

Networking with Residents: Technology Drives the Multifamily Industry



XFINITY Communities™



Introduction

With every new year comes a transformative technology that sparks incredible demand from consumers. Whether it's the revolution in streaming video or in smart home technology, these innovations often require greater network resources to function. This has created a growing need for high-speed internet in the home and office.

Property managers and developers are balancing the requirement to provide for their residents with the challenges of a fast-moving environment. Residents expect a high-level of technology services, and respondents believe that both Wi-Fi access and high-speed internet are now more important than

even in-room laundry. This trend, combined with rapid property development and an increasingly competitive rental market, has forced managers and developers alike to become more focused on providing new services and upgrading existing ones.

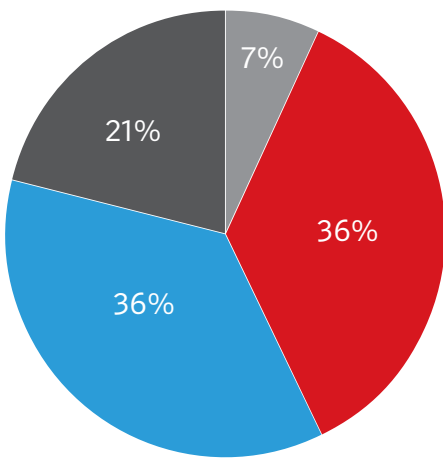
At Xfinity Communities, we recognize the strain property managers are under and work with them to meet the needs of their residents. In creating this report, our goal is to produce an accurate picture of the state of technology in the multifamily industry, identify the needs and pain points of property managers, and create an open dialogue about how we all can best serve our customers.



Michael Slovin
Vice President
Xfinity Communities

Respondents

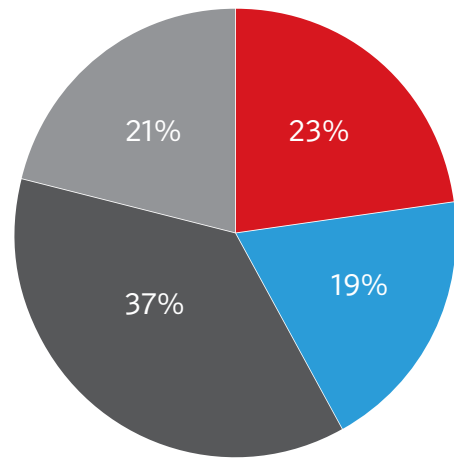
Age of Renters



- 18-34 years old
- 35-51 years old
- 52-70 years old
- 71+ years old

N=205

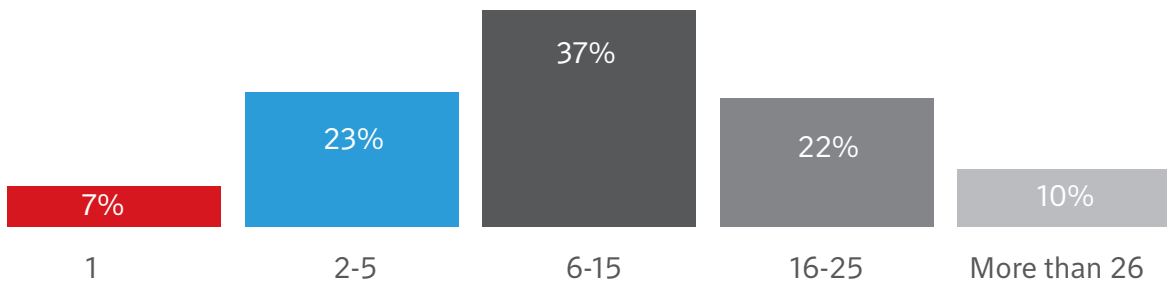
Geography of Buildings



- Northeast Region
- Midwest Region
- South Region
- West Region

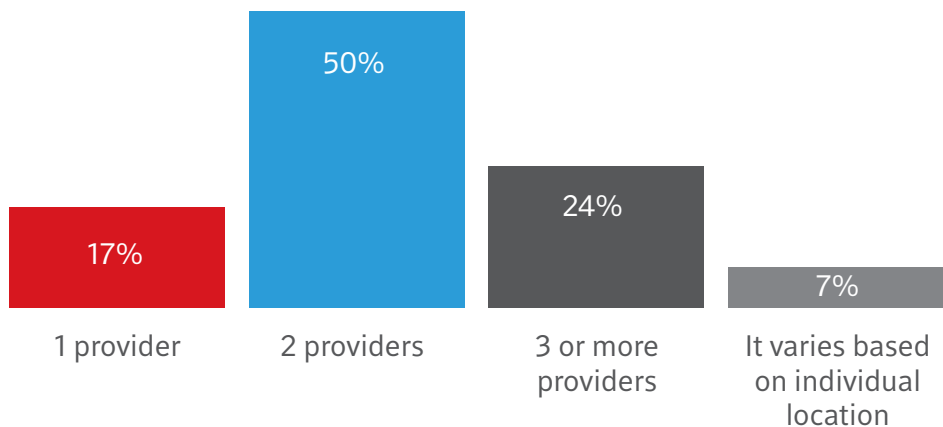
N=190

Number of properties owned/managed



N=205

Number of Network Providers within property/properties



N=205

Overview

Our research highlighted a number of trends in the multifamily industry, including a desire to reach high-speed internet as quickly as possible; the connection between technology services and increased property values and renewal rates; and a rise in telecommuting, turning many apartment buildings into the new office.

The majority of property managers and developers have already invested in or are planning to invest in fiber, with others considering technologies that

will also get their residents to gigabit speeds. This statistic matches up with the expectations of residents who increasingly see technology as a deciding factor in their housing decisions. It also shows that property managers are seeing new technology drive property values and resident renewal rates.

Here is a quick look at the reports key findings and trends:

Fast Facts

Renters' expectations in today's digital age

Property managers are struggling to manage and keep up with increased technology expectations of renters and buyers.

Our current communications infrastructure

The majority of multi-family buildings currently have, or plan to have, fiber internet.

Increased property values

Communication infrastructure and services help increase property's values.

Increased renewal rates

Technology plays an important role in renters' decision to renew a lease.

The future workplace

Buildings are not fully equipped to support the emerging trend of working from home.

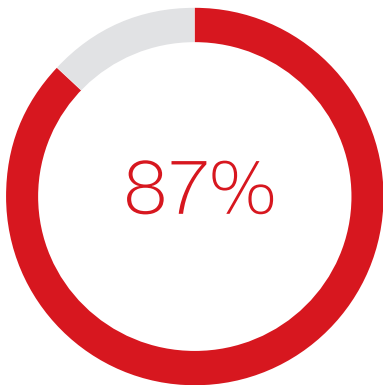
Renters' Expectations in the Digital Age

Both renters and buyers have higher expectations for the level of technology services management delivers than ever before. Among those surveyed, 87% found that technology played either an extremely or very important role in keeping residents satisfied. Additionally, 75% of respondents reported that the majority of new and prospective residents ask about communications services (internet, data, voice, TV) in their building.

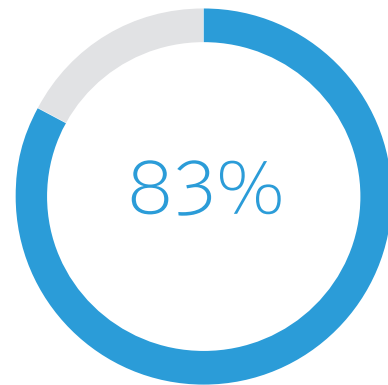
These demands make it difficult for the industry to keep up, with 46% of respondents reporting they find it difficult to manage technology expectations in their properties. The vast majority (83%) either agree or strongly agree that their company could do more to provide the highest level of technology implementation for current and prospective tenants. Nearly 9 in 10 agree that younger residents (18 to 34 years old) are driving this trend more than other generations.

In terms of the challenges organizations face when pursuing technology innovations at the properties they manage, 67% of surveyed respondents are afraid of increases in costs. Additionally, 40% worry about a lack of quality service providers, 37% are concerned about infrastructure improvement delays, 24% are worried about poor return on investment, 21% are concerned about lack of need or use by residents, and 19% worry about the lack of internal knowledge.

While those impediments were all reported, 82% agreed that as long as innovations reduce operating costs, the property would follow through on infrastructure improvements.



Found that **technology played** either an extremely or **very important role in keeping residents satisfied**



Either agree or strongly **agree that their company could do more to provide the highest level of technology** implementation for current and prospective tenants

Current Communications Infrastructure

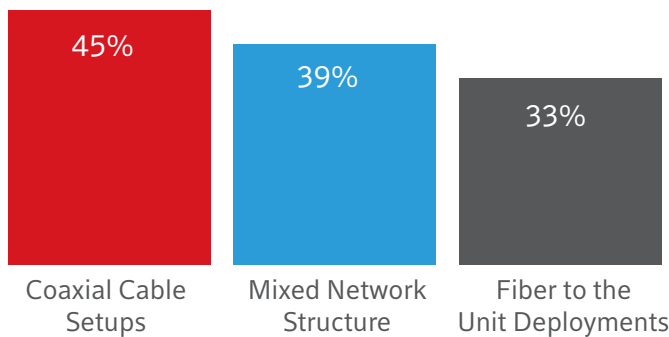
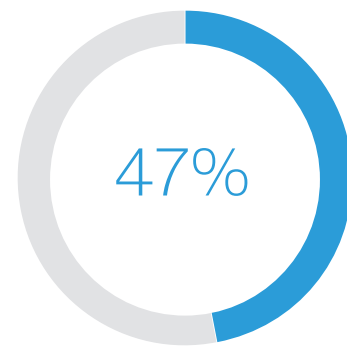
Communications infrastructure is a critical investment for any property, as it not only provides major services but also serves as the infrastructure for future innovations. Nearly half of all respondents (47%) reported that they own or manage a fiber to the building network, indicating that many managers have already made infrastructure investments.

Fiber to the building was the most common deployment by a small margin, with 45% reporting coaxial cable setups, 39% with a mixed network structure and 33% with fiber to the unit deployments.

Innovations such as DOCSIS 3.1 make it possible for gigabit speeds to be delivered through traditional setups, giving property managers an alternative option.

The push to fiber and other technologies is being driven by the demand for high-speed internet, with 48% believing it is the amenity residents enjoy the most, with another 36% citing fast Wi-Fi. Property managers also believed residents valued robust TV/entertainment packages, highlighting potential opportunity for bundled services.

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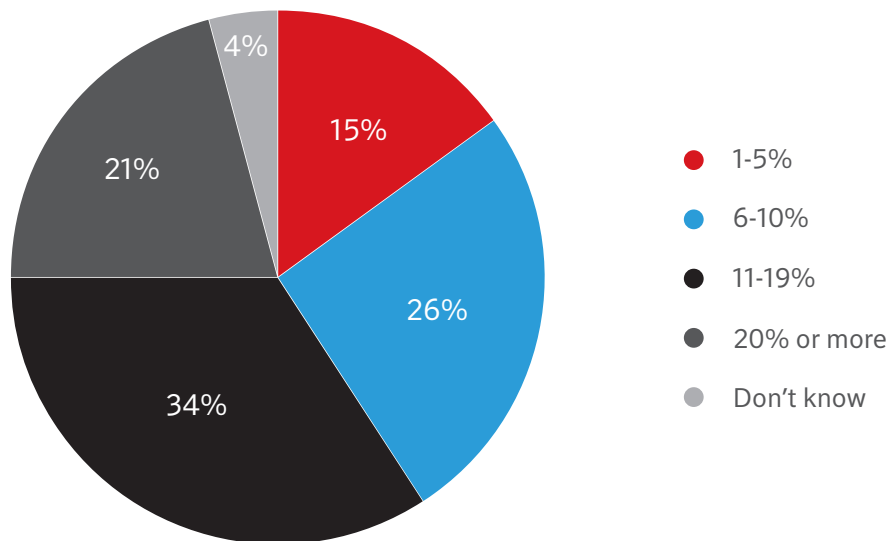
Increased Property Values

Property managers overwhelmingly see communications infrastructure as a driver of value, with 30% of respondents believing providing communications services to residents boosts values by at least 20%. Overall, 90% of managers see this type of investment as a driver of property value.

There are a variety of technology-related plans currently in process at multifamily properties, showing a clear trend toward modernization.

Energy efficiency remains a top priority, with 58% planning to implement an environmentally-friendly technology. In addition, multifamily owners are looking to improve common area technology (50%), install smart building/facility technology solutions (49%), implement smart home technology solutions (48%), and upgrade internal network infrastructure to gigabit speeds to meet increasing demands (47%).

How much do you believe your per-unit property value increases by having Wi-Fi access within your property/properties?

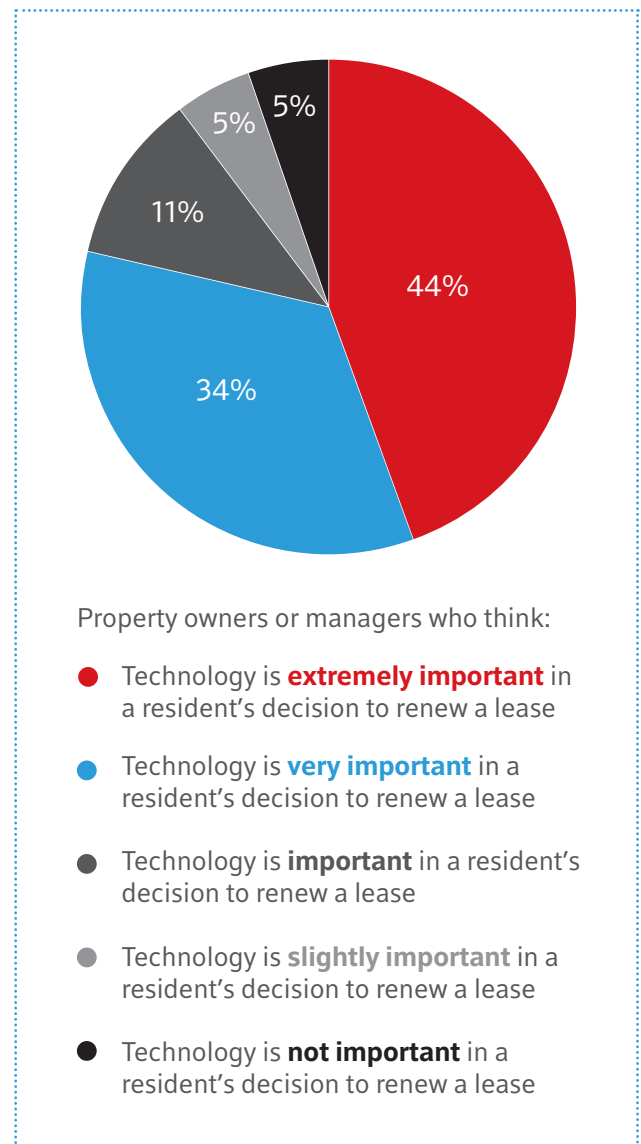




Improved Renewal Rates

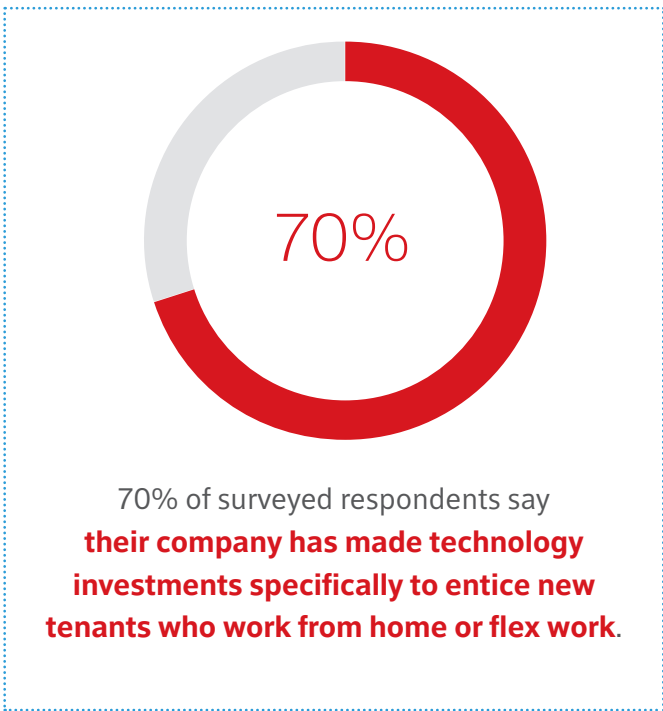
As property development continues to boom around the country, managers will need to maintain renewal rates to maintain profitability. Technology will play an important role in this aspect of the business, with a total of 89% of managers seeing it as an important factor in a renters' decision to sign or renew a lease.

When asked about what technologies they would prioritize in 2017, 60% of respondents choose energy-related improvements, 49% chose security technologies, and 43% each chose smart-home and network infrastructure improvements. In addition, 86% of surveyed respondents either agree or strongly agree that "Constant on" or "Hot to go" Wi-Fi solutions would be a good technology amenity to add their company's properties.





The Future Workplace



More people are working from home part-time and full-time, which makes the need for high-speed internet as much of a business decision as a personal decision for renters. According to the [Bureau of Labor Statistics](#), 38% of workers did some or all of their work from home in 2015. The majority of respondents (75%) see an increase in the number of residents working from home in the next three years, but many are concerned that their properties are not fully equipped to support a work-from-home culture.

Overall, 30% of building managers and owners think their property is less than prepared to handle a rapid flux of tenants who work from home.

As this trend continues, it has the potential to affect renewal rates, particularly for millennial residents.

Conclusions

The findings of this study reveal what a critical juncture the multifamily industry is in when it comes to technology services. The demand for high-speed internet and the impact of technology on both

value and renewal rates makes it clear that property managers need to plan and invest accordingly to stay competitive in the marketplace.

How Xfinity Communities Helps

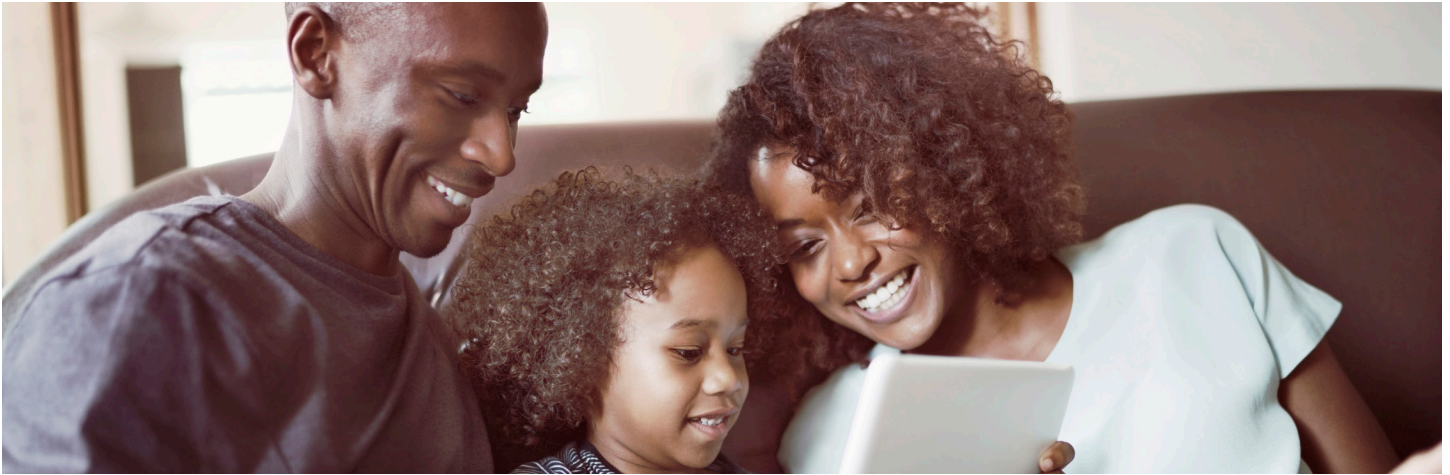
At Xfinity Communities, we are bringing gigabit speeds to new and existing properties through our Advanced Communities Network (ACN). In more and more regions across the country, we are announcing the availability of the industry's fastest speeds, delivered through fiber or DOCSIS 3.1. Comcast has developed one of the largest fiber networks in the country, covering more than 150,000 miles. Fiber to the community deployments have proven to be extremely valuable for multifamily properties, but just as powerful are the technical advances that allow us to take advantage of existing wiring and cable lines to provide high-speed internet in a cost efficient way.

We see many paths to gigabit speeds at Xfinity Communities, and look forward to continuing our work with the multifamily industry to help meet the demands of our customers.

Methodology

The survey was conducted using a random sample of building managers, building owners and real estate developers of multifamily properties located in the US. The respondents were contacted by online panel provider Precision Sample. The survey

was administered online between December 7th and December 10th, 2016. 205 qualified building managers and owners completed the survey. The margin of error for the overall findings is 5.79% at a 90% confidence interval.



About Xfinity Communities

[XFINITY Communities™](#) provides multifamily property and residents with a better network, better entertainment and better service. With one of the largest fiber networks in the country spanning more than 150,000 miles, a one-of-a-kind interactive TV experience with XFINITY X1, and dedicated property support, we provide an end-to-end service that

translates to better living for more than 189,000 properties and 14.7 million units. Our Advanced Communities Network (ACN) – a fiber network solution that provides your properties with gigabit speeds – can help attract new residents while giving existing residents what they want.