

Managed Wi-Fi as an Amenity: Enclave on Golden Triangle, Fort Worth, Texas

Real estate investment company Cottonwood Residential is standardizing on bulk services as a technology amenity – and, in the Charter Communications service area, on Charter’s Community Managed Wi-Fi service in particular. One of its first deployments, which helped prove the success of this strategy, was at Enclave on Golden Triangle. Thanks to Chris Spadone of Charter’s Spectrum Community Solutions and Scott Russell of Cottonwood Residential for gathering the information for this profile.

By Masha Zager / *Broadband Communities*

Should apartment communities provide bulk video and internet? Is bulk service a valuable benefit for residents or an infringement on their freedom? Except in student housing and other types of multiple-dwelling-unit properties in which individual service is impractical, bulk service has been somewhat controversial, with varying degrees of acceptance in different times and places. To succeed with bulk service, owners must implement it well and price it correctly.

Cottonwood Residential, a property owner and manager with about 22,000 units in the South and West, recently formed a subsidiary, My Tech Amenity, to provide technology amenities for the properties Cottonwood owns and/or manages, as well as third-party properties that want to use its services.

According to Scott Russell, Cottonwood’s vice president for ancillary services and business development, the group developed a proposal to transition many of Cottonwood’s apartment communities to bulk video and internet service. This proposal was intended to provide a new revenue stream for the company and a benefit for residents.

But top executives had questions. Offering bulk service in a new property, in which every resident would

be a subscriber from day one, was one thing; transitioning existing properties was something else. Residents wouldn’t have to subscribe until their leases were renewed – which could be as long as two years. Would there be a lag before the new services became profitable?

To persuade residents to sign up for the new service before they were required to, My Tech Amenity developed a strategy that addressed product, pricing and marketing. Its bulk service products are ahead of the technology curve, with gigabit-capable networks currently delivering 300 Mbps downstream per apartment unit and with HDTV as part of the bulk package. They are easy to use – for example, internet access is primarily through Wi-Fi, and each resident’s secure, private Wi-Fi network is available anywhere on the property. Services are priced aggressively, with a



fee of \$70 to \$80 that covers both video and internet. There are promotional discounts – for example, Cottonwood may buy out a resident’s contract with his or her existing provider or offer a free month’s service. And the services are advertised intensively for months before they become available.

As a result, more than 80 percent of residents, on average, sign up for service before they are required to, and Cottonwood has met the costs of providing bulk service from the outset in every property it has transitioned. For prospective residents of buildings that are already on a bulk service plan, Russell estimates that only perhaps 4 percent would decline to move in because they were required to pay for bulk service. Most residents either don’t care at all or feel they’re getting a good deal.

In Enclave on Golden Triangle, the property featured in this article and the first in which Cottonwood implemented bulk service with Charter, a record 93 percent of residents signed up before the service went live. Cottonwood has already collaborated with Charter on several other projects and has committed

to standardizing on Charter’s managed Wi-Fi service in all its properties in Charter territory, including those acquired from Bright House Networks and Time Warner Cable.

VITAL STATISTICS

Property Description: Enclave on Golden

Triangle is a luxury property on the outskirts of Fort Worth managed by Cottonwood Residential.

Multiple buildings occupy this well-maintained and landscaped property. Amenities include a pool, a clubhouse, a basketball court, a jogging trail, a fitness center, covered parking and package reception.

Demographics: Young to middle-aged professionals

Greenfield or retrofit? Retrofit

Number of units: 273

Style: Garden

Time to deploy? Four months

Date services started being delivered:
August 2016

Any special requirements: Fiber-based infrastructure

SERVICES

Services offered or planned on the network: Bulk high-speed internet access (hard-wired or Wi-Fi) with a top speed of 100 Mbps per user (later raised to 300 Mbps); bulk video service; telephone; common-area wireless, including guest access

Provider choice: Charter Spectrum is the only provider on the property.

Technical support: The property owner is responsible for signing up residents and answering questions in advance; after service implementation, Charter Customer Care operates a network operations center to support trouble calls from residents as well as property staff.

BUSINESS

Which parts of the network are owned by the service provider, and which parts are owned by the property owner?

Enterprise-grade equipment, such as access points and switches, is owned by Charter. The fiber and intermediate distribution frame (IDF) closets in the buildings are owned by Cottonwood.



Charter Spectrum Wi-Fi equipment

Is there a marketing agreement? Yes, Charter has an exclusive marketing agreement for the property.

Does the agreement include an incentive such as a door fee or revenue share? No

How do the service provider and owner work together to market the services? What marketing approaches have been particularly successful? Charter and Cottonwood work together to make the residents aware that a new amenity program will be offered. Cottonwood's corporate tech amenity team trains the property staff to position the new amenity to the residents. The strategy that has proven successful is to explain to residents that this service is not offered on a retail basis and that the price of comparable service elsewhere is more expensive than the bulk program offered here.

Is there a bulk-service agreement? What services are included? Can residents upgrade? Yes, there is. It includes Spectrum TV Select (more than 150 channels plus HD and on-demand), a digital box, HBO for 12 months, and Spectrum Managed Wi-Fi for each unit and common areas. Residents can upgrade to additional cable programming and phone services.

What is the take rate? The take rate was 93 percent at the time service was

implemented. As residents renew their leases, the take rate will go to 100 percent.

Network benefits: The property staff at Enclave on Golden Triangle feature the service in presentations to potential residents and find that it is a huge selling point.

TECHNOLOGY

Broadband architecture: Fiber to the building or floor is used for internet access; coax infrastructure that was already in the building is used for video.

Where is the fiber terminated? At intermediate distribution frames, which are generally on the outsides of buildings.

Technology/medium used to deliver signals to each unit (can be more than one): Wi-Fi and Ethernet/Cat 6 for broadband; coax/DOCSIS for video

LESSONS LEARNED

What was the biggest challenge?

Chris Spadone, Manager, Major Accounts, Spectrum Community Solutions: This was a win-back opportunity from a small, local cable company; Charter did not service this property prior to this implementation. Charter built service to the property for the first time, and service from the existing provider was shut off and removed.

The challenge was coordinating the transition and making sure that no residents lost service in the process.

From a technical point of view, Charter had to run fiber to the property from our headend, set up IDF closets around the property, and run fiber through conduits from the main distribution frame to the IDFs and then cabling to the wireless access points that we installed in each unit and in common areas. We also had to connect to the existing coax plant for the first time.

All this required a very tight partnership with Cottonwood and the management staff and coordination to stay within the rules for entry. If there was no resident in a unit where we were installing equipment, management staff escorted the technician into the unit to do the installation.

Scott Russell, Cottonwood Residential:

The biggest challenge with bulk service is onboarding. At this point, the reason we don't implement bulk service in every property at once is that we would lose the quality of our onboarding. We advertise the service intensively and make sure that 80 to 90 percent of the residents are signed up before the charge for the service ever starts.

What was the biggest success?

Chris Spadone: Implementing a full service takeover is definitely a challenge because residents typically do not understand the full picture as the implementation is happening. Work on the property, coupled with learning a new provider's service, can be frustrating for residents.

We collaborated to communicate. Residents got letters from us and from Cottonwood. That was helpful, but nothing is perfect. People didn't fully understand the system until they received service. They're used to getting a modem and a router, and this is hands-off – the residents can't access the equipment; it's all behind the scenes. There was curiosity and anticipation

for something new they haven't used. So the biggest success was, and continues to be, the testimonials from the residents who love their new service from Spectrum.

Scott Russell: This system has a lot of moving parts, but once it's stabilized, and once people understand the change – after three or four months – there are very few trouble tickets. Among new move-ins, hardly anybody complains.

What did you do to minimize disruption?

Scott Russell: We started with emails and door postings about what was going to happen. We trained our leasing staff and set goals for them – they would get bonuses if a certain percentage of residents signed up for service. During the construction process, residents could call us with questions. The week service was turned up, Charter and our project manager were on site – that's where you get a lot more questions. We sent residents their credentials and instructions on how to get the network up and running. After three to five days, they could call Charter with issues. We also held events such as sponsored breakfasts or dinners where residents could talk with a Cottonwood representatives, and we coordinated with Charter on that to talk about the system upgrades.

What have you learned from the process?

Scott Russell: We have become more involved in what Charter does. The more we know, the more we can communicate with property staff. Each project has a project manager, and it's easier for me to train four project managers than to train all the leasing staff. Communication flows through our core group here with our core group at Charter. We're launching a website where tenants can learn more. We're writing brochures that we can customize for each property – we can do that more quickly than a huge company like Charter can.

What should other owners consider before they get started on a similar deployment?

Chris Spadone: Owners should make sure their visions of successful implementations and operational programs are communicated to everyone involved, from high-level employees to boots-on-the-ground employees. Cottonwood

sets an excellent example of stellar communication within its organization. ❖

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