

# Navigating 2025: Multifamily's Top Challenges & Solutions

Industry Leaders Speak Out on AI, Labor, and Tech



## Introduction

At the most recent Entrata Summit, held in September 2024, we sat down with approximately 20 industry leaders to ask them what they foresee to be the biggest challenges facing the multifamily industry going into 2025. Throughout those conversations, several trends emerged. Most notably a number of these conversations surrounded AI, including what AI means to the industry, what tasks should ultimately be handled by AI, and what they would do with the time and cost savings that came as a result of implementing AI at their properties.

Other challenges cited were finding ways to increase efficiency and solving the labor crisis that have only been exacerbated in the aftermath of the COVID-19 pandemic, wading through the growing number of technology platforms to manage the leasing process, and identity and income fraud, to name a few.

Throughout this ebook, we'll let these industry veterans expound on these challenges, and how they plan to approach them, in their own words.

## The impact of AI on the multifamily industry

Across the board, participants concluded that AI shouldn't be viewed as a replacement for site teams, but rather a powerful tool to enhance human interactions, resulting in a better resident experience. This is accomplished by saving time through the automation of repetitive tasks, which ultimately frees up site teams to focus on building high value relationships with residents.

Devan Cronin, Vice President of Technology, 29th Street, advises that multifamily businesses should take an intentional approach when thinking about AI. Don't do it just because it's the shiny new object. Do it because it's going to help your business. "AI should be augmentative to normal human processes rather than a replacement for," stated Cronin.

"So, for [29th Street], it's all about evaluating what areas can be improved, made shorter, smaller, or invisible through the use of AI capabilities."

For Nikki Chambers, Director of Systems and Training at the Hanover Company, that means using AI as a means to avoid employee burnout. AI is better equipped to handle initial inquiries, qualify them as leads, and trigger nurture campaigns. By doing this, you free up staff to focus on important face-to-face interactions that help get leases signed and renewed. "I don't want them sitting at a desk and doing anything administrative because it doesn't drive the bottom dollar," noted Chambers. "I want them on-site, planning resident events, where they can network with residents and build that relationship. I want them walking the tour path and looking at things that can't be done behind a computer or by anyone centrally. It's what truly has to be done at the site level. Anything that requires a person physically there"

On a similar note, Fannie Thomas, Senior Director of Business Applications at Rangewater, indicated her organization was looking to use AI as a way to augment resident relationships. Thomas said, "If AI can take a process off of a team member and now the team member's time can be spent bettering that resident relationship, or that resident experience, or applicant experience, I'm in favor of that."

Additionally, there are other aspects of AI beyond streamlining resident and prospect interaction that will drive improvements to your business. AI can analyze data to help you optimize pricing, enhance marketing and leasing campaigns, and save time on rent payment and collections processes.



**Selecting the right technology**

It's important to take a forward-thinking approach to AI in property management, while also emphasizing the importance of human interactions, the role technology plays in improving resident experience, and making properties more efficient. With a reduced workload, staff can focus on more valuable tasks. Technology can significantly improve efficiency in property management, leading to happier employees and better service for residents.

Erin Van Deusen, Director of Operations, United Group of Companies, pointed out that the biggest benefit from implementing automation and AI is the elimination of human error, with the ROI being improved accuracy, while also completing tasks much faster. "We had a lot of manual data entry, and a lot of Excel books that we were working out of," said Van Deusen. "[Entrata] eliminates that human error piece and streamlines communication and what information we're presenting to owners and partners on a day-to-day basis."

Adam Yarber, Director of Training and Experience, University Partners, pointed out that when choosing a technology partner, it's important to consider how difficult it will be to train employees on the software applications, especially considering turnover trends in the industry (which we'll cover in the next section). He said, "The goal is to use the system as it's been built to streamline our processes so that our teams can spend less time learning a system and more time interacting with our residents, talking to parents, and getting out there marketing [our properties]."

**Finding and retaining top talent**

In a post-COVID world, there has been an increased difficulty in finding and retaining quality team members. Not having the right tech stack in place can be burdensome, which can lead to employee burnout. As noted, technology isn't here to replace your site teams, but it can fill in gaps and improve service as the industry works to solve the labor crisis it is currently facing.

"Since 2020, in the COVID era, we have seen a change within the workforce and the quality of the labor available," said Jessica Evers, Director of Systems and Integration at GMH Communities. During that time, the company implemented automations they felt would just be short-term quick fixes until everyone returned back to the office, but that labor deficit still continues and those automations are continuing to help GMH Communities.

Yarber concurs. He noted, "It's hard to find good talent. It's something that still affects us." He goes on to emphasize the importance of having a lower barrier to entry for individuals that have little to no experience in multifamily, which reiterates a point previously made that utilizing user-friendly technology can help you attract and retain employees for the long haul.

### **Technology in use is too complex**

Processes in the multifamily industry are often more complex than necessary and should be evaluated to eliminate unnecessary steps in the process or utilize technology to streamline them and reduce the workload burden placed upon on-site teams. Dealing with cumbersome technology takes time away from working with residents and delivering a good experience.

Dave Hyman, President of Haverkamp Properties, takes that idea one step further. He said, "There's so much technology, multiple/different systems, and lots of different tools. We've [adopted technology to] try and increase revenue in our business. And all of that adoption has led to a complexity that can be difficult for the site teams to navigate."

However, since implementing Entrata, we have been able to significantly simplify those processes, which has enabled site teams to get back to dealing with customers and having positive interactions with them. Simply put, make sure you are using technology as a way to address labor challenges, particularly by streamlining tasks, simplifying workflows, and improving employee satisfaction.



Karsyn Watson from AMLI Residential stated the main reason her company focuses on the simplicity of the software tools is to reduce the workload burden placed on site-level teams as part of a strategy to not overwhelm them with overly complex systems. Watson stated, "We look for our technology to enhance employee experience and not make it worse. If the technology is going to add four or five extra steps to the process, then it doesn't make sense for us to implement it."

She also noted that AMLI doesn't want to layer four or five systems to manage their properties. That's why an all-in-one solution, like Entrata, is so appealing to them because it consolidates all of their work into one place.

For Kristina Super, Director of Strategic Services at Berger Communities, there is such a thing as too much technology. She said, "Technology is great, but too much technology might be overwhelming for site teams." This reinforces the concept of being intentional with the technology you choose to manage your properties.

### **Fraud mitigation**

Multifamily operations have been facing an increase in fraud lately, especially as it relates to identity and income. Income verification is becoming harder and harder, as it's relatively easy to obtain fake paystubs, so without the ability to link to verify from the bank, the likelihood of fraud increases. Fannie Thomas, Senior Director of Business Applications at Rangewater, noted income verification is of utmost importance because you need to know if the applicant can meet the financial obligations of the lease. The key is to identify technology that streamlines processes and makes the verification process easy, without sacrificing security.

### **Not falling for the latest buzzword**

Jonathan Bove, EVP Of Management Services, Landmark Properties, pointed out that a lot has been said in recent years about centralization and AI, but if you go back a couple of years, the next big thing was supposed to be blockchain, which no one is talking about now. Technology trends are cyclical by nature. New technological buzzwords will emerge regularly and it's crucial to approach them with a critical eye.

Take AI, for example. Right now, it appears that it will accomplish a lot of good for the industry, but that doesn't mean it's right for every business. Do your due diligence and pick and choose the pieces of AI that work best for your business. Don't just fall for empty promises, or you could get burned. That's why it's imperative to identify trusted technology partners who have a deep understanding of the industry and have a commitment to genuinely developing software that is critical to success.

**The power of outside forces**

The final challenge brought up by our panel of experts are pressures being exerted by outside forces. Things like interest rates, questions from investors and asset managers, along with resident expectations continue to rise. One way to solve this challenge is by implementing property management software that has robust reporting in place that helps answer questions outside stakeholders might have.

From a financial perspective, having a handle on what your costs are and what your business is doing to address them can ease investor concerns about how you manage revenue and expenses. Robust reporting is also essential to help make data-driven decisions that will grow your business and help you understand how outside pressures are impacting your business.

**Learn more**

To learn more about how Entrata is approaching and solving the challenges identified in this ebook, **request a demo today.**



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