



# Nedbank partners with OpenSpace to create value for clients

*This South African lender sees 360° photo documentation disrupting conventional practices in construction.*

Nedbank Property Finance is the largest commercial property financier in South Africa. In August 2018, Nedbank Property Finance extended its capabilities and opened its doors to funding opportunities in key African markets, outside of South Africa.

Over a short period, with a skilled and experienced team providing unique structuring solutions to clients, Nedbank Property Africa scooped the prestigious award for notable transactions on the continent – Top Real Estate Bank in Africa in 2019 and again in 2021.

The 2021 award was a unique achievement, as the Nedbank team was constrained with travel restrictions, which made it even more challenging to offer funding solutions to clients outside of South Africa. Travel restrictions meant funders were faced with difficulty in funding development projects that required continuous monitoring and payments for completed work at construction sites. It was then that Nedbank introduced the OpenSpace platform to unlock funding for development projects to help clients when it mattered most.


## Seeing opportunity in a crisis

Usually, funders of property development transactions require an inhouse team to verify the work on site. These site inspections occur every month to monitor delivery risk (cost, time and quality elements) and to approve drawdowns or payments based on pre-agreed milestones to ensure that the money is used to complete the construction of the property in line with this scope. And because of the particular nuances of each market, loan sizes as well as the complexity and type of buildings vary for each project.

Seasoned professionals in the construction industry have always been skeptical about new technologies, and although the Nedbank Disruption Team came across OpenSpace in 2017, the platform was not leveraged at the time.

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Genevieve Naidoo,  
Divisional Executive: Property Finance PM,  
Valuations & Sustainability Nedbank CIB



But then the Covid-19 pandemic hit, and travel was restricted by severe lockdown regulations. Clients were impacted severely and Nedbank's internal project monitoring teams could not access sites that did continue to operate. Without inspections, no payments could be made, which posed the risk of huge delays and additional preliminary and general costs. However, to maintain client delivery, Nedbank's project management team resorted to doing site inspections via WhatsApp video calls. For obvious reasons, it was far from ideal, and the team needed a more sustainable and professional way to execute their function. They saw a golden opportunity for OpenSpace.

When other banks could not or would not undertake development finance for clients because of the inability to monitor risk, Nedbank's view was the opposite, posing the question: 'In a time of crisis, how can we partner with our clients and offer them innovative solutions?'

## Leveraging OpenSpace to create value for clients

The Nedbank journey with OpenSpace began by unlocking opportunities for four clients in three African countries – Kenya, Morocco and Mauritius.

OpenSpace enabled Nedbank to pay clients on time and seamlessly by viewing 360° photo documentation and proactively engaging with the clients on costly change orders and potential delays. Clients saw the benefit of using OpenSpace immediately. The ease of capturing 360° images by placing a camera on a hard hat, and the ability to access these images anytime from anywhere in the world, gives clients valuable information about their project.

Clients could simply log into OpenSpace from their computers to see the latest jobsite conditions, despite being in a different time zone or even a different country.

This enabled clients to track site progress at their fingertips and to facilitate site-office communication easily using the core functionalities of OpenSpace. They could post notes and questions using the Field Notes feature and receive an instant response.

The time-stamped images improved overall recordkeeping of on-site progress, which enhanced management reporting for Nedbank's clients, and the Splitscreen feature gave clients the ability to compare monthly progress, saving the client and the professional teams time and money.

## Providing OpenSpace to clients

"OpenSpace is an incredible tool to monitor construction risks proactively," says Genevieve Naidoo, Divisional Executive: Property Finance PM, Valuations & Sustainability Nedbank CIB. "Initially we were concerned about the additional cost of the platform, since property development projects are sensitive to extra costs. But the benefits of OpenSpace far outweigh the cost of the technology in terms of saving time for professional teams. Being able to pay our clients quicker creates a huge benefit for them in managing their cash flow cycles."

Through Nedbank's partnership with OpenSpace, clients who take up this solution can have their professional teams up and running on the app in less than an hour, with access to support teams to assist them with any queries on how to use the app.

Nedbank plans to scale the use of OpenSpace across its portfolio, including in South Africa, where 25 sites are scheduled to use the app by the end of 2022.