

Q&A With Mike Coco, Choice Property Resources

Providing the Whole Broadband Experience

Even in a gigabit world, it takes more than great internet speed to keep MDU residents happy.

As president of Choice Property Resources, Mike Coco negotiates and manages ancillary services for mid-sized property owners nationwide. Recently, **BROADBAND COMMUNITIES** had the opportunity to interview Coco about how property owners can provide residents with the technological amenities they demand. Following are highlights of our conversation.

BROADBAND COMMUNITIES: *According to many surveys, MDU residents consider good broadband a top priority when renting or buying. But what, specifically, are they looking for? What qualifies as “good broadband” today?*

MIKE COCO: It’s coming to mean the entire experience. People get fixated on speed, but even when you look at the technical part, it’s not just speed, but also symmetry, or whether the upload speed is appropriate for the amount of content users are producing.

It’s about latency, reliability and uptime. And then, what is the support like? What is the setup experience? A number of providers have done a plug-and-play setup, which is really exciting to have available for properties.

BBC: *Are there different needs for different demographics?*

MC: Yes. For example, some affordable housing might have a mix of social services or basic



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medical services, as do assisted living and memory care facilities, which are much more intensive environments. In that continuum of care, we’re seeing different styles of housing with different health care providers coming in. There could be a speech therapist, a nurse practitioner, a physician or a physical therapist, and they’re going to

need access to broadband. It's not so much that they're demanding high speed, but it's got to be a seamless experience. There can't be any kind of friction for them to spend time trying to connect their computers. So, all of a sudden, you have people who don't even live there having a legitimate need to be able to get on the network. The way medical care is going, there's going to be a need for reliable telehealth experiences, where you visit with a doctor while you're still at home via something like FaceTime.

BBC: *And when service is not good, what do residents complain about?*

MC: First, reliability. Second, that their internet is out. That's the one that gets residents' attention the most, especially if they have to wait in the unit or take off work and wait for the technician to come do the install or some sort of repair. I know I've experienced it personally – if I have a two-hour window, I think, OK, two hours, I can live with that. But when they show up in the last 10 minutes, that two-hour window is really like a three-hour window.

BBC: *How should owners address those kinds of problems when they affect a whole building?*

MC: We'll go to the vendor and work with them on the trouble ticket report – how many outages they're having, or how many support calls they're getting, and how quickly issues are resolved. You can put the report up against their metrics in that market and start to see if it's out of balance. Once or twice a year we'll have that kind of report come in and see that a property is really at the far end of the scale. And then we start looking at wiring. It could be on the provider's side of the network or it could be on the owner's side, but that's typically where we go next.

BBC: *How about technological amenities beyond internet access – smart-home features, building access, package*

delivery systems, ability to use personal Wi-Fi throughout a building, and many others. Which of these are must-haves today, and which are nice to have or not important?

MC: Building access is a must-have.

That's the easy one. And package delivery systems are a must-have in new construction, because they make it easier to get in. Once you go past those two, the rest is just bells and whistles. I think they're going to become sticky in the market. However, in terms of adoption, we're still somewhere between innovators and early adopters – we're not at mass market yet.

Part of the challenge here is to figure out who's really going to pay for smart-unit devices. Owners and operators are trying to figure out, first, which technology is going to drive efficiency in their operations and maintenance, and then which is going to generate higher rents. I don't think it's fully proven yet. Something that's complicating the issue is the bring-your-own-device option. As a resident, I can bring Amazon Alexa devices and put one in each room, and I can buy some plugs and other devices. Maybe, even though I'm not supposed to, I can get away with putting my own Nest thermostat in. And when I move out, they all go with me. The owner didn't have to make the investment and didn't have to maintain the infrastructure. But I'm still living in a smart unit.

Think about a hospitality property. Holy cow, imagine the potential savings! If the owner can control the environment, the HVAC system and maybe even the curtains, there's a huge efficiency savings. But in a multifamily property that's submetered, I'm not going to be as motivated to put those in until I know I can get a higher return on investment – and that's what we haven't proven in the market. That's why it's easy to start from the parts that *can* be controlled and that are critical

to operating the building more efficiently, such as package delivery or building access. Let's start there.

BBC: *What kinds of obstacles do property owners and managers face in providing residents with broadband?*

MC: In new construction, which is the vast majority of what Choice is seeing right now, the difficulties are getting the vendors engaged early enough in the process, making sure they have their ducks in a row in terms of system design, they've done their site surveys, they've negotiated the contract, they have approval from finance and legal and the capital has been deployed. And then that you get in the queue with their construction people and that they're actually out in the field doing their part when you need them to, in line with your development and construction process.

In addition, there's been a shift in attitude on the part of some vendors – it's no longer automatic that they're going to build out to your property. The regulations have changed. We've seen vendors just say, "Hey, we're not going to service you," or "We're going to service you, but only under these conditions."

BBC: *Are they looking for a higher financial contribution from the owner?*

MC: That could be it. We've seen that. We've also seen [disagreements about] just how they're going to deploy. With one ILEC that was just starting to get into fiber to the unit, we had a situation with two different clients. The vendor wanted to do fiber to the unit in both properties, and the walls were already going up. And in both of these buildings, it was very late in the process to change the design. We said, "No, you can take fiber to the telecom closet, then you're going to be on home runs going into the unit." They were insisting, "No, we want to go to the unit, and we're going to put in an ONT, which means we need a bigger panel

than you were planning, and we're going to need power there." We were saying this was driving up the costs for the property owner, and they basically said, "You need to do it this way, or we're not going to service your property."

BBC: *What can owners do to overcome these difficulties?*

MC: Have good communication with the vendors. Don't assume they're going to build out. Don't assume they're on top of it or they'll come when you call. Also, if you have a selection of providers, you're not stuck. We have seen that where we have two providers, if one of them is delayed and they're not there when the property opens and the certificate of occupancy is initially issued, well, you have a contingency when there's another available vendor.

BBC: *We seem to be hearing more about bulk broadband lately. When and where does bulk broadband make sense, and what should owners be aware of in deciding between bulk and direct service?*

MC: Some vendors I've talked to think bulk broadband is the best thing since sliced bread, and every property should have it. The reality is, it's not a fit for every property, but there definitely is an application. Owners should think about what they're trying to accomplish and ask whether bulk makes sense to get there. We have a client that focuses on senior and affordable housing and is doing a six-month pilot program at a property where it had us negotiate a propertywide Wi-Fi system. It's going to issue each resident an Alexa device. It's working with the AARP Foundation, which has developed different skills for interacting with the residents. The owner is trying to see if there are different ways it can be more efficient and also engage the residents and make their lives better through the use of technology. To get the full effect,

they needed a bulk broadband solution and it needed to be wireless, to make it easy to deploy throughout the property and not have a lot of hardware in the units.

Another situation where bulk is relevant is this: We have a number of clients doing tax credit deals for affordable housing. They're applying for tax credits through their state allocation agencies. The application process continues to get more and more competitive, and some states award more points if you provide free broadband to the residents. Sometimes they're committed to providing free broadband for 15 years. An owner making those sort of commitments needs to plan for all these costs and have reserves to replace equipment down the road.

BBC: *Do residents want a choice of broadband providers? What are advantages and disadvantages for the property owner to having more than one provider at a property?*

MC: Yes, residents want choice. The primary advantage for the property owner is to have enough selection to keep residents happy. Everybody can be subscribing to vendor A, but there might be one person who really dislikes vendor A. If you have vendor B, residents have an alternative.

In terms of the disadvantages, there will be a revenue impact if there's a marketing agreement in place and then more infrastructure costs or more infrastructure to maintain. But when you're negotiating the contract, you can try to push as much [responsibility] to the vendors as you can to maintain that infrastructure.

BBC: *Finally, what tips can you offer for a property owner to have a successful working relationship with a broadband provider?*

MC: No. 1, communication. No. 2, communication. And No. 3, communication. The key is to have the right person on the vendor side who's really owning that project

and communicates well with the property. That will go so much further than the owner saying, "Well, I have it in the contract, and I can beat them over the head with the contract." At the end of the day, everybody really wants to play nice. We just want to get the project done. And having somebody who communicates well helps get us there.

BBC: *Let's say the communication didn't go so well, and you do have to resort to hitting them over the head with the contract. Are there things that owners regret having signed?*

MC: Yes. Not that there was a bad provision in the contract but that a section was missing: namely, the scope of work. Clarifying who is responsible for what would go far toward making sure everybody's on the same page. It's that simple, but when it doesn't exist, that becomes a problem. Sometimes it's left out because it's just one small piece of hundreds of puzzle pieces in a project, and it just doesn't rise to the top.

Another thing is understanding and monitoring what actual services the vendor is delivering. The owner shouldn't just assume the vendor has the fastest speed or the latest technology, or even that the network on their side is up to speed.

Keeping on top of these issues has become more difficult because property ownership has become more institutional – not many owners have just one property. They're watching multiple properties, multiple vendors, different technologies, different contracts with different life cycles. The world's getting more complex, and multifamily keeps getting more professional in how it operates businesses. There's so much more business intelligence available and more metrics to measure yourself against the market and your competitors. With that complexity and sophistication come good and bad things. ❖