

How the Pandemic Created Urgency for Smart-Tech Adoption

The importance of seamless connectivity is amplified as broadband and intelligent-home needs rise.

By Kevin Donnelly / *NMHC* and Valerie M. Sargent / *Broadband Communities*

The pre-pandemic world had apartment operators testing the smart-home waters, thinking about what solutions might work best for their companies and communities. They found themselves examining the potential return on investment (ROI) and benefits of smart tech, both for their residents' overall satisfaction and for operational efficiencies regarding preventive maintenance and asset protection.

This steady, thoughtful deliberation was hijacked and suddenly thrust full-speed ahead when the pandemic hit. Suddenly, multifamily owners found themselves searching for tech-related solutions that residents and prospects were demanding. "Cool" features that were just an idea for the future quickly became must-haves.

Certainly, some smart-home technologies were adopted pre-pandemic. Features such as touchless controls for doors, touchless elevators, access control, smart thermostats and smart lighting mostly were adopted in Class A and B properties and in certain geographic areas more than others. But these things quickly became more critical for communities of all ages and sizes when COVID-19 came to town. Owners went from

evaluating the ROI of deploying nice-to-have smart tech across their portfolios to quickly deploying tech critical to successfully and safely operating their buildings during the pandemic.

PANDEMIC'S EFFECT ON SMART-TECH ADOPTION

Access control took off like a rocket as the pandemic put fuel in the smart-tech rocket ship. In-person touring had to change quickly, and communities found that they had to introduce virtual tours or lose prospects. Properties needed increased video capability and premises monitoring to provide heightened security and control access to newly restricted amenity spaces in the wake of government orders.

There was also an urgent and continuing desire to meet resident and prospect expectations by making cleanliness central to property operations. "Clean is the new green" became a common phrase for multifamily operators, with many people expecting more and even some drawing a red line if there were not fresh air systems or ultraviolet air purifiers in place.

Most important, all the existing and new smart tech deployed relied on and was controlled by buildings' telecom infrastructures. This demand was matched by a surge in resident use of networks as stay-at-home orders turned multifamily communities into round-the-clock offices, schools and entertainment hubs. This massive shift worked for communities that had a dependable connectivity backbone in place and enough capacity, ultimately enabling the deployment of intelligent building amenities. Property owners and their provider partners have deployed various ways of doing this, all with the understanding that a seamless, always-on network is critical, whether built from the ground up or rehabbed and upgraded along the way.

Smart tech goes beyond residents' apartments and in many ways is more exciting and a bigger value add for multifamily

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operators. Intelligent building platforms and products have the potential to offer energy-saving technologies and monitoring systems that can help with preventive and predictive maintenance needs when looking at smart lights, leak detections, smart thermostats and such. Cool tech really has the potential to be a game changer for multifamily in allowing owners to gain significant operational and insurance cost savings.

INDUSTRY CHALLENGES REMAIN

A successful smart-tech strategy at the property level relies on high-quality, always-on connectivity. However, the reality is that some broadband connectivity challenges could prevent optimal performance or the benefits of some of this tech.

Different segments of the market are ahead of the curve because they have had the ability to invest more resources in connectivity than others. Smaller, more rural, affordable or senior properties often have fewer revenue opportunities for broadband providers, and owners must carry the infrastructure costs on their own. This makes it less likely for some communities to deploy all the bells and whistles of smart-home technologies or to future-proof with processes such as conduit installs. It is easy to proactively include these technologies in a new-build project, building out extra space for cabling to prepare for what comes next. For older communities or those with more limited budgets, however, it can be a big capital expenditure.

Other potential challenges are the regular maintenance, software updates, security and privacy protections that smart technology requires because it is connected to people's phones or a building's other systems. Smart-tech management platforms have emerged, but some owners remain hesitant; some say they would forgo some smart technologies to avoid the headache of maintaining them. Even when an owner is willing to take the leap into a full embrace of smart tech, there is always a huge concern over life span and whether the investment made today will be in a technology or product that is irrelevant in just a few short years.

In multifamily, an investment made today needs to have a considerable runway to be worth the effort. Many in the multifamily industry often take a wait-and-see attitude with new technology, wondering which tech has staying power and will be the best to implement. A developmental pipeline can be so long that what may be cool and different today could become obsolete tomorrow. This is where many owners were in their thought processes before the pandemic.

A prime example is voice-enabled devices. At the outset of owners' dipping their toes in the waters of cool, smart-home tech, devices such as Amazon's Alexa and Google Home were easy and cheap enough to deploy, but as brand loyalty among residents rose, the owner-installed devices often went unused. Certainly, voice-enabled tech has a lot of room to grow, and consumer demand for these devices makes them an important piece of the smart-home puzzle for multifamily, just not the easy, quick fix that many thought it would be at the outset. In the end, it serves as a lesson for both multifamily owners/

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operators and smart-tech suppliers on what ultimately makes an investment worth it.

BROADBAND AND CONNECTIVITY ARE CENTRAL

As owners have leaned into smart-home capabilities, ongoing seamless connectivity has become even more important. Coupled with how essential broadband has become to daily life during the COVID-19 pandemic, the broadband industry is set to increase its heavy prioritization of high-quality, reliable networks across multifamily communities. Despite the focus and urgency in that space, overall connectivity is incredibly important. The availability and affordability of traditional telecom products, such as wired phone service and video offerings, and the strength and reliability of cellular service at the property level remain important aspects of apartment operators' ability to attract and retain residents.

There are several future trends to keep an eye on. Prime examples are emerging artificial intelligence technologies that could fuel property operations and more ubiquitous facial recognition technologies that could control property access. There are benefits and questions to these and other technologies centered around network security and privacy. The industry will need to take these issues seriously as an emerging patchwork of consumer privacy protections spread across the country. However, strong consumer demand for these technologies will draw residents in and enhance resident retention, forcing multifamily firms and suppliers to find solutions that fit.

If those in the multifamily industry learned anything during the past year, it's that the industry can be nimble and pivot easily, adjusting and adapting along the way and embracing new ideas and technologies while reinvesting in existing tech, such as broadband networks. ❖

*Kevin Donnelly is vice president of government affairs for the National Multifamily Housing Council and can be reached at kdonnelly@nmhc.org. Valerie M. Sargent is a multifamily speaker, trainer and executive consultant and is the multifamily news correspondent for **BROADBAND COMMUNITIES**. Contact her at valerie@bbcmag.com. For more information, visit www.nmhc.org, www.bbcmag.com or www.valeriemsargent.com.*