



Reinventing property management

Building Stack empowers landlords and tenants, one rent payment at a time

By Nell Malone



Property managers wear many hats. From vacancy marketing and rent collection to smart locks and maintenance requests, they are responsible for every aspect of the tenant life cycle.

Building Stack exists to help them build a sustainable business and offer the best possible experience to tenants. The Montreal-based company is an all-in-one property management platform that automates daily workflows and delivers innovative functionalities.

“Our goal was to build a platform that was accessible to everyone, whether they were young or old, tech-savvy or not,” said Jonathan Margel, co-founder and CEO of Building Stack.

Today, Building Stack is used by property managers to administer 100,000 units across Canada and the United States. And that number is growing fast. In 2019 alone, the number of units managed through Building Stack has increased by 190%.

To be an effective solution for property managers, Building Stack needs to offer an excellent payments experience for tenants. But their previous provider wasn't up to the job. They couldn't connect to enough banks, and they didn't have tools to prevent NSF/overdraft fees.

That's why Building Stack switched to Plaid. Compared with the previous provider, Plaid connects to 400% more customer bank accounts. In addition, Plaid helps them prevent more than \$36,000 in credit card fees and NSF fees every month. That's \$432,000 per year.

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PABLO MENGhini,
Co-Founder and COO,
Building Stack

A better payments experience

Building Stack was cofounded by Jonathan Margel and Pablo Menghini in 2009. At the time, Margel was in real estate, personally managing around 2,000 units.

The experience was eye-opening. With his small team and limited resources, Margel found that he often couldn't give his tenants the concierge-level service they expected. So he teamed up with Menghini, a software engineer, to build a solution.

Today, Building Stack has three core products that help property managers leverage technology to deliver a high level of service and increase revenue in the process:

- **Communication.** Maintenance requests and workflow coordination between property managers, employees, tenants, and third-party vendors
- **Marketing.** Automated online vacancy listings, lead management, website templates, and tenant screening tools
- **Online payments.** Rent collection and automated accounting reports, including a payment portal for tenants

14 hrs.

For the average Building Stack customer, Plaid generates a time savings of 14 hours—nearly two business days—per month.

When Building Stack launched their online payments platform, they used a popular interbank network to power bank transfers—one of the only solutions available in Canada at that time.

Bank transfers are important to property managers because they bypass the high, variable fees that come with credit cards. Every time a tenant uses a credit card to pay rent, their landlord must pay a fee to the credit card network—between 1.7% and 3.5% of the value of the transaction. For a single unit, that can amount to hundreds of dollars per year.

But Building Stack's initial solution didn't last. Over time, banks kept dropping out of the service, which meant fewer and fewer tenants could link their bank accounts.

"Our online payments platform was sub-par, and that was causing us to lose customers," said Menghini.

"When you're dealing with bank account information, it's easy for people to be skeptical. But at the end of the day, the Plaid brand is strong."

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Future-proof technology

At first, Building Stack considered building their own solution. But ultimately, they decided to focus their limited resources on their core products.

"We could have built these bank connections ourselves," said Menghini. "But they wouldn't have been half as good, and they would have eaten up all of our engineering bandwidth."

Although they evaluated several potential partners, Building Stack ended up choosing Plaid for its wider coverage. Plaid now connects to more than 100 of Canada's largest financial institutions, giving Building Stack access to 400% more customer bank accounts than their previous provider.

In the United States, Plaid now connects to all 11,642 banks and credit unions—a fact not lost on Building Stack, whose 2020 plans include a U.S. expansion. These days, when tenants want to connect their bank accounts, they simply enter their bank login and password. They can start paying in a matter of seconds.

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Prevent unwanted fees with Plaid

	Per month	Per year
NSF fees prevented	\$10,000	\$120,000
Credit card fees prevented	\$26,000	\$312,000
Total fees prevented	\$36,000	\$432,000

\$36K

Plaid helps Building Stack prevent more than \$36,000 in credit card fees and NSF fees every month.

Saving time, saving money

In the six months since Building Stack launched with Plaid, the number of tenants who choose to pay through bank transfer has increased by 19%. Menghini attributes that improvement to Plaid's wider coverage and superior user experience.

"When you're dealing with bank account information, it's easy for people to be skeptical," said Menghini. "But at the end of the day, the Plaid brand is strong."

The partnership has also generated significant value for Building Stack's customers. With Plaid, tenants and property managers save more than \$26,000 in monthly credit card fees. Meanwhile, Plaid's real-time account balance checks prevent more than \$10,000 in monthly NSF fees.

When you add it all up, that comes to \$432,000 in savings that Building Stack passes along to its customers every year.

But perhaps the most important savings that Plaid is able to help Building Stack generate for its customers is time. Accepting Plaid-powered bank transfers eliminates the delays, paperwork, and errors common to other payment methods. For the average Building Stack customer, that generates a time savings of 14 hours—nearly two business days—per month.

According to Menghini, that mirrors the time savings that Building Stack experienced when they were first building their Plaid integration.

"I deal with a lot of SaaS products, and Plaid is one of the best," said Menghini. "Getting set up was fast, and the documentation is so straightforward. We were up and running in three weeks."

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Plaid is a technology platform and data network that enables applications to connect with users' financial accounts. We focus on lowering the barriers to entry in financial services by making it easier and safer to use financial data. Today, we support developers across North America and Europe.