



# Mixed Use, Multiple Opportunities for Access Control

More and more multi-family properties are including mixed use aspects such as retail and even office space to serve residents looking for a live-work-play lifestyle. Doing so can improve a property's net operating income, while providing a natural ecosystem of business, work and living space that supports itself.

But for multi-family operators, managing mixed use also means serving multiple needs for your residents on both the residential and commercial sides. Approaching each with a focused plan for access control, and eventually disposition of the asset itself, is key to monetizing the multiple opportunities that come with mixed use.

For Jeff Berta, senior director of real estate development at Chicago-based Structured Development, taking the mixed use approach helped him weather the vagaries of the Great Recession. As originally planned in 2005, Chicago's NEWCITY development in Lincoln Park incorporated 500 condominiums. But by 2009, the business environment for building condos had hit a wall, so Structured scaled back to 199 residential apartments instead, while increasing the retail and office components of the property. Doing so helped cater to the changing financing climate of the times.

But it also meant, in terms of access control, that Berta and Structured had to think long and hard about the end use of the property, years before any residents, commercial or residential, took up occupancy there.

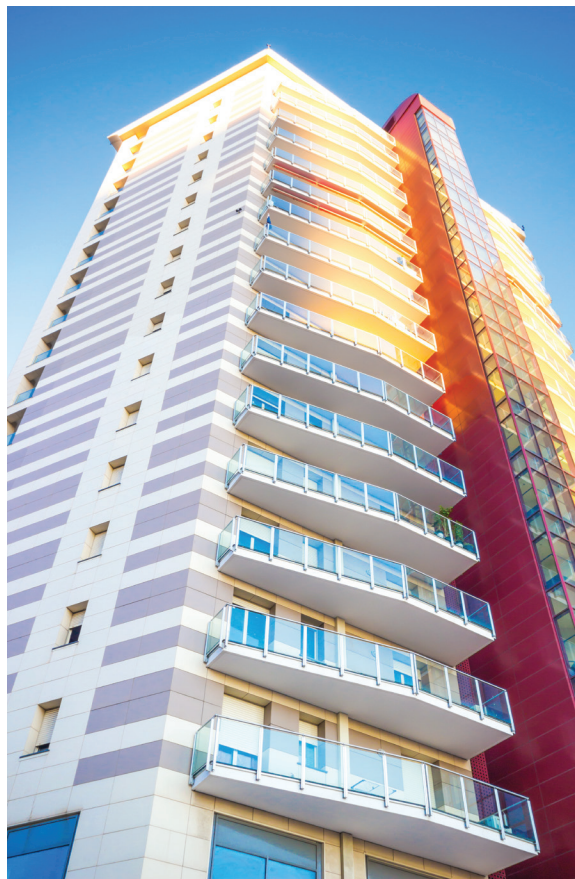
"When you develop mixed use, even when you're just envisioning the project, you need to know what your overall plan is for the management and disposition of that asset, because all of your design decisions will cater to that main objective," Berta says.

So while access to the 199 apartment residences is controlled by a single, unified electronic access control system that is integrated into the residential parking garage, the platform is separate from the office and retail components of the development, which have their own, dedicated systems. That way, should a buyer come in looking to purchase just the residential or office aspects of the development, they could do so easily.

"The less complex the operation and management of the asset, the easier it is for a buyer to understand," Berta says. "And that makes it a lot easier to enter into a transaction, if that's your goal at the end of the day."

Ann Matheis, marketing leader, multi-family at Allegion, stresses the importance of thinking ahead. "You want to work with the designer early in the process, and make sure you understand all the different openings, each resident will need access to, and the parts you want to control electronically," Matheis says.

At Alexan Sloan's Lake, a Castle Lanterra Properties community in Denver, vice president of property management Jim Brady took a similar, but less segmented approach. For instance, residents of the community's 369 apartments also have their own, dedicated access control system for parking and residential access that's independent of the access systems for the two restaurants at the property.



**Ann Matheis**

Multi-Family  
Marketing Leader



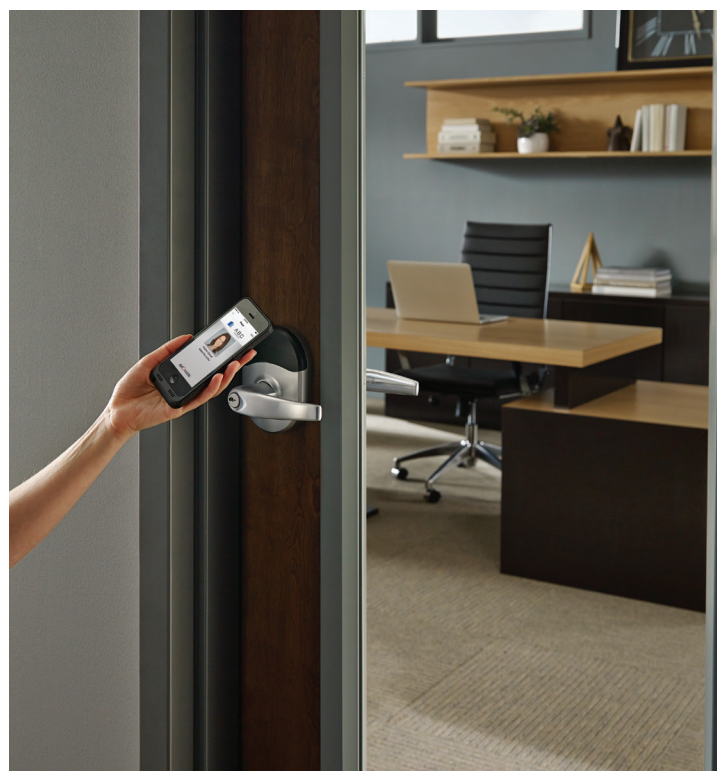
But in the co-work office suites on the top floors of the twin mid-rises, Brady chose to use the same platform and system to grant access to – and charge -- residents who want to take advantage of the space.

“The benefit is, you can say who’s supposed to be where and when. You can’t do that with a hard key,” Brady says.

And yet, given the open architecture of Allegion’s ENGAGE Technology Solutions, it’s also possible to build a single, unified solution and parse it down the road.

“If you sold a piece of the property, you could segment the system to turn that portion off,” Matheis says. “Because we have an open system, the new owners could use the same hardware to work with the software of their choice, and tailor it to meet their new needs.”

As with the profile of your resident, the approaches you take to access control in a mixed use property can vary. But having a plan from the beginning that can grow and change with how the property is used over time means you’ll always have access to profits.



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