declaration of human rights gives one of the basic human rights as the right to a decent standard of living, central to which is the access to adequate housing (United Nations, The Human Rights-article 25, 1948) [2]. This becomes very popular today especially that people are always looking for this especially those who are vacationers. Accommodation is offered

in various services and offers that will match with the varied budgets of individuals. In the past, it is very difficult for us to find a good place especially in urban areas where the cost of living is very high. Nowadays when everything is online and rental house accommodation demand is very high, there are many website and mobile application that helps us to find a good and affordable rental house and provide house management using application. In the future, we hope that technology could enhance the resident experience, create operating efficiencies for landlords and reduce the environmental impact of homes. Market research shows that streamlining services is very important so that rent can be paid digitally, or a tenant receives phone notifications when a package is delivered are likely to have a more positive impact on tenant experience than more hardware-involved gadgets allowing residents to control every aspect of their apartment remotely [2].

## **B. Benchmarking:**

### **1. Cozy.co**

A technology company that put accommodation business as it cores. They are dedicated to ensuring that every user which tenant and landlord are determined to improve the way businesses run and people live their lives. Cozy began as a simple solution to a major pain point. Every customer that want to rent a house, they just must sign up to use this system. It's just not for tenant but also for landlord which make this website very useful for both parties. For the landlords, it has many features such as collect rent online, tenant screening, property listings, rental applications, insurance, expense tracking and maintenance. This features without a doubt will benefits landlord to manage their customer easily and provide good quality services. For the renters, they can view renter profile, make payment for the rent online, and apply for renter's insurance. Thus, there is one thing that this website is lacking is the contract renewal which is can be a useful feature for the favourite customers to negotiate the contract extension.

### **2. Landlord**

A technology company that put accommodation business as it cores. They are dedicated to ensuring that every information about properties, tenants and rent fees, are manage properly. Landlordy began as a simple solution to a major pain point. This app can Keep important notes like contact information, related photos and documents organized and easily accessible. Landlords can Track rent payments on the go and get detailed tenant balance and payments history. This app supports partial payments as well as advance payments. This app requires tenants and landlords to register their information when using this app. This app very useful because it's can Manage data and related documents on your property appliances like furnaces and smoke/CO detectors. Keep track of appliance safety check / maintenance details.

### **3. TenantLoop**

A technology company that put accommodation business as it cores. This application sends mobile alerts to tenants for maintenance visits, late bill reminders, emergencies & more ensuring that every property, tenants and rent fees, are manage properly. Tenants can send a time-stamped photo or video of issues and make fixing them a breeze. This app can keep important notes like contact information, related photos and documents organized and easily accessible. Everyone in the loop. Real-time communication is seamless for property managers, tenants, vendors & internal staff. Everything in one place. One location for messaging, service requests, announcements & document storage. Everywhere you go. Interactions are quick and easy on the fly with Tenant Loop's beautiful mobile and web apps.

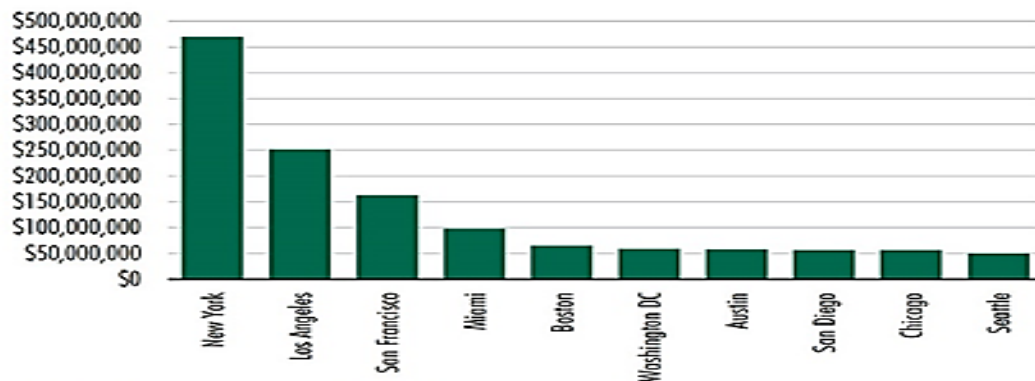
## **VI. MEGATREND**

In order to survive in this business in the future, this MyRental4U mobile application need to have a platform that can be connected to the robotic technology combined with artificial intelligent that will assist in managing house and technology. Next is the wireless intelligence which are the advancement in cellular network, satellite network, RFID, Wi-Fi, and IOT will lead to IT infrastructure and services to be 80% wireless on single integrated platform [4]. This will be very suitable for every rental house to have wireless network for managing their tenants. Everything will be online and citizen does not need to worry anymore about finding a good rental house.

## **VII. MARKET DEMAND AND SUPPLY FOR ACCOMMODATIONS**

According to Airdna, CBRE Hotels' Americas Research (2015), the market for Airbnb revenue from 2014-2015, it showed that in the urban areas such as New York, Los Angeles and San Francisco, the demand for rental house is very high and provide a lot of revenues for the company [5]. Therefore, MyRental4U will have a good demand in the urban city which may benefits workers and students. This demand for MyRental4U will surely increase in the rural areas if the application is proven to be useful and efficient for citizens.

**Exhibit 7: Top 10 U.S. Markets for Airbnb Revenue from Oct. 2014 – Sept. 2015.**



Source: Airdna, CBRE Hotels' Americas Research, Q4 2015.

**Fig 1: Top 10 U.S Markets for Airbnb Revenue from Oct. 2014 – Sept. 2015.**

According to Naptic's List, these are the top 15 condos with the highest yields recorded in 2015 ranging from rental yields of 5.7%, to as high as 8.8%. [5]

1. Menara Putra
2. Casa Kiara II
3. U-Thant Residence
4. Seni Mont Kiara
5. Mont Kiara Astana
6. La Grande Kiara
7. Golden City Condominium
8. St. Mary's Residences
9. Bukit OUG Condominium
10. Gateway Kiaramas
11. Hartamas Regency 1 & Hartamas Regency 2
12. Kiaraville
13. Endah Regal
14. Vista Magna
15. Putra Majestik

## VIII. ENVIRONMENT MAP

### **A. Industry forces:**

In contrast with the past, more people are going to need accommodation especially in urban area where people do not have their own house and really need rental house to stay. This is because, with the advancement of a accommodation system, it makes searching for rental house a lot easier for people. This trend is predicted to continue and not going to die anytime soon and that is why MyRental4U will always be relevant. What makes MyRental4U different from others is that it provides a solution for tenant and landlord to manage the accommodation using mobile application platform.

### **B. Macro-economic forces:**

According to Frost and Sullivan (2015), in 2025, "Heavy use of M2M communication will occur in city-controlled operations (e.g., with IT-enabled traffic systems). Internet penetration to cross 90% by 2025." [1]. Therefore, one of the implication is that information technology platform such as mobile application will be used to advertise the products. Thus, MyRental4U provide a good platform for property agencies to promote the services.

### C. Key trends:

According to Frost and Sullivan (2015), “In Malaysia, mobile app downloads are set to cross 660 million by 2025, five times the figure of 2013.” [1]. Hence, MyRental4U is a mobile application platform which can be easily downloaded from google play store and will benefits many people to rental house which has good tenant management.

### D. Market forces:

According to Frost and Sullivan (2015), “Malaysia shall have a steady Gen-Y growth rate of 1.9%, the 3rd highest rate in ASEAN despite a declining population growth rate of 1.2% in 2020.” [1]. For generation Y, goods and services are catered to values, beliefs, interests, and lifestyle. Some of their traits are demanding and impatient. They want everything to be fast and easy. Therefore, MyRental4U will provide efficient tenant management for them and increased accommodation value.

## IX. STRATEGY CANVAS

For MyRental4U to be able to compete with current similar product, we need to think and apply a new and improved methodology and approach to ace the competition. Digital trends and industrial revolution technologies must be applied on.

MyRental4U realize the opportunity that our solution and value proposition solve problems in society daily activities. Not only in local, but global scope. Saving and managing time efficiently is something everyone want to have across the world. To tackle this opportunity, MyRental4U provide this services which enable users to reduce their waiting time and thus use it to do other things. As the idiom says, we may kill 2 birds with a single stone. Saving time and complete more tasks.

The next step in the strategy is to make good use of digital marketing which is very important to reach the customers. Marketing through social media platform may enable MyRental4U to reach millions of users across the world without boundaries to country or region. As the number of user using this services increase, MyRental4U revenues and key partners will also increase directly proportional.

Talking about user experience, MyRental4U also focus on the customer insight. This is very important for MyRental4U to understand the user in order to improve our user experience. A good user experience will retain user loyalty as well attract new user to use the product.

## X. INITIAL BUSINESS MODEL CANVAS

Figure A below shows the initial business model canvas that has been produced.

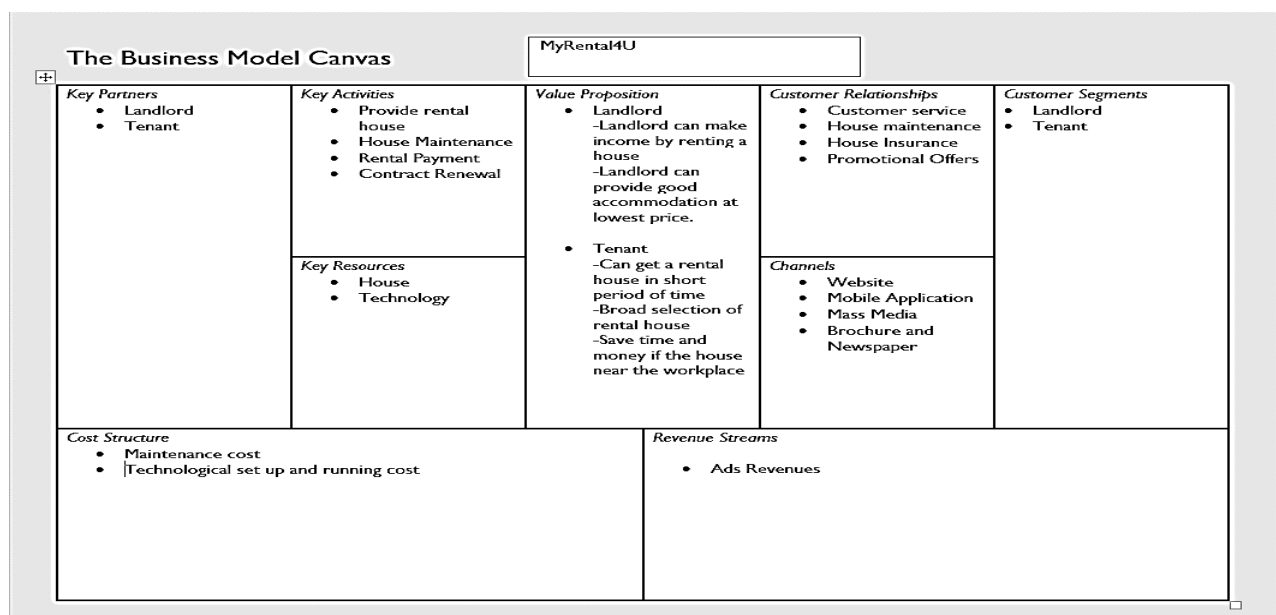
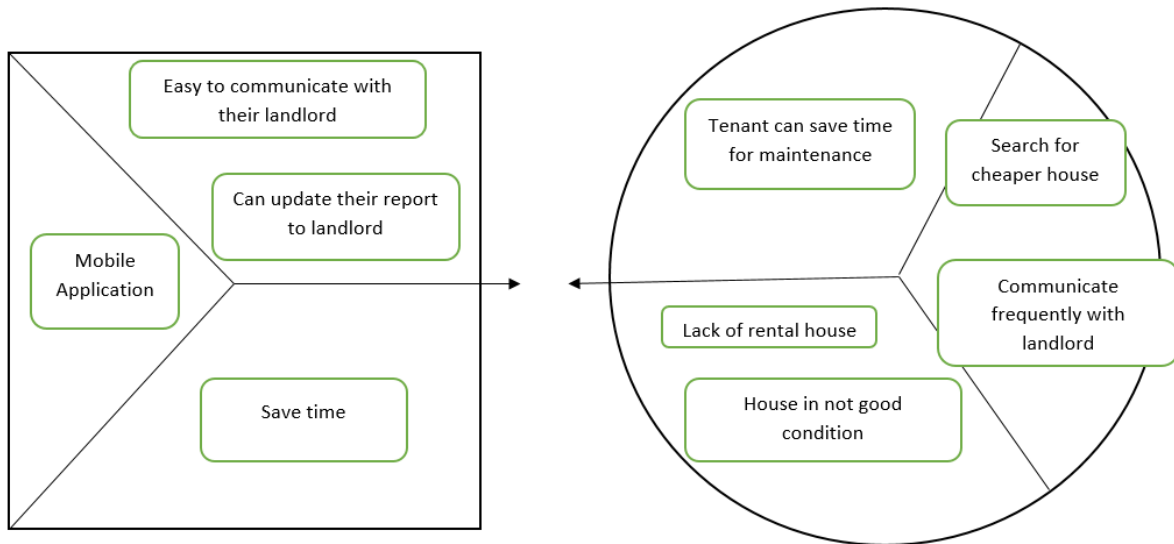


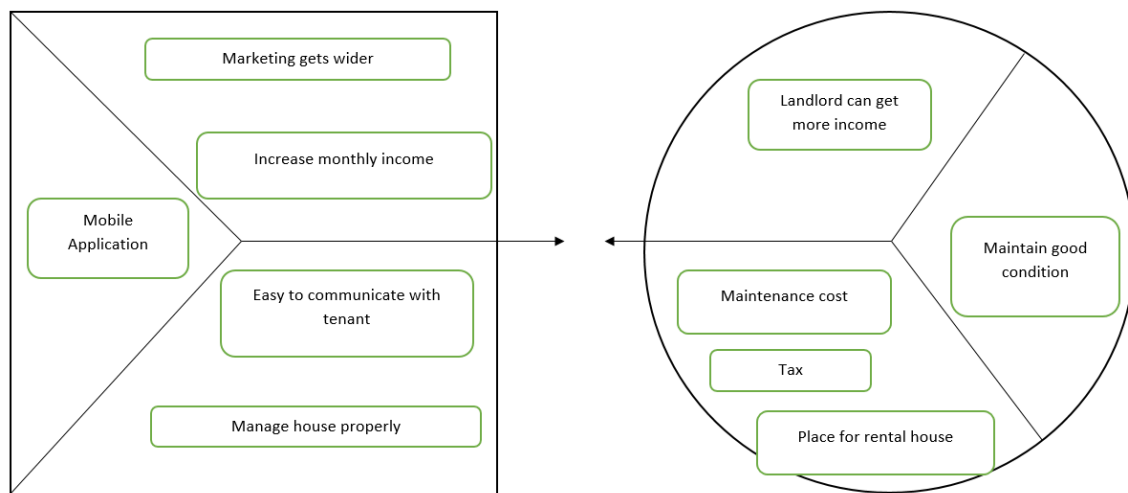
Figure A: Initial Business Model Canvas MyRental4U

### XI. INITIAL VPC

After identifying the customer’s need and problems, the initial Value Proposition Canvas have been created. This Value Proposition Canvas is used to create the value for tenant and landlord for MyRental4U. The objective of Value Proposition Design is to create the product, the services, or experience that creates desired gains and also to relieve existing pains.



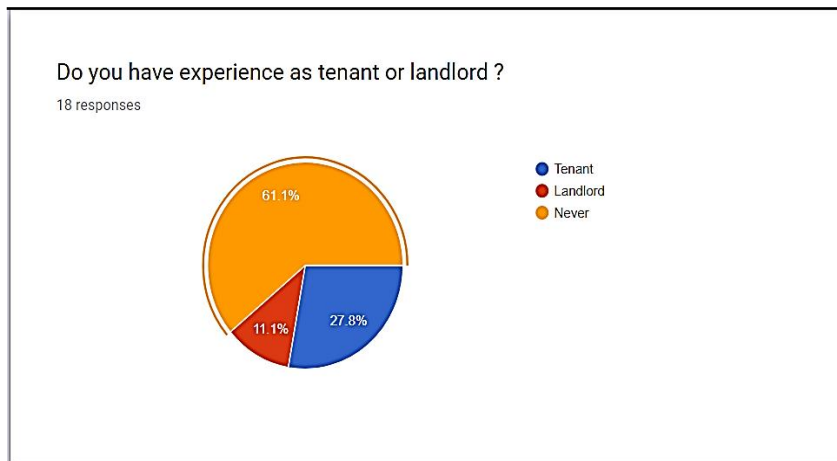
**Figure 2: Value Proposition for Tenant**



**Figure 3: Value Proposition for Landlord**

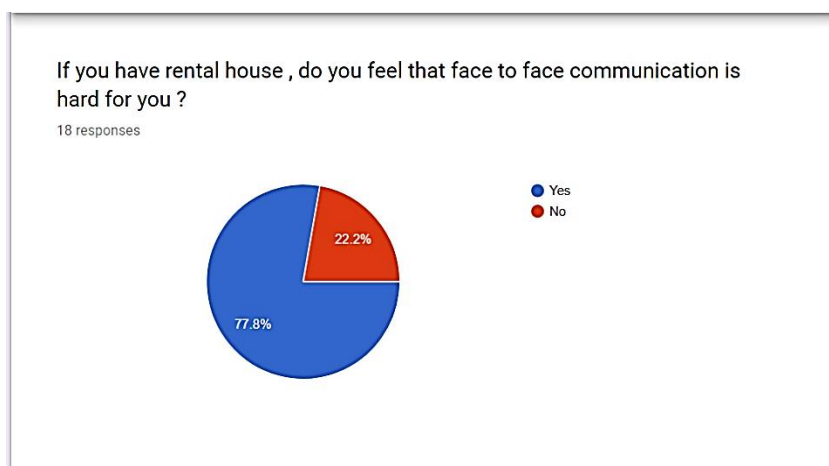
### XII. VALIDATION OF INITIAL BUSINESS MODEL

We have conducted an online survey to validate and refine our business plan. Here we have visually interpreted the online survey (conducted through Google form). On the first question, we asked user if they have any experience as tenant or landlord. Almost 61% said that they never have experience, 27% said that they are tenant and 11% are landlord



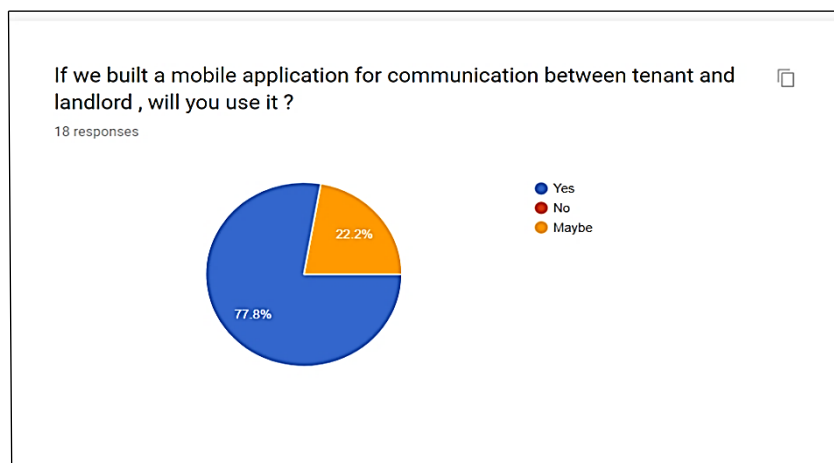
**Fig 4: Experience of tenant or landlord.**

Moreover, we also included a question on how people feel about face to face communication between landlord and tenant. Result showed that 77.8% feels that it is hard to communicate between tenant and landlord. While the others think that it will not be a problem at all.



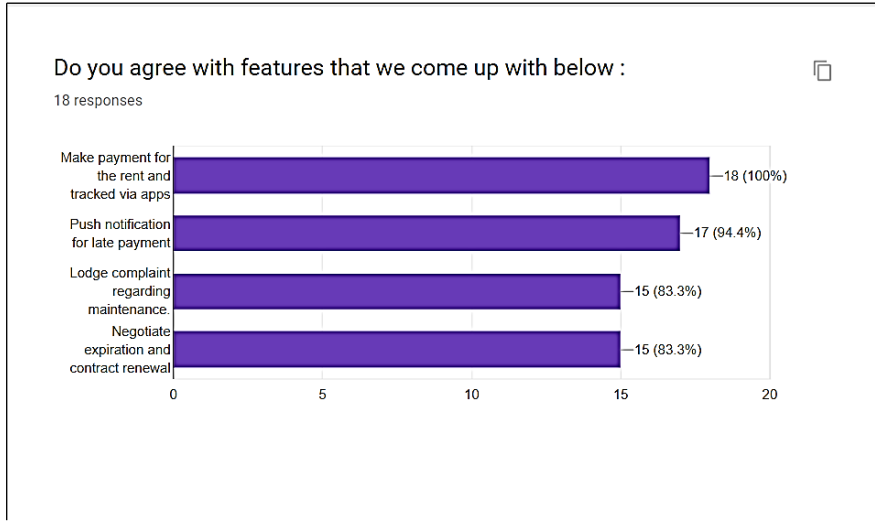
**Fig 5: Face to face communication**

Furthermore, we also ask about user opinion if we built an app to ease the communication between landlord and tenant. 77.8% said that they will use it and 22.2% thinks that maybe they will use it.



**Fig 6: It is relevant to build MyRental4U app.**

On the last part of the question, we ask about user opinion on features that we want to include in our application. From the responses, all user agreed that we put payment features and tracking. While, 94.4% like the push notifications features which act as reminder for them. Two features which are lodge complaint and negotiate contract renewal showed 83.3% user agreed.

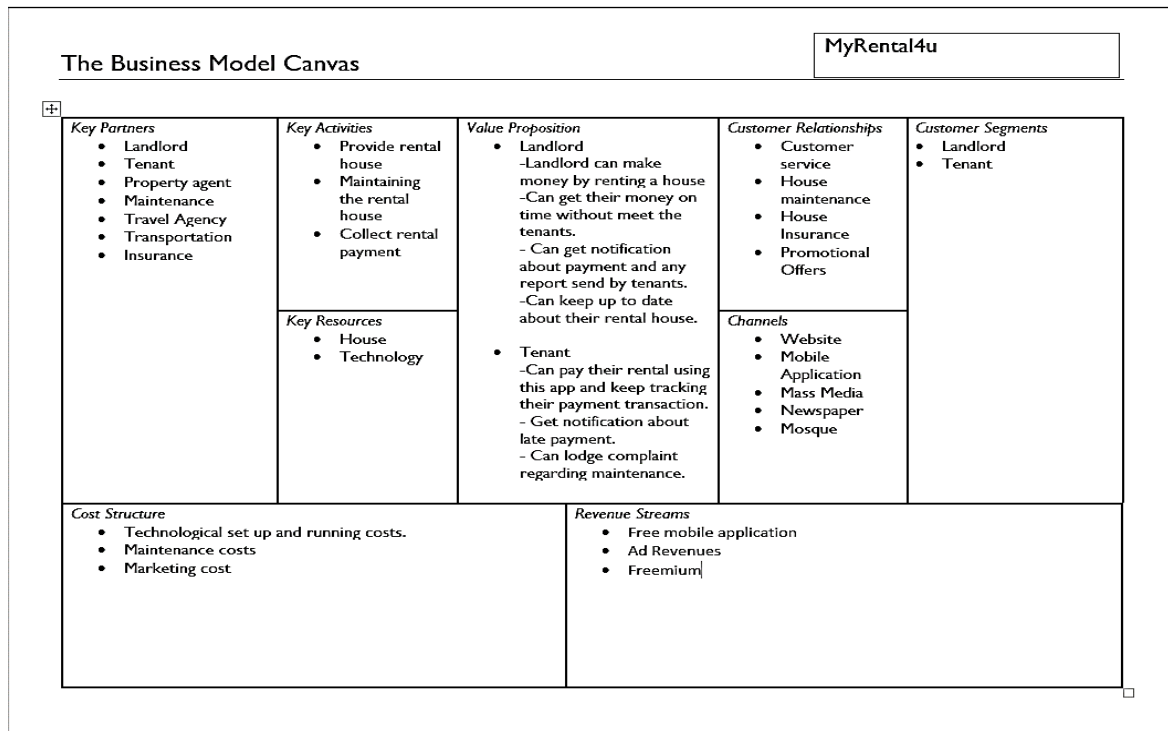


**Fig 7: Application features**

From total of 18 respondents, most respondent are wanting to use our application which can ease their management of rental house. From this survey, we can conclude that the current system is not good enough and need some improvement especially in terms of technology. So, we have a good opportunity on making this project a success.

### XIII. CONCEPTUAL SOLUTION

Figure B shows the enhancement business model canvas that has been produced.



**Figure B: Enhance Business Model Canvas for MyRental4U**



**A. Customer Segments:**

The Customer Relationships Building Block describes the types of relationships MyRental4U establishes with specific Customer Segments. There are two types of customer relationships. MyRental4U lists the targeted user in Customer Segment's block which is:

**i. Landlord**

Provide two types of rental house which is paid and freemium [freemium = free + premium].

**ii. Tenant**

Request for long or short-term rental and someone who need free accommodation.

**B. Value Proposition:**

The Value Propositions Building Block describes the value in which the bundle of products and services that MyRental4U create for Customer Segments. This includes:

**i. Landlord**

Manage information about properties, tenants and rent fees. Keep important notes like contact information, related photos and documents organized and easily accessible. Get reminders for outstanding payments and expenses due, know in advance when existing rent agreements must be renewed, or appliances require safety checking / maintenance.

**ii. Tenant**

Tenants send a photo or video of issues and make landlord to fix them. Send mobile alerts for maintenance visits, late bill reminders, emergencies and more.

**C. Channels:**

Promote this application on mass media and newspaper. Provide an advertisement for promoting this application. Promote this application at the crowded area like network of mosque [14], shopping mall and etc.

**D. Customer Relationship:**

Customer relationship is essentially portraying the value that a company offers to preserve the relationship between the company and other customer segments. Any maintenance or service from landlord will be notified directly through MyRental4U apps and social media.

**E. Key Resources:**

The Key Resources Building Block describes the most important assets required to make MyRental4U application work. The key resources include good technological platform and good house condition.

**F. Key Activities:**

Key activities are the most critical tasks a company must carry out to fulfil its business purpose. As for MyRental4U, it includes developing a functional mobile application to provide good rental house, maintaining the rental house, and collecting the rental payment.

**G. Key Partners:**

Key Partners are the connections that a company have with other company or non-consumer entities that help the business model work. Thus, the key partners MyRental4U is landlord, tenant, property agent, and maintenance company.

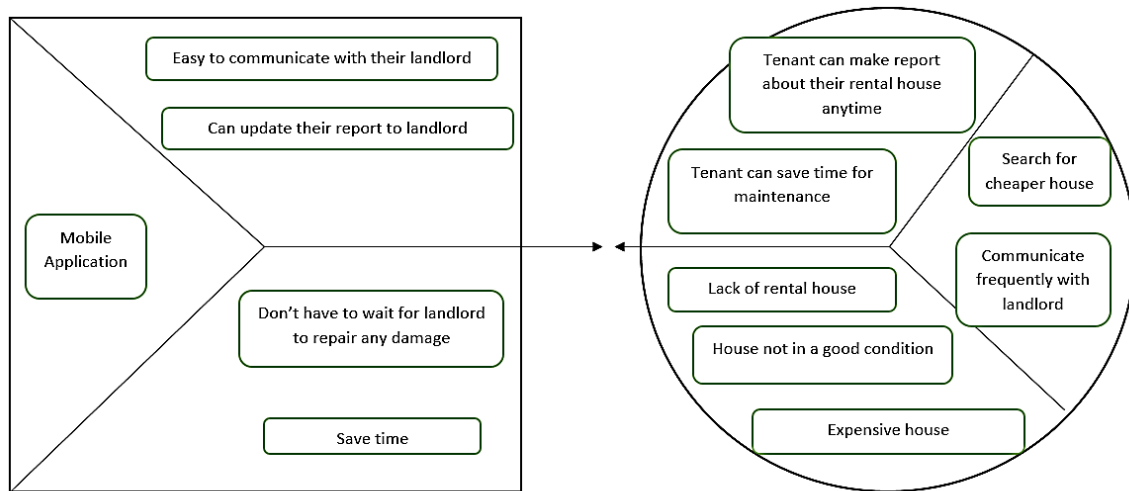
**H. Cost Structure**

Cost structure defines all the costs and expenses that a company must incur to maintain the business. For MyRental4U, the cost will be needed in technological set up and running costs, maintaining cost, housing tax and property agent fee.

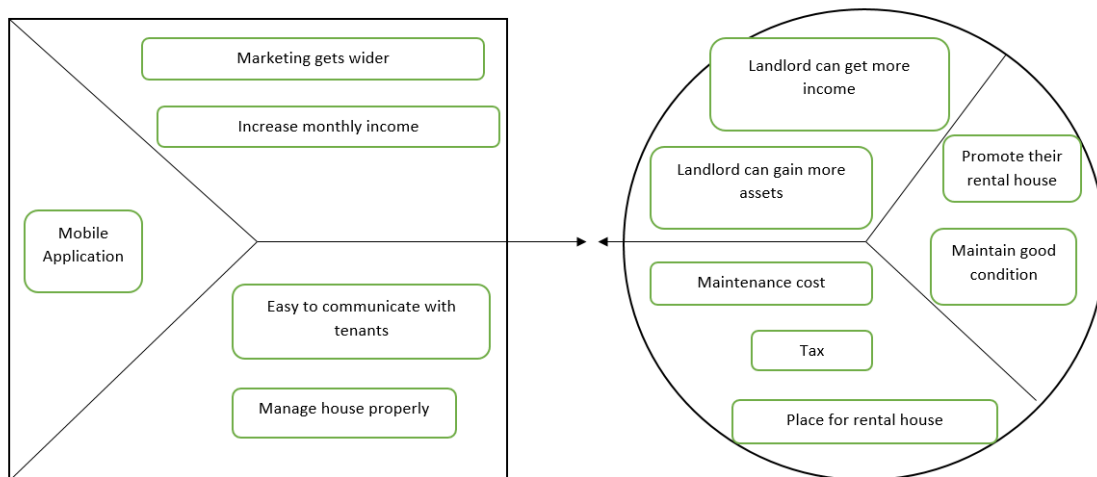
**I. Revenue Stream:**

Revenue stream describes how the company will generate income. Basically, through MyRental4U, revenue will be generated by deposit of rental house and monthly fee for rental house. MyRental4U also provide free mobile application for the tenants.

**ENHANCEMENT VPC:**



**Figure 8: Value Proposition for Tenant**



**Figure 9: Value Proposition for Landlord**

**XIV. CONCLUSION AND FUTURE WORKS**

In conclusion, this conceptual solution could give many benefits to the users especially landlords and tenants. MyRental4U could help provide a platform for landlord to promote their business and to promote their cheaper rental house, especially needy person. Other than that, MyRental4U can help tenants and landlords to communicate effectively so that their current problem about their rental house can be solved timely. In the future, MyRental4U conceptual business model is going to develop a complete business plan by applying V2MOM (Vision, Values, Methods, Obstacles, and Measures) Model. MyRental4U also can provide both application and web-based platform for their users.

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#### **AUTHORS'S PROFILE:**

**First Author** – Muhamad Zahiruddin Zaini, Bachelor of Information Technology, Kulliyyah of Information and Communication Technology, International Islamic University Malaysia, [zahirz95@gmail.com](mailto:zahirz95@gmail.com)

**Second Author** -Muhamad Amiruddin Amin, Bachelor of Information Technology, Kulliyyah of Information and Communication Technology, International Islamic University Malaysia, [aremm95@gmail.com](mailto:aremm95@gmail.com)

**Correspondence Author** – Abdul Rahman Ahmad Dahlan, [arad@iium.edu.my](mailto:arad@iium.edu.my)

**Correspondence Author** – Mohd Izzuddin Mohd Tamrin, [izzuddin@iium.edu.my](mailto:izzuddin@iium.edu.my)