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## How Experiences Are Replacing Amenities in Multifamily

Increased competition and underuse of brick-and-mortar amenities are spurring the multifamily industry to add experiential features. The new offerings include on-site experts, neighborhood partnerships, and delivery services, all backed up by laser-focused research into residents' preferences.

October 22, 2018 by Barbara Ballinger

Commercial real estate watchers have seen the retail sector increasingly offering consumers novel experiences to rise above the competition. But the buzz at the Multifamily Executive Conference in Las Vegas last month revealed this trend is going

residential in a big way. Developers, property managers, design professionals, and commercial agents heard firsthand that consumers now prefer carefully curated and highly personalized services and experiences, rather than the traditional amenities that once held sway.

“We have reached the pinnacle of the amenity arms race,” says Mary Cook, founder of Mary Cook Associates, a commercial interior design firm in Chicago, who attended the conference. “It’s not enough to offer resort-style pools, state-of-the-art fitness centers, and stunning club rooms and lounges. You have to activate these spaces with programs and services that attract and engage residents.”



© Mary Cook Associates

Terrace at ViVo, with outdoor TV, shade structure, deep seating, Mary Cook Associates

The trend is fueled by the multiple generational cohorts that are making for intense competition in the multifamily market. Millennials are staying put longer in apartments and condominiums, boomers are downsizing in multifamily settings, and student housing is becoming a more demanding niche.

## Aim for Sociability

As digital devices tend to isolate us, residents are looking for spaces to be social, says Gigi Giannoni, vice president of marketing and public relations in residential and retail at Gables Residential, a multifamily developer in Atlanta. Cook agrees: “Such spaces help

draw people in, are flexible, and can enhance community and ultimately inspire a culture that keeps residents engaged more than a physical amenity can.”

Some of this is about merely beefing up what already exists to make common areas more conducive to hanging out, says Hugh Allen, senior vice president and commercial real estate regional director of TD Bank in

Charlotte. He says simple upgrades like bringing in craft beers on tap in an area is known for its breweries or introducing a golf simulator in areas where the sport is popular can make your building feel more like a community based on shared interests.

Another easy upgrade is making existing spaces more flexible. Carla Powell, senior vice president of 2B Residential, a subsidiary of St. Louis–based commercial real estate brokerage and development company Balke Brown Transwestern, says no space should serve a single purpose. By integrating a screen into a functioning kitchen, one day the space can be for movies and another day it can host sushi-making lessons, she says.

Today, fluid amenity spaces that can adapt to a range of activities will better support resident engagement, says Kim Bucklew, managing director at Alliance Residential in Phoenix. She recommends relying less on built-in furniture and fixtures, and more on movable, multipurpose items.



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Club lounge, Parc at Princeton Junction, by Mary Cook Associates.





Keep areas open rather than closed off to both support different types of programming and increase resident interaction. Developers can easily include options for dividing up space by including curtains, pocket doors, and barn doors in the design.

© 2B Residential

An engaging social space for residents at Cortona at Forest Park in St. Louis, Missouri.

Single-use areas can rapidly become obsolete and require renovation, especially as technology evolves. That's why Bucklew says it's also important to ensure each space has the latest Bluetooth or Wi-Fi capabilities. "Add electrical, data, and network updates to accommodate future uses," she says.

Another prime driver for this desire for more social spaces is that millennials are looking to their buildings to help build connections. "They move for jobs to cities where they don't know many people and want to build an instant community," says Bentley Phillips, a broker and founder of Spaces Real Estate in Chicago. If this is a common situation for your residents, it may make sense to add a coworking space. At Broadstone Yards in Atlanta, for example, multiple spaces within the area include private offices with videoconference equipment.



© Rebecca Bockman for Alliance Residential

Broadstone Yards, co-working space by Rebecca Bockman for Alliance Residential.

## Make Convenience a Mantra

Residents are also looking for amenities that help them save time, says Powell. Anything related to pets seems to be paying off these days, from dog runs and pet-sitting to walking services and grooming stations. Cook says this trend is especially strong with buildings that attract younger residents. “Almost all millennials seem to have a dog, and we’re even providing for these companion pets in student housing,” she says.

Health and wellness is also a category that plays well into the desire for convenience.

Developers are bringing personal trainers, group fitness instructors, and massage therapists in to revitalize gym spaces. And the old bike room is also getting revamped with specialized racks, sharing programs, and DIY repair spaces. Phillips of Spaces Real Estate brings in Lululemon yoga

teachers to conduct classes on the rooftop deck at Southport Gateway Apartments building in Chicago and works with Blue Crate Storage to move residents’ seasonal clothing in and out in buildings if residents don’t have enough closet space. Phillips also notes that the decision of Chicago’s Optima Signature building to add Pear Chef to their list of amenities is one of many that demonstrates the impact the hospitality industry is having on multifamily. Chefs prepare fresh meals, cocktail pairings, and snacks for residents in the building’s kitchen and deliver them just like hotel room service does.

As car-sharing services become more popular, multifamily properties are looking for ways to improve the user experience.

DiMella Shaffer, an architectural planning and design firm located



© Mary Cook Associates

PetSpa at ViVO where more than half owners have dog, Mary Cook Associates.

in Boston and Seattle, designed a pickup and dropoff space for a six-story building going up in Allston, Mass. The area includes a protected sitting space, and is located outside the main entrance but on a perpendicular, less busy cross street, says architect Frank Valdes, associate principal at the firm.



© DiMeller Shaffer

Building with designated share-ride pick up and drop off, designed by DiMeller Shaffer.

As online shopping becomes a part of our daily lives, buildings are beginning to set aside bigger rooms for package deliveries, with lockers for each resident. An app often controls access, says Devin Wirt, CEO of TFLiving, a company based in Pawleys Island, S.C., that's among the many helping multifamily

developers and managers transform their buildings. Some also set aside another area for residents to drop off and pick up dry cleaning to eliminate time they otherwise might spent on that chore, Wirt says.

### Bring in the Neighborhood

Location has always been important to developers, but now the businesses nearby a residential

unit are becoming more important to the site choice process. When developer and property manager Alliance Residential planned Broadstone Yards in Atlanta, the company selected the former industrial location because of its busy retail hub, including one of the city's top restaurants, Bacchanalia. "We wanted to offer experiences where residents could park their cars and walk,"



Concierge package room at the BALDWIN, San Antonio, TX. By NRP Group.

says Bucklew. Similarly, Aimco, the developer of ViVo Apartment Homes, chose its Charles River site in Cambridge, Mass., for the “zero commute” to offices for Oracle, Biogen, Pfizer, and Google, and proximity to the MIT campus, says Cook, whose firm was involved with the development.

Besides locating their buildings near retail services and offices, more developers and property managers are working directly with neighborhood experts to build synergy. Such strategies can boost both the building’s and the retailer’s visibility. Alliance Residential does “a ton of this because so much is at our front door,” says Bucklew. “We might have West Elm [a furniture chain] do a model unit for us and then offer residents a percentage off furnishings in the store if they buy,” she says.

Trinity Financial Inc., a developer and property manager with offices in Boston, orchestrates activities regularly for its residents such as a tour of a nearby brewery to introduce them to the neighborhood, says Abby Goldenfarb, vice president.

But some companies find it more efficient and cost-effective to bring neighborhood resources directly to the site. Powell’s firm does this to help lower costs at their events. “We might have a pool party and have someone bring in hors d’oeuvres and wine, which may be free or at a discount, or we might pay for the first round of drinks,” she says. When Cook designed the club room at the Riverworks development in Phoenixville, Penn., she integrated several taps supplied by local breweries that host regularly gatherings onsite.

NRP Group uses food as a recipe to build community sentiment. The company invites local food trucks to its Texas, Pennsylvania, and Ohio communities, sometimes as often as weekly. At its Cleveland property, The Edison at Gordon Square, the central driveway that runs through the property includes embedded electrical outlets for easy power hookup for the mobile restaurateurs.

## **Do the Research**

These emerging choices do generally require less square footage and expense to build and maintain than the pools, gyms, movie theaters, and business centers of old. But they’re far from a slam-dunk. For one, the best solutions target a specific rather than a generic cohort. “We’ve learned that there’s no point to spend tons on an amenity people aren’t looking for,” Powell says.

That's why solid, regular research is required to improve the odds of attracting and retaining residents with these new amenities. Getting accurate information to help make informed choices may involve an onsite property manager or an outside company that can conduct frequent resident surveys. Thanks to the new panoply of tech tools, researchers can obtain more reliable, faster feedback than old-fashioned paper and pen questionnaires, verbal surveys, or guesswork. Lyra Intel, a commercial real estate business technology platform in Charlotte, N.C., for example, offers clients an app to gather actionable data to integrate into existing property management systems, says Robert Finlay, founder and CEO. AppFolio in Santa Barbara, Calif., collects data through its software to help building owners decide on services and figure out when and how to activate amenity sites.

In certain cases, research may dictate the need to drill down farther. For example, Cook was asked to develop spaces for a large Chinese and Indian population at Toll Brothers' Parc at Princeton Junction, a luxury apartment complex in Princeton, N.J. "The developer knew a lot of the residents would be employed by nearby biotech employers. Her recommendations called for a free shuttle to the train station, since many don't drive, and

impermeable, commercial-grade textiles, wipeable surfaces, and good ventilation in a communal kitchen since many cook with oil at high temperatures," Cook says. She took a similarly focused approach for another Toll project, Riverworks. Because of its location along two waterways in Pennsylvania and an anticipated active millennial cohort, she developed hiking and kayaking activities outdoors and rock-climbing indoors.



© Mary Cook Associates

Spaces for everyone, including for study, since the area is known for its good public schools, Parc at Princeton Junction, Mary Cook Associate.





### Barbara Ballinger

Barbara Ballinger is a freelance writer and the author of several books on real estate, architecture, and remodeling, including *The Kitchen Bible: Designing the Perfect Culinary Space* (Images Publishing, 2014).

Barbara's most recent book is *The Garden Bible: Designing Your Perfect Outdoor Space*, co-authored with Michael Glassman (Images, 2015).



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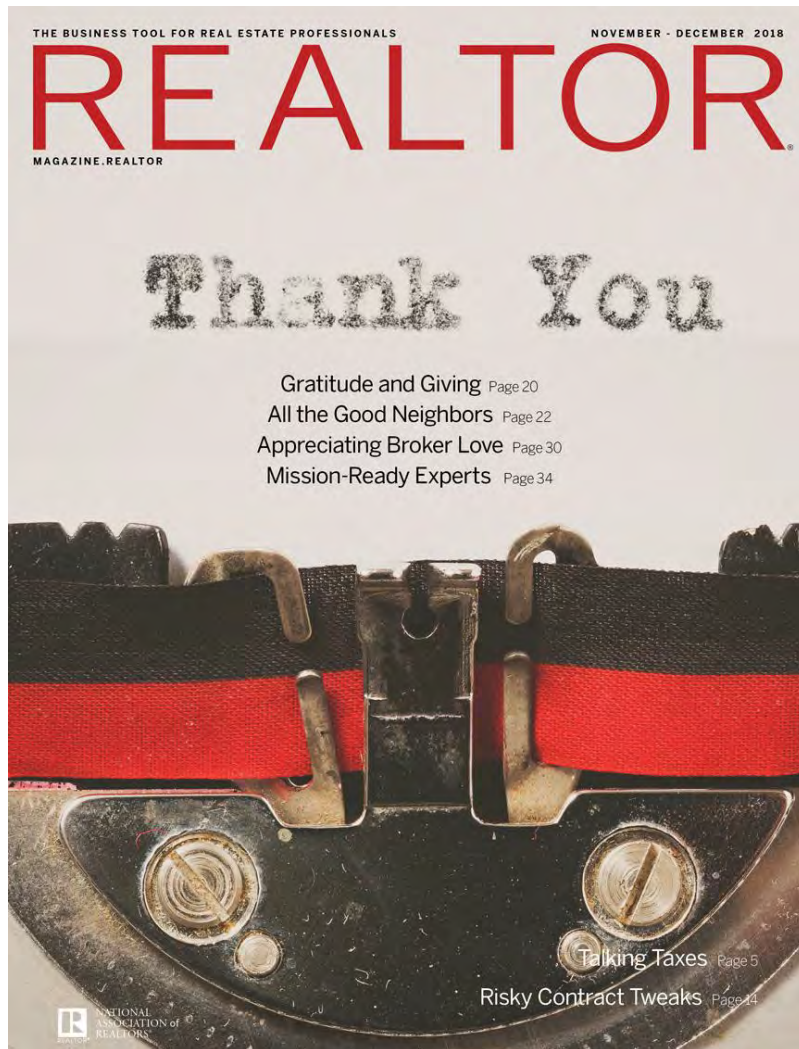
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