

# Get connected



With the Internet of Things transforming the way we live, developers must consider the interconnectivity of their new homes, now and in the future, if they wish to keep ahead of the competition.

**JAMES DEARSLEY** reports

**W**hether you have heard of it referred to as the smart home or the connected home, there is no doubt to the momentum developing behind the Internet of Things and its influence in our homes. Indeed, a Gartner research paper recently stated that there will be up to 700 million connected homes by 2020, with the UK a leading player.

Many developers have started working with smart technology, so this isn't necessarily new.

In a small survey I ran, over 75% of developers stated they had already experimented with smart technology in their developments. Of those that hadn't, all stated that they may use the technology in the future.

Estate agents agree smart technology is a trend for the future. Over 80% of them stated that smart technology helped them sell homes. What is also interesting is, of those surveyed, more than 50% of them stated that they sold houses with smart technology for more than comparable properties; in most cases, more

than 5% more than standard asking prices. This is backed up in a Digital Homes Report by Barclays, which stated that, on average, people would spend £3,310 more on a home that came fully equipped with pre-installed connected technology.

Peter Krelle, managing director of spicerhaart Land and new homes, says: "Smart technology will become the norm and though it is still a little gimmicky, there will be those of us that are old enough to remember when central heating was a USP." ▶

However, selecting the right smart products is critical to housebuilders maximising returns. CP Consulting recently carried out a study and found that nearly 50% of UK consumers are planning to buy a connected home product in 2016. These findings were mirrored in another study by Coldwell Banker from the US in early 2016, but it's the details of each survey that are most interesting.

It is clear that practical smart technology is of most interest. The most popular products in the Coldwell Banker study were smart security (58% of respondents considered this appealing), closely followed by smart heating (56%). Of those who had already purchased a smart device, 90% stated that security was a key reason for the purchase.

In the CP Consulting study, nearly half stated their purchases in 2016 would be motivated by the saving of energy bills and the facility to monitor their homes remotely.

This tells us a lot about what motivates clients: entertainment systems and smart appliances (think fridges and washing machines) were consistently bad performers. One prominent housebuilder states: "Some systems, integrating everything, are just too complicated. People aren't interested in AV systems that they do not understand how to work." This is mirrored by Kevin Hartnett, development director at Hastoe, who adds: "You shouldn't need to think twice about how to switch on the toilet light!"

Ultimately, a developer's choice of smart product integration will be critical to a client's decision of value, so it may be better to focus on practical products rather than luxuries. Equally, consider infrastructure rather than individual systems. Being smart home ready might be more attractive than an integrated system already installed.

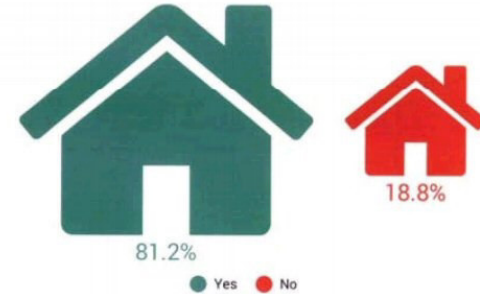
Dale Robinson, regional managing director of Stone Homes, comments: "Continuing dramatic technological advancements could well outdate smart installations in a very short space in time." Ian Merrick, operations director at Essential Living, agrees: "Smart technology changes so

fast, what you install today has been superseded next week."

Anything other than the practical elements may be a luxury not needed and will unnecessarily add to the cost of build. By giving power to the consumer and giving them hub units (one of the most requested products, according to the CP Consulting research) that they can add to and ultimately upgrade easily themselves, the developer is most likely to reap the benefits of smart technology.

However, it is not just a matter of choosing smart products, but picking the right ones for your development's target market, whatever their age. Smart home technology is not just for the younger buyer; Elaine Sutherland of Springfield Properties says that the company is "particularly interested in smart technology for their retirement schemes for looking after the wellbeing of their residents".

This view is supported by the Barclay's report, which states: "Connected home appliances that are networked to family and care services assist the elderly in their own homes, allowing them to live independently for longer." Indeed, a study by iConnect, found that 72% of those aged 25-34 said they would sleep better at night if their parents or grandparents had a smart home – the numbers weren't too different for older offspring either. Therefore a developer in the retirement sector may want to focus on the family unit to explain the benefits of the connected home.



Aside from the wellbeing angle, which will impress on the entire family, retirement developers should review the cost-saving benefits for the potential residents themselves. A study from the US by iConnect showed that of those aged over 55, 78% were excited about the cost-saving benefits of the smart home.

There is a demand for connectivity, regardless of the age of your client. Clearly thought out, practical smart products will resonate with your buyers and their family, whatever the demographic. As Tony Dowse, chairman of Environ Communities states, the key to smart technology implementation is to "make it easy to use without needing to be an IT boffin and making sure that the package is truly functional rather than a sales gimmick".

Understanding that a centralised hub that people can add to as smart products evolve will be a very important added benefit that won't cost developers the earth to install. Giving clients the decision as to what they add and when, will give a semblance of control and understanding that you are helping them gradually integrate with the smart revolution.

It is more about being smart ready than smart installed. ■

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