

POINTCENTRAL

How To Increase NOI With Smart Property Automation

Multifamily property managers are discovering the power of property automation to reduce operating costs, increase revenue and boost NOI

How Does Property Automation Decrease Operating Expenses?

Reduces Workload

Smart locks provide many advantages for property managers. By eliminating keys, your operations staff will no longer have to deal with the management of keys and could even eliminate specialized key-tracking applications that many property managers utilize. This not only reduces the headaches associated with keys, but it also reduces their inherent liability risks. Going keyless increases safety for your residents, protects your assets and frees up time for your operations staff to focus on other responsibilities.

Smart locks also enable a more streamlined approach to managing access to occupied and vacant properties for staff and maintenance people. Instead of stopping at an office to pick up a key, approved personnel can be automatically assigned a unique temporary access code for the smart lock at any property. This code provides a recorded history of who accessed the property and when they entered and exited, at which point the code is discarded. This not only helps to protect properties, but it also provides an audit trail for confirming completion of work and the time it took to perform the task.

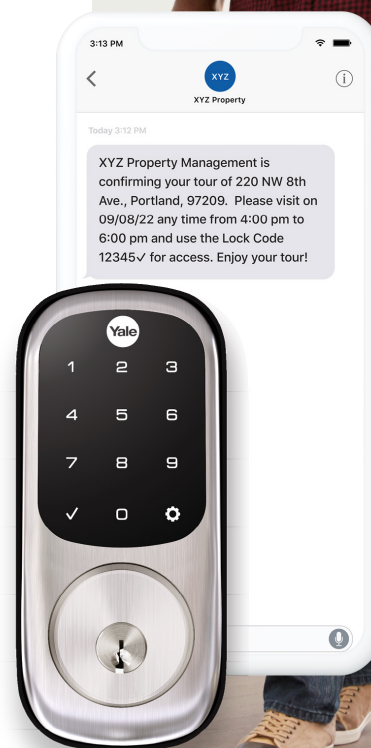


Enables Self-Guided Tours

When a prospective resident is interested in touring a property, smart locks enable them to see the property when it is convenient for them. Once their tour is confirmed and they have received their temporary access code, the prospective resident can enter the property and tour at their pace. As soon as they enter, the management company is notified. Optional, temporary in-unit cameras can ensure a video record of who enters. Upon exiting, the management company is again notified and given the opportunity to follow up with the prospect. This saves the property management company time, allows more people to tour vacant properties, and helps you build a database of prospective residents.

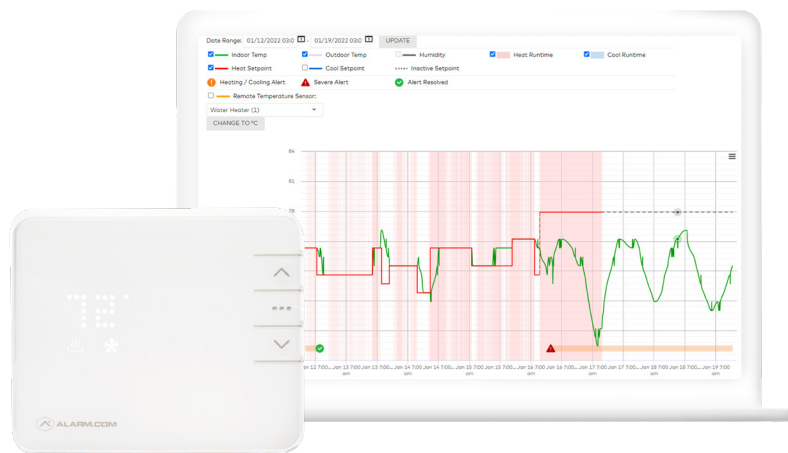
Reduces Energy Costs in Vacant Properties

By using smart thermostats, managers can automate and remotely control temperatures in vacant properties, eliminating situations where maintenance staff accidentally leave the A/C on high when they leave a property. In areas where humidity levels can rise to levels that cause damage, the system can also automatically activate the A/C when the humidity exceeds the set threshold.



Provides Proactive Maintenance

Unique to PointCentral's rental property automation platform is intelligent HVAC Management. Using machine learning algorithms that "learn" from thousands of HVAC units, PointCentral's system automatically detects when an HVAC unit is not operating properly. If the unit is not reaching the set point, or if it's taking too long to reach it, the system automatically notifies the management company that the unit requires maintenance. Whether it's a simple filter change, or something more serious, these types of predictive analytics can mean the difference between routine maintenance and a catastrophic failure that costs more and inconveniences the resident.



Detects Water Leaks and Prevents Damage

Before a small water leak turns into costly damage, the PointCentral system notifies you when a water sensor has detected moisture. With strategically placed sensors at water heaters, refrigerators, washing machines, basements and other areas, property managers can mitigate water damage and save \$1000s of dollars per year per property.

PointCentral now
Rental home: The Laundry room water sensor was activated at 1:30 pm on Thursday, Jul 22.

How Does Property Automation Increase Revenue?

Creates A Competitive Advantage and Attracts Residents

When it comes to resident amenities, few things can match the appeal of smart home technology. In fact, smart rental units are preferred by 86% of millennial renters and 65% of baby boomer renters. Why? They value the safety and convenience. Smart locks, with their unique access codes, give residents comfort knowing that stolen or copied keys aren't available to unknown persons. And they will never again be locked out. Plus, residents love being able to control their smart home remotely from their phone app, or via voice assistants like Alexa, Google, or Siri.

PointCentral smart thermostats are ENERGY STAR certified to save 9% to 16% on heating and 11% to 23% on cooling. These add up to significant savings and empower residents to live a more sustainable lifestyle.

Increases Occupancy

Smart home technology attracts more renters more renters d to your properties, driving up your occupancy and enabling you to charge premium rents. A smart home living experience also helps build resident loyalty, encouraging them to rent for longer periods of time.

Fuels Rent Growth

The monthly energy savings will more than offset a monthly premium that many management companies add to the rent to cover most or entire cost of the system. Research has found that most residents will gladly pay more for a smart-home-equipped rental property.



Property Automation: A Powerful Source of NOI

Property managers who are ahead of the property automation adoption curve are enjoying significant NOI increases. See below for NOI example calculation.

NOI Example for a 100-Unit Building

During Vacancy	Per Turn
Operational Efficiencies	\$278.33
While Occupied	Per Month
Resident Amenity	\$14.99
Operational Efficiencies	\$8.34
Asset Protection	Per Month
Decreased Water Damage	\$8.99
Decreased Risk of Frozen Pipes	\$6.60
Reduce HVAC Repair Cost by 5%	\$2.19
5-Year ROI	
Hardware, Software Investment	(\$1,127.00)
Savings From Above (Vacancy, Occupied, Asset Protection)	\$2,231.00
Revenue Generation from Smart Home Fee	\$843.00
Total NOI	\$1,947.00
Cash ROI	34.6%
Value Increase (=Annual NOI / 5% Cap Rate)	\$7,789.00

- + Average time vacant = 1.5 months
- + Average lease length = 24 months
- + Operational efficiencies include reduced energy consumption and reduced key management costs, but does not include savings from unattended showings.
- + Resident amenity assumes optional subscription to smart home service with 75% adoption @\$19.99, but does not include benefits from shorter vacancy or resident stickiness to an in-demand amenity.
- + Asset protection assumptions are based on national water leak and frozen pipe insurance damage numbers.
- + Hardware is amortized over 3 years.



PointCentral, a subsidiary of Alarm.com (Nasdaq: ALRM), provides short and long-term property managers of single-family and multifamily assets with an enterprise-class solution that monitors and controls Smart Home technology across all properties in their inventory over a best-in-class secure and reliable cellular network—increasing property awareness, reducing operational costs and improving resident satisfaction. PointCentral's solutions allow property managers to realize operational efficiencies, enhancing the asset for guests and residents.

www.pointcentral.com

