

Six Themes for Multifamily in 2022

The National Multifamily Housing Council explores tectonic shifts that will set the stage for the 2021 NMHC OPTeCH Conference and the year ahead.

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When the National Multifamily Housing Council (NMHC) began planning the 2021 NMHC OPTeCH conference, it needed to settle on an overall theme. The last year and a half resembled something of a cultural earthquake, which got NMHC thinking about tectonic plates.

Let us explain. Earth's tectonic plates move about 4 inches per year, unnoticed by its inhabitants. Occasionally, the pressure at fault lines can lead to landscape-altering earthquakes. Structures with weak foundations crumble, and when the aftershocks subside, shaken residents emerge to assess the altered landscape. They clear the rubble and move forward, rebuilding stronger buildings that will endure future shocks. Just as people don't notice the plates moving, too often they don't appreciate that the world, too, is changing every day. Sometimes it takes an earthquake to make that clear.

As people emerge from the profound events of the last year and begin to survey the new landscape, they see a world much changed but also ripe with new opportunities. Those willing to see the new landscape with fresh eyes – the individuals and organizations prepared to put in the work to seize opportunities rather than look back and attempt to re-create a past that no longer exists – will likely be the industry leaders moving forward.

With the overall theme set, multifamily industry leaders convened to create the six sub-themes guiding content development for the 2021 conference. The themes also represent a road map for the multifamily industry moving forward into what it hopes will be a bright and prosperous 2022.

THEME 1: PEOPLE, AKA TALENT

To say the last 18 months have been trying is possibly the understatement of the decade. Multifamily leaders have been in crisis-management mode almost nonstop, responding to

constantly changing conditions on the ground, which vary city by city and state by state. Though this has been a lesson in leadership for industry leaders, on-site and corporate staff have had their mettle tested. Frontline property managers and teams endured the most stress, but corporate staff also were overloaded with work and saw the previously defined boundaries between personal life and work disappear.

Add it all up, and the burnout across the board is obvious. And unlike other crises, workers this time have options and are quitting or retiring in record numbers. Finding, keeping and motivating top talent will likely be the multifamily industry's greatest challenge in the coming year and beyond.

THEME 2: THE RESIDENT EXPERIENCE

The adage "necessity is the mother of invention" was never truer than during the great pandemic of 2020. With the inability to show apartments to prospects in person, emerging technologies such as self-guided tours were implemented almost overnight, speeding up an innovation process that usually takes years. Because of the inability to speak to residents in person, crisis communications management became critical too.

With so many residents working from home, multifamily investments in broadband internet paid off for multifamily owners and operators that had good systems in place. Most reported their networks were able to handle the increased traffic, and those whose networks weren't reported that the telecoms were helpful in getting their systems up to speed. Unfortunately, a true digital divide was also clearly revealed, uncovering a pressing need to facilitate further development of strong broadband networks in outlying and rural areas. Smaller communities, where many deal with outdated, aging infrastructure, need affordable properties and senior housing.

What are the implications of all these changes? What is permanent, and what is fleeting? What solutions are still needed? How will the disconnection of workers from their

offices impact apartment development on macro and micro levels? And what will it all mean for amenities, apartment design and flexible leasing?

THEME 3: FINDING BUSINESS INTELLIGENCE IN DATA

Real-time, accurate data became critical for the on-the-spot decision-making constantly evolving situations required. Many multifamily managers and owners found they had more data than insights, a situation sometimes known as data obesity.

Data fields were inconsistent, or data didn't integrate with the many technology systems being deployed, making it difficult to get consistent, accurate information critical to actionable business intelligence and effective decision-making.

However, moving to a more data-informed corporate culture is not an easy task, as the different silos inherent in any organization have all relied on their own data sources for years. Therefore, significant efforts toward change management are required to make this important shift.

THEME 4: MODERNIZING BUILDING TECHNOLOGY

As mentioned in Theme 2, the broadband infrastructure was tested throughout the pandemic and, for the most part, it passed the test. But that is just the backbone that supports community tech. Those who implemented previous deployments of smart-home technology connected to that backbone found that it paid off in dividends throughout the pandemic, facilitating e-commerce and allowing remote access and interactions during a time of social distancing.

Advancements in intelligent building technology highlighted opportunities for the multifamily industry. Moving from smart thermostats and locks to fully integrated, intelligent-building management systems is the likely future for many. From leak detection to more energy-efficient buildings as well as backup and alternative power supplies, the future for smart buildings will likely be integral to meeting not just the challenges of the next pandemic,



Moving from smart thermostats and locks to fully integrated, intelligent-building management systems is the likely future for many multifamily properties.

but also the need for resilience more frequent and more severe climate events may create.

THEME 5: CREATING WORKFLOW EFFICIENCIES

The need for remote management also sped up a trend that had begun prior to the pandemic: using new technologies to create workflow efficiencies. Though artificial intelligence (AI) was relatively new and limited in deployment prior to the pandemic, initial reports demonstrate its potential ongoing value to the industry. Getting the balance between high-tech and high-touch right is the current challenge, but the exponential nature of how this technology learns will likely lead to exponential advances in its usefulness and greater deployment.

Beyond AI, any tech-enabled system that assisted with socially distant interactions was deployed. From online payment processing to package lockers, the value of every system became apparent, as did the challenges. Getting all the systems to work together in harmony will continue to be a challenge as owners and managers continue to streamline their processes and systems.

THEME 6: RISK MANAGEMENT

Like nothing in recent history, the pandemic drove home the fact

that people don't do a great job of anticipating and managing risks. Furthermore, the pandemic painfully demonstrated the enormous costs of poorly anticipating and managing risks that are actually somewhat predictable.

With an increasingly remote workforce, cybersecurity has moved front and center as a significant, growing risk to the enterprise. From historic ransomware attacks to everyday phishing failures among staff, a necessity for increased focus and investment in cybersecurity will surely be a theme in 2022.

Increasing property insurance costs from climate-related impacts and liability insurance increases will be front and center as well. Every crisis generates an increase in fraud, which was also the case over the last 18 months. Owners and managers will surely seek innovative, tech-enabled solutions to limit and manage their overall risk.

GOING FORWARD: THE NEW LANDSCAPE

Though the events of the past 18 months were tragic, the new world emerging provides reasons to be hopeful. Technology and innovation that normally take years to deploy rolled out and proved themselves in a matter of weeks. Workers proved that

MULTIFAMILY BROADBAND TECHNOLOGY

productivity could rise with a remote workforce, creating some efficiencies never imagined before. Unprecedented new migration patterns of workers freed from commuting to offices created many new opportunities.

Those abound for anyone willing

to see and seize them. NMHC looks forward to finally seeing everyone in person at this year's NMHC OPTECH to begin strategizing how to make 2022 the year the industry solidifies its ongoing move from a tech and innovation laggard to a leader. ❖



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