

Multifamily Broadband Gets a Shot in the Arm

Broadband remains the glue that holds the multifamily broadband industry together.

By Bryan J. Rader / *Single Digits*

Have you received your broadband vaccination yet? Well, I think the multifamily broadband industry just got it, and it didn't even have to wait in line, scour different websites to get an appointment or pull the age card. Nope – the industry got the shot, and you can see the results everywhere you look.

Look around the industry right now. Many “back to business” signs are popping up. If this pandemic taught us anything, it's that multifamily providers offer one of the products most crucial to consumers. Every day, multifamily providers connect seniors so they can talk to their doctors, kids so they can go to school, and parents so they can work remotely. It's not an overstatement to say that multifamily providers are the glue holding society together.

I'm not taking anything away from the vaccine manufacturers and pharma companies that found a medical solution in less than a year. But the broadband industry should realize how important multifamily providers have become in the contemporary digital world.

Roll up your shirt sleeve for a moment.

INDEPENDENTS STEP UP

Independent broadband companies are deploying exciting new platforms for multiple-dwelling-unit (MDU) communities everywhere: managed Wi-Fi networks, fiber to the home (FTTH) and fixed wireless. Broadband providers that serve MDUs are seeing speeds 20 times faster than the FCC “high-speed” requirements, and solutions for all types of users. This is the evolution of a business that once had the informal motto: “Connect a T-1 line near the leasing office, and open up the internet gates for all residents.” Not anymore. Multifamily providers have grown into world-class providers of internet solutions.

Have you recently seen a social media post from someone who just saw a grandparent for the first time in a year? It's one of the most heartwarming kinds of videos. This is the same experience multifamily providers get when an industry company raises a new round of funding or closes a big portfolio of apartment communities with a new client.

The multifamily industry has seen cycles like this before, but they haven't always lasted awfully long. And this time, I don't think the industry will need a booster shot to address another new variant of the virus.

This time is different. Why? For one, apartment owners and real estate developers recognize that the product the

MDU service industry provides connects everything they do – from connecting their residents in amenity spaces, to aiding virtual leasing tours, to managing sensors in vacant units. Networks are the key to effectively renting, managing and servicing today's multifamily communities. And that's not going away anytime soon.

Many property owners have told me that internet service is the most important service they provide. Property managers tell me they don't want to go to work if there's some type of outage, fearing a line of residents waiting outside the clubhouse. The National Multifamily Housing Council reports that, according to studies of resident preferences, high-speed broadband is the top amenity their members provide.

INDUSTRY BOOST

Another way to gauge the boost the multifamily broadband industry is experiencing is to look at the number of companies announcing new investments or recent acquisitions. The industry has never seen this much activity before. Consider all the requests for proposals being sent out by consultants with requests for bulk managed Wi-Fi or bulk fiber internet. They all point to future success for the industry.

Years ago, the FCC conducted a competitive study on the size of the multifamily broadband industry's share of the market. At the time, the multifamily market's biggest product was pay TV, and the FCC said the industry segment had between 1.5 and 2 million users. Today, if the FCC did the same study, and counted broadband, it would find that multifamily providers certainly have more than doubled their market share in the past decade. That's right – doubled. This is share that used to go to the big cable and telco folks. Not anymore.

This momentum feels similar to the reopening spirit businesses are experiencing across the United States today. Entrepreneurs now relish the indoor seating, greater capacity, and fewer restrictions around their places of business. This is great to see.

The multifamily industry got there a little earlier than the rest of the economy. Its “broadband vaccination” already gave the industry the shot in the arm the segment needed. I think the independent providers are in a healthy spot moving forward. Don't you agree?

OK, you can roll your sleeve back down. ❖

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