

When a High-Touch Industry Goes “No Touch”

COVID-19 is accelerating tech adoption in multifamily housing. Technologies that remain relevant post-pandemic will need strong connectivity, underscoring the importance of critical broadband infrastructure.

By Rick Haughey and Sarah Yaussi / *NMHC*

The apartment industry has long prided itself on the high degree of “touch” and personal service it offers residents. However, the rapid spread of COVID-19 and the social-distancing measures and mandates put in place to curb it have exposed myriad risks associated with this traditional model. The need for contactless interactions fast-tracked the adoption of technology in the multifamily space, moving the concept of a fully automated apartment from future forward to here and now.

Through the crisis, operators have struggled to protect the health and safety of residents and staff while managing amenity spaces, packages, maintenance requests, tours, move-ins and more. Technology has provided solutions for managing many of these activities amid the multitude of COVID-19 challenges.

It’s difficult to predict which technologies and innovations will be lasting byproducts of this crisis, but it’s clear there are a few contenders. Many apartment industry leaders now seek to refine the processes and the oversight that support the implementation of advanced technologies and consider the next steps in the evolution of apartments.

More important, the pandemic and the resulting adaptations and innovations underscore the critical importance of connectivity and broadband infrastructure in apartment communities. Although many multifamily operators have believed for a long time that connectivity is essential for resident

satisfaction, it’s never been more essential for business when the challenges are as basic as not being able to have staff on-site.

TECH ADOPTION ACCELERATES

Prior to COVID-19, tech-forward apartment companies invested in technologies and platforms that could better provide on-demand servicing for residents.

They invested in package lockers to offer self-service package pickup; transit screens to monitor local transportation options; and software applications residents could use to schedule dog walkers or cleaning services, arrange for a dry-cleaning pickup, or order a meal. They rolled out communication platforms that allowed residents to schedule maintenance in their units through smartphones. Some also invested in controlled-access building technology that could do things such as provide temporary access codes for guests and service providers entering the building.

These technological innovations advanced industry automation, but very few apartment firms fully connected and integrated these technologies to provide a true on-demand, self-service resident experience from search to move-out.

However, as massive COVID-related shutdowns were instituted and apartment firms found their on-site teams unable to physically perform basic functions such as payment collection, prospect tours and maintenance, many quickly turned to technology to help.

OPERATIONAL NEEDS PRIORITIZED

A priority was making sure residents could successfully submit their rent payments. Despite many examples of tech investment in the industry, apartment firms processed what many might consider a surprising number of paper checks. Industry experts say it is common for as much as half of rent collections to be in the form of paper checks. As management offices closed to control virus spread, however, there was a big shift to online rent payments, which residents had long requested. In fact, according to the 2020 NMHC/Kingsley Associates Apartment Resident Preferences Report released in November 2019, just 7.3 percent of respondents said they preferred to pay their rent by paper check; the rest preferred payment apps such as PayPal or Venmo, debit cards and credit cards. More telling, perhaps, is that more than one-fifth (21 percent) said they didn't care which digital platform was offered, as long as it was automated.

Apartment operators shifted quickly and saw a surge in online payments as the new COVID-19 reality set in. Zego, a leading payment-processing software company, saw a 138 percent jump in registrations for its online payments platform from March to April as residents looked to avoid in-person payments. Moreover, there was a surge in credit-card payments as operators eliminated processing fees, resulting in a 31 percent jump in credit card usage from March to April and another 20 percent jump from April to May.

There was also urgency around maintenance solutions. Apartment operators quickly moved to provide emergency-only services, but some offered residents options for DIY solutions for routine maintenance. In some cases, boxes of replacement parts or repair materials were delivered to residents' doors, and maintenance technicians guided residents through the process via livestream or on-demand videos. Some even used TikTok to reach residents.

TOURS TAKE CENTER STAGE

The hallmark of the COVID-19 era has been apartment firms' fast pivot toward an automated leasing experience, and

the self-guided tour is the centerpiece. Companies that invested early in a number of interconnected technologies transitioned more quickly to more immersive virtual prospecting and an automated leasing experience, but the industry is experiencing a wholesale shift in this direction as an automated or self-service model offers greater degrees of business continuity amid the uncertainty of today.

Apartment firms rushed to provide more robust virtual touring options online. Short videos and slide shows have long been staples of community websites, but many lack deep libraries, covering the wide variety of units offered. Many firms looked to activate digital assets that had been shelved for one reason or another. Others accelerated the rollout of other virtual touring technologies. Matterport is one popular provider of self-navigating virtual tours. Still others armed leasing teams with iPhones and iPads, encouraging them to record their own walk-throughs or even do live versions for interested prospects. The main goal was to make sure more inventory was available for online perusal.

For some tech-forward companies, AI-powered digital leasing assistants added an additional element to an automated experience. These digital tools help guide online prospects further down the sales funnel – and are light years beyond the original chatbot. In fact, some operators report that prospects never knew they were communicating with an electronic leasing agent.

Pre-COVID, prospects said they largely preferred agent-led tours. According to the NMHC/Kingsley report, 69 percent of respondents said they preferred agent-led tours, compared with 16 percent who preferred a self-guided option and 15 percent who had no preference. However, the benefits of a contactless tour experience are obvious in a pandemic, and the advent of self-guided tour technologies is redefining the touring process.

While operators test different self-guided tour approaches, those who fully embrace the concept can remove on-site leasing agents from the tour process almost completely. For a truly

tech-enabled, contactless, self-guided tour, prospects arrive at a property and check in with a quick automated screen. They then use their smartphones to open smart locks at the community entrance, in amenity areas and at units. Beacon technology can also be used to trigger content about the property. From there, many systems allow prospects to process a paperless lease online, use an app to schedule movers, and reserve the loading dock for the moving truck.

CONNECTIVITY IS KEY

Until now, the apartment industry has largely viewed these technologies and innovations as luxuries and conveniences that contributed to a better customer experience, market differentiators and/or tools for lightening some of the task load for on-site staff. Today, however, when the threat of COVID-19 looms large even amid measured reopenings, there's a solid argument that these technologies are essential risk-mitigating tools, helping companies be more resilient in a time of great uncertainty and financial hardship.

The key to this next level of operations is connectivity. Residents cannot pay their rent online or manage deliveries without good, safe, secure internet connectivity. Without reliable connectivity, virtual maintenance solutions are impossible. Similarly, without the telecom infrastructure to power-controlled access systems, truly contactless self-guided tours are undeliverable.

Post-pandemic, some of the reliance on these technologies may fade along with memories of the strange event people everywhere lived through, but others are likely to be game changers as more apartment firms look to provide convenience, improve efficiency and become more resilient in the face of challenges as significant and severe as the ones they face during COVID-19. ❖

Rick Haughey is VP of industry technology initiatives at the National Multifamily Housing Council (NMHC) in Washington, D.C. He can be reached at rhaughey@nmhc.org. Sarah Yaussi is VP of business strategy at NMHC and can be reached at syaussi@nmhc.org.