

Return on Smart Building Investments

Team Optimization

Smart Building technology is changing the way multifamily operators run their communities. This example is part of a series designed to put some numbers to the sources of benefit this revolutionary technology enables.



The Source: Team Optimization

Keyed entry is not just an inconvenience to property staff, it also gets in the way of more radical technological innovation for multifamily properties.

When companies adopt access control, they create opportunities to change their delivery model. Self-guided tours provide an example of an enhancement that can create a major efficiency.

With tour volumes drastically reduced, leasing teams can be reorganized within geographical clusters, with associates focused on closing leases for multiple different communities.

The Numbers

In this example, a 300-unit property is implementing access control to support a self-serve leasing process, lowering the workload and enabling the property to operate with a smaller on-site team.

To keep things simple, we have assumed that the technology has enabled the property to operate with one full time equivalent (FTE) fewer than previously.

In the example, the one-off costs of equipment and installation are applied to the annual reduction in FTE cost to establish how long it will take for the investment to pay for itself.

*unit entry deadbolt

The prices in this example are for illustrative purposes only—actual cost may vary.

Smart Building ROI Based on Team Optimization

	# of Units	Unit Price	Total Price
One-Off Costs			
Apartment Door Locks*	300	\$299	\$89,700
Door Reader	8	\$599	\$4,792
Intercom	1	\$2,999	\$2,999
Installation Cost			\$39,000
Total One-Off Cost:			\$136,491
NOI Impact			
Average Occupancy			95%
FTE Cost Reduction			\$65,000
Software @ \$7 Per Unit Per Month			\$25,200
Annual NOI Gain			\$39,800
Payback (years)			3.43
IRR (5 years)			23%

The Take-Away

As the model demonstrates, by reducing leasing headcount by a single FTE, the smart access implementation achieves payback in just over three years, at a five-year IRR of 23%.

Technology-enabled access control not only offers a better customer experience, it also improves career progression for associates whose time is focused on closing leases rather than touring.

An optimized cost model also changes the economics of future deals, providing developers with an important advantage when competing for deals in the same market.