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## Innago – A Free Property Management Software for Small to Midsized Landlords



**Dave Spooner**  
CEO

**Innago**

**Interview conducted by:**  
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**CEO CFO Magazine**

**CEO CFO: *Mr. Spooner, what is the idea behind Innago?***

**Mr. Spooner:** Innago is rental management software for small to midsize landlords. It includes things like paying rent on time, screening tenants, finding documents online, managing maintenance, communicating with tenants. Basically anything that a small to midsize landlord would need to do in relation to their tenants and properties.

**CEO CFO: *Are many landlords in that category using technology today?***

**Mr. Spooner:** It is a space that I think is evolving. As little as ten or five years ago the vast majority were not using any technology to automate their property management but that is rapidly changing. It is still probably a mixed bag because of the different ways the real estate investment market was formed. Many investors, landlords and property managers have been around for a long time and have been traditionally committed to doing things the way they always have, but that is rapidly changing.

**CEO CFO: *Are property managers and landlords looking for a better way?***

**Mr. Spooner:** I would say that most of the people we work with seek us out. They *are* looking for a better way. They are either a newer landlord for the first time that wants to start things off right or somebody that started doing everything themselves and, as their business has grown and they have acquired more properties, wants to use something like Innago to better organize.

We also have people that come over from a different platform. They may be using some of the older products that have been around for a long time and they want to try something a little bit more modern or agile.

**CEO CFO: *What about ease-of-use?***

**Mr. Spooner:** There are two pillars to ease-of-use, one is making your product as intuitive, simple and easy to use as possible, and the other is to provide resources when it inevitably is not. Any software, no matter how intuitive it is, will always have points where a user does not quite understand how to do something they want to do. I think what a lot of businesses and organizations fail to capitalize on is to provide resources for those inescapable situations. We look at it as a two-pronged approach and we take both very seriously.

From an ease-of-use standpoint, we invest heavily in our design team in what is called U-X or user experience. We test out new features and put them in front of landlords and our own team members to experiment with and find gaps and figure out what does and does not make sense and what can be done differently and better. We've studied the other

products whether they are in our space or even alternative spaces that have something similar. For example, if we want to build a new calendar to make it easy for people to schedule maintenance tickets, we go and look at Outlook and Google Calendar, we look at how Airbnb handles calendars. We look at all these other products out there to figure out the best way to solve this particular problem.

The other piece of it is being able to provide resources when the answers are not readily apparent or maybe it is just because it is intuitive but the person for whatever reason is coming at it from another perspective and they are not thinking in the way and what is intuitive to most people is not intuitive to them. We have a help section that is built right into the portal that people can jump into that we regularly update. We offer phone and email support and take our customer support extremely seriously. The software matters but the support matters just as much. We are looking at it from two different angles and focusing on providing an intuitive experience in both respects, that is how we try to differentiate ourselves.



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**CEO CFO: How do you ensure that Innago is secure?**

**Mr. Spooner:** Innago servers are all SOC 2 compliant, which is an incredibly high bar to hit. We use bank-level encryption for any sensitive data in Innago. We also have security experts on our team that are constantly reviewing how things are designed and built and how we are plugging holes. We do penetration testing periodically where we test our own systems to figure out how somebody could break into it.

We do something called tokenization for a lot of sensitive information. Things like credit cards for example: we do not even show credit card information. We use a large gateway that works with tens of thousands of customers across the United States. You probably interact with it every day; they store the credit card information and we get a token. We take security very seriously; we have to in a space like ours. We try to make sure we provide people the security they need.

**“We want many landlords to gain value out of Innago rather than price gouging just a handful. You can see that approach in the way the Innago functions, in the way it is built, and in the way it works for you as a landlord or manager.” Dave Spooner**

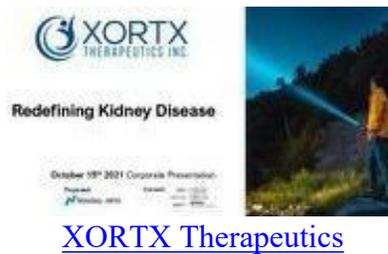
**CEO CFO: One of the features you offer is tenant screening. What might you do on the screening process that is more in-depth?**

**Mr. Spooner:** I do not think it is about in-depth, it is more about making it a seamless, easy-to-use and replicate experience. That is where we have added features. As far as the depth is concerned, if you are going to rent to a tenant of course you want to do a background check, eviction check, credit history and ask questions, but you do not need an FBI level screening or all the bells and whistles or check every single county in the United States, or their blood relatives

and friends interviewed, etc. It is a lower bar to clear and we use Transunion's My Smart Move product which is a popular one to screen tenants, so the credit report, criminal history and eviction history comes from Transunion directly.

Where we add features and bells and whistles is in the way that you disseminate access to that application. For example, you can create a custom application in the Innago platform, it is easy to add questions, sections, and file uploaders for things like bank statements or a driver's license. You can even curate the appearance of it, so you can make it match your aesthetic style if you have a website or brand. You can change the color and logos on it, and then we give you a link to that application which you can put on your website and your listings. You can text it and email it and anyone who clicks that link can apply to your properties. You can also share through your email. We make it easy to share access to the application. You can turn on and off access when needed.

We also allow you to create multiple template applications if you have different property types. For example, if you have both commercial and residential properties, you will likely have totally different applications to occupy one of those spaces and become a tenant of yours. We allow you to manage that. It is about making it easy to access and manage what is already a pretty good product out there.



[XORTX Therapeutics](https://www.xortx.com)

**CEOCFO: *What about student housing?***

**Mr. Spooner:** Student housing is unique. Oftentimes landlords that invest in student housing do it specifically and possibly exclusively. I am sure any landlord is not going to say no to a good renter but they are formulating the business and value structure that they are providing their customers – in this case their tenants – around the idea of student housing. They may invest heavily around a particular campus. The type of housing that they provide, the level of quality that they provide, the level of service that they provide is all going to be specifically tailored to student housing. They are also more used to tenant turnover, so if you are a normal residential landlord, your pot of gold is a tenant that is going to be with you a long time and take care of your property. For student housing they recognize that most of their tenants will be with them a single year and they have to turn all of them in a very short duration of time. Their approach to their business is just totally different than a residential or commercial landlord and for that reason it merits its own category in Innago.

We also have tools specifically built around student housing to make life a little bit easier. Generally with any tool that we build with Innago, we know that you could be a residential landlord that happens to turn over every year, so we do not want to make it a tool that is exclusively available to student housing. It is available to anybody and relatively generic.

For example, in student housing it is quite common to lease by the bed rather than the unit. Now, that can structurally be difficult from a rental collection standpoint, especially using a lot of existing software. We have a button that allows you to say whether you want to invoice the students on a lease as a group and they will pay a single invoice, or you can invoice each of them individually for just what they are renting, their bedroom or whatever it may be. You can easily toggle that on or off for whichever setting you have. Student housing is its own category and it has some unique needs and we try to build Innago so that it satisfies the needs of those folks while still providing tooling where other people may need it.

**CEOCFO: *The housing market is starting to change; does that make a difference and are their things you need to create or approach differently as the market varies?***

**Mr. Spooner:** The thing about real estate is that it is hyper localized. There are macro trends but even when there is a downturn across the US, there are upturns in specific markets, and vice versa. Each market is its own unique ecosystem. We face challenges in any given market, for example the laws may change in New York and suddenly you are not permitted to gather criminal history while screening a tenant. So we build out a tool that allows landlords to say hey I do not want that, I just want the credit history and eviction history, skip the criminal part for me.

We are constantly reacting to the different markets and I think that makes us agile enough to handle national trends. We are more focused on those individual markets and keeping up with those than even any economic downturns or any inconsistency within the market at large.

**CEOCFO: *What is your business model?***

**Mr. Spooner:** Innago is free to use. When we built Innago, we recognized that these small to mid-sized landlords are resistant to barriers to entry. The two primary barriers to entry that they see are first how easy it is to access and use this software. Most landlords are DIY. They came up on their own, built their portfolio and they do not have a ton of time to spend hours a day managing their portfolio. It needs to be a quick, easy-to-use and learn tool. Making it intuitive and supporting those landlords is critical.

The second barrier to entry we see with these DIY landlords is that they are resistant to large upfront fees because they do not know what they are getting themselves into with the software. They much prefer free tools and for that reason we made Innago free to use. There is no cost to landlords and you can sign-up totally for free. Instead, we've monetized different things in Innago. All of these are charged to the tenant by default. One is when they pay online, if the tenant pays with credit card or ACH, we charge them a small fee. Landlords can choose to take on that fee if they want to, but by default it is paid by the tenant.

Secondly, when a landlord wants a screening report for a particular applicant, the applicant pays a fee to generate those reports and we make a margin on that fee. We purchase a report from Transunion and then we make a small fee on top of that. The third thing we make money on is renters insurance. We sell renters insurance within the Innago application. Tenants can of course upload a copy that they purchased outside of Innago but, if needed, they get a quote within Innago for a policy and purchase it if needed. We are more about monetizing value benefit to our users rather than simply charging a fee or access fee or monthly charge.

**CEOCFO: *Why choose Innago?***

**Mr. Spooner:** I think Innago approaches the market a little bit differently. Those two pillars (providing intuitive software and great customer support) and trying to remove those barriers to entry for landlords are critical to what makes Innago great. And of course, making it easy to use and free are great selling points, but it's also important to make it valuable and useful software. We are always excited to hear when landlords cannot believe that Innago is free to use. They have tried it out for a while and they thought the software was too good to be free so there must be a catch. We want many landlords to gain value out of Innago rather than price gouging just a handful. You can see that approach in the way the Innago functions, in the way it is built, and in the way it works for you as a landlord or manager.