

# Managed Wi-Fi, Bulk Services and Smart Apartments

MDU owners and managers can use managed bulk Wi-Fi services and smart features to attract and retain residents.

By Jennifer Kent / *Parks Associates*

**T**he multiple-dwelling-unit (MDU) market has experienced economic disruptions, falling demand and eviction moratoriums, which have tightened the market and led MDU owners to seek new revenue streams and diversify. Beyond network evolution, internet service providers (ISPs) offer new services to residential customers and MDU owners and operators at the network edge.

Parks Associates research finds that roughly 16 percent of MDU residents report having bulk internet as of the second quarter of 2021. This number stands to grow substantially in the coming years, mainly driven by increased interest in what is known as “managed high-speed internet access” or even “managed Wi-Fi.”

## MANAGED WI-FI POTENTIAL

Managed Wi-Fi is a deployment type wherein an ISP or managed internet service provider (MISP) manages the local area networks within

an MDU. It is commonly used as a type of bulk internet deployment. Deployments typically involve propertywide VLAN technology, aka personal area networks. VLANs are enabled on gateways in residents’ units and throughout the property itself. Propertywide VLANs allow residents to roam across the property while still connected to their network and perform tasks such as printing to the Wi-Fi printers in their home office while remotely working at the MDU pool.

According to information provided by RealPage, Charter Spectrum and others, interest in managed high-speed internet access (HSIA) has grown sharply in recent years, particularly among luxury MDU starts. Rates have risen from 5 percent of new luxury starts interested in 2018 to 35 percent in 2019, 65 percent in 2020, and 80 percent in early 2021. Partly driving this trend is reduced interest in and adoption of pay TV among consumers – as this trend continues, MDUs offering bulk internet plans seek to move away from contracts including pay TV services and toward alternatives.

A growing number of ISPs are working to offer managed HSIA to their MDU customers. This includes large ISPs, such as Charter Spectrum; more recent market entrants, such as DISH Fiber; and a new generation of smaller ISPs that focus exclusively on the MDU market. These new ISPs offer a promising value proposition to MDUs and residents. RealPage

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reports that around 2018, the business model for bulk internet improved, offering better pricing options, particularly for MDUs that own their networking equipment.

### SMART-APARTMENT CHALLENGES, OPPORTUNITIES

Smart-apartment deployments are likewise growing in several markets. Smart apartments offer a valuable amenity for renters, allowing them to enjoy the benefits of smart-home technology without needing to purchase a home and install equipment. Parks Associates research finds that 65 percent of multifamily builders report that smart-home technology differentiates properties and adds value. In particular, markets outside of coastal regions of the U.S. are interested in new solutions to distinguish their properties and gain a competitive advantage.

However, smart-apartment deployments have long been plagued with logistical challenges – chiefly the challenge of connectivity. Smart-apartment devices require internet connectivity to operate. Neither the MDU nor the smart-apartment vendor has access to the SSID information from the resident's residential gateway. In the deployment environment, smart-apartment devices cannot easily be configured to work with the resident's gateway without effort on the resident's part. Cellular internet of things (IoT) technology and communitywide Wi-Fi have been used to overcome this limitation but still run into difficulties.

To resolve this issue, MDUs increasingly turn to bulk internet and managed Wi-Fi services. Bulk internet provides a viable business model for MDUs, effectively allowing tenants to pay for smart-home device connectivity and avoid the logistical challenge of SSIDs and passwords. Managed Wi-Fi services, such as communitywide VLANs, similarly promise to simplify device deployment, management and logistics by allowing vendors and MDUs to program devices with a single SSID and password, hosting different networks for different device types. For this reason, Parks Associates expects a



growing crossover of smart-apartment technology and bulk and managed Wi-Fi services.

The broadband market in the U.S. is entering an exciting time. Network evolution is rapidly underway, and players across the industry are heavily investing in fiber deployments and new networking tools based on disaggregation and white boxing. Top trends in the broadband space include:

- Network evolution and the deployment of fiber to the home to boost uplink and downlink speeds and improve performance
- The renewed focus on connecting the unconnected population
- New value-added services being offered to subscribers and employers (such as optimized Wi-Fi and gateway-based cybersecurity)
- Growing competitiveness in the MDU space where bulk internet and managed Wi-Fi deployments are of increasing interest

The residential broadband market has seen several developments over the past few years. Within the MDU space, apartments of all types increasingly implement managed Wi-Fi solutions to serve as the backbone for smart-apartment deployments and a bulk offering for tenants. With recent trends

and renewed growth in the home broadband space, Parks Associates forecasts that by the end of 2025, approximately 93 percent of U.S. households will have a broadband subscription – either fixed or mobile. ❖

*For more information on new developments in the broadband market spanning business opportunities, operational needs and competitive factors, please visit [www.ParksAssociates.com](http://www.ParksAssociates.com).*



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