

Smart living: The trends transforming our homes

A report on the trends influencing technology in multi-family apartments across the Middle East

WiredScore

Foreword

A century ago, the electrification of major cities across the Middle East was dramatically improving standards of living, and starting to transform home environments to make them safer, cleaner, healthier and more enjoyable.

Today, in the midst of a regional construction boom driven by rapid urbanization, technological advances, shifting work patterns, and a growing emphasis on happiness and sustainability, a similar revolution is underway. This time, it is sparked not by electricity, but by 1s and 0s – the smart technology that is empowering our professional and personal lives and taking us to a whole new level of comfort and convenience.

This is reflected in the premium that people now place on technology. According to WiredScore's latest regional research, **9 in 10 residents across key Middle Eastern markets would pay on average 2.3% more for a home that includes smart features** such as comfort control, delivery management, leak detection and smart locks. The same number consider day-one connectivity of critical importance, and would delay their moving date in order to get it.

As such, in a market where residents' expectations are increasingly high, the technology strategy for a property has become so crucial that it must sit firmly at the forefront of developers' minds if the buildings they create are to hold their value and appeal, both in the short and the long term.



Over the coming pages, we dive deep into the technology preferences of residents across the United Arab Emirates, Qatar, Kingdom of Saudi Arabia and Egypt. We explore the business case for smart homes, the need for seamless, resilient connectivity, and we look at how delivering both of these things can help developers and governments to achieve critical environmental, social and governance (ESG) outcomes.

Today, it is impossible to conceive of a modern home without electric lighting and appliances. Soon, it will be equally difficult to imagine living somewhere that is not entirely operable from our mobile phones, that doesn't use machine learning to leverage insights from complex data, and that doesn't have advanced connectivity to ensure fast, ubiquitous online access that never fails.

Are you ready to build tomorrow's homes?

John Hilliard, Head of Middle East, WiredScore



Introduction

Today's always-online, digitally saturated lifestyles would have been unrecognizable even five years ago.

Before the normalization of working from home, a poor connection could make it frustrating to stream a movie; now it is a major barrier to not only productivity and learning, but our social lives and downtime too. That has transformed residents' expectations of multi-family developments, and made seamless connectivity into an essential utility.

Globally, we hear that what matters to residents most is resilience, then speed. They want to be able to make calls and connect to the internet no matter where they are in their home, or around the building, and they want that connectivity to be wireless.

When it comes to smart technology, the desired user outcomes for residential buildings are increasingly well defined: speedy setup, a reliable connection, superior performance, and smart-enabled living. From this understanding, developers, owners and operators can incorporate compelling smart features that are ready to go on day one, and require no further installation by residents.

Such features might include a dedicated app to control every aspect of the indoor environment, or report and resolve issues. They might also include technology that makes energy and water consumption more transparent, or that offers virtual viewings and building tours to residents before they've moved in.

Whether multi-family buildings can continue to meet the highest expectations and performance standards will increasingly come down to whether they are equipped with the right infrastructure to make them resilient to shocks and stresses, and adaptable as technology evolves.

The opportunity exists for far-sighted, ambitious developers to create a new class of premium homes that support today's digitally enhanced lifestyles, while anticipating how they will evolve.

Sanjaya Ranasinghe, Global Director of Research & Development, WiredScore



The risks and opportunities facing residential landlords and developers

The Middle East is one of the world's most dynamic and competitive residential markets. It is also a market contending with rapidly accelerating rates of building obsolescence.

Residents' changing behaviors and expectations admittedly present a risk for developers and landlords – but first and foremost, this is an opportunity to embrace new technology to stay ahead and set themselves apart from the crowd.

Changing resident expectations

Our research found that the overwhelming majority of apartment residents would pay a premium for a home with smart features, driven by a desire for greater security, convenience, future-proofing, and a better quality of living.

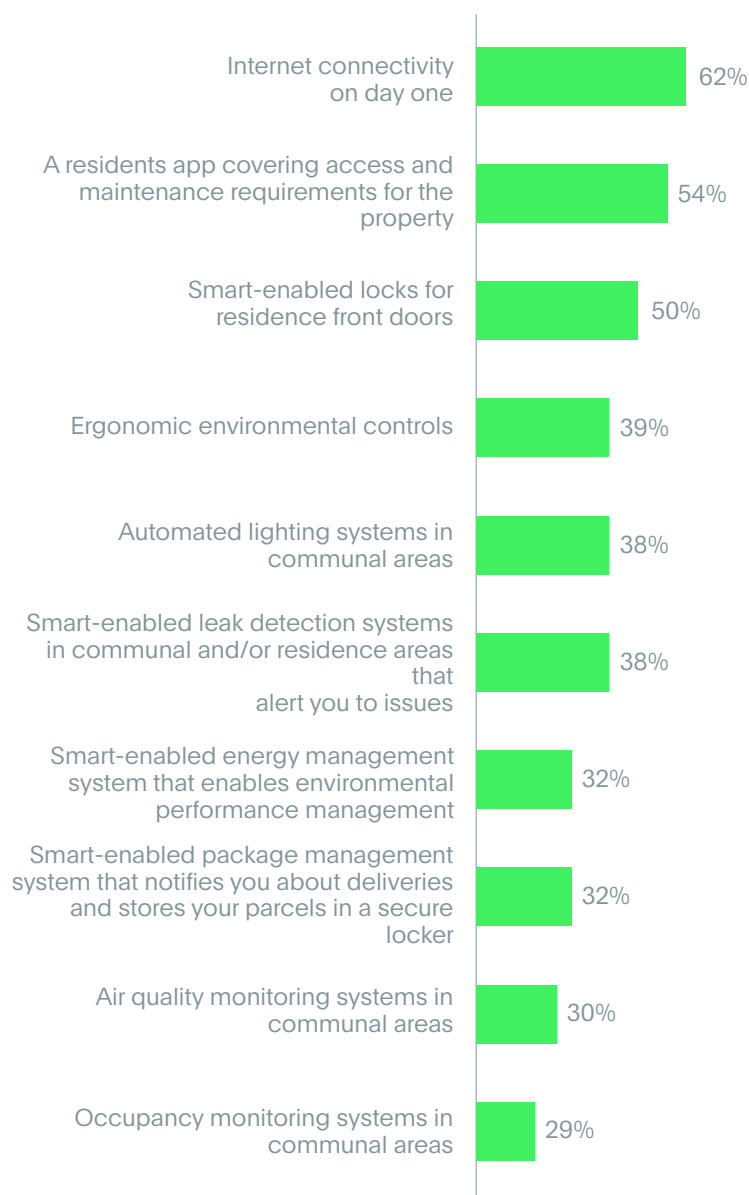
- **9 out of 10 respondents would pay a premium for a residence that includes smart features, on average 2.3%. The remaining 10% expect smart features as standard**

This is reflective of global market trends. While rental income and sale prices for premium residences remain healthy, analysts warn that the market is becoming increasingly polarized¹ as new high-end and prime stock drives growth, whilst existing and dated stock falls behind.

¹ Middle East Real Estate 2024 Outlook, CBRE



Features expected as standard in a new home



Source: WiredScore Middle East Homes launch research, Opinium, 2024



Ghaf Woods by Majid Al Futtaim

Our research found that Generation Alpha, Generation Z and Millennials are 3 to 4 times more likely to expect smart features as standard than previous generations. **Strikingly, respondents aged 18-34 said that the technology within a property was of equal importance to its size, and they considered the speed and strength of its Wi-Fi connection to be almost twice as important.**

The ESG agenda

Smart technology adoption will also be essential in the transition to net-zero-ready buildings that is being driven by governments, investors and residents. The region already faces a major retrofitting challenge, as many older buildings were constructed with insufficient future-proofing to be able to meet current standards. A benchmarking study by the Emirates Green Building Council² found a significant gap between the UAE's best and worst-performing buildings in terms of energy and water consumption – Dubai alone is gearing up to retrofit 30,000 buildings³ by 2030.

With growing awareness of the costs and impacts of excess consumption, operational efficiency will become a differentiator, leaving poorly performing assets stranded. Residences that do not have the in-built capability to monitor and manage resources effectively will be at increased risk of requiring retrofitting in the near term, and they will fall behind those that are better able to adapt.

² Benchmarking Program, Emirates Green Building Council Dubai DSM, The Dubai

³ Supreme Council of Energy

Resilient and seamless connectivity is today's must-have

Resilient and seamless digital connectivity is not optional for today's residents, it's an essential. They live, work and play online, and they expect to be fully connected wherever they are.

All of our respondents said that enhanced, reliable Wi-Fi and mobile connectivity was either very important or important when choosing where to live – only security and safety was ranked more highly. They also want to be able to get online from day one, with 89% saying they are prepared to delay moving to a new property in order to guarantee this.

- **100% of respondents say enhanced, reliable Wi-Fi and mobile connectivity is very important or important when choosing where to live .**

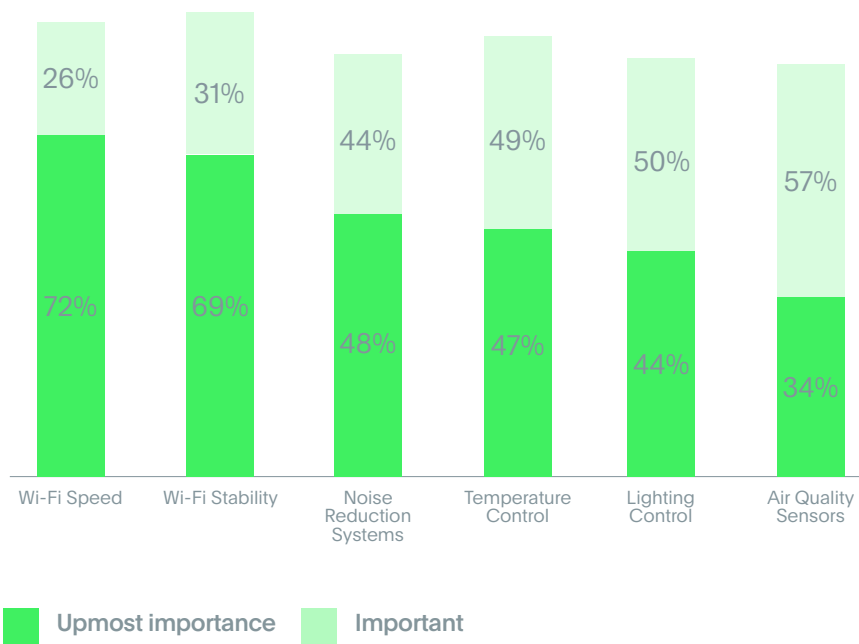
It's little wonder when nearly half (42%) of respondents work from home regularly, and when so many of our social and leisure activities take place online. If they were to lose internet or mobile connectivity, respondents would be most concerned about being unable to communicate with family and friends (72%), disruption to home security systems (62%), and the inability to complete work or school tasks (60%).



Palm Flower by Alpago Properties

Growing expectations, evolving technology and greater environmental risks all combine to make future-proofing buildings one of today's most pressing concerns.

Features that are important to work from home



Source: *WiredScore Middle East Homes launch research, Opinium, 2024*

Beyond connectivity, service level is becoming more and more important. Residents expect seamless coverage throughout their apartments, and in communal areas too. They want to be able to take a call as they're driving into the parking garage and continue the conversation as they move through the building, with no dead spots or dropouts.

Achieving this requires intelligent, thoughtful building and technology design. Not only does this require an understanding of the native mobile performance for the building, but also the impact that building materials and floorplate depths will have. For example, if Wi-Fi calling is being used as a backup to mobile signal, ensuring access point handover and signal strength propagation is a must to ensure an appropriate quality of connection.

Climate change will present a growing challenge to meeting service level expectations, as extreme weather events such as heatwaves and floods become more frequent and severe. Residents will increasingly ask questions about the backup measures in place to protect them from shocks and stresses. They will expect developers to have given this full consideration and to have provided sufficient diversity and capacity in a building's network infrastructure.

This means that developers and operators today face a three-pronged challenge, as they compete to attract residents and to ensure their assets will retain value in a changing world. Growing expectations, evolving technology and greater environmental risks all combine to make future-proofing buildings one of today's most pressing concerns.

Redefining amenity in a hyper-connected world

The Middle East is renowned for the feeling of luxury that its premium residences create, and the range of amenities that they offer. But in our hyper-connected world, the definition of amenity is changing. A swimming pool, gym or concierge is no longer sufficient – our respondents confirmed what leading developers and consultants had already told us, that today residents also want smart features that make their busy lives as frictionless as possible.

- **95% of respondents say smart parking is important or very important when choosing where to live**
- **95% of respondents want smart temperature and lighting controls within their apartments**
- **89% of respondents want smart visitor entry management**

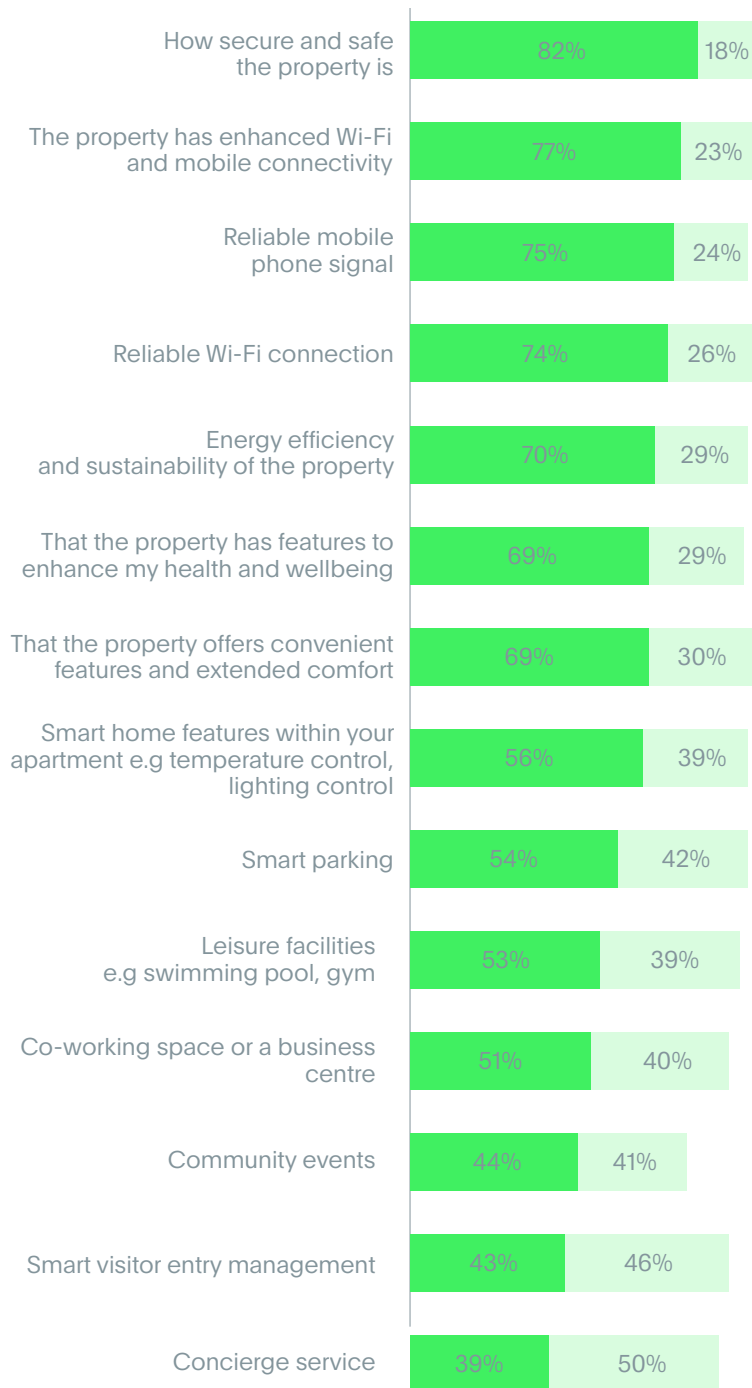
Smart home solutions offer benefits spanning safety, security, sustainability and, least explored to date, experience. The opportunities they present to transform urban home life, beyond purely operational use cases, are coming to the fore.

Increasingly astute residents are seeking places to live with smart technology features that can smooth out the processes of their day-to-day – for example, by enabling touchless entry and elevator systems, smart-enabled parking, or the ability to guide food deliveries to their door.



EYWA Tree of Life & EYWA Way of Water by R.Evolution

What is important to residents when deciding on a new home?



■ Upmost importance
 ■ Important

Source: WiredScore Middle East Homes launch research, Opinium, 2024

Residents don't just expect tech-enabled convenience, they are also looking for a much higher-quality indoor environment that they can curate throughout the day using their smart devices. Respondents told us that features such as noise reduction systems, temperature and lighting controls, and air quality sensors are important to them, especially when working from home.

This evolving demand is reflected by the growing prominence of technology in the branding of leading residential developments. For example, Palm Flower by Alpage Properties is centered around "elegance, functionality and sustainability". It boasts an ultra-efficient air distribution system that minimizes energy consumption and contributes to a healthier, more comfortable indoor environment. R.Evolution's Ewya, meanwhile, blends "modern technology and ancient knowledge". Crystals are embedded in its structure, but it also has advanced building systems that will deliver the highest quality of air and water to each apartment.

- **69% of respondents say it's very important that their home has features to enhance their health and wellbeing**

Going forward, property owners seeking to offer luxury amenity-rich multi-family developments must consider how technology empowers a frictionless living experience. This experience must go beyond what we can see, feel and touch; it has to work behind the scenes to elevate every element of the building's offering.

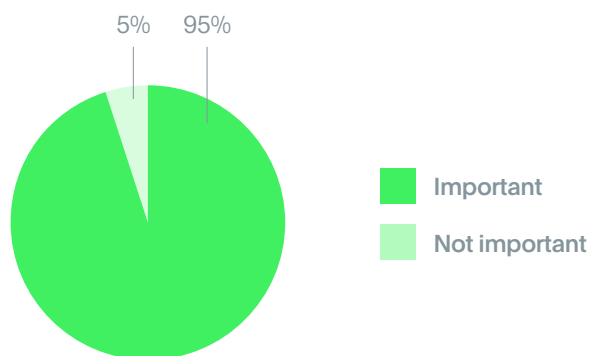
Using smart technology to drive ESG outcomes at home

The real-estate community is facing both top-down and bottom-up pressure to deliver environmental, social and governance (ESG) outcomes. Governments across the region are setting ambitious targets on sustainability; meanwhile, ESG is increasingly front-of-mind among residents, as awareness grows.

Smart home solutions are not just about convenience and experience, they play a key part in delivering ESG outcomes too. Digital technologies are fundamental to ESG measurement and reporting, but also to managing and minimizing energy and water consumption, and communicating progress to residents, potentially “nudging” them towards more sustainable behaviors.

Rather than dismissing ESG and smart as fads or insufficiently defined, developers can use smart home technology to bring clarity to both, and help cities and communities to stride boldly towards government targets.

Importance of sustainable features on residents decision to live in a smart home



Source: *WiredScore Middle East Homes launch research, Opinium, 2024*



King Abdullah Financial District by KAFD DMC

An aerial night view of a city, likely Tokyo, showing a complex network of highways and numerous skyscrapers. The scene is illuminated by city lights, with a prominent curved highway in the foreground and a large, modern building with a glass facade in the lower right. The overall atmosphere is one of a bustling, modern urban environment.

95%

of respondents consider smart-enabled sustainability features to be important when choosing where to live



Environmental

- **95% of respondents consider smart-enabled sustainability features to be important when choosing where to live.**
- **70% of respondents say the energy efficiency and sustainability of their home is very important.**

What:

Smart technologies can deliver energy efficiency at scale, to rapidly mitigate the environmental impact of the real estate sector. And they can make a difference at an individual level too, by enabling residents to make more informed choices from the moment they wake up.

How:

Smart energy metering and HVAC analytics optimize cooling systems to save energy, while maintaining comfort for residents when they are home.

Smart thermostats can help control energy consumption and avoid unnecessary heating or cooling.

Behavioral research shows that in-home displays on gas and energy meters can lower usage⁴ by an average of 2%.

Extrapolated across Dubai's 729,000 residential units, this could amount to a phenomenal reduction.

⁴ *Impacts of alternatives to In-Home Displays on customers' energy consumption, The Behavioural Insights Team*



Social

- **85% of respondents said community events were important when deciding on a place to live.**
- **72% of respondents would be most concerned about being unable to communicate with family and friends if they lost connectivity within their home.**

What:

Best-in-class connectivity has numerous benefits that translate into socially impactful outcomes. The digital divide is real, and prevents not only individuals from reaching their full potential, but society too. For example, as hybrid working is increasingly normalized, employees can only take advantage of the flexibility of working from home if they have resilient, fast online access. Likewise, technology can support social cohesion and provide valuable real-world connections, helping to counter the isolation and loneliness that people of all ages increasingly experience, and which can seriously affect our physical and mental health⁵.

How:

Providing free-to-all Wi-Fi throughout residential amenity areas can help to overcome the digital divide and build community.

Building apps and signage can encourage a greater sense of belonging by raising awareness of events and activities, and making it easy to access shared amenities.



Governance

- **82% of respondents consider security and safety to be of utmost importance when choosing a new home.**
- **The total cost of a data breach to organizations in the Middle East reached \$8.07m in 2023⁶, second only to the US.**

What:

Smart technology can provide a cyber-secure and data-protected environment where residents have confidence in using all the features of their homes, and in which they are protected from real-world hazards. Designed effectively, it provides a base from which an evolving smart strategy can be iteratively delivered.

How:


Developers and landlords can integrate cybersecurity, data and smart technology strategies into their governance practices, to demonstrate a proactive approach to this crucial element of ESG and provide a clear roadmap to residents for the future-proofing of their homes.

Implementing robust cybersecurity and data-privacy policies as standard across a building or neighborhood will ensure residents stay safe online.

Automated security systems, safety monitoring, and footfall management operate behind-the-scenes to provide effortless functionality but also reassurance.

Equipping technology infrastructure with diversity and additional capacity ensures that residents are protected against the potentially devastating impacts of a network outage, and that they can all access the benefits as technology evolves.

⁶ *Social Isolation and Loneliness, The World Health Organization*
⁶ *Cost of a Data Breach Report 2023, IBM Security*

An aerial, high-angle photograph of a modern city street. The street is wide with multiple lanes, marked with white lines and arrows. Several cars are visible on the road. To the right, there is a curved road with a white dashed line. In the lower-left corner, there is a cluster of palm trees and some buildings. The overall scene is brightly lit, suggesting a sunny day.

As governments across the Middle East continue their mission to create connected, inspiring, safe and sustainable smart cities, there is much they can learn from today's leading residential schemes about delivering exceptional user experiences.

Developments such as Saudi Arabia's "city within a city", the King Abdullah Financial District, and the UAE's forest-living community, Ghaf Woods, are designed to respond to the increasingly important role that technology and high-quality amenities play in our day-to-day lives.

As such, many of the trends highlighted in this report - from changing user expectations, to the growing demand for smart-enabled living, to the importance of a clear, future-ready ESG strategy - will transcend individual buildings to influence the spaces and places in between.

With development continuing at pace across this young, energetic region, the message is clear: the rate of technological evolution within real estate is increasing, and so is the risk of obsolescence. To stay ahead, developers must deliver homes that provide seamless, resilient connectivity throughout, as the basis for a constantly evolving range of smart features that make life more frictionless, pleasurable and fulfilling. These buildings must be resilient to everyday stressors, and equipped to withstand longer-term environmental challenges. Most of all, they must be able to accommodate future technological advancements, whatever they may be.



About the research

In May 2024, WiredScore commissioned Opinium to survey 600 existing and prospective (intending to move within the next year) apartment dwellers in the UAE, KSA, Qatar and Egypt, earning a mid-market salary and above.

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