

# Hot Topics from the 2023 Broadband Communities Summit Multifamily Track

From bulk vs. managed Wi-Fi to PropTech marketing, the multifamily track sessions were chock-full of helpful information.

By Valerie M. Sargent / *Broadband Communities* and Julianne Goodfellow / *NMHC*

Attendance at this year's **BROADBAND COMMUNITIES** Summit May 2–4 in Houston was record-breaking and the content was robust. We received high praise regarding the multifamily track and want to provide a brief recap. Although sharing all the details of a multiple-day event is impossible, here are some highlights.

**BROADBAND COMMUNITIES** is privileged to work with multifamily advisors to plan the Summit's multifamily track. The magazine again partnered with the National Multifamily Housing Council (NMHC), which hosted the "Connectivity Town Hall" at the Summit. It was a fantastic opportunity to hear from owners and owner representatives about their achievements and challenges in the marketplace.

In the opening "Great Communities" session, two properties with broadband solutions in place were highlighted, along with their service providers. Dojo Networks at The Marshall in Birmingham, Alabama, and Cox Communities at UnCommons in Las Vegas were featured this year.

Both communities were showcased in the magazine during the past year. At the conference, Matter Real Estate partner Jim Stuart touched all attendees by discussing the input the company sought from cultural anthropologists, neuroscientists and psychology and health care professionals to consider humanity, mental health and wellness as part of the design parameters as UnCommons was built. It was a true testament to thoughtful development and a beautiful way to kick off the event.

One panelist mentioned that 30 percent of properties one company acquired have a managed Wi-Fi solution already in place. When looking at existing infrastructure, the question lately is: Will it accommodate a managed Wi-Fi situation? Smart-home options must be very customizable, especially when considering new acquisition possibilities.

## ADDRESSING DIGITAL EQUITY IN MULTIFAMILY

The "Digital Equity Town Hall" discussion on historic federal broadband funding featured speakers from the FCC, the National Telecommunications and Information

Administration (NTIA), the Texas Broadband Office and EducationSuperHighway. The speakers focused on the Broadband Equity, Access, and Deployment (BEAD) Program, which NTIA will implement, and the Affordable Connectivity Program (ACP). Particular importance was placed on providing devices and making broadband accessible to all.

States are going through a challenging process to address gaps in the map depicting where broadband is provided. Current mapping becomes complicated when properties show internet accessibility, but the mapping lacks unit-by-unit location information. An apartment community may show as being served because internet service is provided, but may be underserved if considered unit by unit.

The ACP is about meeting the states where they are, and individuals were encouraged to contact their congressional representatives to request the extension of the ACP. In addition, attendees were encouraged to reach out to state broadband offices to participate and learn about the BEAD Program because states are now setting up their models.

## FUTURE FLEXIBILITY IN BROADBAND

In the "Future Flexible Broadband" session in the Town Hall and throughout the multifamily track of the Summit – including in a dedicated "Bulk vs. Managed Wi-Fi" session – there was much discussion of how managed Wi-Fi is defined. The point was made that managed Wi-Fi isn't just for residents; it's for building and sustainability services. Bulk is a financial obligation; managed Wi-Fi is a system capability.

Future flexibility refers to whether there's a plan in place for technology changes. Fiber to the unit is one solution that may provide the most flexibility. A mesh overlay and instant activation with symmetrical multi-gig technology with firmware and software updates can help resolve update needs quickly. A spare conduit pathway is also helpful in remaining flexible.

An existing conduit in a retrofit is necessary, and creativity is needed in an overbuild. A significant point was made to avoid making cuts to a low-voltage provider. Access points and radio were mentioned as crucial in remaining flexible in the future.

The Town Hall also featured a conversation between Julianne Goodfellow of NMHC and Matt Ames, partner at Hubacher Ames & Taylor, PLLC, and NMHC's outside counsel on matters related to the FCC. The discussion highlighted the FCC's continued focus on connectivity in apartment communities and the politics at play that impact the commission's makeup.

Goodfellow and Ames discussed NMHC's recent engagement in a digital discrimination proceeding and the importance of ensuring that low-income residents have access to quality connectivity. NMHC pointed to data showing competition and high-speed service is the rule for apartment communities, but providers have trouble making their ROI numbers below a certain income level. Infrastructure for smart apartments was addressed next, and panelists predicted vacancy rates will tick up with the market softening as developers pull back because of increased cost to purchase and higher interest rates.

Technology is constantly changing and improving. The challenge comes with the speed of technology versus the rate of real estate implementation. "Real estate is not a peppy business" was a knowing quote from the infrastructure session in the Town Hall. Many owners are trying to decide what is needed and most important, from self-guided tours to doorbell cameras, smart locks, thermostats and leak detection. Integration with real-world apps is a consideration, and it all boils down to the experience residents have with so many dynamic technologies.

### **CLEARING UP BULK VS. MANAGED WI-FI CONFUSION**

In sessions on bulk versus managed Wi-Fi, panelists representing bulk talked about bulk being a procurement model that includes 100 percent of residents with a set price and one bill. Many communities offer it as part of a technology amenity program. It is a win from a pricing perspective because bulk avoids credit checks, installation fees and service appointments. Common areas

are also included with bulk.

Whether using bulk or retail pricing, managed Wi-Fi can still be tied to a bulk model. There is a managed versus unmanaged option, which is what creates part of the confusion in trying to define these options. The challenge in managed Wi-Fi is ongoing support and training because of the churn of on-site staff.

Research shows 80 percent of residents cite having "instant-on" internet as critical. Managed Wi-Fi means owners design and install networks, then contract with service providers to handle all maintenance. It started in a student housing complex: Four units needed their own accounts, and managed Wi-Fi became the solution. Managed Wi-Fi includes multiple service set identifiers (SSIDs), technical support and additional benefits. It is focused on customer experience, regardless of whether it's a bulk experience.

Managed Wi-Fi means a network can follow residents through SSIDs regardless of where they are throughout a community. Residents don't need to reauthenticate when they go to a different area, and there's seamless connectivity and a better Wi-Fi calling experience. It boils down to what a property tries to accomplish through a network. Managed Wi-Fi allows for specific internet of things amenities such as leak detection notifications, which is straightforward with new construction but more challenging for brownfield communities.

### **MARKETING PROPTech AND BROADBAND IN MULTIFAMILY**

For the first time, the multifamily track focused on how technology packages are marketed to residents. The robust panel of marketing experts pointed out that PropTech is not an amenity or a perk. It's an expectation. Experts recommended not forcing providers to build into an owner app but instead letting providers stand on their own. Understand that brands are essential to service on all sides, and residents are accustomed to using multiple apps.

One panelist commented that 79 percent of apartment renters will

search online reviews before renting, so it's essential to realize the ways technology plays into an apartment community's overall ratings. An ISP is such a significant part of success for a multifamily community. In surveys on this topic, 81 percent of managers reportedly credit technology for keeping residents satisfied. It was recommended that providers create content on social media to address situations that could be easily fixed with instructions showing how to do it.

In advertising, providers and communities should talk about what the technology enables people to do and what they're getting out of it. Customer support should be easy and obvious in any collateral and online marketing. With a trend toward self-service, providers should consider how they communicate with residents. They should give on-site teams social media marketing tools that indicate the internet speed provided.

Internet service providers can support marketing efforts with training for on-site teams about what residents need to know and whom to contact when there's an issue. Instructional steps one, two and three should be included on a flyer to make things obvious upon move-in. Essentially, it's important to look at how to help on-site teams lease more apartments.

The "PropTech Power Panel" was powerful indeed. Retrofits seemed to be the biggest struggle, and ongoing support from vendors is critical. With PropTech, questions about data ownership and control from a risk management perspective are common. Cybersecurity can affect insurance coverage, and some companies have data privacy teams or information security teams in place to help. There is a risk of resident information and data exposure regarding authentication, authorization and encryption.

### **EV CHARGING NEEDS GAIN IMPORTANCE**

Electric vehicle (EV) charging stations were discussed in detail for the first time at the Summit. Panels weighed in on what's involved from a

municipality perspective regarding fire and insurance. Because electric car fires take four times the amount of water to extinguish, it was mentioned that risk management should be involved in EV discussions. Getting three bids and going heavy on infrastructure and light on charging stations were also recommended. Multifamily players should rely on EV companies to guide what's best for a community. In most multifamily cases, "level two," in which people typically plug in at home to charge for four to eight hours, will be the best installation choice.

Lisa Moore at development firm JPI said the company is currently planning for 10 percent of units to have EV charging available in their communities to meet current and future needs. Adoption varies in different locations. One consideration that many hadn't thought of regarding EV charging was that owners must plan for handicap accessibility in their EV charging spaces. Charging should be accessible on both sides of the area.

As telecom is starting to get into EV, additional infrastructure is needed for reliability. Software updates for cars happen while parked, so Wi-Fi access points in spaces and garages are essential. Budget for upgrades every five years. As the Tesla Motor Model 3 hits the used car market and EVs become more affordable, more charging stations will be needed. Residents say they will pay a monthly premium for dedicated charging spaces. Electric vehicles and charging stations are collecting data that show where development is needed. It's estimated that 25 to 30 percent of drivers will have EVs within the next five years.

## CONTRACTUAL RECOMMENDATIONS FROM LEGAL LEADERS

The "MDU Legal Leaders" session was once again an informative discussion on what's happening on the legal front in the multifamily environment. Attorneys informed attendees that there is some transition from retail pricing to a bulk model because it makes sense for SSIDs and owner networks to

help with home automation. It only becomes tricky if a bulk provider is not servicing the property. Doing a legal review early before any transition was recommended.

Due diligence was recommended in brownfield communities. Both owner and provider sides should ask: "Does the provider need service to the unit?"

Regarding remedies, the "best efforts" contractual language is not substantial enough. Specific remedies must be named in contracts to address possible damages and remedies. Also, it's important to pay attention to the "time is of the essence" language. Missing one milestone may relieve the other party of the contract, so pay attention to the survivability clause about easements, marketing, etc. Communities should only use provider marketing materials, and providers should ensure that wording on flyers is appropriate for packages and marketing in place, period.

## DIGITAL INCLUSION, INFRASTRUCTURE AND SUSTAINABILITY

A second "Digital Equity" session focused on expanding broadband to residents in need and addressed the availability and accessibility of the internet. There are income limits for those in affordable and senior housing, and sometimes residents can pay only for basic needs such as food and rent. Ways the U.S. Department of Housing and Urban Development (HUD) could designate the internet as a utility and incentivize owners to include internet service in the rent were included in the discussion. HUD could then predict a utility allowance, adding internet into utilities. This could allow money to be allotted for the year instead of developers needing to apply via the HUD application process, which is highly challenging. The ACP is difficult to enroll in, but if residents are eligible for HUD, they are also eligible for the ACP.

A BEAD Program discussion regarding mapping was covered. Programs have been committed to

but funding has yet to be announced. Education needs to happen for providers and communities to access BEAD funding.

During the "Lessons Learned While Building Your Digital Infrastructure" session, the panel said communication was most needed about defining roles and responsibilities upfront and continuously. Over-communication was even recommended when dealing with infrastructure, providing weekly updates, updating agreed-upon schedules, and including escorts on properties for providers.

When a building owner puts in home-run wiring, there is the issue of who terminates the wire. This needs to be decided in advance. Labeling the wire and conducting testing while electric contractors are still there is of utmost importance. A participant commented that it's important to refrain from making assumptions that certifications are acceptable. Instead, everything should be tested.

Other helpful tips included having a redundancy circuit and a cellular camera monitoring a space, and using a call center as a first line of defense. In a service level agreement, be sure to communicate to residents exactly what happens when outages occur. Understand the options and the differences in providers, and remember that if low voltage is terrible, customer service doesn't matter.

The last education session of the multifamily track was a panel covering sustainability, in which Alison Johnson of NMHC led a fascinating discussion on enhancing sustainability and what it takes to understand and better control buildings while avoiding penalties and fines in a carbon-neutral environment.

Eric Tilden from Elme Communities said four companies grade the company regularly, and he mentioned that 25 cities pledged to go carbon-neutral by 2050. The SEC currently requires publicly traded companies to disclose climate change risks. The panel discussed how interoperability between devices in homes is crucial. Devices that speak a protocol can make data exchange more accessible. IoT devices are

not well-regulated, so investing in communication-ready instruments is helpful. Software for data collection, analysis and insights is also essential.

Owners should own their networks so they can add things without charge, noting that fiber is expandable. Fiber to the edge was said to be a more sustainable way to implement carbon-emission reduction. Operating expenditures and capex cost savings result from new construction, saving

about 30 percent upfront to install a network with fiber to the edge. It can be more expensive if laid on top, which is a downside with older infrastructure.

The multifamily track ended with a closed-room roundtable of owners and representatives, discussing current initiatives and needs as an industry. Feedback will be used to shape future sessions.

That was a lot to unpack! We hope you got a few nuggets of wisdom. It's

no wonder we received an email that said, "Congratulations on what has been lauded as the very best BBC Summit ever! It was an incredibly well-organized event in a new venue with pertinent topics! Everyone was engaged, and many wonderful conversations were had."

We look forward to continuing the conversations at the NMHC OPTECH Conference, November 1–3, 2023, at the Wynn Resort in Las Vegas. Registration opens June 20. 🙌



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