

# MDU Bulk Internet Is Affordable, Winnable, Doable

From managed Wi-Fi to DOCSIS to fiber to the unit, service providers have various options to pursue a successful MDU bulk internet strategy.

By Bryan J. Rader / *UpStream Network*

The interest in bulk internet has begun to spread quickly across the MDU industry. It began in student housing a decade ago, then spread to high-end condos and homeowners association communities. Next, it was upscale apartment buildings in metro areas.

Now, bulk internet is expanding into more middle-market, “working class” and affordable housing communities, a trend that is likely to continue.

## A MEANINGFUL AMENITY

One property manager of affordable housing explained it to me. “Look, even though our residents struggle to pay their rent each month, we can provide them with a great tool for their kids’ homework, to research job opportunities or to stream free movies,” she said. “Bulk internet creates real value and resident satisfaction.”

Another manager told me, “My residents often hold blue-collar jobs, and price is important.” He added, “They would have to pay more than \$60 to \$70 per month on their own for internet service. But I can offer it as an amenity when they move into my community.”

Rental housing continues to become less affordable in many markets. Residents see almost half their income allocated to rent, and new features or amenities can be very enticing for this customer base. Sure, they like well-lit playgrounds, safe surroundings and swimming pools. “But excellent internet is something everyone will enjoy,” explained a Texas-based property manager.

The big cable companies have been slow to realize this. Many won’t even deal with some of the apartment communities. I’ve heard them say things such as “bad debt is too high” or “collections can be an issue” and “not a safe environment for my technicians.”

Have you visited some of these communities in the past few years? Investors have gotten very good at upgrading their assets with new safety features, landscaping and high-quality in-unit appliances. The next step? Bulk internet.

## BULK INTERNET GAINS MOMENTUM

For \$20 to \$30 per unit per month, every single unit (and common area) can enjoy always-on broadband internet. This becomes a real, meaningful amenity: Residents will no longer line up in the leasing office business center to send a document, do research for school or search movie times.

Many residents historically have used their smartphones for internet access. This is OK, but they’ve had to worry about minutes used, sharing devices with other family members, and dealing with spotty cell coverage.

“Residents really value high-speed internet today and are appreciative when it is part of their rent,” one affordable housing owner told me. “We plan to do more communities in the future.”

## ENDLESS POSSIBILITIES

Bulk internet solutions for affordable housing can consist of several deployment methodologies, all with different cost structures. One common option is managed Wi-Fi, which allows residents to be authenticated and online right when they move in.

Other service providers utilize the existing coax infrastructure and offer a DOCSIS-based solution, using modem-routers in the units. A “bring-your-own-device” option is not an ideal way to do this; it may restrict usage and create potential service problems at the time of install.

Finally, some operators install fiber in these apartment communities. This decision comes down to demand, market specifics and cost considerations.

The opportunities are endless and are just beginning to take hold in low- to moderate-quality communities. Yes, it must be affordable. But it is clearly winnable, and, I believe, very doable. ❖

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