

What Building Technology Is Worth

The 2026 Multifamily Technology Value Benchmark

PropertyAlpha Research • Engine 2026.11-v3 • Figures are modeled

KEY FINDINGS

1. A smart home package is worth about \$246 of net operating income per unit per year, net of software, or about \$4,500 of asset value per unit at a 5.5% Class A cap rate.
2. Owner-managed Wi-Fi is worth about \$220 of NOI per unit per year, or about \$4,000 of asset value per unit at 5.5%. For hotels, guest Wi-Fi is a cost to manage and is valued at \$0.
3. Access and entry operations are worth about \$16 of NOI per unit per year, or about \$46 when self-guided tours actually change on-site leasing hours. Most of their value is in risk and operations.
4. Together, the three residential levers identify about \$96,000 of annual NOI and about \$1.75 million of asset value for a 200-unit Class A community, within a modeled range of about \$1.45 million to \$2.24 million.
5. At a 5.5% cap rate, every \$1 of recurring NOI supports about \$18 of asset value. The cap rate moves the answer as much as the NOI does.
6. Leak detection, life safety, energy management, solar and EV charging carry no national dollar figure. Their value depends on each building's insurance, utilities, roof and parking, and is real, but it has to be measured building by building.

1. Why value technology in NOI terms

NOI lift ÷ cap rate = asset value created.

Owners, lenders and appraisers already agree on how to value income-producing real estate: net operating income divided by a capitalization rate. Building technology is usually sold in other terms: features, resident satisfaction, energy percentages, payback periods. Those can all be true and still never reach an underwriting model.

This benchmark translates technology into the terms the capital stack uses. If a technology adds recurring income or removes recurring cost, it raises NOI, and the market capitalizes that NOI into asset value. If its value cannot yet be measured that way for a typical building, we say so and do not put a number on it.

2. How the benchmarks are built

- Graded sources. Inputs come from government data, national labs, audited filings and industry surveys, each graded for quality and versioned with a change log. Vendor marketing never sets a number.
- Net, not gross. Software and provider fees come out before anything is capitalized.
- Counted once. Every dollar is assigned to exactly one of four value dimensions (income, efficiency, resilience and desirability), so nothing is double counted.
- Portable drivers only. A lever gets a national dollar figure only if its driver holds across buildings, such as a per-unit fee or a per-unit saving. Levers that depend on a building's own insurance, utilities, roof or parking are described, not priced.
- Ranges, not points. Each report shows the 10th to 90th percentile of 2,000 simulated combinations of the driver inputs and the cap rate.
- Governed. Every change to a benchmark is versioned and signed off before release. This paper reflects engine 2026.11-v3. The methods are published here in principle; the coefficient tables stay internal.

3. The 2026 benchmarks

LEVER	NOI PER UNIT PER YEAR	VALUE PER UNIT AT 5.5%	BENCHMARK INSTALLED COST	EVIDENCE GRADE
Smart home package (lock, hub, thermostat, basic leak sensors)	about \$246	about \$4,500	about \$1,100 per unit	Medium
Managed Wi-Fi (Wi-Fi-only resident fee)	about \$220	about \$4,000	about \$1,100 new, \$1,900 existing	Medium
Access and entry operations	about \$16 (about \$46 if leasing hours change)	about \$290 (about \$840)	about \$100 per unit	Low
Guest-room energy management (existing hotels)	about \$27 per key	about \$325 per key at 8.25%	Building-specific	Low

Modeled national benchmarks, PropertyAlpha engine 2026.11-v3. Evidence grade reflects how well documented the inputs are.

Smart home: a resident technology fee, fewer maintenance trips, and energy saved in vacant units through thermostat setback, minus software. Managed Wi-Fi: $12 \times (\$48 \text{ Wi-Fi-only fee} \times 95\% \text{ take rate} \times 95\% \text{ occupancy} - \$25 \text{ provider cost per unit per month})$. Access: rekeys avoided at turnover (with smart unit locks) and lockout calls saved, minus software; leasing time counts only when on-site hours change. Hotels: about 200 kWh saved per key per year at \$0.134 per kWh.

In California, AB 1414 (in effect since January 1, 2026) lets renters opt out of paying for a landlord-arranged internet subscription, so the Wi-Fi benchmark uses a lower take rate there.

4. Value by property class

The same NOI is worth less as the cap rate rises. PropertyAlpha uses cap rates by class based on published cap-rate surveys.

CLASS	CAP RATE	VALUE OF \$1 OF NOI	SMART HOME VALUE PER UNIT	MANAGED WI-FI VALUE PER UNIT
Class A	5.5%	about \$18	about \$4,500	about \$4,000
Class B	6.0%	about \$17	about \$4,100	about \$3,700
Class C	7.0%	about \$14	about \$3,500	about \$3,100
Hotels	8.25%	about \$12	n/a	\$0 (guest Wi-Fi)

5. Worked example: a 200-unit Class A community

This is the published sample Property Impact Report: 200 units, Class A, with managed Wi-Fi and access control installed and a smart home package planned.

LEVER	STATUS	ANNUAL NOI	ASSET VALUE AT 5.5%
Smart home package	Planned	\$49,212	\$894,771
Managed Wi-Fi	Installed	\$43,968	\$799,418
Access and entry operations	Installed	\$3,150	\$57,273
Total identified		\$96,330	\$1,751,462

Modeled range for the identified value: \$1,454,314 (10th percentile) to \$2,243,808 (90th percentile). Impact Score today 39 (Hidden Alpha); 92 with the plan (Optimized).

Installed technology already captures about \$857,000 of the value. The planned smart home package adds about \$895,000, against a benchmark installed cost of about \$220,000.

6. How new technology reaches full value

- Technology already installed and collecting counts at its run-rate.
- New technology is phased in as residents adopt it: 50% of run-rate in year one, 85% in year two, and 100% from year three, with 2% annual growth.
- Lenders usually credit a new technology fee only once it has operating history. The ramp reflects that.

7. What has value but no national dollar figure

Five categories matter to owners, insurers and residents but depend too much on the individual building for an honest national number. They appear in every report, described in plain terms, and are quantified in a building's full Property Impact Model.

- Leak detection. Water damage and freezing caused 22.6% of homeowners insurance losses in 2023, with an average claim of about \$15,400 over 2019-2023 (Insurance Information Institute, national homeowners data). The value for a specific building depends on its claims history, deductible and plumbing.
- Life safety. Connected smoke and life-safety systems support compliance and underwriting; their value depends on the property's insurance terms.
- Energy management. Savings reach the owner's NOI only where the owner pays for the energy: common areas, vacant units and buildings with utilities included in rent. For context, ENERGY STAR reports certified smart thermostats save about 8% on heating and cooling bills on average.
- Solar. Depends on the roof, utility rates and incentives.
- EV charging. Charging fees usually do not fully cover electricity, software and upkeep, so it is treated as an amenity and future-proofing.

8. The financing angle

For many owners, the largest value of efficiency and water technology is not the utility bill but the loan. Fannie Mae Green Rewards offers preferential loan pricing and up to 5% additional loan proceeds for improvements projected to cut a property's energy and water use by at least 30% combined, with at least 15% from energy. Freddie Mac Green Advantage offers a parallel pricing path. Program terms change; treat this as a reason to screen a building, not as a loan commitment or eligibility decision.

9. What this benchmark does not do

- It is not an appraisal, a guarantee or investment advice. Every figure is modeled decision-support.
- It uses national averages until a building's own data replaces them.

- It does not publish insurance premium savings percentages; carrier terms vary too much.
- It does not publish category weights or coefficient tables, which are governed and versioned internally.
- It does not let any vendor set a number. Benchmarks come only from graded sources.

10. How to use it

- Building new: decide what to install before the walls close, in the same NOI and cap-rate terms your lender uses.
- Upgrading what you own: rank retrofits by asset value created, not by feature list.
- Underwriting an acquisition: add technology upside to due diligence.

The free Property Impact Report applies these benchmarks to a specific building by class and unit count, in about a minute, and shows the method behind every number.

Sources

- PropertyAlpha benchmarks (engine 2026.11-v3) and methodology (propertyalpha.io/methodology)
- NMHC / Grace Hill, 2024 Renter Preferences Survey (<https://www.nmhc.org/research-insight/analysis-and-guidance/2024/bulk-internet-in-rental-housing/>)
- ENERGY STAR (U.S. EPA), Smart Thermostats FAQ (https://www.energystar.gov/products/heating_cooling/smart_thermostats/smart_thermostat_faq)
- Insurance Information Institute, Facts + Statistics: Homeowners and renters insurance (<https://www.iii.org/fact-statistic/facts-statistics-homeowners-and-renters-insurance>)
- Fannie Mae Multifamily, Green Rewards (<https://multifamily.fanniemae.com/financing-options/green-financing/green-rewards>)
- California State Assembly, AB 1414 (<https://a13.asmdc.org/press-releases/20250910-california-passes-ab-1414-protecting-renters-exclusive-landlord-internet>)
- PropertyAlpha sample Property Impact Report (200-unit Class A community) (propertyalpha.io/samples/PropertyAlpha-Sample-Impact-Report.pdf)

HOW TO CITE

PropertyAlpha Research. What Building Technology Is Worth: The 2026 Multifamily Technology Value Benchmark (engine 2026.11-v3). October 2026.
<https://propertyalpha.io/research/technology-value-benchmark-2026>

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