The beginner’s guide to multifamily Proptech

What you need to know about navigating the process of choosing and implementing Proptech at your property
What is Proptech?

Proptech, prop-tech, real estate technology… what is it exactly? Proptech, or property technology, is the application of technology, products and services in multifamily buildings that provides seamless and convenient experiences for residents, property managers and owners. Proptech reimagines how people live and work in buildings and leverages technology to improve those processes.

Generally, a Proptech solution is equal parts software and hardware. Proptech can automate processes that were once manual. It can strengthen access control and use of shared spaces. It can improve operational efficiency, increasing net operating income – all while delighting users and making their lives better and more connected.

While there are many reasons to love Proptech, it can be confusing to many multifamily property owners. The sea of software providers and hardware manufacturers mixed with varying degrees of functionality and integration complicates the decision-making and implementation process. Additionally, balancing the constraints and needs of today with the vision and property roadmap for tomorrow can be challenging even for the most tech-forward individual.

If you’re asking yourself, why bother with Proptech, read on.
Why Proptech matters now more than ever

As the world becomes more connected, so do our homes. All signs indicate Proptech is here to stay. In 2021, over $6.7 billion dollars in venture capital was spent on multifamily Proptech companies and is on the rise. The increased flow of capital is just one of the signals indicating a rise in adoption. Proptech is projected to remain at the forefront of property management in the post-COVID era. It’s estimated that approximately 58% of real estate and property companies use at least one or two Proptech tools in their properties and daily operations.

Consumer behavior and multifamily living trends also contribute to the case for Proptech. With Millennials being the largest generation in the U.S. and Gen Z making up 30% of the workforce by 2023, it’s imperative for property owners to understand what these prime renters value, how they want to live and the technology they prefer. It’s no secret they are tech-savvy and expect their lives to benefit from smart apartment technology. Fortunately for property owners, they can use this to attract and retain these higher-paying residents.

There are numerous ways in which Proptech is helpful to business and property owners. Proptech can help to attract responsible, high-quality residents and provide enhanced and safer cross-property amenities, from smart apartment tech solutions that allow residents to digitally manage everything from locks to lights to thermostats and more. It can lower operating costs while increasing efficiency, productivity, customer retention, satisfaction and ultimately, profits.

Adoption and implementation of Proptech is inevitable for property owners. Whether they choose to act today or not, the outcome is the same. It’s what the market and renters will soon command be the norm. Like death and taxes, Proptech is a sure thing. And when the benefits are tallied up, it’s clear that property owners will win once they embrace the technology and work with an expert to help them create and implement a Proptech strategy.
7 things to consider when selecting Proptech

While there are many things to consider when it comes to selecting a multifamily Proptech solution, these are the 7 things to think through before making your decision. *Tip: Click the icons below to skip directly to the individual sections.*
Perimeter & common area security

What is it?

Perimeter security refers to controlling access around the outside of a multifamily complex, from the main entrance to all secondary entrances and tertiary openings. The perimeter is the first checkpoint, or layer, to the building. It controls who enters the building and when. Perimeter security is a critical part of a multifamily space’s efforts to provide a safe living environment for its renters.

1 **Primary entrances** include main and event entrances. Main entrances can lead to a security vestibule as an additional layer of security. They are normally monitored and can have electronic access control to regulate traffic and limit entry to the building.

2 **Secondary entrances** include most of the exterior openings throughout the building and are essential to a secure perimeter. These openings are often manually managed and monitored, making them susceptible to being propped open.

3 **Common area security** refers to keeping shared spaces like the gym, laundry room, mailroom, business center, pool and other gathering spaces secure. These spaces might have hours they are open and can be accessed by residents, remaining locked at other times. Common areas are often easily secured using some form of electronic access control.
Perimeter & common area security

Why is it important?

Perimeter and common area security are most important because property owners have a legal responsibility to protect resident safety. While laws vary from state to state, the property owner is obligated to ensure the property is in a safe condition and that certain safety measures are in place.

Additionally, the prime Millennial and Gen Z renters will pay more for enhanced security. Feeling safe is a fundamental need, yet only 26% of millennial residents feel secure at home. Of respondents wanting additional security features, 72% were willing to pay 1-10% more for said security features in addition to their monthly rent, and 20% were willing to pay 11-19% more.

Enhancing access control with Proptech also makes good sense to the bottom line. Variable expenses like time spent rekeying locks, touring and maintenance are reduced when the changes can be made digitally using an app, allowing that time saved to be used on something else.

Property owners can help increase multifamily security by incorporating smart apartment solutions and electronic access control. Beyond secure access, these solutions also allow for streamlined visitor management, package delivery and concierge services.
Perimeter & common area security

Things to consider

Because keeping residents secure is at the forefront of a property owner's obligations, and it's something the residents greatly value, it makes sense to start with perimeter and common area access control when building out your property's Proptech strategy. It's an easy win for the owner, staff and residents. Of course, the system can be built upon with additional integrations, but security and electronic access control are a smart place to start with Proptech.

So what does a property owner need to look for when selecting a Proptech partner for access control?

- **Wi-Fi**: Does the building have adequate Wi-Fi coverage to support a campus-wide activation? If not, select offline locks (those do not need internet access to work properly). Smart locks for apartments can operate in offline or online mode. You don’t need community Wi-Fi to enjoy many of the benefits of some smart door locks. Keyless access, audit trails, no-tour functionality and mobile credentials are all available with offline solutions like Schlage® smart locks.

- **Hardware Options Based on Integration**: Before selecting a provider, a property owner will want to understand what hardware options are available based on the integration. Does the manufacturer offer the types of locks and door hardware the property needs? Are their products reliable, trusted and high-quality? Is their customer support best-in-class?

- **Open architecture**: Not all Proptech providers and manufacturers adopt an open and interoperable architecture. This means that if a property owner chooses a Proptech provider that is proprietary and only works with a select group of vendors, their choices could be significantly limited. Additionally, the limited choices take away from the financial freedom of the property and can impact its ability to future-proof their property.

- **Code Compliance**: Because access control touches multiple areas in a multi-family building, it's imperative to ensure the solution is code-compliant and complies with all laws, rules and regulations. For example, the solution must comply with the Americans with Disabilities Act (ADA), fire safety codes and all local, state and federal regulations. So it’s important for a property owner to understand which technologies and manufacturers already offer products that are in compliance with these legal requirements.

- **Bottom line**: Perimeter and common area access control is an excellent place to begin a Proptech journey. It’s at the core of every other experience.
Unit devices & smart apartment

What is it?
Now that basic perimeter and common area security is in place, the next place to consider when implementing a Proptech strategy is the individual unit devices that together create a “smart apartment.” It’s the smart apartment experience that takes the Proptech to another level and allows the resident to create a totally customizable experience based on their lifestyle. Smart locks, smart thermostats, smart appliances, voice controls, lighting controls, smart outlets, and leak detectors are now finding their way into apartment homes. Smart apartments benefit both the resident and the property owner.

Some of the basic devices found in a smart apartment include:

- Smart locks
- Smart thermostats
- Smart lights
- Smart sensors
- Smart router
Unit devices & smart apartment

Why is it important?

Once a resident’s basic security requirements are met, property owners benefit from turning their property into one that is customizable and syncs with the lifestyles of its target market. By enabling the smart apartment lifestyle, the property becomes a place the renter chooses to stay because they have become accustomed to the seamless convenience afforded by the Proptech implementation.

According to an NHMC 2020 survey, 29% of renters polled said they have moved to find better apartment features and residents are willing to pay on average $30 more per month for a smart apartment. The willingness to pay a rent premium is driven by increasing demand for smart housing. 77% of renters expressed interest in smart thermostats, and 67% wanted smart locks installed on their units. Historically, these numbers are much higher than in years past, indicating a growing expectation of smart features.

Not only is a smart apartment appealing to the renter, but it benefits the property owner as well. The cost of the Proptech and smart device installation can be passed down to residents by increasing their rent (which they’ve indicated they will happily pay for). For cities with rent caps, you can factor in your total cost of ownership (TCO) savings for preventing damage and costly repairs like those from water, smoke and fire.
Unit devices & smart apartment

Things to consider

- **Which devices to implement**: Understanding what your current and target residents find valuable and will pay for indicates where a property owner should start in building a smart apartment. Smart locks will add security, convenience and positively impact the net operating income (NOI) of a property and are a logical first step. Other devices like smart thermostats and lighting can bring convenience and cost savings to both the renter and the property owner.

- **Available integrations**: Once the smart devices are prioritized and sourced, a property owner needs to consider whether or not the Proptech provider integrates with their selected hardware. If a Proptech provider is proprietary, they may not have a partnership with the company and the owner will have to either choose an alternate device or a different Proptech provider.

- **Multifamily or retrofit single family**: Another thing property owners should consider before implementing a smart apartment is whether or not the devices are made for multifamily use or if they are simply retrofit single family devices. Single-family solutions are generally optimized for end user customization, not for the complexity of an owner-to-resident experience, and may not be easily integrated into a single ecosystem.

- **Network use**: Consider how the devices are connecting to the network and if your property’s setup can accommodate them. The majority of current smart device manufacturers use a Wi-Fi connection, and many require properties to build out an additional Wi-Fi network to support smart devices. Innovative solutions like LoRaWAN eliminate the need for additional Wi-Fi infrastructure. This helps decrease the load of the property’s wireless network instead of over-burdening it with additional Wi-Fi-connected devices.

- **Property management integration**: Make sure the devices selected for the smart apartment can be integrated into a property management platform. It’s through this integration that the devices can be controlled through a singular app and cost savings and operational efficiency can be realized.

- **Bottom line**: Smart apartments help properties attract and retain residents while generating tangible cost savings for the property, increasing their NOI. Working with an expert to navigate some of the nuances and ensuring a seamless integration is essential.
Property management software

What is it?

Property managers are often juggling multiple priorities at one time – managing the office, maintenance needs, communications and other administrative tasks. Even if there is a staff available to help, managing it all in an efficient and sane way can be a challenge.

This is where a property management software comes to the rescue. A property management software is the core of any Proptech strategy. It seamlessly integrates with many facets of a property and its operations.

A property management software can simplify and improve operations in a number of ways, including:

- A singular place to communicate with residents at once
- Manage the property’s accounting with features that are tailored for property management
- Simplify the screening and leasing process for new renters
- Provide a centralized location for maintenance requests, tracking of the jobs, working with vendors and follow-up with residents
Why is it important?
No multifamily Proptech ecosystem is complete without a property management software. This software is at the core of the seamless integrations between all other components and devices. It allows the property owner to operate their business in a smarter, not harder, way.

While there are numerous perks of leveraging a property management software, a few rise to the top as key benefits:

- **Process automation that improves efficiency:** A well-fitting property management software can automate the mundane and repetitive tasks managers and staff face each day, giving them time back to focus on other areas of the business.

- **Resident retention:** Most property management software solutions provide owners and managers with user-friendly tools to communicate to and engage with residents in an authentic way. The open communication translates to happier residents, who choose to stay when their contract is up for renewal.

- **Increased net operating income:** When implemented strategically, a property management software will improve a property’s net operating income by lowering overall operating costs and attracting new, higher-paying residents who stay.

- **Finance and accounting made easy:** Accounting can often be considered a daunting piece of the job for many managers. A property management software solution can help improve bookkeeping, track variable expenses and store key account information. It can even make the rent payment process more enjoyable for residents.

- **Integrations with smart apartment technology:** Last, but not least, a tailored property management software can seamlessly integrate into other smart apartment technologies – like unit and perimeter locks, lighting, temperature control, gates intercoms and more.
Property management software

Things to consider

When adopting a Proptech strategy, choosing a solid property management software provider is must-have. Property owners need to be able to successfully manage their properties in an efficient way that provides a better experience for staff and residents.

So how does one go about selecting the best property management software for a multifamily property? A few basic things to consider are:

- **Budget**: Budget is never a fun place to start when it comes to purchasing new technology. But it is a practical place. Open the books and take an honest look at what funds can be invested toward a property management software implementation. Consider how this software can help lower costs in other areas (energy use, staff hours, maintenance requests, recruiting of new renters) and where it can add income (increased rent price for smart apartment, screening applications for premium residents).

  Pricing structure can also be considered here as well. Does the company require monthly or annual payments? Are there any setup or initiation fees? Do they offer a free trial you could take advantage of? Is there a contract you’re locked into or can you cancel at any time for any reason?

- **Ease of use**: The easier a technology is to adopt by many, the more value will be gained from it. A property management software is no different in this regard. Property owners should prioritize ease of use when selecting a provider. If it’s proprietary, the available tech integrations will be limited and could potentially result in a lower-quality experience or higher overall cost.

  Consider how managers, staff and residents will interact with the property management software. How will they access it? Is it a cloud-based system that can be accessed from any browser on any computer, smart phone or tablet? Can staff access it from anywhere at any time? Can residents access it to enjoy services even if the office closed?

  The most effective property management software features a single cloud-hosted database for a property’s entire portfolio and includes suites of seamless solutions for the front office and back office. And anytime access to services and reporting gives managers and owners a tangible competitive advantage.
Property management software

Things to consider (continued)

☑ Features and functionality: When selecting a property management software, owners should consider the features and functionality they’re looking to enable in the near and long term. Also, consider whether these features are available at the base level package or if there will be incremental cost for added functionality. Some of the top features to consider when choosing a property management software for a multifamily building are:

- **Leasing & Rent**: Leasing is always going to be a time-intensive operation. Does the property management software have tools that let property managers facilitate move-ins and move-outs? Can they manage prorate charges, rent payments and charge for rentable items? Finding a property management software that can assist with rental agreements, which are often prone to human error and take a lot of time to create, can add cost-saving efficiency to the business.

- **Accounting**: If accounting is an area of the business that needs assistance, look for a software that includes ledger and budget creation tools, access to balance sheets and income statements.

- **Purchasing**: Some software provide owners and managers with the ability to create and track purchase orders, create invoices, and manage vendors.

- **Facilities**: Facilities management can be another complex operation that requires lots of oversight. Look for a property management software that allows managers to create, edit, and manage work orders. Some software also allow the staff to accept incoming resident requests and track progress.

- **Inspection Manager**: Inspections will always be important. Some software provide the owners the ability to schedule and manage inspections of units, buildings, and amenities.
Self-guided tours

What is it?
Still an emerging trend, self-guided tours gained popularity during the COVID-19 pandemic when properties were investing in solutions to help prevent contact transmission between staff, visitors and residents. While it’s still in the early stages of adoption, all signs point to its staying power.

Self-guided tours are essentially self-explanatory. Potential renters have the ability to book and tour the building, amenities and the unit without the help of a leasing agent. Maintaining a secure property while delivering an optimal experience for the visitor can be challenging. This is where dialing in the Proptech becomes important.
Self-guided tours

Why is it important?

Self-guided tours are becoming a critical part of multifamily property leasing strategy. They can provide an experience that benefits prospective residents and staff alike while improving conversion rates on leases and ensuring resident safety. Additionally, self-guided tour technology helps leasing staff work more efficiently and effectively, while providing an opportunity to expand leasing hours to increase the prospective resident pool.
Self-guided tours

Things to consider

While self-guided tours are welcomed by 63% of prospects, there are some important elements to consider when it comes to choosing a Proptech solution that enables these kinds of experiences.

- **The basics**: When selecting a provider for the self-guided tours, owners should understand what is included and what they are responsible for providing. Does the provider issue requested devices or simply provide an app experience that can be applied to existing property devices? They will also want to understand if any training is available to them and their staff and how it integrates with the property management software. If someone tours the community, does their contact information get automatically put into marketing databases or can a rental agreement be drafted?

- **Security**: Self-guided tours can pose a risk to existing residents and staff as they empower an unaccompanied prospective resident to walk around a multifamily community, including common areas, at varying hours of the day. Property owners have a legal obligation to residents to protect their safety while respecting their privacy. Look for a Proptech solution that allows managers to implement parameters around the self-guided tours, including limiting access to certain areas, time-fencing to allow tours during daylight hours, the ability to perform background and credit checks, and other customization. Additionally, some technologies can help mitigate most self-guided tour risks with wayfinding technology. Wayfinding technology with “blue dot” features and tracking beacons help onsite teams keep track of the prospective resident(s) touring the campus. It can also share their real-time position within the community and how much time someone spends in each location. This information can be helpful should an issue arise.

- **Strategic routes and customization**: To deliver the optimal self-guided tour, property owners need to work with leasing agents to create the best tour route for the prospective resident to take. They will know the routes best and should be consulted in the design process. Because self-guided tours are a dynamic experience for prospects, property owners should look for a solution that allows customization of narration, images and the tour route, so they can control each piece of the experience.

- **Data use**: One of the benefits of using self-guided tour technology is gaining key insights and information about prospective renters. However, there are many laws in place that prohibit the collection and storing of certain data, like biometric data. That said, owners should have a firm understanding of what data they and the provider are collecting and storing, and ensure that it is permissible in the local area.
Integrated user app

What is it?

One of the best parts about investing in a Proptech solution for a multifamily property is the ability to integrate all the functionality under one cloud-based app that can be used by owners, managers, staff and residents alike. It brings together everything from access control and leasing operations to package delivery and maintenance management. It’s a one-stop-shop for everything a resident needs to thrive in a property. They can pay their bills, access unit and common areas, order food, pick up packages, chat with friendly maintenance staff, control their smart devices and participate in community chats – all from an integrated app.
Integrated user app

Why is it important?

The more integrated and connected an app is the more likely people will use it. This goes for both staff and residents. A simple easy-to-use app can be a huge differentiator when it comes to attracting and retaining quality, high paying residents. Additionally, an integrated app can simplify training for all parties. They no longer have to wonder where to go to file a maintenance issue, check on a delivery or access the variety of property amenities. Simplification increases adoption and overall engagement.

Additionally, an integrated solution helps streamline data consolidation and management. Owners and managers don’t have to go looking in 10 different places for insights – it’s all brought in under one system.

For this reason, it’s important to balance short-term needs with long-term vision and ensure the solution selected has an open architecture to accommodate changing technologies, provider availability and changing consumer behaviors. Locking into a proprietary system is going to limit the long-term capabilities.
Integrated user app

Things to consider

- **Access control**: Consider a solution that offers integrated access control for all users – staff and residents. Implementing limitations on who can access what part of the building and when and being able to use the app to access those areas (units and common areas) will be critical to the success of the app and overall experience.

  It's widely known that if staff or residents are required to use their mobile device to unlock doors that they are far more likely to use the app for other functionality (paying rent, filing maintenance requests and the like).

- **Holistic building control**: Being able to control lighting, thermostats, cameras and more in vacant and common areas from the app is important for operational efficiency and cost savings. This means when considering a solution to also consider the smart apartment technology that will be installed in the building and ensure it can integrate with the chosen Proptech provider.

- **Total resident experience**: Consider all the things you want the residents to be able to do on the app. Some things to consider are:
  - Pay bills
  - Lock/unlock doors remotely
  - Manage in-unit thermostat
  - Access common areas like gym, pool, office
  - Track and pick up packages
  - Order and accept food delivery
  - File maintenance request
  - Chat with other residents in the building
  - Move-in/move-out process
  - RSVP to community events
  - Submit reviews
Integrated user app

Things to consider (continued)

✔ Data Management: This will be more important for property owners and managers than residents. Consolidated data allows owners and managers to quickly draw insights and make sound business decisions while keeping tabs on all the smaller tasks. Consider selecting a system that brings in data insights from a variety of sources into a singular dashboard allowing a property manager to see things like:

- Number and location of available units
- Number of current leases in place and expiration dates
- Total monthly revenue
- Late payment identification
- Number of packages on hand that need to be picked up
- Occupancy rate
- Incoming messages and inquiries
- Maintenance tickets in progress
- Daily tasks on to-do list
- Cost per square foot average
- Live activity feed
- Time sheets for staff
- Current temperature, lighting and lock statuses

✔ Future proofing and scalability: Don’t let the short-term budget impact the long-term strategy for the property. Invest in a system that allows you to scale over time or as behaviors and technology change. This is best achieved by selecting a solution that has an open architecture and does not limit you to a certain set of providers, locking you in to set pricing and an incomplete set of options.
Distributed Wi-Fi

What is it?

As properties are looking to further differentiate themselves from their competition, connected Wi-Fi is becoming increasingly popular as residents expect Wi-Fi throughout the property in common areas. Property owners are cutting ties with their traditional internet service providers and looking for new solutions specific to their property. These providers can range from Xfinity and the like, to smaller brands like Homebase. Selecting a Proptech partner that offers distributed Wi-Fi would consolidate the number of providers they need to have relationships with.
Distributed Wi-Fi

Why is it important?

For many property owners, the benefits of managed Wi-Fi often outweigh the costs. According to a survey by Entrata, the number one most desired amenity among renters is a “basic technology package” that includes high-speed internet. Furthermore, 84% of survey respondents said they were willing to pay more for smart amenities. This means property owners can use distributed Wi-Fi to attract higher paying renters and charge a premium, ultimately delivering a better overall experience that increases retention.

The managed Wi-Fi improves the resident experience in several ways. First, it makes moving in and out easier as they don’t have to worry about setting up utilities and the downtime before having access to the internet, which is a big concern in the remote work era we now live in. Additionally, having Wi-Fi access throughout the property in common areas has an impact on how much use residents get out of these areas. The more time they spend in these areas, the more value they get out of them, and the happier they are to pay a higher rent.

Managed Wi-Fi isn’t just beneficial to residents. Property owners have a lot to gain from connected Wi-Fi as well. Each property-wide Wi-Fi provider has its own business model, but some let the properties earn monthly revenue from Wi-Fi subscriptions – on top of the premium rent. It can be a significant upgrade compared to traditional Wi-Fi agreements with internet service providers, where the most a property can expect is a one-time payback when a resident signs up.
Distributed Wi-Fi

Things to consider

Regardless of whether a property owner is interested in distributed Wi-Fi to improve NOI or the resident’s experience, it’s a noticeable upgrade over traditional internet.

Some things to consider when selecting a Proptech partner for your managed Wi-Fi include:

- **How secure is the network?** Just like physical security, it’s important for property owners to keep their residents’ online security safe. They need to evaluate the security of the network they’re selecting. Cybersecurity is often a major concern for multifamily property owners since residents’ valuable information is exchanged over these networks (bank accounts, credit cards, personal information). Ask providers to share the security precautions they have in place for their network prior to selecting. Along the same lines, some residents and staff might have concerns with data privacy on a shared network. Ask providers how they keep resident data separate and encrypted from the rest of the community. Property-wide Wi-Fi is not the same as a shared public network.

- **Does it support smart apartments?** Multifamily properties featuring smart apartment technology throughout the units and common areas require more than just Wi-Fi. They also need a low-power network to connect devices locally, and an operating system to control and manage the property. Furthermore, residents also need a way to monitor and control their smart apartments, including locking and unlocking doors, paying rent, and upgrading their Wi-Fi if needed. Consider providers that empower property owners to future proof their property through complete smart apartment management.
Distributed Wi-Fi

Things to consider (continued)

✔ Can multifamily properties make money from Wi-Fi subscriptions? While there are many types of business models for connected Wi-Fi, three of the top setups include:

- **Property pays for installation.** Wi-Fi provider earns subscription revenue. Some multifamily property owners choose to install mega providers to charge premium rents based off the large name recognition. They pay to install big-name services like Xfinity Communities so they can command premium rents. They may receive a one-time bonus for residents who sign up, but it’s not guaranteed.

- **Wi-Fi provider pays for installation.** Vendor earns subscription revenue. Some internet vendors install hubs on properties and use a building’s existing wiring to deliver Wi-Fi to resident units. While the complimentary installation can be attractive to some properties, they lose the opportunity for recurring revenue and a more engaged relationship with their residents.

- **Property pays for installation. Property gets subscription revenue.** Of all the models, this one will have the largest cost up front, but the highest long-term return on investment. In this model, property owners pay for the Wi-Fi infrastructure, but also own the resident relationship and earn recurring monthly revenue. The increased net operating income provides a significant boost to a property’s cap value over time.

✔ **What happens if there’s a power outage?** While this is not a fun topic to consider, it’s an important one. When selecting a Proptech provider for the managed Wi-Fi, it’s critical for property owners to understand who is responsible for handling the reconnection of Wi-Fi infrastructure in the event of a power outage. Unless a property has an IT person on staff, it might be more convenient to go with a managed Wi-Fi service provider.
Package & food delivery

What is it?

Package and food delivery services became prevalent during the COVID-19 pandemic. They are similar but have different nuances.

With online shopping becoming more widely used, managing incoming packages is a challenge for multifamily property managers and staff. Residents often consider package delivery management an important amenity, one that they're willing to pay for. The increase in packages arriving to apartment residents has certainly raised issues for many communities, including:

- Space issues
- Package tracking problems
- Liability issues
- Pick up bottlenecking
- Staff hours spent sorting
- Scheduling issues when apartment offices are closed

Package delivery options for multifamily communities traditionally look like one of the following:

- **Delivery room**: This is where packages are delivered by couriers to a staffed room where they are accepted and manually sorted for residents to pick up
- **Lockers**: Some properties have package lockers that can accommodate most package sizes. Overflow and oversized packages must be delivered to the office and accepted by staff.
- **Direct to unit**: Some communities prefer the packages to be delivered directly to the resident’s unit. This can present the issue of package theft if the packages are not immediately accepted and brought into the unit. This could be avoided by requiring a signature for delivery, but it’s unrealistic to assume a renter will always be available for signature.

Multifamily Proptech is changing the way packages are managed and delivered. By combining smart apartment and access control technologies, property owners can spend less time and money managing incoming deliveries for their residents while providing a more secure and trackable experience.

Some Proptech solutions address food delivery services using contactless entry, intercom integrations and monitored drop-off zones.
Package & food delivery

Why is it important?

Based on a 2019 survey, 63 percent of millennials received 1-2 packages each week. 57 percent use delivery services and 39 percent have experienced package theft. Since the onset of COVID-19, these use case numbers seem to be even higher today.

Time and space are some of the biggest pain points for property managers when it comes to package management. The increase in deliveries combined with the larger items like furniture, mattresses and appliances don’t fit in traditional locks or package rooms. Depending on the number of residents who occupy the building, even the number of small packages can quickly consume a package delivery room.

The more residents who live in a building and are ordering packages online – some twice or more a week – chaos is bound to happen for the package delivery room. Additionally, if all residents have access to the delivery room, then they could potentially be responsible for the theft of their neighbors’ boxes. Lost and stolen packages often cause unnecessary tension between residents and staff.

Another challenge to consider is the time spent on package management. Time spent on letting delivery persons inside gates or lobbies, accepting and sorting deliveries, arranging parcel pickups, and more can create workload issues that property managers may need to address, whether by rearranging work tasks, increasing workforce, or finding other solutions that require less labor from your staff.

Food delivery services offer a separate set of challenges. Not only does the food often need to be immediately accepted for consumption or cool storage, but there’s an increase in delivery persons needing access to the property. This can introduce safety concerns for staff and residents alike. It’s important for property owners to set up a food delivery process that is safe, sustainable, and enhances the resident experience.

It’s clear online ordering and food delivery services are here to stay and that a solution is needed now more than ever as managing packages in multifamily complexes has become extremely difficult. Ordering online is simple, delivery should be too.
Package & food delivery

Things to consider

Having dedicated package and food delivery space is important. Equally important is ensuring those solutions are scalable for future needs and continued adoption of delivery services. This could translate to additional spaces or improved processes leveraging Proptech solutions.

When considering a Proptech solution to help overcome the challenges of package and food delivery services, these are some things to consider:

- **Access control**: With both package delivery and food delivery services, access control is at the heart of the challenges. Property owners want to deliver a convenient delivery experience for residents without jeopardizing their safety and security.

- **Common code for couriers**: Some solutions provide couriers a single code to enter the designated delivery room, allowing residents to retrieve their items 24/7 using an integrated app.

- **Contactless entry**: If there are multiple doors to get through the entry or if it’s after hours (common with food delivery), a property owner should consider a contactless entry method. An example would be leveraging an intercom solution where delivery drivers could contact the front office or residents directly to be let into the building via an integrated app.

- **Integration**: Like other technologies, properties will benefit from integrated systems and hardware. Consider how the delivery service’s functionality fits into the holistic experience, how residents will engage best with it and how it can save the staff time and property valuable space. Additionally, consider how the solution integrates with local food delivery companies. Can residents order food directly from the property’s integrated app? Enabling food ordering capabilities can increase the adoption and use of the app.
Package & food delivery

Things to consider (continued)

- **Monitoring**: While the threat of theft is always present, consider a solution that offers some kind of monitoring capability. Whether it’s via a security camera integration to have a live view of the package delivery room or entry tracking based on at-the-door code usage to have a historical record of activity, ensuring residents’ packages are secure should be a top consideration.

- **Budget**: Like all things, budget will always be a consideration when selecting a solution. Consider how a high-tech and streamlined method for package and food delivery can add to the total resident experience and draw in higher-paying premium residents. Can some of this cost be passed down through higher rent? How much of the staff’s time is being saved so they can focus on other revenue-generating activities?
## Proptech comparison chart

Your property, market and renters have a unique set of needs and one size does not fit all when it comes to choosing a Proptech provider. While technology is always evolving, the below chart shows the current capabilities offered by Allegion’s Proptech alliances upon publishing this guide.

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<th>Perimeter Access/ Common Area</th>
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<th>Parking Management</th>
<th>Residential Unit Access</th>
<th>Smart Apartment</th>
<th>Visitor Access</th>
<th>Property Management Software</th>
<th>Self-Guided Tour</th>
<th>Package Delivery</th>
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✓ Provided natively ✓ Provided through partner
The payoff

It’s clear that multifamily Proptech is here to stay, and that the future of multifamily living will rely on a hybrid model that balances people and Proptech. While Proptech investments improve the multifamily portfolio, there are infinite ways a property owner can structure their total offering for the property, residents and staff. To recap, the 7 things a property owner should consider are:

- Perimeter & common area security
- Unit devices & smart apartment
- Property management software
- Self-guided tours
- Integrated user app
- Distributed Wi-Fi
- Package & food delivery

Most importantly, property owners must decide how they will measure Proptech success. Implementing technology alone is not enough. Ultimately, the success of Proptech depends on adoption and engagement from staff and residents. The chosen technology must have a positive impact for all users, be easy to learn and help future-proof the community as technology and behaviors evolve.

Still feeling like you want to chat with a real person about the ins and outs of Proptech? We’ve got you covered. We are happy to help you navigate your Proptech journey – at no cost to you. Our team of consultants can help you get started. Contact us here and one of our multifamily consultants will be in touch shortly.

Have an urgent question that you need answered ASAP? Reach out to Scott Perry, our Proptech guru, on LinkedIn.

And don’t forget to subscribe to the “Solving for Multifamily” podcast to stay updated on the latest multifamily and Proptech trends, challenges and how the industry is solving them. Listen anywhere you enjoy podcasts.
Proptech alliances

Allegion’s ecosystem of both Proptech and traditional access control providers ensures multifamily properties have the broadest offering of capabilities available. Together with our third party alliances, companies that offer independent solutions that integrate with Allegion products, we’re introducing a new standard of multifamily living by providing premier services and amenities for residents. Smart locks for apartments and mobile credentials for convenient access throughout the property - we can help provide the smart apartment experience your residents desire. For more information, please visit us.allegion.com/alliances.

- Zentra™ is redefining security with a seamless solution designed to solve the everyday problems of shared property access. Property owners and managers can run operations efficiently, while providing their residents with a seamless security solution.

- Avigilon Alta is a complete, end-to-end cloud-based security solution that future-proofs your community’s access control and video security with innovative mobile capabilities, integrations, administration and intelligent analytics.

- Brivo creates a mobile lifestyle experience that combines smart apartment building automation, impactful Proptech and seamless property access and security.

- Zentra™ is redefining security with a seamless solution designed to solve the everyday problems of shared property access. Property owners and managers can run operations efficiently, while providing their residents with a seamless security solution.

- Livly is the smart, simple and unified digital experience to manage apartments providing seamless app technology that delights operators and residents. It is a no-cost solution for properties that is easy to use and works with existing property management systems.

- Quext reimagined apartment technology with products that work seamlessly together, delivering the easiest-to-learn, most-intuitive, all-in-one, cloud-based apartment community nerve center ever offered.

- STRATIS® is the Sidewalk to Sofa™ intelligent building solution that meets the complex needs of multifamily and student housing.

- Kastle offers a complete range of real estate security solutions and integrated services to ensure the safety and protection of your property, your residents, your employees and your valuable assets.

- Rise Buildings is a robust occupant experience and property operations platform that consolidates multiple software and hardware solutions into one, fully-integrated platform.

- Homebase is the only hubless smart building solution built for multifamily that connects future-ready access control, community wide Wi-Fi, IoT and property automation in one.