

Upgrading and Renovating Technology Services in the Multifamily Residential Industry

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Developers, owners and facility managers in the U.S. multifamily residential industry have some serious work to do. A [June study](#) commissioned by the National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA) revealed that the country needs an estimated 4.6 million new apartments by 2030 to accommodate growing demand. This increasing need – driven by a number of factors including delayed housing purchases by younger generations, an aging population that has resulted in greater demand among the 65+ group and rising immigration rates – has led to the formation of one million new renter households per year on average over the past five years – more than the U.S. has ever seen.

As a result, 39 million people now live in apartments, and the multifamily industry is quickly approaching its capacity. And the development of new units is not keeping pace; the NMHC estimates that at least 325,000 new apartments need to be built per year to meet the demand, but only 244,000 were built on average over the past four years. For property managers at existing multifamily properties, this signals an opportunity and a competitive challenge:

1. Their units will be in great demand – an opportunity to capitalize on.
2. Competition will be fierce – residents will expect more which in turn will force facility managers to upgrade or renovate their properties.

The NMHC presented its study and the issue of surging apartment demand as a call-to-action, not only for apartment builders, but also for existing facility managers. “There will also be a growing need for renovations and improvements on existing apartment buildings,” the NMHC stated in its report. “(Our) research found that 51 percent of the apartment stock was built before 1980, which translates into 11.7 million units that could need upgrading by 2030.”

Keeping up with the pace of technology

Technology services should be the first area that facility managers improve. In a recent Xfinity Communities survey, “[Networking with Residents: Technology Drives the Multifamily Industry](#),” 89 percent of managers reported that technology is an important factor in renters’ decisions to sign or renew a lease, and 87 percent reported that technology plays either an extremely or very important role in keeping residents satisfied.

Fortunately, there are a number of options for improving technology services in MDU buildings, ranging from simple upgrades to rewiring buildings and full infrastructure renovations. So it becomes a question of which of the following approaches are right for the owner and building based on the facility manager’s evaluation.

1. Keeping it simple

Facility managers can first try to improve broadband performance by updating existing hardware and equipment located in the building. Residents may experience a vast difference based on simple changes to switches or wireless access points.

2. Upgrading to the latest

One of the easier – and less costly infrastructure options – is to upgrade to ultra high-speed internet via the new technology, DOCSIS 3.1. This data transmission standard enables the delivery of high-bandwidth broadband speeds up to 1 Gigabit-per-second (Gbps) over existing coaxial cable networks with no more equipment than an updated modem. Facility managers consider this to be the best option as it ensures the faster speeds residents want, but without the costly disruption of a full renovation. While DOCSIS 3.1 is currently only available in select areas, it is expanding quickly.

3. Avoiding disruptive renovations

However, if the first two options are not possible, the facility manager is left with the worst-case scenario: an extensive renovation. This is most likely to be necessary in older multifamily properties with faulty wiring. Additionally, residents now expect multiple coaxial outlets per unit, so older units that only have one outlet will need more added in bedrooms and common areas.

If new cabling is needed, new coaxial or fiber optic cable installations are both viable choices that can provide gigabit-speed service. Residents can best take advantage of that bandwidth by leveraging Wi-Fi spectrum management technology, which allow residents to fully customize and optimize their Wi-Fi experience by allocating Wi-Fi as needed to their various devices and systems. Additionally, some providers, such as Xfinity, use coaxial DOCSIS 3.1 elements to support gigabit service today, and will include full-duplex specifications permitting numerous high-speed symmetric bundles in the future.

Facility managers should work with their service provider's account team and sales engineer to review their specific needs and determine the best plan. Then, they can develop a technology solution that best fits the property while also delivering compelling and differentiated services to residents. This custom approach ensures property managers can maximize invested capital as well as residents' choices.

Whether it takes a simple adjustment, an upgrade to the latest technology or a full-fledged renovation, facility managers need to take whatever steps necessary to ensure their technology services meet the growing demand of their current and future residents.