



# PROPTech INVESTMENTS TO IMPROVE YOUR MULTIFAMILY PORTFOLIO

How, when and why offering better physical security  
and broader PropTech solutions increases your revenue.

# Your Multifamily Technology Opportunity

Competition, changing market dynamics, combating flat or declining rental rates, costs for staff payroll—these are just some of the underlying obstacles you face on top of your daily property management responsibilities. While there are indicators of the growing demand in the multifamily market, there are also growing needs to differentiate, run more efficiently, and build on the evolving culture of your building for staff and residents.

The opportunity to control and improve the experience for your residents has never been greater. Potential residents are looking for a new, versatile space that complements their lifestyles, while current residents want to enhance their living experience. The way to combat the challenges mentioned above is with property technology. PropTech innovation has quickly grown, with over \$32 billion invested in 2021 (source CRETI). It also hit a total of \$7.6 billion invested in the first four months of 2022. During that same time last year, \$5.8 billion was invested in the industry. (source CRETI). But, you cannot implement all PropTech enhancements at once, nor should you assume it will all fit together to create the experience your residents are expecting.

The key to success with PropTech is starting with building security, and moving up the hierarchy, to future-proof your property. You might think of this as moving through a hierarchy of needs. At the end of the day, you want to motivate more people to come and more people to stay in your properties. If you start at the base of residents' needs with building security, and integrate technology as you move up to other amenities, you will create the right experience for your property. This ultimately leads to increasing retention, filling new units more quickly and improving ROI with higher rental rates.

Investments in PropTech have already reached \$7.6 billion in the first four months of 2022.

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**Increasing retention of current residents**



**Filling more units more quickly**



**Improving ROI with different rental rates**



# PropTech Solution Hierarchy

## Translating Resident Needs into a Technology Plan

These four steps are organized in a hierarchy, to help you implement the right solutions, at the right time, to make sure you get the full benefit of new technology.



## STEP 1

### Physical Security and Safety

#### The Foundation of Your Smart Building:

This topic is a growing concern for residents and therefore becomes the base need that you must deliver. Residents want to know that only the intended and authorized people can get inside their building. With this need for access control, also comes the desire for convenience. Instead of requiring your tenants to remember an access card or key, enable their phone to become the 'key'. As a property manager, you want to know that access control is running smoothly so you can focus on the other needs of the property.

#### Solutions to implement and integrate:

- Cloud-based access control to replace brass keys, fobs and on-premise server-based systems
- Mobile credentials that allow employees and residents to open doors with their smartphones
- Video to keep an eye on external doors and better understand access control events
- Lockdown to immediately secure access points in case of an emergency
- Wireless locks on the perimeter and unit-level doors
- Visitor entry systems to easily and securely allow residents to grant access to visitors from their phone

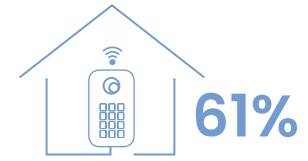
### Benefits of adding technology at this stage:

61% of millennials are likely to rent an apartment specifically because of its electronic access features, including keyless entry doors. Furthermore, 63% would move out of an apartment due to a lack of security (*source Schlage and Wakefield Research*). This level of security is made possible by cloud-based access control with its infinite scalability, reliable system features, cyber secure technology and simple browser/mobile apps. The opportunity to implement mobile credentials also creates a time-saving efficiency for your staff because residents can easily get into their access points.

Updating technology for physical access control changes the way your property connects with residents and the way they interact with your space. Open doors, manage access privileges, issue temporary mobile passes for contractors and visitors, set access schedules, view live and recorded video and get access alerts for any possible issues, all from your smartphone.

### What to consider as you move to the next stage:

The right access control system will have an open API so you can build a completely connected security ecosystem. Access control should be capable of integrating with the smart apartment and resident engagement software you install in the next stage. You also want to implement strong solutions that are cybersecure built to protect against cyberthreats and data protection to ensure your property is both physically and cyber secure as you expand your PropTech offerings. This is the time that you can think about adjusting resident rent levels because residents are directly benefiting from a more secure building.



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## STEP 2

### Resident Belonging and Retention

Once a resident feels their core physical security requirements are met, the next stage is making your property part of the lifestyle they want to lead. The technology shifts to things that make their apartment more customizable. This stage is about making your property a place they choose to stay because they don't see how they can forgo these convenient features.

#### Solutions to implement and integrate:

- Smart thermostats so residents can adjust temperatures from anywhere and you can monitor energy consumption
- Smart lighting so residents can remotely adjust each room and you can monitor energy use
- Smart sensors to proactively protect against things like fire, smoke and water leaks
- Voice (like Alexa and Google Home) for hands-free, smart home control where residents can ask to check on deliveries, maintenance updates or rent payments

#### Benefits of adding technology at this stage:

For Class A and B properties in major markets, this stage becomes increasingly important as you compete for residents and think about profits. Residents not only want these features - they are willing to pay more for them. 86% of millennials are willing to pay about 20% more for a smart apartment, defined as including automated or remotely controlled devices, such as a smart lock, automated thermostat, or lighting controls (*source Schlage and Wakefield Research*).

Once you install these smart apartment features, you can pass those costs to your residents by increasing their rent. For cities with rental caps, you can also factor in your **total cost of ownership (TCO)** savings for proactively preventing property damage that could require costly repairs such as leaks or fires. And, your bottom line improvement doesn't have to stop there. With the ability to better control energy use in apartments that currently hold residents and vacant units, you might qualify for energy credits.

#### What to consider as you move to the next stage:

All the data from these integrations need to 'speak to each other' so you have the full benefit of analytics to improve your property. From the resident perspective, PropTech has to continue to be seamless and easy to use on a daily basis.



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# STEP 3

## Property Appeal

Make your residents proud to call your property their home. This stage is about appealing to residents who see their home as a way to reflect their accomplishments. This can set your property apart from the competition. You can provide unique solutions to your demographic that reflect the surrounding area, and meet the demand for innovative technology to create new conveniences.

### Solutions to implement and integrate:

- Smart home appliances like refrigerators, ovens, washers, dryers and dishwashers
- Virtual reality experiences for existing residents and high-end virtual tours for potential residents
- Apps that enhance the resident journey and connect them to the surrounding community and events

### Benefits of adding technology at this stage:

The ability to control their home's functions from anywhere, the appeal of conserving energy and the overall interest in technology is the new normal for your residents. They want to see the same efficiency and convenience on their end that you have on the back end to manage a property. Offering smart appliances, smart features, mobile access credentials and a mobile app that brings it all together positions your property to be more attractive to potential residents.

### What to consider as you move to the next stage:

Depending on your resident population and budget, this might be a stage that you linger on longer than previous stages. Your market needs to be driving the PropTech you install - not the other way around. Once you are ready to move to the final stage, you can bring it all together to create a truly one of a kind property.

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# STEP 4

## Future Proof

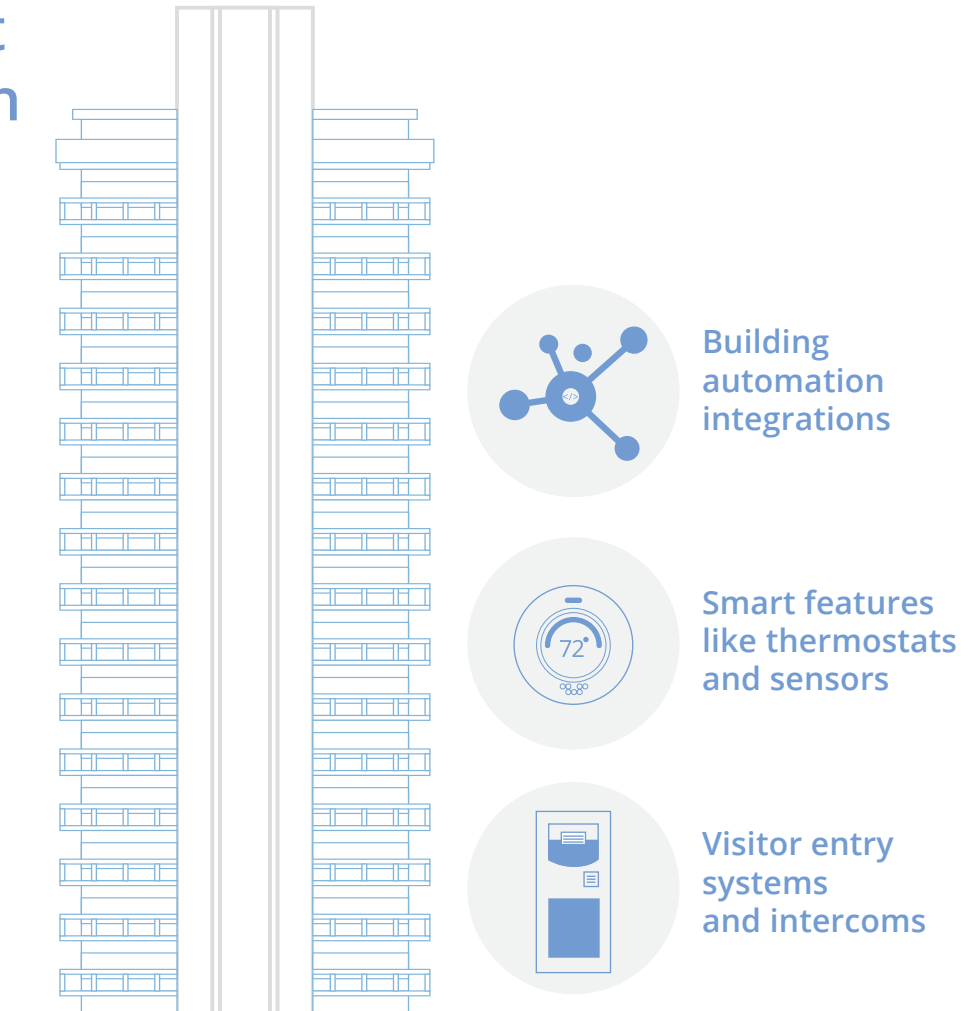
This final stage is about realizing the optimal potential of your property. If you can anticipate the next need that residents are seeking, then your property sets the new standard. PropTech is essential to pushing your property to meet every resident need and creating an impressive experience they will never forget.

### Solutions to implement and integrate:

- Supporting the 5G cellular evolution
- Drones
- Robotics
- Smart communities

## Expand Resident Benefits Through Our Open API

With the possibility of endless integrations, you can connect physical security to other PropTech features to create a complete building ecosystem.



# Why Brivo

## Smart Building Access Control Through Your Phone

Brivo provides a simply better security solution that integrates with your full PropTech ecosystem so you can protect families, properties and assets. Our platform balances security with modern convenience, while achieving mobile readiness and system flexibility to attract/retain residents.

With our cloud-based security platform you can:

- Manage multiple properties remotely from any mobile device
- Automate access control by setting access schedules, managing user group permissions and receiving alerts for important access events
- Assign and revoke mobile credentials in seconds so only the right people can open doors
- Upgrade to wireless locks for real-time monitoring and control of most door opening types including entry, exit, glass doors, cabinets, lockers and more
- Deploy access control to new locations you never thought possible, including garages, gates, delivery lockers, storage units and more
- Equip your property with immediate lockdown, initiated by a hardwired button or mobile app to make every second count
- View live video and recorded clips to better protect your properties

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