Necessity is the Mother of Invention:
When Technology Becomes an Amenity

For all the attention given to resident preferences and the constant search for the next "it" amenity in new construction, relatively little coverage addresses how technology can be leveraged as a resident-facing amenity and a tool to achieve scale, among other benefits. While larger garden-style and mid-rise operators anguish over whether to add a dog washing station or a bike repair facility or programming such as wine mixers or yoga classes, smaller-scale assets often don't have management offices or maintenance shops, much less space for dog runs and fitness studios. And yet smaller-scale apartment assets – under 50 units – make up the majority of apartment properties in the U.S. According to the National Multi Housing Council, of the nation's 31 million apartment buildings, 97 percent are under 50 units. So, how do smaller assets compete? By utilizing proptech, which places innovation at the center of the resident experience and enables operational scale.

This is something that Veritas Investments knows well. As an owner/operator of smaller, classically-styled buildings in irreplaceable locations across the San Francisco Bay Area and Los Angeles, Veritas recognized that success – and its relevance to residents – would necessitate an innovative approach utilizing technology as an amenity alongside a tech-first, centralized service delivery model.

Tech-First Mindset: Delivering for Residents

Veritas started its technology and data-driven journey by leaning in on the Bay Area's culture of innovation while leveraging input from an experienced leadership team and engaged residents. Veritas pursued a strategy of "digital amenities" to provide a resident experience unlike anything in the industry. Veritas has worked with dozens of proptech firms over the years, many in early stage and stealth mode. And the smaller scale of Veritas's assets has been the perfect proving ground for startup partners to test, refine, and improve their products before a larger, national deployment.

One example can be found in the firm's partnership with Bilt Rewards. Bilt enables residents to pay their rent with its fee-free credit card, helping them to earn points, build credit, and map out a pathway to homeownership through the payment of rent, often a resident's highest monthly outlay. Access hardware provider Carson Living also found in Veritas the perfect urban use case for piloting its 'virtual doorman' technology. The software behind the touch screen access interface brings an additional level of security for package delivery, housekeeping, pet-walking visits, and the like. Echoing the service of doormen at luxury properties, Carson confirms visiting guests' identity with an offsite call center before granting building access, giving peace of mind to Veritas's residents, and putting access control in the palm of their hands.

Behind the Scenes: Proptech Optimizing Operations

Veritas's proptech journey also focused on internal operations and efficiencies. Some improvements are straightforward problem-solvers, such as a recent partnership with Nowi, a hardware company focusing on leak detection devices that leverage the distributed network of

Helium's wifi Hotspots, circumventing the need for full-building wifi to be able to identify leaks. As a result, Veritas is able to pilot smart leak detection without the need for an internet provider.

Veritas has implemented technology across multiple systems and departments. With over 300 buildings in the City of San Francisco alone, the firm has a sizeable number of recurring utility invoices. The tsunami of water, gas, electricity, and other recurring charges used to bog the firm's payables department down for several days each month. To alleviate burnout from the repetitive task of paying the same invoices each month and refocus its associates on more value-added work, the firm implemented Robotic Process Automation (RPA), building out bots that pay recurring invoices each month. The move saved hundreds of human capital hours each month while removing a pain point that weighed on morale.

Knitting it Together: Veritas *DRIVE*

Veritas has also been an innovator in its own right. Its in-house technology team created *Veritas DRIVE*, a proprietary platform based upon Salesforce-enabled data architecture. Leveraging *Veritas DRIVE* as a single source of truth across the organization has enabled automation and workflow improvements that fuel every aspect of its operations. From its centralized leasing hub to maintenance management that uses artificial intelligence (AI) to efficiently route technicians in the field, thoughtful automation has streamlined complex workflows, making scale possible for buildings that often average fewer than two dozen units each.

The workflow tool saves downtime by shepherding vacant units either to a quick-turn queue of homes only needing painting and cleaning, or to a group needing renovation for the unit to be brought back to market-ready condition. Veritas's *DRIVE*-enabled maintenance management tool also automates every aspect of its in-unit maintenance-ticket journey from request to completion. This yields efficiencies at the corporate level, where the firm increased the total number of maintenance techs from 10 to over 75 people without needing to increase its back-office spend.

When off-the-shelf yield revenue management products used by larger firms were found to be ineffective in its unique, sub-50-unit asset use case, Veritas created its own tool called *DRIVE:Vision*. Using data science and machine learning, the software tool offers a unique approach to pricing units in the smaller unit-count asset class, relying on macro- and micro-data sets to inform pricing parameters, instead of the heavy exposure weighting of traditional tools.

Helping Proptech Startups, Customers and Beyond: Veritas Innovations

Veritas is partnering on an increasingly broader scale. It formed an internal team for pursuing proptech innovation and investment, evaluating startups for potential partnership, incubation test cases, and adoption. It works closely with startups in the built environment to help them along their journey and identifies enhancements for its own customers and operations.

The firm also has a pledge to diversity, equity and inclusion that goes far beyond a commitment to consider a diverse slate of candidates for its career opportunities. A minority-owned business, Veritas prides itself on having built a diverse team in which two-thirds of its associates are persons of color or women.

Overall, the Veritas operating model demonstrates that a technology-based approach can bring innovation, scalability and appeal to smaller unit-count assets while meeting important ESG objectives and being environmentally responsive.

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