

Case Study

How One NYC Condo Cut Water Damage Risk—and Insurance Premiums—With Smart Detection

Background: A Growing Challenge for Multifamily Buildings

Water leaks remain one of the most expensive and disruptive issues facing multifamily buildings, particularly in those with aging infrastructure. A single undetected leak can spread rapidly across units, causing significant property damage and operational challenges.

The financial implications extend beyond physical damage. According to data from one insurer, in large urban multifamily buildings, the average cost for water-related insurance claim is estimated to be more than \$55,000. When multiple claims occur, buildings often face steep increases in premiums or risk becoming uninsurable altogether.

The Turning Point: A High-Rise on the Brink

One residential high-rise condominium in New York City was nearing that breaking point. Between 2017 and 2022, the building experienced two major water-related incidents. The first, caused by a broker leaving a balcony door open during winter, resulted in a pipe burst that flooded 20 units and led to an insurance claim of approximately \$4 million. The second incident, five years later, was triggered by a polar vortex and an unwinterized terrace irrigation system, causing an additional \$2.6 million in damage.

Over time, these and other routine leaks began to define the building's reputation. Seasonal freeze risks and HVAC-related issues compounded the problem. Insurers labeled the property an "uninsurable building," and premiums jumped from \$150,000 to \$850,000. The building's risk profile became a critical concern for both its financial stability and long-term viability.

"We were just one more claim away from being dropped by our last insurer."

Safet Rexha, Resident Manager

Implementation: Seeking a Scalable, Preventative Approach

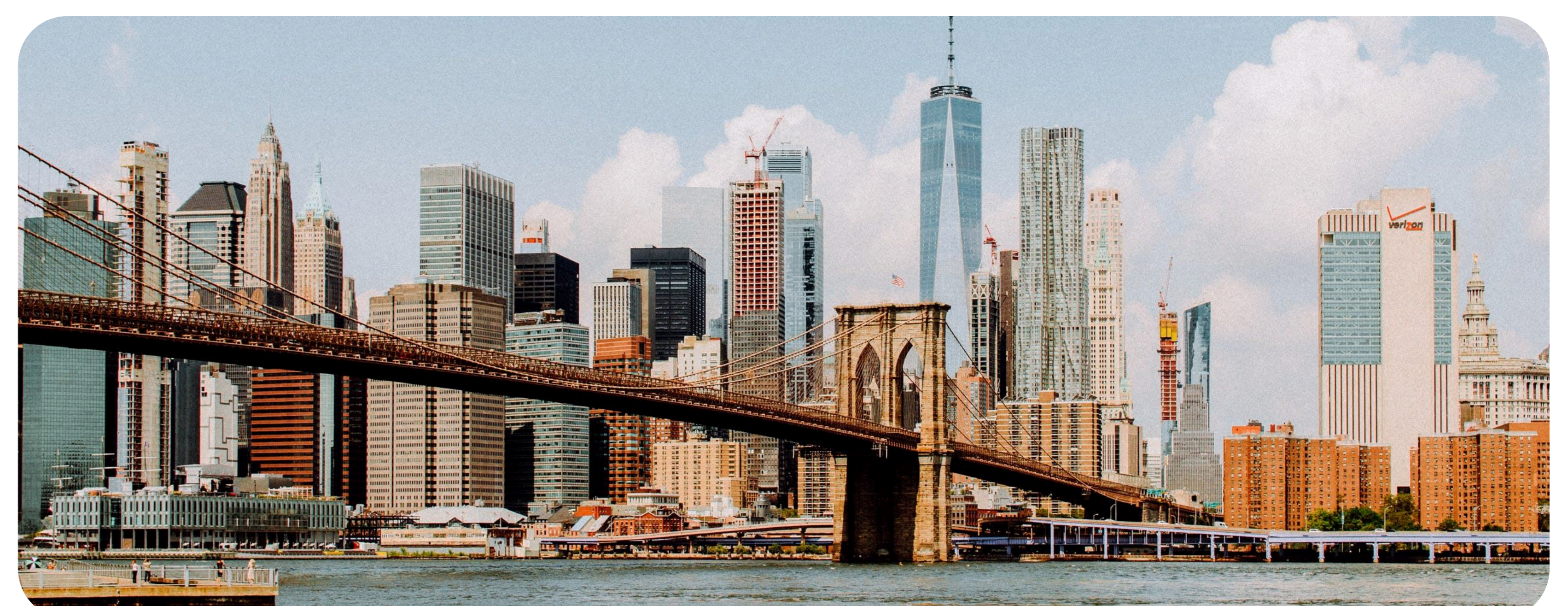
A turning point came when a member of the building's management team encountered ProSentry at a local expo. The team was drawn to the comprehensive nature of the system, not a piecemeal solution but a full-building monitoring platform with 24/7 oversight across multiple environmental risk factors.

The initial installation included **320 smart water sensors** capable of detecting leaks, humidity changes, and temperature drops. The system generated real-time insights across all floors and units, allowing staff to intervene quickly before small issues escalated.

ProSentry operates on a secure LoRaWAN (Long Range Wide Area Network) infrastructure, purpose-built for IoT. Unlike Wi-Fi systems, LoRaWAN offers long-range, low-power wireless communication that penetrates concrete and steel, making it ideal for dense, high-rise buildings. Its low bandwidth and decentralized nature enhance security, while eliminating the need for costly wiring or network upgrades. This makes ProSentry's solution easy to retrofit in existing properties and ensures reliable, real-time data flow from every sensor to the dashboard, with minimal maintenance or connectivity issues.

To date, the system has detected and verified **31 leaks**, each resolved before causing serious damage. It also helped prevent what could have been a multi-million-dollar incident by catching a critical temperature dip early. Looking ahead, the building plans to install an **additional 300 sensors in 2026** to monitor condensate pans, further expanding its coverage and risk mitigation strategy.

Later, the building expanded its risk mitigation efforts by installing **76 gas detectors** as part of the monitoring system. These were strategically placed near each gas-operated appliance and are designed to alert building staff at the first sign of a gas leak, helping to prevent a catastrophic explosion or a costly building shutdown, which can occur if the fire department is unable to quickly identify the source of the leak. These detectors also support compliance with New York City's Local Law 157, providing both safety and regulatory peace of mind.



"We installed a ProSentry water leak detection system with low temperature alert features after we had a couple of significant losses, which caused issues with our insurer.

On a 15-degree day this past January, ProSentry called to inform us that one of our condo units had dropped to 48 degrees. I rushed over, worried that another pipe freeze could jeopardize our insurance. At the unit, I discovered that another balcony door had blown open.

After closing the door and ensuring the heat was on, I was very grateful that we had installed ProSentry. Without it, we would have undoubtedly faced another costly multi-unit flood."

Safet Rexha, Resident Manager



Outcomes: Tangible Results and Future Planning

Following the implementation of the system, at an initial cost of \$30,000, the building saw a significant reduction in insurance premiums, dropping from approximately \$800,000 to a range between \$500,000 and \$600,000.

"The ROI is almost instantaneous. Within the first year, we saved **\$200,000** to **\$300,000** on our premiums."

Safet Rexha, Resident Manager

The case illustrates the impact of proactive, tech-enabled property management in reducing both operational and financial risk.

Conclusion: A Template for Risk Reduction in Condominium Housing

ProSentry provides a Smart Building Platform which streamlines smart sensor technology into one centralized dashboard for building-wide insight, risk prevention, and effective response. Visit ProSentry.com for more information.