New Technologies Can Increase Occupancy and NOI

BY JASON SCUTT

Phone and Cable Companies Are Important Partners

Mike, the new resident, arrives at the scheduled time—Monday at 9:30 a.m.—to pick up the key to his new apartment. It's the first time he's actually been to the property and the first time he's met the leasing staff. Mike found out about the community through a Daily Deal, researched the property through his smart phone, completed the lease process via the apartment community's website and is now doing the walk-through process on a wireless tablet—pool-side.

Before he moves in, Mike confirms his rent payment option—mobile payment on the first of each month—selects the provider for Internet, cellular service and TV, sets up his utilities, and receives a 'community app' for security access to the gym, garage, community web portal and WiFi (wireless internet) service.

Several days after move-in, Mike utilizes community-wide tech support to fix his computer and TV. Later he uses his community app to submit a work order for friends and peers via Facebook. Equally important, the owner has created new efficiencies and new revenue streams.

AN INCREASINGLY COMMON SCENARIO

This scenario would have sounded strangely futuristic in the not-so-distant past, but it's all very common today. However, the probability that all of these required individual systems have been properly put into place per property and across a portfolio of properties is very low. WiFi, cellular coverage, security, property management software, community web portals, concierge home services, MRO (maintenance, repair and overhaul)

software and mobile apps are just part of a community's "techno-system."

Bringing all of these technologies together creates operational efficiencies, improves net operating income (NOI) and captures new revenues. To do this, though, you need a plan, and every month that goes by is lost opportunity and lost revenues.

A STEP-BY-STEP SOLUTION

Step 1—Backbone

The common thread of each service is telecommunications—primarily data—and the process begins with the phone and cable companies. Discussions go beyond picking a preferred vendor for marketing and access rights, which is complicated enough across a portfolio, to dealing with expiration terms, revenue shares, provider choices, etc. In today's environment, a master plan is critical and an important step when beginning negotiations with each provider.

The first step is to understand what ging to locate and/or you can use a third-party specialist to do so for you. Once complete, you then need to determine all of the viable providers per location.

Although every location typically has a phone company and cable company, they may not necessarily offer voice, video and data services to each location. For instance, Verizon Fios and AT&T's Uverse products are only available in certain markets. In addition to the national phone and cable companies, private cable operators and dish/DirectTV resellers may also offer competitive services to the property. Companies like Spot On and One Economy offer community-wide WiFi. This can be combined with Direct

TV and dish providers to offer additional opportunities, not the least of which is to remove dishes off balconies in favor of a building-based solution.

The key is to map your goals to the provider's offerings, while considering a long-term vision. Keep in mind that the provider's goals are to sign up subscribers. How can you help the providers facilitate this goal while ensuring your residents' satisfaction while achieving your own goals?

When properly negotiated, telecom agreements should include complimentary services for the office and common areas, revenue shares and additional payments for subscriber acquisition. The owner will have a complete understanding of these valuable assets.

Step 2—Layering

Once you have determined the provider(s) for the property, look at all aspects of your business that would benefit from connectivity—maintenance, panies offer significantly enhanced products and services beyond voice, video and data. For example, Verizon and Comcast offer tech support, cellular services, home monitoring, WiFi and more. Look to the providers as a cornerstone to help implement some of these initiatives.

For instance,

Metering, Utilities and Community Portals: The largest challenge to accomplishing wireless metering is connectivity. A community-wide WiFi network would enable this functionality. Further, a WiFi platform enables your community website and portals to be the default landing page for each authorized user, which can be utilized for community

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centric messaging (i.e., ensuring the power is in the resident's name) and helping the resident sign up for voice video and data services. This will improve any revenue share programs that may exist with the providers, incorporating bill paying, coupons, social networks and more.

Maintenance and Repair Ordering Software: As mentioned previously, a ubiquitous and useful community website or portal could also be utilized by the staff and residents to communicate work requests, process orders, complete walk throughs and more. Further, all of this information could be incorporated into the property management software and utilized on easily carried iPads or other tablets.

Remote Tech Support: A connected community relies on the devices that enable the technology, yet it's typically the weakest link in the chain. Companies like AT&T, Time Warner and MyServicesNow offer remote access tech support for computers, cell phones, Xboxes and more. It's a powerful amenity for this generation.

Cellular Coverage and Distributed Antenae Systems (DAS): Although the smart phone has become a powerful tool, anyone who has tried to use a cell phone in remote locations or in a parking garage or elevator can attest to coverage being spotty. To further compound the challenge, the FCC is considering legislation to require buildings and properties to have 100 percent coverage for emergency communications and first responders. Buildings will not be granted a certificate of occupancy without the coverage. Further, residents may not rent at a property without coverage. As before, the backbone

of these services is data provided by the same telecommunication providers offering service to the residents.

SUMMARY OF BENEFITS

Creating and implementing a master plan to bring together all of these services can create efficiencies and amenities for residents, efficiencies for staff and revenue opportunities. It can get positive word of mouth out to many others quickly, renters can pay for these services faster, services can be set up faster, more revenue can be generated, better information (rather than a 30 day late list) can be available for providers, resident sentiment can be monitored, referral fees can be calculated, and daily deals and specials can be offered. Positive resident

experience equals increased satisfaction which equals greater occupancy. Efficiency equals more revenue to the bottom line.

Everything revolves around connectivity. Take these steps to make it happen. **NN**

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