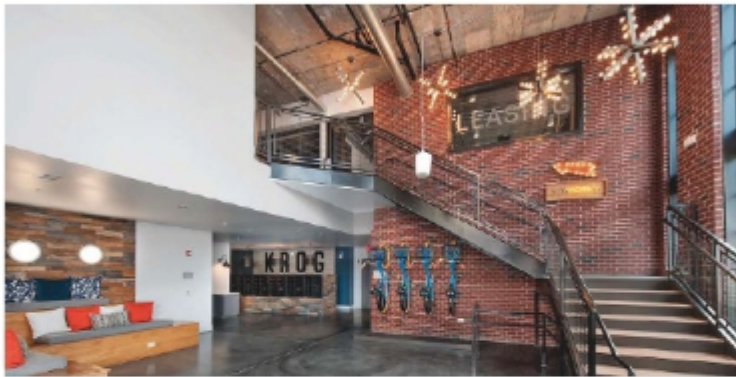


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MULTIFAMILY MANAGERS GOING HIGH-TECH

Apartment operating firms embrace technology that boosts property performance and marketing, but customer service remains industry's lifeblood.

By John Nelson



Leasing offices, such as the one at Ayla on Krog in Atlanta's Inman Park neighborhood, are adjusting to the on-demand lifestyle of their tenants with tech-friendly services. These include virtual tours, a 24-hour package concierge and a self-serve bike shop.

Apartment management firms are a key cog in an industry that has exploded in the years following the downturn. Renting has become the living situation of choice for a large swath of the population who are looking to live near their urban and suburban workplaces, as well as desirable neighborhood amenities, without a mortgage obligation nor costs inherit with homeownership.

This increased demand for a more mobile lifestyle has led developers to deliver more than 320,000 apartments on average each of the past five years in the United States, according to the U.S. Census Bureau. It's not expected to slow down anytime soon as there are approximately 538,000 multifamily units under construction that are

scheduled to come on line over the next 18 months, according to third-quarter research from RealPage Inc.

Each of these apartments will need to be managed by firms that can lease up available units, thus the apartment management sector is hiring and expanding to meet that demand. Chris Burns, senior vice president of Lincoln Property Co.'s Southeast division, says that the industry is growing so fast that often his firm has more positions available than candidates, especially since the job market is so tight (the U.S. unemployment rate was 3.5 percent in September).

"All of the core front-line managers have seen our business expand significantly," says Burns. "We've had to grow the teams and grow the

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infrastructure and resources and technology as the footprint has expanded.”

Technological advances

The growth of the multifamily sector has coincided with the rise of customer-centric technology that is conditioning existing and prospective renters to expect a 24/7, on-demand experience from their living situation. Marcie Williams, president of RKW Residential, an apartment management firm with a portfolio across the Southeast and Missouri, says that these advances have pushed the envelope for renters who want to “self-serve” more than ever.

“People want to be able to self-serve by getting their own packages, paying their rent online and booking amenities,” says Williams.

Doug Brien, CEO and co-founder of Oakland, California-based Mynd Property Management, says that renters increasingly want their apartment community’s leasing office and support staff to operate out of sight.

“It seems that renters, particularly millennials and younger residents, are seeking ways to have less face-to-face interaction with property managers, onsite staff and technicians,” says Brien. “At Mynd, we use self-showings with smart locks that does not in-

volve an agent to show the property.”

For Mynd, Brien says that the new self-showing technology has also helped give owners peace of mind about the screening process because it involves instant ID verification and facial recognition software.

Tracy Bowers, managing director of Matrix Residential, says that her firm is equipping all of its maintenance team members with mobile technology and hospitality training that allows them to handle spontaneous service requests from residents.

“This way, residents can have direct communication with onsite technicians about their maintenance needs rather than routing through the leasing office or submitting online request forms,” says Bowers of Matrix Residential, which is the property management division of Atlanta-based multifamily owner and developer Pollack Shores. “Our pilot testing, enabled by the Entrata platform, proved that this approach creates a better experience for our residents and an added benefit of a monthly cellphone allowance for our team members.”

At the corporate level, apartment management firms are investing in technology that boosts reporting for owners and provides their analysts with useful data. Business-facing marketing technology is by far the most fluid among the various platforms affecting property managers. In addition to Entrata, apartment management firms also use platforms such as Yardi Breeze and RealPage’s revenue management software products YieldStar and LRO.

Brien says firms are also investing in artificial intelligence and machine learning to analyze the collected data in order to boost property performance.

“Companies are leveraging more big data than ever before to help owners maximize their net operating income and returns, and to manage their properties more efficiently,” says Brien.

Mynd provides their owners with on-demand access to their online portal, which allows them to run their own reports for any time period and key performance indicator (KPI) they desire. The company also has the MyndMeter product, which analyzes market data and comps to help Mynd’s ownership clients price units competitively in real-time.

Despite the importance of technology from both owners and renters, some apartment management firms are hesitating to invest in a particular platform or tech-friendly amenity because the fast-moving nature of technology could deem them obsolete in a matter of months (i.e. the built-in iPod docks of the early 2010s).

“No firm has found an exact, comfortable cruising altitude yet,” says Burns. “Some owners are taking a wait-and-see approach.”

Customer-oriented business

Williams of RKW Residential says that renters’ increased reliance on technology in no way means that firms are eliminating staffing. She says her firm is actively recruiting and targeting candidates with a background in customer service first and foremost.

“There still has to be people to take care of the issues that happen when they arise, because they always do,” says Williams.

The Institute of Real Estate Management (IREM) is at the forefront of professional development and training for today’s property managers who are tasked with operating apartment communities around the country. The Chicago-based organization has nearly 20,000 members.

Shannon Longino, an executive officer for IREM’s Georgia chapter, says that renters are savvy enough to know what other apartment communities are charging for rent through various software applications and online forums. All things being equal, the deciding factor for a lot of renters comes down to the level of service they’re provided both before and after they sign their lease, thus the customer service nature of the management business is a crucial differentiator.

“The apartment industry has had to become more customer-oriented,” says Longino, first vice president of SunTrust Community Capital, a division of Atlanta-based SunTrust Bank. “People who have had customer service experience have the potential to be the best face for our customers.”

Social networks such as Facebook, Instagram and Twitter give a voice to renters and allow them to get the word out about management firms and their properties. Additionally, online ratings and review sites offer a forum for the public to see apartment operators’ online reputation and how they respond to complaints.

“Companies are fully aware that they have to offer top-notch service knowing the ratings online will help their product lease,” says Longino.

Multifamily rental rates in the United States have increased 3 percent year-over-year, according to RealPage. As renters are asked to pay more and more every year, their level of expectations from management are rising in lockstep.

“It’s the most expensive check the customer is writing every month,” says Williams. “We don’t lose sight of that.” ■