

SMART HOMES

**Business Case
for
Social Landlords**

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**PAYBACK IS ESSENTIAL.....
BUT SLIPPERY**

WHO GETS PAYBACK?

- **Tenant or Landlord**
- **Needs to be Both**
- **Depends who funds cost of installation**
- **Return to landlord more persuasive.**

WHAT SORT OF PAYBACK?

- **Cost and Quality**
- **Quality for Tenant**
- **Quality for Landlord**
- **Cash for Tenant**
- **Cash for Landlord.**

WHAT LEVEL OF PAYBACK?

- **Payback is Yield is Net Return**
- **Comparables**
 - **Development – 3% = 33yrs**
 - **Solar – 10% = 10 yrs**
- **Smart Home = 50% = 2 years**
- **Needs to be at “make you sit up” level**
- **Fast needed because tech changes so fast.**

HOW TO MEASURE PAYBACK?

- It's hardand therefore slippery
- Need pilots to determine payback
- HA's attractive because
 - can offer big pilots
 - Understand historic costs
- Cost coming down so fast, so return is the key.

EXAMPLES

- 20,000 home landlord.....

Example: USE LESS ENERGY

| | |
|-----------------------|--|
| Purpose | To have heating and hot water only when needed |
| How | Smart Thermostat |
| Formula | 20% of typical utility bill of £1,000 pa |
| Prize per transaction | £200 |
| Transactions per year | 20,000 |
| Total prize | £4 million pa for tenants |

Example: KEYLESS ENTRY

| | |
|-----------------------|--|
| Purpose | To avoid need for tenant to be there to admit visitor |
| How | Digital Door Lock |
| Formula | Cost of new locks and time - £200 Cost of lost work by resident - £40 Cost of maintenance “no shows” - £80 |
| Prize per transaction | New Keys : £200 No Shows: £100 |
| Transactions per year | 80,000 |
| Total prize | £2.6 million pa for tenants £1.8 million pa for landlord |

Example: GAS SERVICING

| | |
|-----------------------|---------------------------------------|
| Purpose | To avoid need for Gas Servicing visit |
| How | Sensors to monitor boiler performance |
| Formula | Cost of annual visit |
| Prize per transaction | £150 |
| Transactions per year | 20,000 |
| Total prize | £3 million pa for landlord |

Example: ILLEGAL SUBLETTING

| | |
|-----------------------|--|
| Purpose | To identify illegal subletting in flat |
| How | Bio-metrics on voice, fingerprint or face |
| Formula | Cost of new home. Assume 1% illegally sublet |
| Prize per transaction | £300,000 |
| Transactions per year | 200 |
| Total prize | £60 million!!!! for landlord/government |

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QUESTIONS