

June 20, 2023

5 Surprising Ways to Enhance Your Property's Net Operating Income



Presenters



Over a decade of experience developing new product solutions with high impact, focusing on addressing customer pain points.

BS in Electrical Engineering
MBA with an emphasis on Marketing

Rebecca Peterson
Group Product Manager
Access Controls, LiftMaster®



12+ years of experience building real estate technology and consumer electronics across startups and big companies like Latch, Intel, and ARM.

BS in Electrical Engineering
MBA in Marketing & Strategy

Himanshu Caplash
Senior Product Manager
Access Controls, LiftMaster®

Our Access Solutions Serve Many Markets

FOR OVER 50 YEARS, LIFTMASTER HAS CREATED RELIABLE ACCESS SOLUTIONS THAT TRANSFORM ENTRY POINTS TO HOMES, COMMUNITIES, BUSINESS



Single-Family Homes
with Gates



Gated Communities



Multi-Family
Properties



Schools



Facilities

myQ Connected Solutions



Access Controls



Gate Operators



Software Solutions



Commercial Door Operators



Accessories



Garage Door Openers

Agenda

5 Surprising Ways Technology Enhances Your Property's NOI

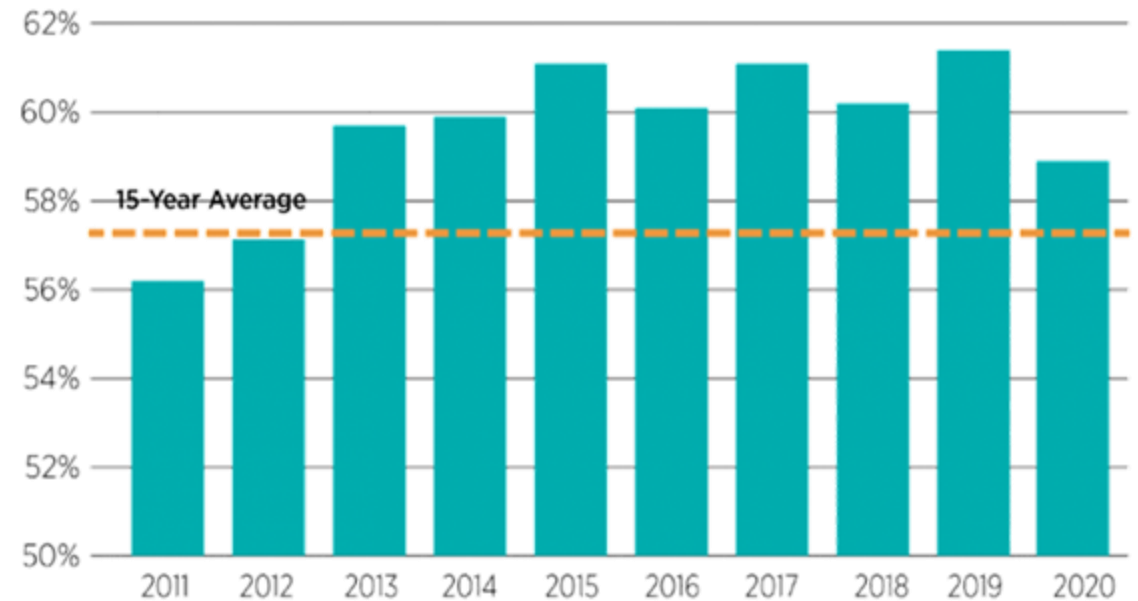
1. Attract and keep long-term tenants
2. Reduce Costs of Physical Key Management
3. Increase Task Efficiency & Decrease Opex
4. Migrate to Smart Access Controls at Your Own Pace
5. Maximize Tax Write-Offs

What's Your NOI?



[NAA 2021 Survey of Operating Income & Expenses in Rental Apartment Communities | National Apartment Association \(naahq.org\)](https://www.naahq.org)

NOI as a Percent of GPR
(Per Unit)



NOI (Net Operating Income): Used to analyze the profitability of income in real estate. Revenue from property, minus all reasonably necessary operating expenses.

Rental Properties Operating Income & Expense Data

\$9.67
per sq ft

Garden style apartments NOI

\$13.63
per sq ft

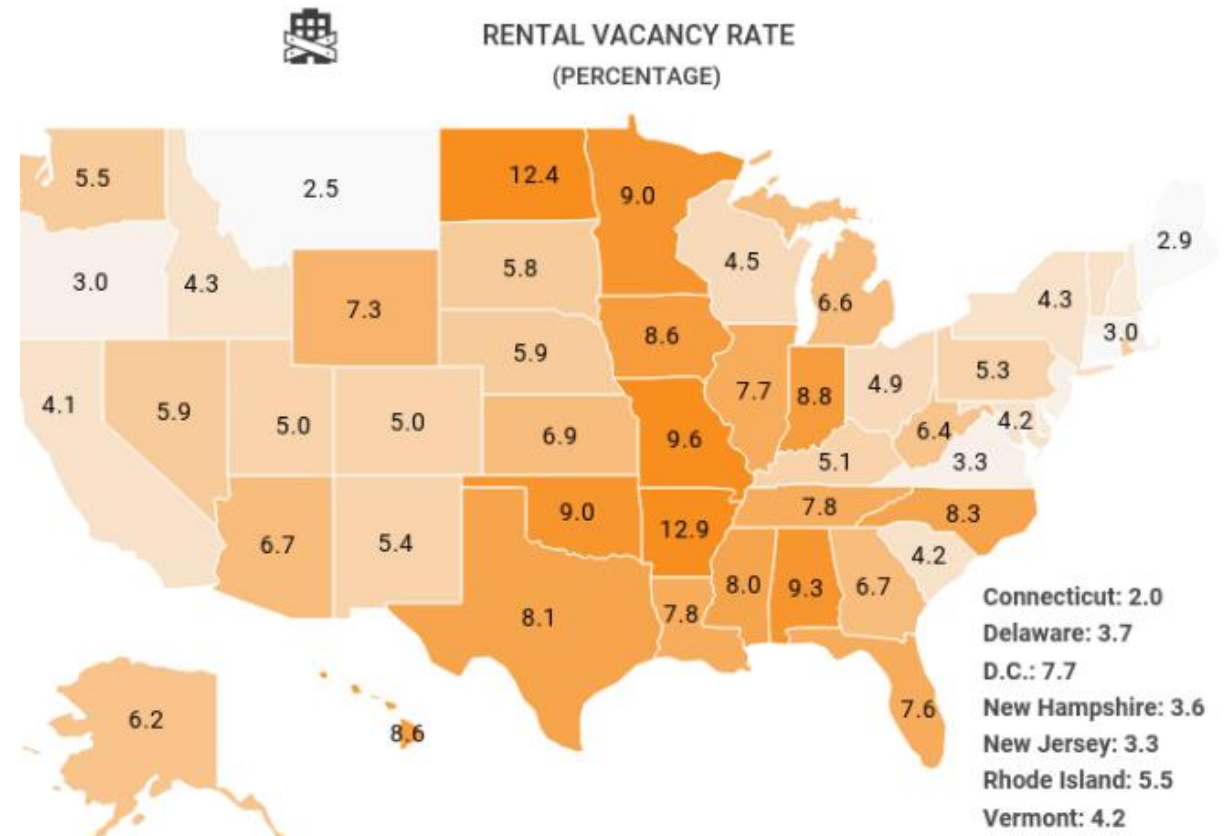
Mid- & high-rise apartments NOI

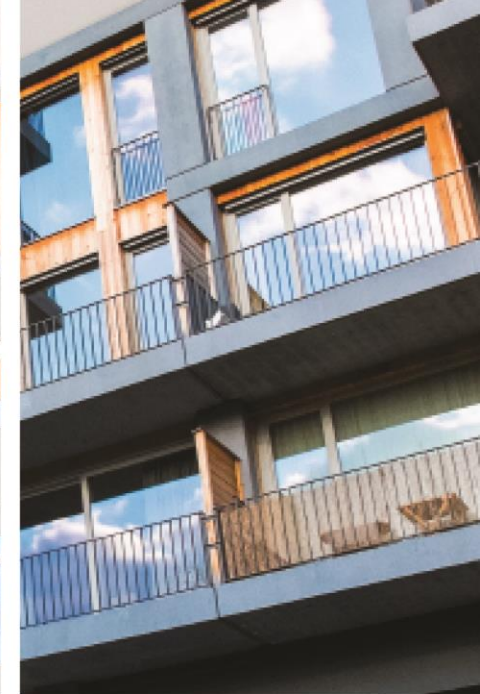
EXPENSES	GARDEN APARTMENTS	MID- & HIGH RISE APARTMENTS
Total Operating Expenses - \$ Per Unit	5,771	9,057
Total Operating Expenses - \$ Per Sq. Ft.	6.05	10.13
Operating Expenses - % of GPR	37.9%	40.1%
Net Operating Income - \$ Per Unit	9,227	12,182
Net Operating Income - \$ Per Sq. Ft.	9.67	13.63
Net Operating Income - % of GPR	60.5%	53.9
Capital Expenditures - \$ Per Unit	1,726	1,871
Capital Expenditures - \$ Per Sq. Ft.	1.81	2.09
Capital Expenditures - % of GPR	11.3%	8.3%

Compare Your Property with National Rental Vacancy Rates

- National rental vacancy rate is 6.0%
- The suburban rental vacancy rate is 5.3%
- The rental vacancy in principal cities declined by 18.6% throughout 2021
- Northeast: vacancy rate is 4.0%, down 6.98% YOY
- Southern: vacancy rate is 7.3%, up 1.39% YOY
- Midwest: vacancy rate is 7.1%, up 12.7% YOY
- Western States: vacancy rate is 4.7%, up 6.82% YOY

[Check out vacancy rates in your state on iProperty.](#)





Attract and Keep Long-term Tenants



Gen Y Renters are Concerned about Safety



1 in 5
Gen Y

residents report feeling unsafe around their community property.

55% of Gen-Yers are likely to pay more for high-tech door locks.



Smart Apartment Preferences

91%

of Gen Z apartment residents say high-speed internet is an important factor when considering an apartment.

75%

of apartment residents stated that Wi-Fi should be pre-installed.



Today's Renters Want and Will Pay More for Smart Access Control Tech



61%

of Gen Y and Gen Z indicated technology as being extremely or very important in their apartment and community.

1 in 4

Residents would pay over \$30.00 a month to get the hi-tech apartment they want.



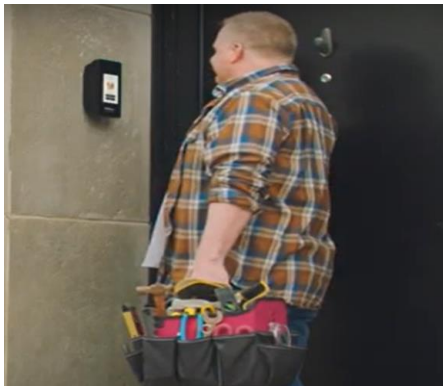
Today's Entrance Management Challenges



Food deliveries



E-commerce package deliveries



Service professionals from online platforms

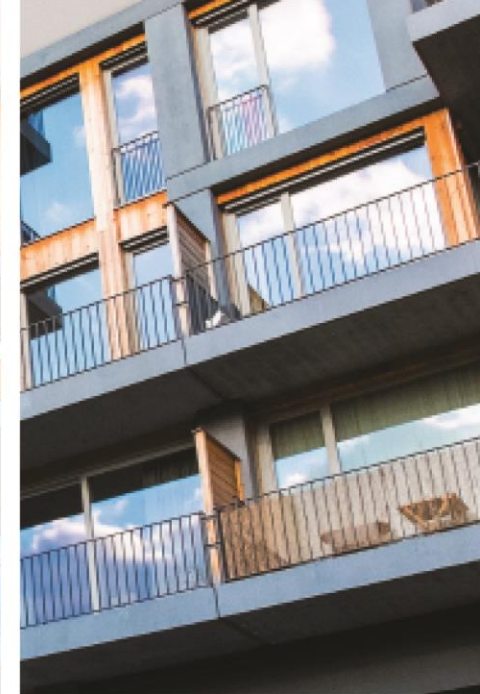


Short-term vacation rentals

“I need a way to **manage all common access points** in a single system because I am responsible for the safety and security of the community.”

“I need a way to **proactively allow guests & maintenance access** during specific times. I don't want to be tied to my phone to let in guests at the exact time they arrive.”

“I need a way to **identify and document culprits** causing damage, vandalism, or nuisances at entry points. Otherwise, it comes out of our budget.”



Reduce Costs of Physical Key Management



Lost Keys Equal Lost Time for Managers



According to a study in Britain, an average person loses up to **nine** items a day. **Keys are at the top of the list.**

People who lose their keys **spend about fifteen minutes** every day searching for these easy-to-lose objects.

HAVE YOU EVER ...

- Arrived on-site for a showing with the wrong keys?
- Driven to the property to issue new resident credentials?
- Forgotten to recover keys during changeover?
- Been called after midnight to let a locked-out resident in?

Where's the Ginkgo Biloba when you need it?

Introduce Efficiencies - Reduce OpEx

The Cost of Physical Keys

- Rekeying locks during changeovers (and why you should).
- Physical keys require your presence on a property to grant entry to everyone from a maintenance person to a locked-out tenant.
- Physical keys require that you be onsite to give keys to new residents and recover keys during changeovers.

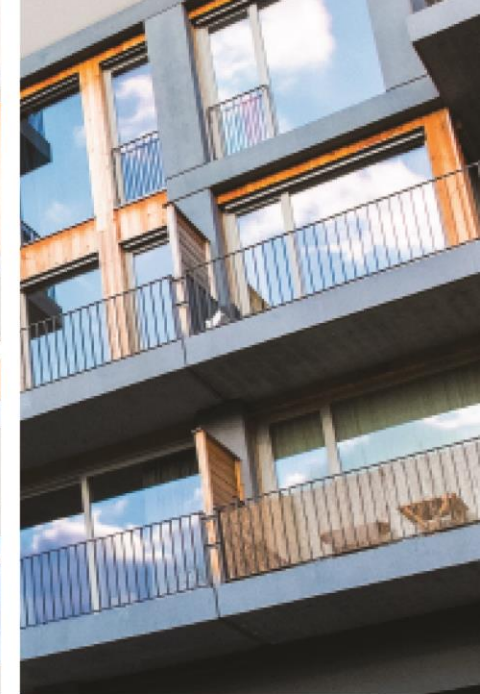


Replace Physical Keys With Cloud-Enabled Smart Locks



1. Send an access code from your laptop to let locked-out residents in without driving to the property.
2. Issue and send new resident credentials to their smartphones without being on-site.
3. Revoke credentials during changeover without being on-site, providing efficiency that makes your property more secure.
4. Spend less on gas with the ability to manage property access from your laptop or tablet.





Increase Task Efficiency & Decrease Opex



Take Charge of Access Management in the Cloud

Manage People Anytime From Anywhere

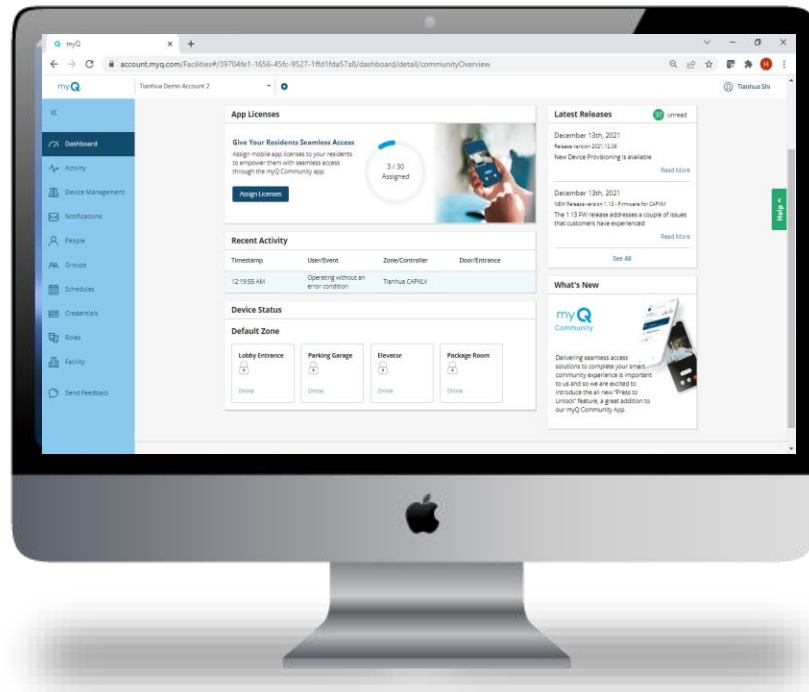
- Easily add/delete residents, assign access to specific entrances, set schedules, approve guest/event requests, and more to improve resident security and traffic flow.

- Provide access remotely with a click of a button

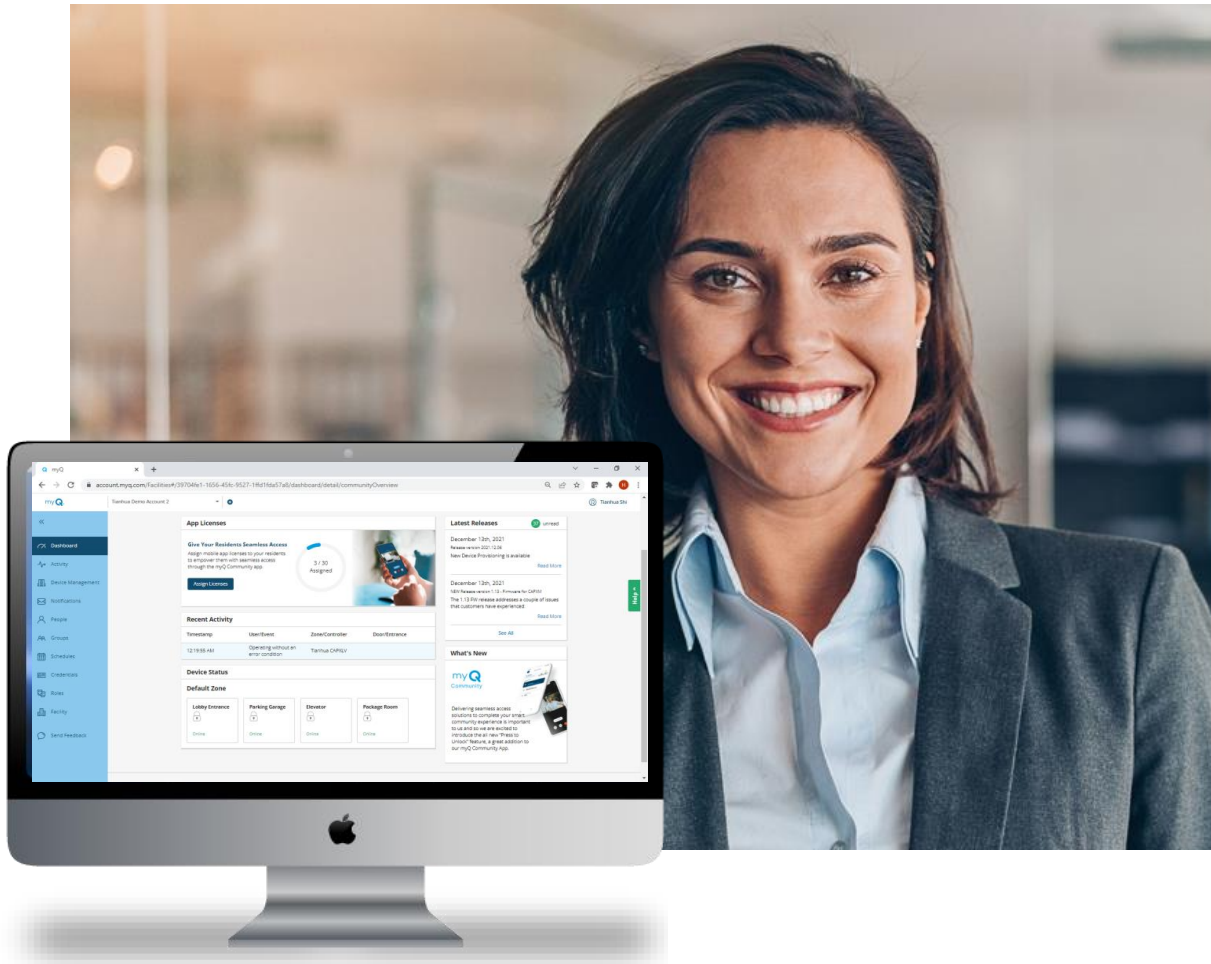
- Integrate with your existing Property Management System



- Bulk import hundreds of residents' data from your PMS in a matter of minutes, reducing errors and saving time.



Increase Security & Safety from Your Laptop or Tablet

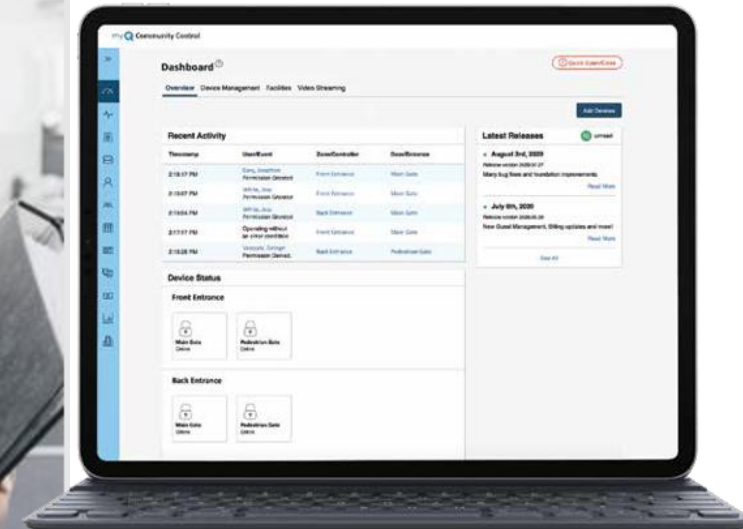


- Assign groups, schedules, and zones to provide role-based access
- Get real-time customized notifications, such as door ajar, or permission denied
- Capture vandalism in the act with a video intercom feature that automatically turns on when the unit is abused.
- Get automatic alerts about non-permissioned access attempts
- Permissioned access allows the right people, packages, and guests to come in

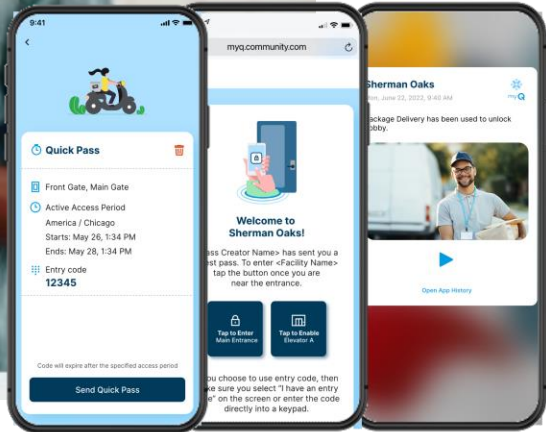
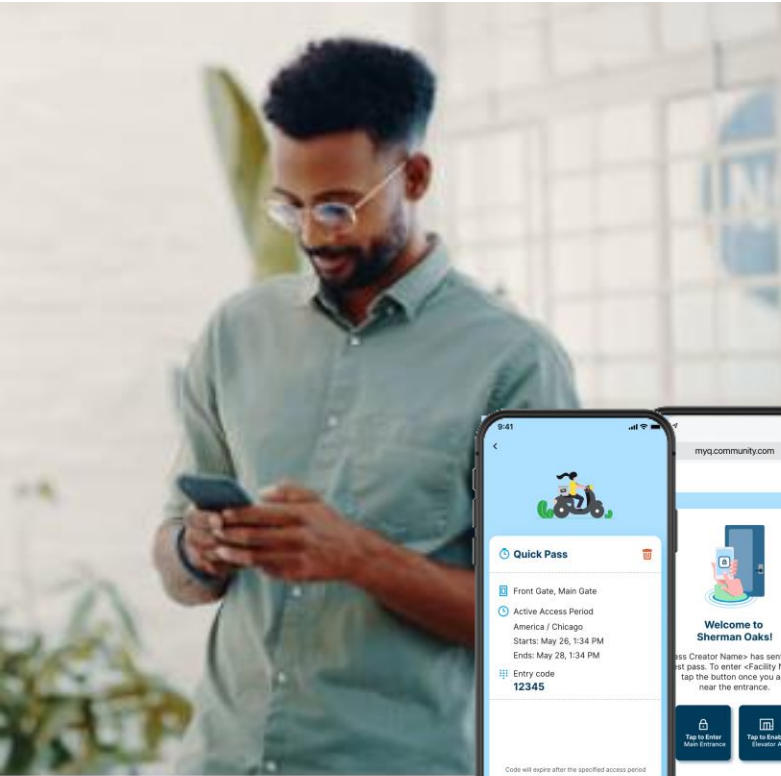
Guest Management for Managers

Increase Convenience and Peace of Mind

- Provide access to guests and vendors through a virtual pass
- Monitor security for one or many properties 24/7 from anywhere with your laptop or tablet
- Review video logs to check access point activity



Guest Management for Residents



- ***Press to unlock the*** smartphone app so residents can open any authorized entrance
- Video intercom calling capabilities so residents can view and verify their guests' identities from their smartphones before granting building entry
- Virtual keys and temporary access passcodes enable residents to send guests and visitors entry access for a limited time without long-term hassles
- Ability to open doors and gates using Siri so residents can easily use the app to enter when they're carrying groceries and even when they're away from home

Modernize your community and reduce resident churn.

Smart Tech Simplifies Property Management

Enhance
resident experience



- Smart thermostats
- Internet-connected appliances
- Lighting control system

Streamline
property operations

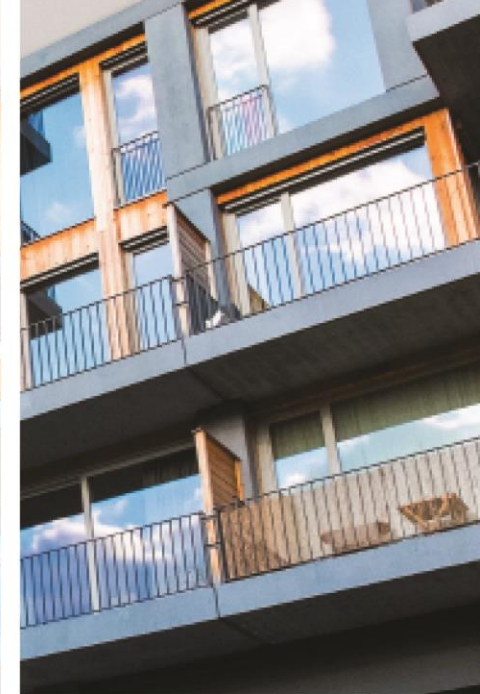


- Rent collection
- Maintenance tracking
- Resident communication
- Leasing and marketing

Modernize
property entrance



- Smart Video Intercoms
- Mobile Credentials as a key
- Smart Locks
- Security cameras



How to Migrate to Smart Access Controls at Your Own Pace



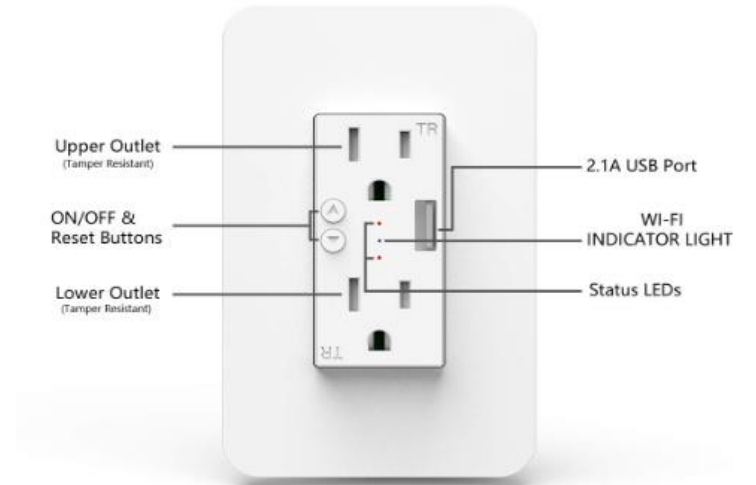
The Value of Smart Technology



1. Enhances safety and security
2. Reduces energy consumption costs
3. Brings residents' convenience, comfort, and ease
4. Enables property upsell

Smart Power Outlet

A smart power outlet looks and works like an ordinary electrical outlet but can also be used to automate any appliance or device you plug into it. It can be controlled with an app or a smart speaker like Alexa.



Smart Access Hub

Low-cost internet-connected smart hubs that allow cloud-based access with app control that can be tied to existing intercoms.

Affordable retrofit solution that provides a simple way for properties to issue digital credentials and monitor and track community activities.



Smart Locks



Garden Style Apartments

Provides a secure and seamless way for your staff, residents, and visitors to enter

Seamless experiences from the curb to the couch

Commercially rated variations-styles and finishes



Mid-High-Rise
Apartments



Keyless Entry with Mobile Credentials



No more worries about residents forgetting keys and calling you late at night to be let in.

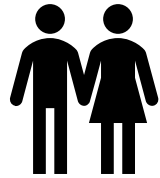
Smart, secure way to navigate all amenity spaces- gym room, pool room, laundry room, and more.

Smart technology offers resident-facing apps that allow residents to unlock their doors from their smartphones.

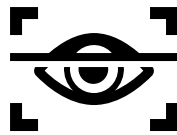
Residents' Top Amenity - Video Intercom



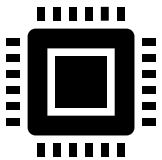
Convenient access control app for residents



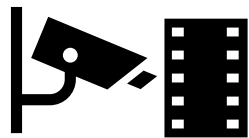
Residents can manage guests and deliveries from their phone



Residents can see who's at the door



Scalable access controls for all property sizes

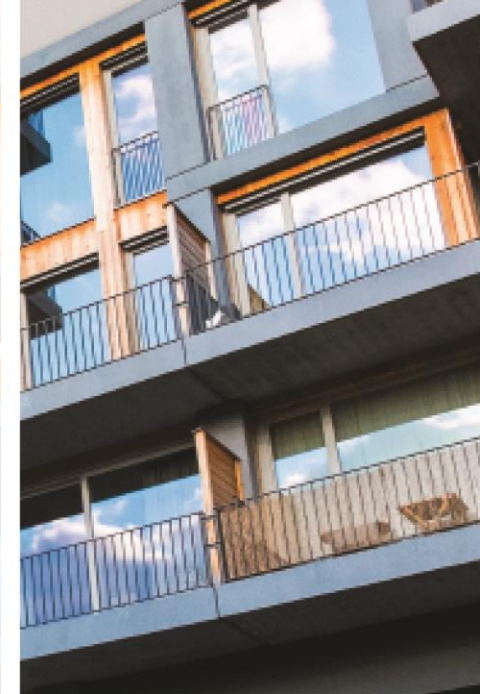


Entry events are captured with 24/7 video streaming



Automate access management

Automate entry management for your property and give residents the smart tech amenities they value — and are willing to pay more to get.



Maximize Tax Write-offs



Section 179 is Like ...

“It’s like having the government pay you to upgrade your rental properties,” Wheelwright says. “The government gets better housing for its citizens. Your tenants enjoy the simplicity and security of an automated access control system. And you get to build wealth through your real estate investment more quickly. We call that a win-win investment.”

Tom Wheelwright, CPA and CEO of WealthAbility®

Property Owners in the Audience? This is for You.

Section 179 Deductions

These deductions allow property owners to deduct the full cost of an investment in their rental units all at once — rather than depreciating the asset over time.

Types of Qualifying Deductions

- Property used primarily for lodging
- Roofs
- Fire alarm and protection systems
- Security systems
- Ventilation, heating, and air-conditioning property

You can also deduct cloud software as an operating expense.

Access control cloud software is a monthly recurring monthly expense. When preparing your taxes, you can deduct it just like any other business operating expense such as office supplies, your accounting software, or web hosting.

Key Take Aways

Enhance NOI by attracting and retaining today's renters.

61% of Gen Y respondents are more likely to rent a unit because of electronic access such as keyless entry.

Enhance NOI by raising rent.

1 in 4 residents

would pay over

\$30.00

a month to get the hi-tech apartment they want.



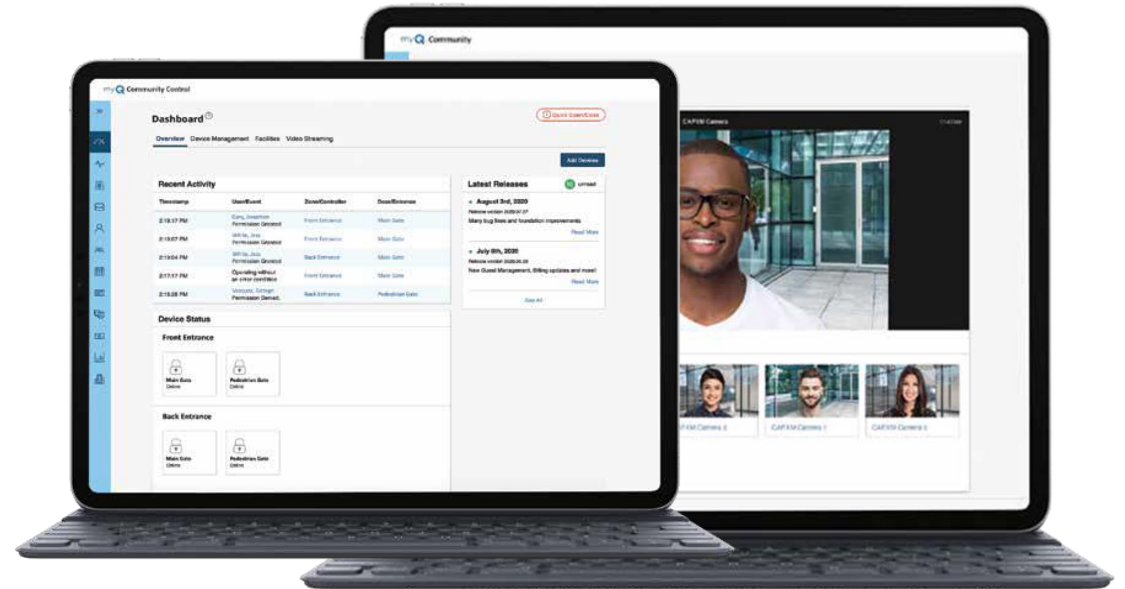
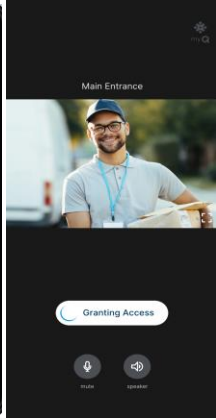
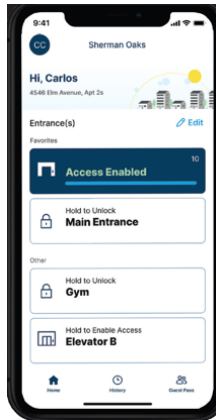
Enhance NOI and Save Time by Not
Managing physical keys
Re-keying locks
Paying for locksmiths
Driving to the property

Introduce Smart Access Controls at your own pace and expand the solution as your needs change.

How Smart Access Solutions Help Multi-Family Properties



App store 4.7 rating ★★★★★



Remote Unlock



Guest Pass



Live Streaming



Access Event Logs



Video Call



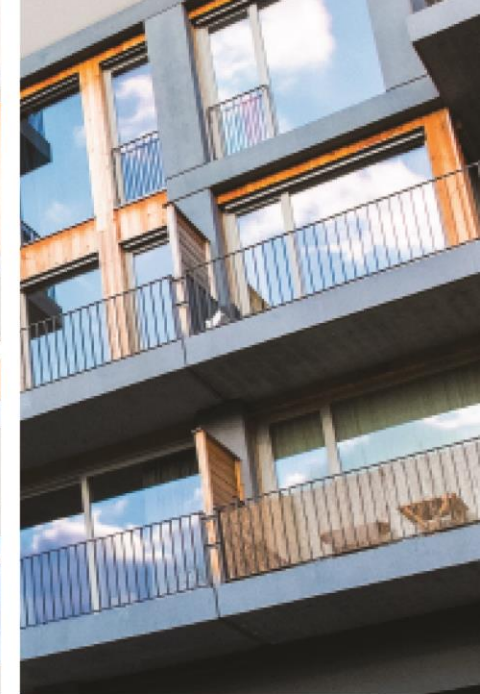
Voice Control



Unified Platform for All Properties



Cloud Storage for Captured Videos



Q&A



Get in Touch

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Follow on:

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LiftMaster is the leader in residential and commercial access, designing and delivering the safest, smartest door and gate solutions powered by myQ.

Follow our myQ Community page on LinkedIn for real estate technology trends and comprehensive access control solutions.



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