



DIGITAL TRANSFORMATION AND
THE FUTURE OF THE SMART HOME:
HOW TO CHOOSE A SMART APARTMENT
PROVIDER FOR YOUR PROJECTS



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There is a lot of chatter about digital transformation these days, but what does it really mean? Defining digital transformation will look a little different in each application, but in essence, it's the employment of digital technology to all areas of our everyday life. From home to the office, the result is a fundamental change in how we interact with the world around us and how we find value, spend money and engage with each other.

According to [The Enterprise Project](#), digital transformation is defined as a fundamental change to how businesses operate and how they deliver value to customers. There are countless stories of how digital transformation has disrupted entire industries. For example, Uber changed the taxi business, Amazon upended the book-selling business and cellphones killed payphones.

Many industries have not yet fully embraced the opportunity that digital transformation provides. The multifamily market is one that is poised to transform how we live and integrate our digital lives with our physical home environment. We've all heard about new smart technologies for the home, and perhaps some of us have an Alexa or Google Home. This is just a toe in the water of creating a digital home life.

With that being said, what are some of the trends in smart home technology, and what is their potential impact on the way people live? Or perhaps, more importantly, what do modern residents expect, want and demand when they are looking for a place to live?

This paper investigates some of the growing demands residents are making on their management companies and how you can deliver on those needs:

- Deciding where to start on your digital transformation strategy and incorporating your stakeholders' opinions and requests
- Choosing the right provider and what to look out for during vendor selection
- Creating a clear implementation plan and understanding the steps to take to avoid common pitfalls

There are challenges and pitfalls to moving to a digital strategy, so having a clear plan on how to choose and implement the right solution is a way to get your transformation moving in the right direction.

What are some of the trends in smart home technology, and what is their potential impact on the way people live?

What do modern residents expect, want and demand when they are looking for a place to live?

WHAT ARE RESIDENTS AND PROPERTY MANAGERS ASKING FOR?

The challenge for all communities, regardless of location, is how to attract quality residents, improve renewal rates and increase overall revenue. One way to improve those stats is to incorporate technology and smart home amenities into your community.

Traditionally, the emphasis was on the design and eye-catching community features like pools and gyms. But **recent desires have shifted** as evidenced by research that shows that things like doorbell cameras and security are as important to make someone sign a lease as a gym/fitness center.

Now more than ever, renters are looking for high-tech apartment amenities like high-speed internet and smart home products in units. That is expanding into additional techie services like integrated apps for paying rent, submitting maintenance requests and the like.

A **2018 Entrata study** asked residents to rank the top ten things they would pay a premium price to have. Here is the list, in order:

1. Basic Technology Package (e.g. high-speed internet and/or cable TV)
2. In-Home Laundry Services
3. Online Rent Payments
4. Secure Access
5. Gym/Fitness Center
6. Smart Home Features (e.g., keyless entry, smart thermostat)
7. Video Surveillance
8. On-Site Child Care
9. Pool
10. Automated Maintenance Request System

Six of the top ten are technology-related amenities.

The study goes on to show the five most important home amenities residents are looking for. Safety was the number one requirement, followed by smart sensors and controls:

1. Security Cameras (doorbell cameras, ceiling cameras, etc.)
2. Keyless Entry (including special codes for guests)
3. Smart Thermometers
4. Security Systems
5. Outlet Controls (automatically shuts off power if an appliance is left on)

DON'T FORGET ABOUT YOUR PROPERTY MANAGEMENT TEAM

Your property managers are being asked to do more these days. With more people working from home and larger demands on your property, you need to empower your property management team with the best technology to make them more efficient and to support the welfare and safety of your residents.

Property managers manage everything from screening potential residents, collecting rent, coordinating property maintenance, setting budgets, performing marketing and more. A great property manager is already well organized, knows how to juggle many priorities and can communicate well. Using technology can increase their efficiency and ability to manage the myriad of demands on their time, especially when people are home more than ever.

There are several key benefits of having smart home technology in the hands of your property managers:

1. **Engagement and loyalty** - giving your property manager the tools they need to be successful not only drives a willingness to do more, but it instills the sense of trust and ownership
2. **Removing costs and headaches** - installing keyless locks, for instance, saves the enormous expense and exposure of rekeying that property managers have to deal with to keep residents safe
3. **Simplify vendors and unify management responsibilities** - by using one platform and integrating different capabilities like rent collection, maintenance and security management onto one platform, you can improve efficiency
4. **Early damage detection and maintenance** - smart sensors can trigger alerts if a leak is detected, saving thousands in water damage repairs
5. **Amenity usage and monitoring** - access control monitoring helps track who is using common amenities and when

The data shows the amenities that residents will pay a premium. The right PropTech will enable your property to set a higher rent and find residents happy to pay it to get what they want. The lesser-known, but equally important facet of PropTech is that it helps property owners better understand how to increase occupancy, renewals and rent growth by illuminating the actual amenities and community features residents are using.

HOW DO YOU CHOOSE THE RIGHT SMART APARTMENT TECHNOLOGY PROVIDER?

The time to deliver the smart amenities that residents are asking for is now. Everything is going digital from elevators to washing machines. Consumer demand is always ahead of commercial demand, so you've got no time to lose in embedding smart apartment and smart home solutions into your construction or renovation plans.

WHAT DOES A COMPLETE SMART APARTMENT SOLUTION LOOK LIKE?

It's not just video doorbells and timed elevators, there is an entire suite of products that can be integrated into modern home automation systems. But let's start with the basics.

First, consider the exterior of your property. Security and access control is the **base level**. Access control includes the monitoring and control of access to the front and side doors, gates, garage and other locking points on the perimeter of your property.

The second thing to consider is the **common areas** of the property. This includes areas like gyms and pools - amenities that should only be available to residents and their guests and perhaps only during certain times of the day. This layer can also include solutions for intercoms, elevators and other common areas that might need automation.

Third, is the **unit**. The unit can house a number of smart devices including doorbells, locks, thermostats, lights, leak sensors, and other devices.

Lastly, there is the **property management** layer. This is usually an app that consolidates operations on one platform. Property management brings procurement, vendor management, invoice processing as well as rent payments, maintenance requests, concierge services and many other operations onto one platform. This makes it easier to have all capabilities work through one application.

As you can imagine, there are many considerations when choosing a vendor or vendors to deliver the right level of smart apartment automation for your property. How do you choose the right provider to deliver the superior resident experience that keeps rental rates up as well as supports your property management team to drive efficiency and keep the property running in top shape?

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There are six key factors to look for in a provider:

1. Strength and Years in Business

There are many, many startups in the smart home space. This is great in one sense because it shows the market is so strong that many companies are joining the fold. However, startups can be risky since they may be acquired or not survive to service your needs in the long term.

Look for a provider that has longevity in the business, a growing customer base and a solid core business. You also might want to consider a provider with a strong physical and cybersecurity background, since so many of the top features residents are looking for are security solutions.

In the world of startups, consider who will be around in 3-5 years? Many smaller companies are started with the intent to be purchased by a larger company. If they are a one-trick pony offering only one or two solutions, you might want to keep looking since the trend has been for app-like solutions to be integrated into larger solutions sets and you may end up working with a larger partner that you intended.

2. Extended Solution with Room to Grow

When it comes down to brass tacks, what basic areas do you plan to automate? In many cases, you can choose different providers that specialize in access control for exterior security automation and a traditional smart apartment provider to provide the interior unit and base building services.

Evaluate providers that have a complete solution. It's not just about the interior or just about the exterior - it's about the whole package. Look for a provider that delivers exterior, common area and individual unit automation.

Also, look for providers that are **platform-based with open APIs**. Open APIs allow you to integrate other technologies as you desire. You don't have to integrate everything at once. Start with the basics - interior, exterior and unit. You can combine these technologies to create a seamless experience, and an open platform can allow you to decide which are best for your property.

Having a provider that works with a local integration partner/installer is also critical. Installing your new platform correctly is important to give your residents the best experience. Having an installation partner that is familiar with the industry, has experience with different lock providers and add-ons solutions as well as knowledge of access control and smart apartment technology is a must-have.

3. Compliance Certification

With the data collected and used to optimize smart apartment technology, compliance with data privacy laws will be an important factor in selecting a provider. Maintaining confidentiality, integrity and availability of resident information is a priority. Look for a provider that has data protection strategies and upholds the highest standards.

Laws like the [California Consumer Privacy Act of 2018](#) and other privacy and data protection laws grant individuals certain rights with respect to their personal data. Other compliance and cybersecurity requirements are an area to look at as well. You should look for vendors that have strong network security practices to protect data confidentiality. Network security architecture should include Next-Generation Firewalls (NGFW), IPS, and network address translation (NAT), and should segment database servers so they are not visible to the public.

Network environments should be separate from the vendor's corporate office network, and the vendor should control, log and monitor access to its production and disaster recovery networks. Redundancy and disaster recovery should also be a core practice so there is no single point of failure.

Lastly, the best vendors hire third parties to conduct audits to verify data security. These vendors also periodically conduct vulnerability tests on their software, hardware and processes to find and fix security problems. Look for audits like SOC compliance and PCI compliance.

4. Installation Team and Channel Support

There are a lot of DIY solutions for smart home technologies on the market today, but with a multifamily dwelling, that will not be scalable. Knowing who will install and maintain your smart apartment technology is critical. Look for a provider that has a network of installation and maintenance professionals who are certified on the solution and can architect, price, install and maintain the whole system.

Not all providers require certification for their installers so look for providers that have a network of installers to support your projects. This should be a relationship you build with the local installation company. These are your go-to experts. They should also have a professional business and do background checks on their installers since they will be interacting with your property management team and even your residents.

5. Focus on the Resident Experience

When choosing the right smart apartment provider, you want to make sure their emphasis is the same as yours - how to increase the value of your property and how to improve the resident experience.

Millennials have recently outgrown baby boomers as the lead renting age group. This generation, more than any other, will have a significant impact on the market for rental properties and housing in general. It's critical to understand trends in millennial renters, that they are choosing to rent, and they are the digital generation, having grown up with cell phones and the internet. **Understanding their needs and their impact on the rental market** is key to success today and tomorrow.

What type of support will you be able to rely on when something goes wrong? Does your provider offer 24-hour support services in case something goes haywire? Can you easily reach the right people or platform experts to address an issue and help you solve any problem? The provider should have a client success team ready to support you and the needs of your property management team and residents at any time.

Happy residents are loyal residents. Residents are looking for a great experience and in many cases, that is a digital experience. Creating a mobile app experience for everything the resident needs - opening doors, controlling smart apartment features, paying rent and submitting work orders to maintenance: all of this can be integrated into one mobile app to make your property rise above the competition and attract and retain renters.

6. Ongoing Support and Training

After the installation, who will be there for the ongoing maintenance and support? How will new features be shared and how will residents be trained to use the system? What if you have new staff who need to learn the system so they can do their job?

Brand is the story you tell about the company, who you are and what to expect when someone interacts with you or your property. **Customer experience is the expression of your brand**, whether it's searching for your property online, paying rent or requesting maintenance. The experience your customer goes through is your brand. Make sure ongoing support and training is a part of the resident experience. Your residents will rate you and your property on it.

Ongoing support and training is a key offering your provider must be able to provide to deliver on that customer experience. You don't want to choose a vendor that will leave you high and dry after the installation happens, leaving your property management team struggling with the platform and your residents confused and frustrated learning the system on their own. A good provider should be available to offer ongoing training and support to those who need it. **Customer experience and service is the key to lasting resident renewal rates.**

THE RIGHT SMART APARTMENT PROVIDER CAN MAKE ALL THE DIFFERENCE

In conclusion, **smart apartment technology** is the wave of the future. The transformation of every aspect of our lives to digital is an ongoing process and will continue to evolve over time. Now you know what will make your residents happy and increase occupancy and renewal rates. More importantly, you are armed with some keys to success in choosing the right provider that can elevate your property, your brand and keep your properties in top performing shape.

Having an understanding of what residents are looking for and how to attract them is the first step, but knowing who can deliver the smart apartment experience they are searching for is in your hands. There are many options on the market today, but building the right relationship can make all the difference.

Find out more about
Brivo Smart Apartment here.



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