

As a capital and infrastructure provider to multifamily owners and developers, PearlX understands the importance of investing in property upgrades that can increase value and tenant interest without breaking the bank. Here are five practical ways to do just that:

1. Boost the value-add of your outdoor space

One lasting impact of the pandemic has been a greater appreciation for the outdoors and awareness of the importance of addressing climate change. While gardens and landscaping have always been essential to making multifamily properties look more attractive and enticing, modern tenants place a value on these features that goes beyond appearances. Landscaping with native plants, planting community and butterfly gardens, and installing seating in outdoor spaces are relatively inexpensive, easy and low-maintenance ways for owners and operators to demonstrate commitment to sustainability. These features help attract new tenants and make existing residents feel good about where they've chosen to live.

2. Get up on sustainability regulations – without paying out of your own pocket

In many parts of the county, sustainability is no longer an option for multifamily developers – it's written into the law. In California, for example, a recent addition to the state's Title 24 regulations requires new residential developments to include solar power and battery infrastructure, which can be quite a costly addition to a project's balance sheet. These regulations not only apply to new residential buildings, but also new carports, a fact that can really throw a wrench into a developer's plans. Thankfully, there are ways developers and owners can meet these requirements without having to spend any additional cash out of pocket (or ever).

As an energy capital and infrastructure partner, PearlX pays multifamily owners and operators a monthly lease to install solar panels and other electrification amenities on their properties. Residents can access clean energy at a nominal discount, while owners can feel secure knowing they have a back-up power supply on tap in the event utility-provided electricity goes out. The panels are often installed atop purpose-built carports, giving owners another in-demand amenity to offer tenants.

Unlike traditional solar panel deployments, where the provider installs the panels and then leaves, the relationship PearlX has with multifamily owners and operators is a true partnership. PearlX not only installs the equipment but is responsible for its ongoing maintenance. That also means that PearlX will be there to help stakeholders identify and capitalize on new energy-based revenue opportunities.

3. Foster a sense of community by leveraging programming in underutilized amenities

Shared spaces like seating areas, sport courts and pool areas are a must-have for modern multifamily properties, but the reality is that these amenities sit mostly unused. For little or no cost, multifamily owners and operators can leverage these shared spaces to enliven the property and increase tenant happiness and satisfaction. Game nights, water aerobics, cooking classes and sports tournaments are just a few ideas to put a smile on tenants' faces, create positive word-of-mouth about the property, and make it harder for residents to leave when it comes time to renew their lease.

4. Embrace managed WiFi for tenant convenience, satisfaction – and retention

Within a single multifamily property, residents could be getting their internet access from five or six different providers with varying prices and service levels. Managed WiFi eliminates that price and service variability by bringing in a third-party specialist to outfit, configure, secure and administer internet access for the entire community. Multifamily owners and operators then sell access to their tenants, who can use a single login across the entire property, whether they're at home, laying by the pool or walking their dog.

5. Supercharge your parking lot with electric vehicle charging stations

While the days of electric vehicle (EV) manufacturers giving away charging stations for free are over, third-party providers may have an even more attractive offer for multifamily owners and operators. These companies will lease parking spaces and install and maintain charging stations in those spaces, which they then lease to tenants who own EVs. This model can not only create a lucrative new revenue stream for property owners, but help them earn green energy credits, as well. These credits allow properties holding agency debt to lower the basis points on their loan based on decreases in electricity consumption.

The options above enable multifamily owners and operators to add valuable amenities at little or no cost, boost their sustainability bona fides, generate revenue and reduce costs.

While the interest rate and capital economic environment continues to be challenging, the fundamentals for multifamily housing are still very healthy, with incredible demand fundamentals. Multifamily owners and operators who invest strategically to find new sources of revenue, reduce costs, grow market share and maintain occupancy and rent levels will be in a better position to bridge the gap until more favorable conditions prevail.