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HOW OLDER BUILDINGS CAN PROVIDE A "BETTER THAN NEW" EXPERIENCE FOR RESIDENTS

New buildings offer the latest and greatest technology-enabled experiences, so how can older buildings compete?

Intro

The multifamily building landscape is complex and highly competitive. The amenity wars have gone on for years and have reached beyond normal luxuries like pools and coffee bars and into the outrageous like rock climbing and Tesla rentals. However, the race for amenities has evolved away from what to do within a building and into a focus on the experience a building can create.

New buildings have the upper hand in the latest and greatest technology. In some cases, the technology is part of the design process and determined before a brick is laid. These buildings are able to create a fully functional and technology-enabled experience from day one.

Older buildings have not been left behind in the race to attract and retain residents. Older buildings also have a strong advantage in prime locations. Many renters are looking for a home base that is around established communities, close to urban attractions, and in close proximity to work and transit. Others appreciate historical architecture that new buildings cannot match.

Older buildings can compete with new buildings and even become superior with the right updates. In this paper, we will dive into what the resident experience encompasses, the value of experience for a building, and where existing buildings should start on their journey to create the optimal experience.

"Everyone has a pool or clubhouse, but not everyone has state-of-the-art smart units that make residents' lives better and strong security that makes everyone feel safe."

-Steve Sisson, VITA Residential, a Brivo customer

WHAT MAKES A MODERN RESIDENT EXPERIENCE?

The resident experience actually starts before the renter moves in. With the advances of technology and the recent restraints of in-person connection, self-guided tours provide a safe and thorough way for a person to see a building on their own. These self-guided tours are made possible through mobile credentials and cloud-based access control technology. The result is that potential residents view the building, whether it is older or new, as having a professional and modern operational and management team.

Once the lease is signed, the day-to-day opportunities to create good experiences begin. We live in an app-based society and tenants expect an app that puts building services and custom amenities at their fingertips. The technologies start with entry into the building where access to common-area doors and resident units can be programmed instantly. The odds of a resident forgetting their cell phone are much lower than leaving their keys on the kitchen counter and locking themselves out.

Access control continues with enhancing visitor management, package and food delivery. By empowering residents with the ability to remotely grant access to visitors, they're able to manage their life with ease and convenience. While these may seem like small wins, these everyday challenges can be disruptive to a resident's day.

Once inside, technology can automate comfort and energy savings. Smart thermostats can be set so the home never feels too hot or too cold. Smart light controls ensure that lights aren't left on while the space is unoccupied. These green technologies appeal to residents with an interest in sustainability. According to ApartmentData, about 80% of apartment residents believe that living in green multifamily communities is good for their health. Additionally, these devices can enable property managers and operators to have access to energy usage data and the chance to create energy saving programs for residents and vacant units. Today's residents are aware of climate concerns and saving energy without sacrificing comfort is part of an excellent home experience.

From self-guided tours and access to visitor management, delivery and comfort, technology has changed every aspect of the resident experience. Fortunately, all of these capabilities can be retrofitted to existing structures.

> "Multifamily amenity innovation is critical to the success and competitive advantage of apartment properties. It's not enough to offer rooftop grilling areas or dog runs; owners and developers must think carefully about amenities and services that work together to create a cohesive community."
>
> -Brian McAuliffe, President,
> CBRE Capital Markets

THE VALUE OF GOOD
RESIDENT EXPERIENCES

Are residents willing to pay for the technology to create a convenient, comfortable, and integrated experience? The answer is yes. In a Schlage and Wakefield Research survey of 1,000 U.S. multifamily renters, 75% were in favor of a rent increase for upgraded home technology and 57% were happy to increase monthly rent by at least $20 to have tech-related amenities.

Experience is the new hot amenity in multifamily. While dog washing stations and free dry cleaning are great and enjoyable services, they are only parts of the overall experience of a building. Using technology to track occupancy and usage of premium amenities can optimize the services and equipment offered.

Resident experience is also crucial in the creation of community. Community is the most elusive and sought after benefit of any building. If living in a building regularly consists of pleasant experiences, residents are going to be happier. As people are no longer distracted and hassled by day-to-day movements and requests, they have the chance to get to know their neighbors. People can book gym classes together, participate in building events like happy hours, and join online forums.

The data that community is important in multifamily buildings does exist. A study by Apartment Life shows that residents with at least one friend in the building are almost 40% more likely to renew their lease. Having two or more friends boosts the renewal likelihood to almost 50%. Other studies show that more than 60% of residents list community as their top reason for renewing.

75%
in favor of a rent increase for upgraded home technology*

57%
happy to increase monthly rent by $20 for tech-related amenities*

86%
millennials were willing to pay 20% more for a smart apartment *

55%
Gen Ys would pay more for a smart locked unit*

Schlage and Wakefield Research survey

WHERE TO START RETROFITTING
FOR EXPERIENCE

Older buildings can move to have the upper hand in the competitive multifamily market. By updating technologies integrated into their buildings and taking advantage of their prime locations and already built structures, they can become sought-after rental opportunities.

Deciding where to start retrofitting is not a one-size-fits-all answer. If resident attraction is your top priority, integrate the technology necessary for virtual tours. If you want to focus on retention, we recommend starting with the highest touch experiences. These high-touch experiences start at entry into the building for residents, their guests, and their deliveries. As the resident moves throughout their day, better experiences will include comfort and automation available through smart thermostats and lighting systems. And on and on.

Contemplating individual buildings and their communities is also an important aspect of the retrofit journey. For some structures, it may be easier to outfit individual units with comfort and lighting technology than to arm entry doors with access control technology. In other cases, residents may be demanding a booking system for gym equipment and the conference room. Understanding the unique aspects of your space and the people within it is the best place to learn where to start.

Finally, choosing the right partner for your journey is paramount to your success. The right technology partner has a suite of products that offer the complete line of solutions you want. They also have a good track record and are established experts in the space.

68%

of resident turnover is due to poor customer service.

-Zillow Rentals

Going up from here

No matter where your retrofitting journey starts to empower the experience within your building, the most important thing you can do is start. The truth is that technology-enabled experiences are not a trend or a fad that is going to fade away. Younger generations are only more comfortable with and dependent on technology and today's requests will be tomorrow's requirements.

As a true working partner, Brivo optimizes your operations with an open, integrated platform that differentiates your property from others. Brivo relieves you from having to work with a hodgepodge of disconnected vendors, streamlining operations with a holistic solution. Where many vendors force proprietary systems on customers, locking them into a narrow range of compatible technologies, Brivo takes the opposite approach. Using an open application protocol interface (API) enables Brivo to work with dozens of providers of cameras, alarms, lighting systems, smart thermostats, and many other hardware options. Brivo is also integrated with the latest PropTech and property management system partners to provide a unified solution.

Retrofitting an older property gives residents the best of both worlds: location and character enhanced with technology that provides convenience and a modern living experience.

Learn more about the Brivo Smart Home Solution here.