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How Asset Owners Can Make Smart Investments in Property Automation Technology

Smart Technologies: The Missing Link in Your Property Management and Ownership Investments

For many asset owners, updating properties with the latest in smart home technology might seem like a daunting proposition. Compared to all the known commodities you're already dealing with, smart home automation might feel like a term that disguises time-consuming installations and unforeseen costs. The reality is a different story.

It's not a guessing game. Smart home tech has been around long enough for reliable brands to produce products with reliable outcomes. After all, Nest released its first connected thermostat in 2011. Browse the internet for smart thermostats, and you'll find a wealth of literature from the leading brands, several studies that have been independently verified, and calculators that show you the various outcomes based on your current thermostat use.



What's really changed things for property managers and asset owners is the emergence of enterprise scale IoT platforms. This technology weaves together automated control and notifications for multiple devices from multiple households—all seamlessly integrated with leading project management system, or PMS, software. Property managers can efficiently, reliably, and securely use home automation technology to increase their efficiency, better protect their assets, and keeps residents happy, which will drive positive ROI for asset owners. Even better, you don't have to learn complicated new systems or manage separate logins.

The decision to upgrade to smart home automation technology is less about personal choice and more about simple math: You can expect an ROI of 30% or more based on incremental revenue, operational efficiencies, and improved asset protection. And with technology handling previously time-consuming tasks, your property managers will have more freedom to take care of pressing matters that demand human attention. Mitigate any concerns you might have about property automation—from local install/support needs and PMS integrations to data privacy and data security—by working with a trusted and experienced partner who can help you crunch the numbers to find the right products and services for your needs.



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Cost Savings and Risk Reductions

A touch-screen coffee machine that you can control with an app is certainly novel, but it won't provide benefits to asset owners or operators in the long term. Property and asset managers must think about how each piece of home automation technology will deliver an ROI over the course of its lifespan, through tenant and staff turnover. Smart apartment technology will deliver value throughout each asset's lifecycle in the following areas:

1. Reduce Your HVAC Costs

There is plenty of data available about how **connected thermostats save residents money**, but these devices also benefit property managers. Think about these cost savings: if you are able to lessen the use of your HVAC system by 20% during three unoccupied months over a two-year period—assuming an average month of utilities costs \$150—you would save more than \$180 in two years. Add in **energy efficiency rebates** and demand response rebates, and the thermostat can pay for itself in less than a year! When the unit is occupied, residents get the same savings and rebates. These perks offset the amenity fee property managers can charge for having a smart home automation system fully installed and ready to go from day one.

Connected thermostats save money on energy bills each month, but smart technology provides substantial savings over time in other ways. If you've been renting out a property for any length of time, you've probably had several occupants who ran the HVAC system nonstop. With a smart system, you can limit the range of temperatures available, which will prevent residents from turning the thermostat to 50 degrees in July and causing unnecessary strain on the system. Smart thermostats can also automatically keep humidity levels in check to prevent mold growth.



With smart analytics, an automated HVAC system can alert the property manager when a system starts to underperform. This information allows you to perform maintenance and repairs proactively, which is always more cost-efficient than waiting until a screaming resident lets you know about a problem (and then writes a bad review). Taking care of problems early can also help add useful life to your HVAC systems.

2. Avoid Potential Water Damage

Few maintenance issues are as expensive as water leaks, which often go unnoticed until it's too late. And what happens if a leak occurs when residents are away? Forget it—the damage can be catastrophic. Research suggests that the average claim for water damage is nearly \$7,000, but it doesn't have to be. With a \$40 water sensor, asset owners can monitor common leak problem areas, such as water heaters.

Basic automated systems can send you notifications in case of a leak, giving you plenty of time to shut off water and mitigate any damage. To provide even more protection, add a water shutoff valve that's able to shut off the water supply automatically, ensuring that leaks don't create a mess if you're unable to respond to a notification immediately.



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3. Eliminate Floating Keys

Many property managers rely on lockboxes and assume they provide the same savings, safety, and convenience as connected locks. Lockboxes are not all that different from leaving a key under the front doormat, though. When a landlord gives a renter the code to a lockbox, nothing prevents the renter from making a copy of the key and returning to the

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now

Rental Home: The laundry room water sensor was activated at 1:30 on Wed, 01/22.



property at their leisure—or not returning the key so that others can't see the property. Using lockboxes to give vendors and staff members access raises the same safety concerns.

Think keys don't get copied in this manner?

Guess again. The National Crime Prevention Council reports that renters are **85% more likely** to experience a break-in than owners. Just one break-in can be catastrophic for residents, property managers, and asset owners.

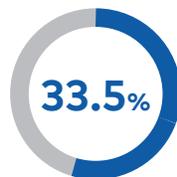
Rekeying locks before every new renter moves in provides a safe experience for tenants, but it can quickly get expensive. Connected keyless locks provide a high-tech solution that is safer than rekeying a lock (there's no manual mechanism to pick and no key to copy) for significantly less money.

Connected locks can be programmed with multiple codes, which means residents, staff members, and external vendors can all have unique access numbers. This feature makes it easy to tell who accessed a property and when they were there, allowing for increased transparency and improved safety. Asset owners, property managers, and renters can all enjoy additional peace of mind thanks to smart locks.

Average annual household burglary



HOMEOWNERS



RENTERS

(Rate per 1,000 households)



More Productive Property Management

For property owners, automation technology can work marvels when it comes to increasing the productivity of on-site property management staff. You'll never be able to give property managers more hours in the day, but you can help them take certain tasks—such as managing keys and adjusting thermostats—off their plates by relying on the latest in automation.

Enable Self-Guided tours

When property managers operate on a schedule that's peppered with periodic showings throughout the day, they have less time for other important responsibilities. Some potential residents want to see units outside of office hours or without a real estate agent, and other showings cancel at the last minute. If your staff members are off-site and have to drive in for showings, canceled and late showings can add up to dozens of hours over the course of a month making a hectic job even more difficult.

Instead, remote showing access allows a property manager to manually or automatically unlock a residence and offer a showing at virtually any time. With the proper home automation technology, property managers can use existing hardware and scheduling functionality at pointcentral.com/self-guided-tours to enable prospects to take tours on their own schedules. This capability isn't only convenient for renters who want to see a property at their own pace—it allows the 40% of prospects who never get to see a property a chance to visit your rental to decide whether it's the one. That translates to a better lead pipeline that reduces vacancies while putting more money into the pocket of the asset owner.



Today 3:12 PM

XYZ Property Management is confirming your tour of 220 NW 8th Ave., Portland, 97209. Please visit on 09/09/21 anytime from 4:00 pm to 6:00 pm and use the PIN code 123456# for access. Enjoy your self guided tour!



With today's busy schedules, over a third of prospects stop by leasing offices after they are closed.

Track access history

With access controls as convenient as reaching into your pocket for a smartphone or punching a code into a keypad, your property manager can give maintenance personnel access to a property without having to drive over with a set of keys. That same property manager will also never be tempted to leave keys with a new contractor to avoid staying late at night when a project takes longer than expected. Instead, they simply assign staff and contractors unique codes that give them access to unoccupied properties only when they should be there. The system can tie access to occupied units to specific work orders, which helps respect residents' privacy. Your residents will appreciate that they don't have to take time off work to let someone in.

With full access history, your property manager can tell whether a contractor earned those 40 hours or stopped halfway, empowering them to form lasting relationships with the most honest people in the business. When you aren't paying out of pocket for labor hours that never happened, you have more money to put toward return-generating assets.



Using Smart Technology to Attract Residents

The percentage of households renting in the U.S. is at 36.6% —higher than it's been since 1965, according to the Pew Research Center. As more apartment units are built to take advantage of the growing rental market, it's more important than ever to stand out. A gym, marble counter tops, and a swanky common area are no longer enough to compete with an apartment that saves money on utilities, allows residents to know when their dog walker shows up, and turns their lights on so they never come home to a dark apartment. Property managers are using smart home automation technology as a viable way to differentiate their offerings from the market.

Both short-term guests and long-term renters like the convenience, savings, and safety features that a connected home delivers. According to a survey conducted by Wakefield Research, both Millennials and Baby Boomers appreciate home automation—with the vast majority expressing a willingness to pay more for a residence that's equipped with smart technology.

Thankfully, you don't need to invest thousands of dollars to deliver a cutting-edge experience. Investing less than \$800 for a connected door lock, a connected thermostat, a plug-in light control, and a cellular-based hub or touch-screen panel that reliably and securely controls everything gives residents access to the most popular, connected products. Residents are able to control the technology from their favorite iOS or Android devices, voice assistants, or apps. Your residents will experience convenience, safety, and savings while you enjoy strong operational efficiency and asset protection.



What Asset Owners Should Consider for Smart Technology Investments

With benefits such as a reduction in energy bills, a stronger prospect funnel, more efficient property managers, and an increase in rental prices, asset owners who embrace smart technology are ahead of the curve. Home automation technology can deliver benefits in each of these areas, but asset owners should consider three factors before deciding to invest in technology upgrades.

ROI should be your first and most important consideration. After all, every investment needs to deliver some sort of return. The necessary return will vary from owner to owner, but you'll want to identify your goals, set KPIs to measure those goals, and determine the expected ROI once your goals are achieved.

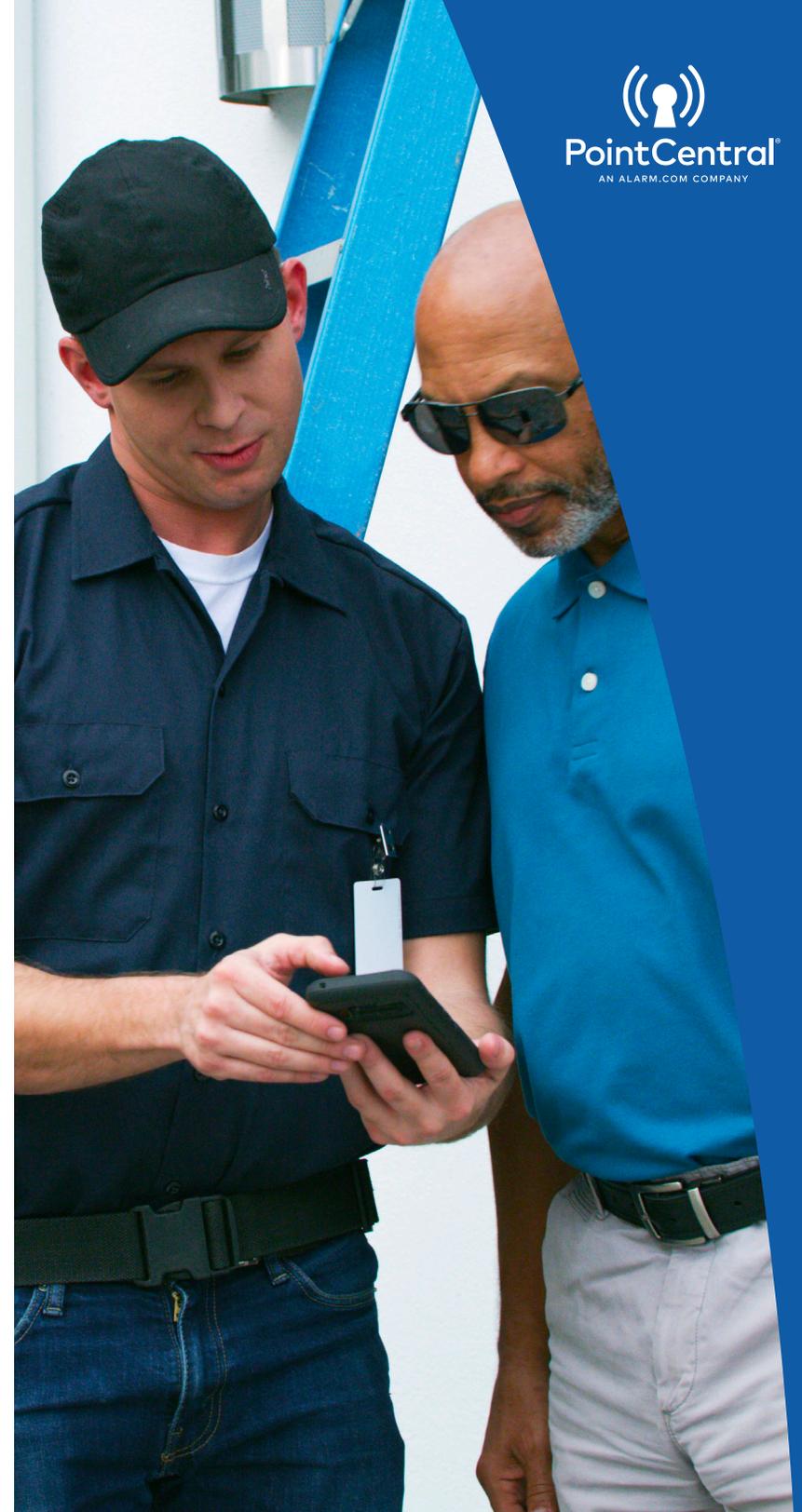
Upkeep is important to consider because it has a direct impact on a product's ROI. If a product delivers a 200% return on the initial investment but requires twice the man hours to remain operable, it might not be worth the investment.

With home automation, this comes into play with connection methods. Many people opt for Wi-Fi or Bluetooth connections because they assume they are free and reliable. Be sure to do your homework about each communication method's reliability, security, and legality. For instance, Cisco reports that 43% of households that use Wi-Fi connections experience an internet outage at least once a month. Free rarely means better when it comes to software—make sure you build the foundation for a reliable and secure IoT platform.



Lifespan is the final piece of the puzzle. If a product will need replacement before it's been able to produce a return, it was less of an investment than a cost. Even if it's still usable, a connected product needs software updates and security patches to remain relevant. When choosing a home automation partner, you should vet how they will handle updates as well as the likelihood that the company will be around long enough to provide the necessary support.

With the above boxes checked, an asset owner should feel prepared to find the right partner to help them get the most out of their smart technology.



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Save Repair Costs, Minimize Risks, and Increase Appeal with Smart Technology

Novelty technology is nothing new, and the IoT is not immune to potential pitfalls. When done right, however, property automation can help asset managers delight residents and enable property managers to increase their efficiency—all while securing the owner's assets.

For more information on how home automation can help you get the most out of your assets, reach out to your partners at PointCentral today.

www.pointcentral.com

