

How to Attract Gen Z's 68 Million Prospective Renters

Multifamily owners and operators would do well to invest in high-speed Wi-Fi, smart technology and sustainability initiatives to appeal to Gen Z.

By Felicite Moorman / *STRATIS IoT*

Generation Z – the cohort of people born between 1997 and 2015 – represents 68 million prospective renters who, unlike previous generations, value technology amenities more than physical ones. They care more about being able to pay rent through an app than they do about granite countertops. But that doesn't mean multifamily property owners and managers need to totally overhaul their properties to attract tenants. There are enough similarities between millennials and Gen Zers that property owners and managers will get a lot of bang for their bucks with some targeted investments in smart tech.

UNDERSTANDING GEN Z

The oldest members of Gen Z were just 10 years old when the first iPhone launched in 2007. These “digital natives” hardly remember a time when there wasn't “an app for that,” and 95 percent of them have access to a smartphone.

Gen Z is connected 10 hours a day, and each Gen Zer sends an average of 3,000 text messages a month. More than 88 percent would rather send texts than use their phones for calls, and 81 percent feel anxiety when required to make calls. Eighty-five percent learn a new skill on YouTube every week, and 70 percent spend two hours on YouTube a day.

Gen Z contributes \$44 billion to the U.S. economy each year and is both the prime driver and literal deliverer of the U.S. “on-demand economy,” aka the “gig economy.” They're the people delivering food and packages, among other gig jobs, and often have several sources of gig-economy income. They also order goods and services with a single click on their smartphones.

The question for multifamily owners and operators: Is your leasing qualification criteria keeping up?

Gen Zers are inextricably linked to technology, so virtually any sound technology adoption in the multifamily industry is likely to provide early adopters a competitive advantage for the coming three years and an early foot in the door of the shift to industry standard.

Here are some tips to help attract this valuable demographic.

TIP 1: CONNECTIVITY IS KING.

Gen Z and millennial residents expect a powerful, seamless, propertywide digital experience. Properties that don't provide this will be totally invisible to these generations. Is a property website slow to load? Gen Z will move on, literally, to another community.

Gen Z expects electronic processes and smart infrastructure – from agentless applications, lease-signing and payments to smart locks, keyless entry and propertywide Wi-Fi. Remember Gen Zers' disdain for phone calls? Enable digital and automated mobile notifications and 24/7 in-app chat instead.

Consider offering rewards programs, gamification incentives, QR codes, and automated and digital payment options via Venmo, Paypal and CashApp. Fintech is disrupting traditional banking models in the same way proptech is shifting the focus in multifamily.

Enable all this and more with propertywide, high-speed internet that provides the always-on, resident-ready experience Gen Zers expect. Lose connection from unit to hallway? Hope prospective residents don't notice that on their tour.

Invest in the infrastructure, and make sure to include desirable features in marketing. If you've invested in in-unit gig Wi-Fi, eliminating the wait for “the cable guy” and abysmal support, share that, too. Bulk Wi-Fi offers residents a more attractive price with significant return on investment

(ROI) for owners and operators via revenue sharing. Your newly hired digital native social media guru can TikTok (Facebook is for the elders) about the property's awesomeness.

TIP 2: THE ON-DEMAND ECONOMY EQUALS ROI FOR ELECTRONIC ACCESS.

Hospitality flipped to electronic access in a mere five years more than 30 years ago. There are many reasons for that digital transformation, but ROI was primary. That same ROI is now available for electronic access in multifamily properties because of the on-demand economy drivers discussed previously.

Even without propertywide Wi-Fi, multifamily owners and operators can now enable every access point on a property cost effectively with smart keys or mobile credentials simply by retrofitting existing systems or efficiently installing in new developments. Reduced hardware and installation costs, dramatically increased software sophistication, and manufacturer and PMS integrations all drive the multifamily industry's digital transformation.

Owners and operators meet and exceed Gen Z's expectations by offering and enabling per-property permissions for visitor and guest access, agentless leasing, short-term rentals and seamless and expedited maintenance management – all in a single app with a single sign-on experience. It should come as no surprise that the most tech-advanced generation also rejects seemingly superfluous mobile apps. Two apps are too many.

As a side benefit, this digital advancement leaves more time for leasing agents to focus on recruiting and retention – the jobs they were actually hired to do.

TIP 3: BE LEAN AND GREEN.

In addition to their digital expectations, Gen Zers are highly motivated by affordability. They want low utility costs and high value. This presents a great opportunity for investment in smart tech, such as smart thermostats and leak sensors. When coupled with property-management software to optimize automated collaboration

between operators and residents, this investment decreases utility costs and increases value for all.

Affordability does not negate Gen Zers' keen awareness of and interest in environmental sustainability. Overall, 89 percent of residents are concerned about climate change, and more than 70 percent state their desire to find solutions to the climate crisis has increased over the last five years. When owners and operators invest in green technology and market their efforts to Gen Z, they'll see strong ROIs. In-app videos and on-site education events can strengthen awareness and appreciation of those investments in ways that meet Gen Zers in their digital space.

Sustainable amenities that resonate with Gen Z include LED lighting, renewable energy features, electric vehicle support stations, recycling, composting and community gardens.

The great news for owners and operators is that with smarter, more efficient water, energy and waste management, all building stakeholders benefit with increased net operating income.

OTHER IMPORTANT TRENDS

Urban revival: Older millennials and other generations fled to the suburbs during COVID-19, but that trend is unlikely to extend to younger millennials and Gen Zers. Expect an urban revival and renaissance as Gen Z celebrates the return to in-person engagement.

Space and amenities: Most Gen Zers grew up without sharing bedrooms, so space is a priority in selecting where they live – second only to price. That said, communal space is an acceptable substitute for larger living space because they'd rather be with friends than alone in their apartments. Consider creating communal amenities: coworking and maker spaces, pet spaces, Zoom rooms (yes, still) and entertainment spaces.

Co-living: Co-living is a rapidly growing segment and appeals to the convenience and affordability motivators for Gen Zers. They actively seek out living with roommates. This presents more opportunities for ROI for the

right cloud- and mobile-based electronic access systems.

Affordable, off-site student housing: Regarding technology investments, do not overlook properties in affordable and student markets. Gen Zers are more likely to investigate affordable housing markets, and owners and operators can differentiate their properties and make the most of their value-add budgets with technology upgrades.

A FALSE NARRATIVE

A common narrative about millennials and Gen Zers is that they rent because they want to and they can, thanks to the freedom enabled by the work-from-home and work-from-anywhere policies of modern organizations. But statistics do not bear this out; Gen Zers believe in the American dream of homeownership. Ninety-seven percent hope to own a home in the future.

Gen Zers are all about HGTV-style opportunities to customize homes, with more than 60 percent stating it as a top reason for wanting to buy a home. Though this may seem like a challenge in the rental community, it's an opportunity to retain residents longer with a little creativity. Multifamily owners and operators can keep residents happier longer by creating customization opportunities and even contests (think Instagram competitions for best interior design). Anyone invested in smart-apartment technology will find innumerable opportunities to create engagement.

Finally, Gen Zers know advertising when they see it. Property owners' best bet to impactfully share tech investments with them is digital media and social media through their peers. They engage technology like no generation before them, and they will see, understand and reject token offerings and half-hearted attempts to "tech-wash" a community. Real solutions and conveniences will win their praise and loyalty – and boost multifamily properties' ROI. ❖

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