POINTCENTRAL
Automation Is Key to Successful Vacation Rental Management

The Evolution of Smart Home Technology

Guests Have Come to Expect Smart Home Tech

Imagine checking in to a hotel today and being handed a mechanical key. You would be shocked. For millennial's, it may be an entirely new experience. A key speaks volumes about the quality of the property and the type of experience the guest can anticipate.

With so many keys lost, stolen and copied, a guest is going to immediately question the safety of her family and her decision to choose the property. Even worse are the questions the key raises about the brand of the managing company. Is it keeping up with the times? Does it care about the safety and well-being of their guests?

With vacation rentals competing head-to-head with hotels, the issue of keys for Vacation Rental Managers (VRM) is very serious and must be confronted.

86% of millennial renters and 65% of baby boomer renters prefer to rent a property that has smart home technology installed[1] and are willing to pay more—as much as 20% more. 80% of vacation guests said they would be more likely to complete a reservation for short-term rentals that were equipped with smart home technology[2].

By 2023 an estimated 53.9% of US homes will be smart. This is up from 33.2% in 2019[3]. Plus, 59% of consumers are interested in smart home technology[4], which is no surprise given the proliferation of national advertising by a multitude of smart home suppliers.

The statistics are numerous and compelling. Vacation rental guests are rapidly adopting smart home technology in their homes and expect to see it when they go on vacation.

Eliminate Keys = Eliminate Problems + Gain Benefits

Managing keys is a hassle for VRMs. Keeping track of keys and replacing lost or stolen keys is time consuming and expensive. Maintenance and staff personnel must be issued a key, which requires them to stop by the office to pick it up and drop it off. Even lock boxes aren't the solution since the keys often get copied and don't get put back. Eliminating keys reduces costs, saves times, and opens the door to numerous benefits for VRMs, guests and homeowners.

Enhance The Guest Experience

Instead of stopping at an office to pick up a key, VRMs with keyless smart locks installed in their properties provide their guests with direct-to-house check-in. This allows guests to start their vacation faster and avoid standing in lines at a front desk.

For guests arriving early, smart locks can automatically notify guests when the property is clean and ready for occupancy. This allows guests to go shopping or to a restaurant and not be forced to hang around an office, pestering staff, while they wait for their rental to be available.

Most of all, keyless smart locks provide guests with the peace of mind that their lock code is unique to their stay and will disappear after they check out. They can relax knowing their family is safe. Plus, they don't have to worry about who has the key or being locked out of their rental during their stay.

When smart thermostats are installed, guests are greeted to a comfortable temperature upon arrival. When guests depart, the property is automatically returned to an energy-saving level until time for the next guest. This increases guest satisfaction while at the same time saving energy.

Property Automation Makes Operations Hum

Save Energy

Heating and cooling a vacant property is a waste of energy and money. So not only is the property returned to energy-saving mode at check-out, smart thermostats enable automatic temperature schedules that have been certified by ENERGY STAR® to save 9% to 16% on heating and 15% to 23% on cooling. That is a significant reduction in energy costs every month. And it eliminates the need to send staff to a vacant property to turn down the air conditioning.

Streamline Turn Days

Smart home technology transforms turn days.

> *"Installing PointCentral smart home technology in our rental properties was a fabulous decision. Their keyless entry solution has transformed our Saturday phone calls from the busiest day of the week to one of the quietest."*
>
> **Rachele Hobbs, Hobbs Realty**

Since guests no longer have to stop at the front desk to pick up or drop off their keys, you can re-assign those staff to more important duties or reduce your labor costs.

At check out, housekeepers can be automatically notified that the property is ready to be cleaned. Using their unique lock code to enter the property, you know exactly how long they are taking and when they finish, which then automatically notifies the inspector. When the unit is ready for occupancy, the status of the property in your Property Management Software is updated and your guests are notified. Turn days have never been so organized.

((•)) **POINTCENTRAL**   now

Rental Home: House cleaning completed at 11:00 on Sat 2/15.

Owners Want Their Home To Be Smart

More and more homeowners are installing smart home equipment—not only in their residence, but also in their vacation rentals. The reasons for this are many, but at or near the top of the list is asset protection, especially for their rentals.
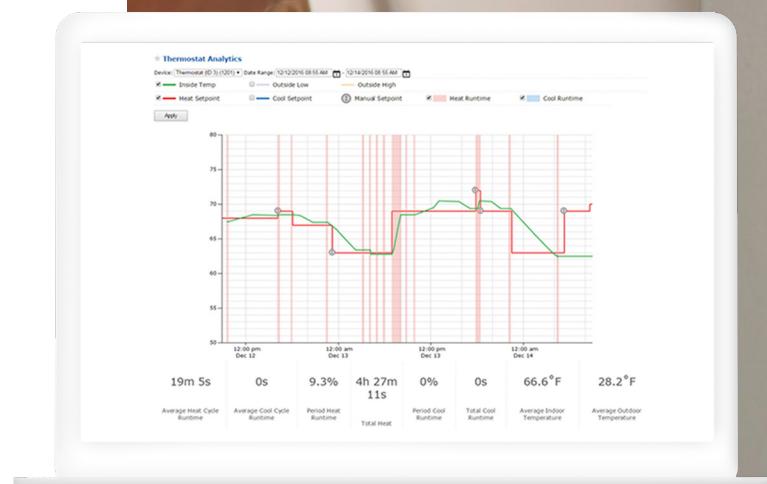
Protect My Property

Homeowners don't like the risk and liability associated with keys any more than VRMs do. Smart locks, with their unique access codes that disappear at check out, are preferred byhomeowners and managers alike.

Outdoor cameras are also increasing in popularity with homeowners since they provide a video history of uninvited guests. They can also help VRMs confirm the number of guests staying in a property. If four adults were confirmed on the reservation but the camera sees 6 cars in the driveway, something's up.

One of the biggest maintenance costs for any homeowner is HVAC (Heating Ventilation & Air Conditioning). Smart thermostats from PointCentral not only allow for automatic schedules that reduce energy, but they also provide smart analytics—VERY smart analytics. Using machine learning intelligence, data is collected and analyzed from thousands of HVAC units. The more data collected, the more the system "learns". This enables analytics that reveal when an HVAC unit is not operating properly. Maybe the unit is not able to reach the set point of the thermostat. Or maybe it's taking too long to get there. These issues can damage the unit. But identifying problems early before they result in a catastrophic failure can save a lot of money and minimize the inconvenience to guests.

Water is another problem. Just a small leak in a vacant property that goes undetected can result in significant damage to a property. With the average residential claim from a broken pipe exceeding

$10,000 in the US[5], it's no wonder homeowners are installing water sensors.

These sensors can detect extremely small amounts of water and automatically send a notification when there's a problem. They can even be linked to an automatic valve for immediate shut off of the water.

Show Me The Money

Convenience is another factor that appeals to homeowners, not just for their own use, but also for their guests. Homeowners know that guests want both safety and convenience and that their rental will have a competitive advantage if it incorporates smart technology. This will attract more guests and deliver more rental income. Plus, research has shown that more than 90% of homeowners will opt-in to pay for smart home technology in their home[6].

Who Left The Window Open?

When a guest in a rental property leaves a door or window open and the air conditioning cranked up to compensate, the energy costs can be staggering, especially in a vacant property.

With door and window contact sensors, you can program your system to automatically shut off the

AC until the sensor determines the door or window to be closed. This can save significant energy costs and damage from high humidity.

Summary

Smart Home technology is coming on like a high-speed tsunami, with growing adoption by management companies, homeowners and guests. Forward thinking VRMs who have moved beyond wanting smart home automation to realizing they need it are going to be more competitive, have more efficient operations, reduce costs, and be more successful.

End Notes

1. Wakefield Research, Dec 2016

2. Edelman Intelligence, Aug 2016

3. Wonder, June 2019

4. Forrester Research, Dec 2018

5. Water Damage Defense, Jan 2018

6. PointCentral 2018

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.

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