

# Fiber Provides a Competitive Advantage for Multifamily Communities

With remote here to stay, retrofitting multifamily buildings with fiber has never been more important. But it can be expensive and challenging for a host of reasons.

By Kevin Donnelly / NMHC and Valerie M. Sargent / *Broadband Communities*

The needs of today's multifamily residents have grown exponentially. The trade magazine *Building Design + Construction* reports that early respondents to the 2021 Multifamily Amenities Survey say that multifamily owners' biggest concern is dealing with work-from-home needs. Multifamily developers and operators have responded to those concerns by modifying amenities, adding new ones, and innovating when possible.

The demands of the pandemic made working from home a requirement for many people. Pre-pandemic, nearly 46 percent of apartment residents reported working from home at least once a week, according to the 2020 NMHC/Kingsley Associates Apartment Resident Preferences Report, which included responses from 372,000 apartment residents. As the economy starts to recover and people find their way to a "new normal," this share is likely to grow as more companies decide to keep remote work a permanent option for their employees because of productivity improvement and cost efficiencies. According to a survey from Enterprise Technology Research, the percentage of workers permanently working from home is expected to double in 2021.

Armed with that information, how are multifamily communities responding? From a design perspective, apartment developers have been exploring how to expand space for exterior balconies and in-home work nooks to accommodate home offices. High-rise buildings with extra space available have added private work or study spaces to serve people working or learning from home. Outdoor work stations, larger floor plans, isolation rooms for shared homes, and multiple smaller social spaces all are part of the design solutions some multifamily communities are choosing to support remote work.

## SEAMLESS CONNECTIVITY IS EXPECTED

Even before the pandemic, year after year, the NMHC/Kingsley Associates Report showed the growing importance of high-speed internet for renters. The 2020 survey showed 92 percent of apartment renters surveyed expressed high or remarkably high levels of interest in high-speed internet access, with more than half saying they wouldn't rent an apartment without that connectivity.

Fast forward to today. No amenity was more necessary during the pandemic for remote work and school than dependable broadband. It's no longer nice to have – it's a necessity, and it's likely that the next NMHC/Kingsley survey will confirm that. In fact, the Fiber Broadband Association's 2020 Consumer Broadband Study reported that 79 percent of "site flexible" workers were asked by their companies to work from home full time, creating the need for ongoing video conferencing solutions and bandwidth-hungry virtual private networks.

Classroom video conferencing, education streaming and live streaming of events add to the demand for increased upload traffic. Multifamily residents have relied on video use for social activities, their jobs and even medical consults. Streaming communication video utilizes two-directional bandwidth, and it is latency dependent. With the ongoing work-from-home trend expected to continue, seamless connectivity will continue to be an ever-present expectation for residents.

It's clear that broadband prerequisites now go beyond download speeds. Systems that provide higher upload speeds and lower latency successfully allow broadband-based residential activities to thrive. What do the best systems comprise? You guessed it: fiber.

## RETROFITTING CHALLENGES

Fiber is the future because it is versatile, resilient and future-proof. It can meet the needs of today, but it is also a long-term medium that will meet the needs of multifamily owners and residents far into the future. With fiber, software changes and equipment upgrades can easily alter service tiers. Coax and copper do not have that flexibility or malleability.

It's simple for a developer to add fiber to a brand-new property and bring it to the unit upon construction, but older communities have more of a challenge. In our last article, "What Biden's Broadband Infrastructure Plan Could Mean for Multifamily" ([www.bbcmag.com/broadband-applications/what-bidens-broadband-infrastructure-plan-could-mean-for-multifamily](http://www.bbcmag.com/broadband-applications/what-bidens-broadband-infrastructure-plan-could-mean-for-multifamily)), we discussed that the nation's rental housing stock is aging rapidly. It's estimated that more than half of all rental units were built before 1980 and nearly a fifth before 1950, according to the Joint Center for Housing Studies. Many communities today still do not have community-based Wi-Fi solutions, let alone a fiber infrastructure. How do those communities compete – or even catch up?

Most of the rental housing stock in this country is existing build, some of it has been around for decades, and much of it is languishing or obsolete with outdated infrastructure. How do broadband providers or property owners make the numbers work and allow for fiber overbuilds in existing properties when the return on investment doesn't compute, but the resident need is overwhelming? How is modernizing millions of properties across the country with fiber possible? These are the fundamental challenges.

Certain types of properties will have serious challenges in extending the capital required, estimated to be up to \$1,000 per unit for upgrading or retrofitting broadband in a given community. Some properties have natural limitations, which is problematic when the technology is desperately needed by residents for daily life but is not affordable to deploy in a retrofit. This often is true whether the upgrade is to fiber or other

solutions, such as communitywide Wi-Fi or managed Wi-Fi systems that require wiring at the back end.

In the end, the financing and justification of the expenditure are often what hold back a deployment. Telecom consultants, broadband providers and housing providers are desperately looking for solutions, knowing this is the great challenge existing housing stock faces from a competitive standpoint.

## COMPARING CONNECTIVITY RATINGS

The level of connectivity for prospective residents is a big determinant in whether they ultimately choose one property over another. If competing against apartments across the street that may be served by a better and more modern infrastructure, such as fiber, a community will find itself at a competitive disadvantage if it does not try to meet or exceed that standard.

Two new market entrants are scoring properties based on their level of connectivity. A high rating can provide an advantage from a marketing and resident satisfaction standpoint.

After success in the U.K. and Europe, the recent U.S. multifamily launch of WiredScore brought to light how the certification for connectivity, digital infrastructure and technology in multifamily residential buildings can give a marketing edge to companies and communities that choose to brand and promote their bandwidth benefits.

WiredScore focuses on the quality and reliability of connectivity inside a building and provides a sliding scale of certification to meet properties where they are and help guide existing properties to improve service where feasible. There's a lot at stake. At WiredScore's launch event, Tom Redmayne (managing director, North America) highlighted that people "affected by poor connectivity are paying on average \$337 per year on top of their Wi-Fi bills for extra mobile data," underscoring the clear need for owners and providers to aim for better connectivity at home.

Another new entrant into the multifamily broadband certification market is ROVR Score, led by president and CEO Scott Casey, a longtime

multifamily executive. ROVR Score aims to provide a certification solution that allows a building owner to quantitatively compare its space to its competitors. It evaluates and measures the quality of a community's cellular and Wi-Fi connectivity, determining a ranking and score based on four key pieces of data: building infrastructure, Wi-Fi/network connectivity and reliability speeds, cellular connectivity and resident feedback. ROVR Score will analyze plans for multifamily owners, make recommendations and score a community. As changes are made, ROVR's dynamic score will adjust accordingly.

"We ultimately want to be perceived as an independent evaluator of connectivity and be a value add for our customers, providing them with the best information we can to allow them to make better, more informed decisions [related] to the number-one amenity they provide to their residents," said Casey.

These connectivity certification companies are ultimately good for the market. Prospective residents will know what is available at a community, and investors will know the value of the broadband system. It likely will create the need for some housing providers and broadband providers to take a harder look at the necessity for fiber overbuilds to provide seamless connectivity. When there is suddenly a tangible score for a resident to evaluate a property, that can create different motivations in the marketplace.

Ultimately, the resident broadband needs of today are going to increase. How will the multifamily industry continue to meet those challenges? We know the key is fiber – and getting the fiber to the properties remains the primary challenge. ❖

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