Apartment Dwellers Value Internet Service

A new survey of property owners shows that renters place a high value on technology amenities – but many owners still struggle to keep pace with residents' demands.

High-speed internet and Wi-Fi are among the most important amenities to apartment dwellers – even more than in-room laundry facilities – when they make rental decisions, according to a survey from XFINITY Communities, Comcast's multifamily development services division. The survey report, "Networking with Residents: Technology Drives the Multifamily Industry," examines the importance of technology in the multifamily industry. Survey respondents included 205 property managers, building owners and real estate developers across the United States, not only in Comcast service areas.

Among those surveyed, 87 percent said technology played an extremely or very important role in keeping residents satisfied,

with 75 percent reporting that the majority of new and prospective residents ask about communications services (internet, phone, TV) prior to renting.

"Property managers and developers are balancing the requirement to provide sophisticated technology for their residents with the challenges of providing the latest network infrastructure," said Mike Slovin, vice president of XFINITY Communities. "Residents expect a high level of services, and in an increasingly competitive rental market, the need to provide new services and upgrade existing ones intensifies."

KEY FINDINGS
The report's key findings include the following:

RENTERS' EXPECTATIONS IN TODAY'S DIGITAL AGE

Property managers struggle to keep up

87% say technology plays an important role in keeping renters satisfied

75% report that prospective residents ask about communications services

46% find it difficult to manage technology expectations for renters of different generations in their properties

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CURRENT COMMUNICATIONS INFRASTRUCTURE

Many managers have already made infrastructure investments

47%

own or manage a fiber-to-the-building network

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THE FUTURE WORKPLACE

Buildings aren't fully equipped to support telecommuting

75%

see an **increase in the number of residents working from home**

30%

think their property is **less than prepared to handle a rapid flux of work-from-home tenants**

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- Eighty-two percent of respondents installed the latest technology to future-proof their buildings.
- Wi-Fi access was considered the most important amenity (34 percent), followed by high-speed internet (25 percent) and in-room laundry facilities (13 percent).
- Thirty percent of respondents said quality communications services boosted property values by at least 20 percent.
- Technology was an important factor in a renters' decision to sign or renew a lease, according to 89 percent of respondents.
- Eighty-eight percent of respondents agreed that tenants age 18–34 preferred high-tech amenities more than residents 52 and older.

The report also suggests that property managers and developers are investing in network infrastructure,

with 47 percent currently managing fiber networks. Fiber to the building was the most common deployment by a small margin, with 45 percent reporting coaxial cable setups, 39 percent reporting mixed network

structures and 33 percent reporting fiber-to-the-unit deployments.

"The report reinforced where we're going with our technology and our product line," Slovin told **BROADBAND COMMUNITIES**. "Technology is ever more important to the multifamily space." Commenting on the disparate types of network technologies survey respondents used, he added, "We tried to look at how we can not just leverage fiber but also provide great services and speeds over multiple technologies."

SHOULD PROPERTY OWNERS DO MORE?

Residents' demands for technology amenities make it difficult for the industry to keep up – 46 percent of respondents reported they found it difficult to manage technology expectations in their properties. Despite their high level of awareness and investment, the great majority of respondents (83 percent) agreed or strongly agreed their companies could do more to provide the highest level of technology implementation for current and prospective tenants. (These seemingly contradictory statistics may indicate that investments have not been made consistently across portfolios.)

Three-quarters of respondents said they expected an increase in the number of residents working from home in the next three years, and 70 percent said their companies had made technology investments specifically to entice new tenants who worked from

INCREASED RENEWAL RATES

Technology plays an important role in renters' decisions to renew a lease

89%

see **technology as an important factor** in renters' decision to renew the lease

87%

believe **technology infrastructure improvement** leads to increased renewal rates

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INCREASED PROPERTY VALUES

Communication infrastructure and services can help increase property values

30% believe **providing communications services boosts values** by at least 20%.

90% see **technology investment as a driver of property values**

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home or flex worked. Still, many were concerned that their properties were not fully equipped to support a work-from-home culture. Overall, 30 percent of building managers and owners thought their properties were less than prepared to handle a rapid flux of tenants who worked from home.

The reasons for companies' failure to pursue necessary technology innovations at all the properties they owned or managed were varied. Sixty-seven percent of surveyed respondents feared cost increases, and 40 percent cited a lack of quality service providers. Other reasons included concerns about infrastructure improvement delays, poor return on investment, lack of need or use by residents and lack of internal capacity. Nevertheless, 82 percent of respondents agreed that as long as innovations reduced operating costs, the property would follow through on infrastructure improvements.
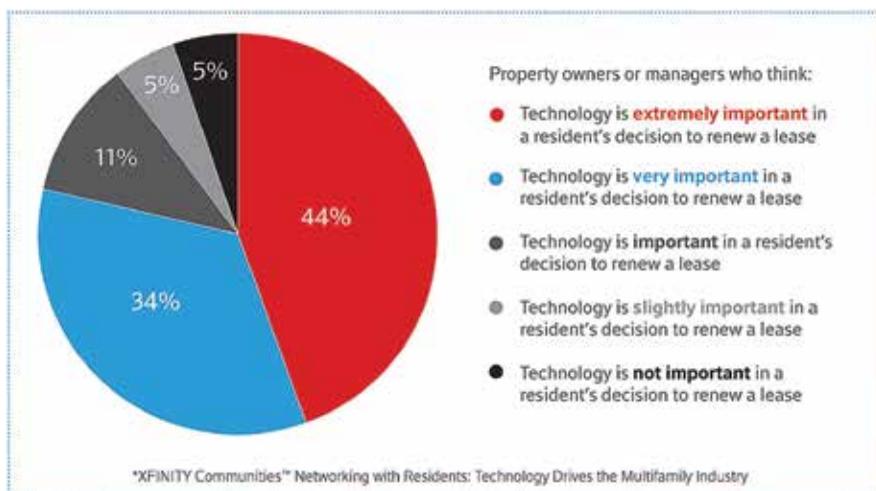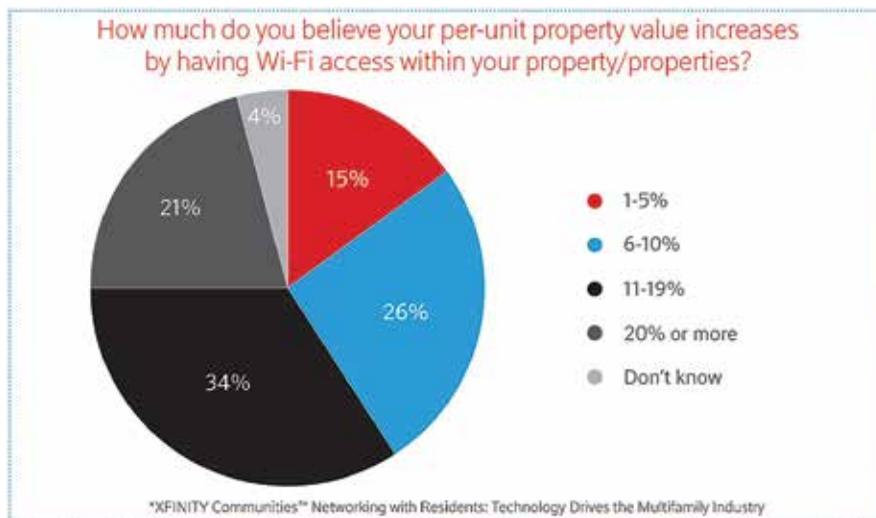
The technology amenities multifamily owners are looking to improve include common-area technology (50 percent), smart-

building/facility technology solutions (49 percent), smart-home technology solutions (48 percent) and internal

network infrastructure (47 percent wanted to upgrade to gigabit capacity to meet increasing demands).

Slovin said Comcast had started a new company, machineQ, which is working with multifamily owners to address some of these issues through sensor-based, broadband-enabled technology. "It's not just traditional home automation functions like temperature control, lighting and security but also … water management, making sure doors of vacant units are locked, and trash collection."

He added, "Property owners are telling us today that the cost reductions are enough to justify the investment. They get to spend less time walking the property and more time making the customer experience better." ❖

> ## Technology investments may yield cost savings for property owners.

How much do you believe your per-unit property value increases by having Wi-Fi access within your property/properties?

- 1-5% — 15%
- 6-10% — 26%
- 11-19% — 34%
- 20% or more — 21%
- Don't know — 4%

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Property owners or managers who think:

- Technology is **extremely important** in a resident's decision to renew a lease — 44%
- Technology is **very important** in a resident's decision to renew a lease — 34%
- Technology is **important** in a resident's decision to renew a lease — 5%
- Technology is **slightly important** in a resident's decision to renew a lease — 5%
- Technology is **not important** in a resident's decision to renew a lease — 11%

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