

Has the Multifamily Market Changed?

Though multifamily market players and amenities have changed, the principles of the multifamily business are still the same.

By Bryan J. Rader / *Pavlov Media*

I recently attended the National Multifamily Housing Council 2022 OPTECH Conference & Expo in Las Vegas along with several of my associates. It was great to float through the exhibit floor and meet with long-time industry friends, peers and competitors.

“You’ve been going to these things for a long time,” one of my associates commented as we walked along the trade show aisles. “Has the multifamily industry changed much over the years?”

I had to think about it for a minute. I’ve been a part of this industry since the 1990s. I’ve seen good cycles, destructive cycles, occupancy problems, overbuilding and rapid growth in new urban markets.

Yes, some things constantly change. For example, floor plans used to have computer nooks and closed kitchens. Now they are more open, with 9- and 10-foot ceilings. But is the business different?

Just as I turned to my team member to answer this question, I noticed he was eating bourbon-infused gelato he had found in one of the exhibitor’s booths. Hmm ... he’ll never remember my answer anyway.

I looked around the Vegas trade show floor. Was it different from the ’90s? Software, smart-home gadgets, Wi-Fi, digital marketing. Those are new. But was the multiple-dwelling-unit (MDU) space different than in the past?

After pondering this for a moment – and no, I did not try alcohol-infused ice cream – I responded. “No,” I said. “It hasn’t changed.”

“How could that be?” one of my teammates asked. “I bet most of these companies weren’t even around five years ago.”

COMMON MULTIFAMILY PRINCIPLES

Probably true. But the principles of the multifamily business are still the same. Owners, managers, investors, and technology people all try to figure out how to build attractive communities with the right amenities and floor plans and fill them with residents willing to pay a premium to live there.

That was the same objective 30 years ago. Yes, the amenities have changed. Gone are the tennis courts and

indoor racquetball courts in the clubhouse. Pet walking areas, green spaces and Amazon storage lockers are in their place. But the dynamics of the business? Not very different.

Build them. Rent them. Lease them. Keep them happy. The question attendees thought as they perused the floor was, “Can your product or service help me with that?”

Now, much technology has changed. But the end game for successful vendors to support the apartment industry is still the same. Can broadband providers contribute to this goal?

I’m convinced many services such as managed Wi-Fi, fiber to the home, and digital door locks on the floor can help. Vendors in this space should always be prepared to explain the reasons they can help MDU owners, just as they did 30 years ago. That hasn’t changed at all.

I stopped one of the long-time consultants in the exhibit hall that same day and asked him if he thought things had changed. He said no, other than he had looked a lot younger back then!

ADDRESSING PROPERTY NEEDS

Internet service providers should realize that the market is similar today. We still must find ways to meet the needs of property owners and recognize that these needs are the same today as they were when many of us first entered this business.

Some markets see radical change. Just ask Toys“R”Us, Radio Shack or Yellow Cab. But MDU? No, not that much.

Broadband providers’ solutions must contribute to MDUs’ lease-up, resident retention, and operating performance. “That will never change,” I said, exiting the trade show floor.

OK, maybe *that* was the bourbon ice cream talking ... ❖

Bryan Rader is the president of MDU for Pavlov Media. His monthly column won an American Society of Business Press Editors (ASBPE) Central Regional Azbee Award.

