

# Multifamily Renters Expect Smart Technologies

Smart technologies have become must-have amenities for renters and an effective way for property owners and management companies to achieve operational savings.

By Marshall Friday / ADT

**I**magine you're about to head home on Monday after spending more time on a project at work than you expected. You invited several friends over to enjoy "Monday Night Football" but realize they're going to beat you back to your apartment. Before walking out of the office, you open your home management app and generate a temporary code that goes out to the crew headed over to enjoy the game that will allow them to unlock your front door.

You toggle over to the lighting control and light up the apartment so it's not dark when they walk in. Finally, you look at the thermostat settings, which you left at 80 degrees while you were at work all day. With a few taps on your screen, the temperature is set to 74 degrees, and your AC unit kicks on. When your first friend arrives, your phone pings with the notification you set up based on the front door's being opened.

When you think about the smart apartment of the future, what does it look like? Have you envisioned something like the scenario above? Would you be shocked to know that everything described already is achievable without the need for multiple manufacturers' products and apps? Technology is advancing at a rapid pace, making what we thought was a "nice to have" into a "need to have," including in the multifamily space.

The next generation of renters is already here. Believe it or not, Gen Z-ers (people

born after the year 2000) already are renting apartments. This generation is leaving childhood homes that likely have technology built in, from smart speakers to smart thermostats to video doorbells. This technology has been the reality for Gen Z-ers as long as they can remember.

## PROACTIVE CONTROL

Creating the resident experience described above is one thing, but giving property management companies some degree of control also is important. After all, vacant units can be found at properties across the country. For property managers, creating seamless rules and scenes can eliminate antiquated processes, reduce operational costs, and offer a proactive approach to catastrophic events.

What does control look like for property managers and leasing agents? First, the dashboard needs to integrate with current property management software through an API. The interactivity between the programs will allow property staff to group vacant and occupied units for easy viewing. Obviously, the need to control occupied units is much lower than the need to control vacant units, but let's start with what it could look like to control the occupied units.

Given the number of HVAC issues and leaks that happen in the apartment industry, early prevention can go a long way. There are HVAC analytics that diagnose the health of AC units

as close to real time as possible simply by installing a newer thermostat that comes with the ability to self-report.

The other major expense in an occupied unit comes from leaks. There are leak monitoring devices that detect leaks based on real-time meter monitoring, but leak detection can also be placed inside the unit in areas where leaks are most likely to occur. With a system that provides notification the moment a leak happens, property managers can mitigate losses and help protect adjacent neighbors from water damage.

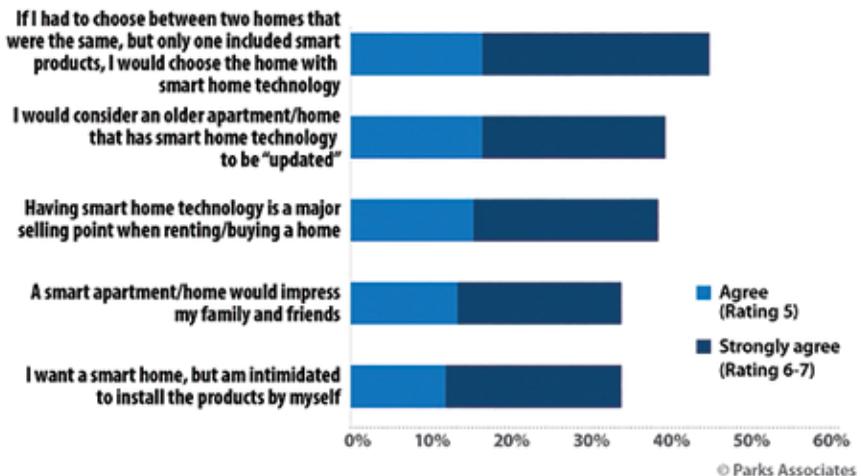
For vacant units, staff on-site can be in full control. As HVAC, plumbing and other trades come on-site, the property manager can ditch the keys and send over a code designed to work on the lock during specific hours and/or days. When the contractor enters the unit, a log is created of when he or she opened the door, giving the property manager more visibility into the actual hours on-site. When it comes to energy usage, the options are twofold: A property manager could restrict the thermostat to a specific temperature range or allow the contractor to choose his or her own temperature and set the property manager up to receive notifications. Regardless of the choice, at 6 p.m., that thermostat automatically can return to the overnight setting, saving the property time (in the form of maintenance visits to check thermostats) and money (payroll and utilities).

### SMART DEVICE ADOPTION GROWS

One of the more logical questions is whether multifamily is ready to make this leap. According to research firm Parks Associates, 21 percent of multiple-dwelling-unit (MDU) renters already own at least one smart-home device. The National Multifamily Housing Council, in conjunction with Kingsley, found in 2017 that MDU renters were likely to pay \$29 to \$33 more per month for smart amenities. The adoption of smart devices has skyrocketed over the past few years in single-family homes and is poised for more growth.

### Home Preference with Smart-Home Devices or Home Improvement Features

Among All U.S. Broadband Households



U.S. households have a strong preference for smart technology.

In fact, the number of connected devices in MDUs is expected to increase from 25.9 million devices in 2019 to approximately 65 million devices in 2023. Given the speed at which tech is being welcomed, it's safe to assume a strong adoption curve is headed to multifamily.

In the next five to seven years, connected devices will become so commonplace that late adopters will

be forced to join the movement – not because they want to but because they must.

The question to ask: “Do I want to be an innovator, or do I want to be left behind?” ❖

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