



By Joe Bousquin ■ Contributing Editor, *Broadband Properties*

The VDSL2 network installed by Qwest Communications helped make Belmar Urban Flats, a luxury mid-rise apartment community in the Denver metro area, a prime target for acquisition by Behringer Harvard earlier this year. Our thanks to Urban Flats' Tracy Reeder and Rick Trujillo and to Qwest's Stephanie Walkenshaw and Carolyn Tyler for their assistance in preparing this feature.

For Behringer Harvard, a Dallas-based investment firm that owns 6,600 apartment units in 11 states, having the right property in the right submarket is of paramount importance. With a focus on high-end apartment communities that cater to young professionals in upscale urban locales, the firm prides itself on knowing its clientele and meeting their ever-changing wants and needs.

When Behringer Harvard's Multi-family REIT I fund was infused with \$100 million in fresh cash in January 2010, the company started looking for Denver-area communities to add to its portfolio. Essential to any deal were cutting-edge technology, good timing and a gotta-live-there location.

Belmar Urban Flats, a 308-unit mid-rise in the desirable Belmar enclave of Lakewood, Colo., just outside Denver, met all three criteria. Before buying the community, which was built in 2008



Case studies from the Property of the Month feature will be presented at the Broadband Properties Summit on April 27.

by Trammel Crow, Behringer Harvard checked out the property's technology infrastructure to ensure that it could deliver all the tech services and amenities its upwardly mobile residents might want now and into the future.

"Our ownership was very aware of all aspects of the property before buying

it," says Tracy Reeder, community manager at Urban Flats. "The tech amenities and services available here were an important aspect of the transaction."

Qwest Communications, the Denver-based Regional Bell Operating Company that has been expanding its fiber offerings across 14 western and mid-

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western states, installed the fiber-to-the-node VDSL2 network that delivers up to 40 Mbps broadband speeds to residents. The network also supports an IP-enabled home monitoring and automation system that offers Urban Flats residents the option of checking security status, managing lights and other appliances and receiving alerts if a door or window is open.

The home monitoring system, called Qwest Connected Home, also integrates e-mail and voice mail, allowing users to access their messages remotely and to receive Internet news feeds, weather and other information on their home phones. "It's important for residents to have a good interaction and experience with their service even if they're not there," says Carolyn Tyler, Qwest's media relations manager. "We really see that as an increasingly important and growing area of telecommunications."

Because the property is located just 7 miles from Denver's Federal Center, the largest concentration of federal agencies outside Washington, D.C., the community's targeted residents are tech-savvy and typically look for digs in neighborhoods where they can both work and play. Urban Flats' location and high-tech backbone appeal to this group, making the community a good fit for Behringer Harvard's acquisition strategy.

"We believe this desirable community in the amenity-rich Belmar district will appeal to the high concentration of young, well-educated professionals that

Denver continues to attract," says Mark T. Alfieri, Behringer Harvard's chief operating officer, who oversaw the \$41 million deal.

To help attract young professionals to Belmar Urban Flats, Qwest leveraged its reselling partnerships with DIRECTV and Verizon Wireless. Through just one touch point, Urban Flats residents can subscribe to DIRECTV video services, including the NFL Sunday Ticket football package, or bundle Verizon Wireless phones into their accounts.

"Qwest's growth strategy is centered around partnering with best-of-breed companies," says Tyler. "We don't claim to be the market leader in video entertainment or even in wireless, but we do partner with fantastic companies who are, including DIRECTV and Verizon Wireless. The bottom line is that our

customers can enjoy the best of all three with the convenience of bundled billing through a single provider."

Offering these options has made a difference in the leasing office, where prospective residents routinely ask whether they will be tethered to a particular provider. With the built-in choice and multivendor aspects of Qwest's packages, as well as the availability of Comcast cable services in the buildings, Reeder can tell them they do have choices, and plenty of them.

"With the demographics in our area being what they are, our residents eat this stuff up," Reeder says. "A lot of them work from home, and typically they just want to know when they move in that they can get everything they want in terms of Internet or other connectivity. What we've got here allows them to do exactly that."

VITAL STATS

The following information was provided by Urban Flats' Tracy Reeder.

Property Description: 7166 at Belmar Urban Flats is a 308-unit loft-style community in the Belmar district of Lakewood, Colo., that was constructed in 2008. Residents at this gated community enjoy a clubhouse with a state-of-the-art fitness center, a demonstration kitchen, a fully equipped business center and a cybercafe with complimentary coffee. Common-area amenities also include a resort-style swimming pool and spa and picnic areas with gas barbecues.

PROPERTY OF THE MONTH HIGHLIGHTS: BELMAR URBAN FLATS

- *Luxury mid-rise rental community targets young professionals in the Denver area.*
- *Qwest FTTN/VDSL2 network provides up to 40 Mbps Internet access, phone and home monitoring services. Qwest resells DIRECTV video services and Verizon Wireless phone services.*
- *Provider choice: Though Qwest has preferred status, Comcast cable is also available.*
- *The community's state-of-the-art network made it a prime acquisition target for a Dallas REIT.*



A termination block and switching panel is located in each closet.



An access panel is located in each unit.



Inside a Suttle access panel

Within easy walking distance of Belmar, a master-planned redevelopment project that includes upscale retail stores, restaurants, theaters, offices and parks, Urban Flats offers more than 175 eclectic options for dining, shopping and entertainment. Residents also have convenient access to major traffic arteries and to a light-rail line now under construction.

Greenfield or retrofit? Greenfield.

Number of residential units: 308

High-rise/mid-rise/garden style: Mid-rise.

There are two buildings, each with four floors.

Percent of units occupied: 95 percent.

Time to deploy? Qwest's network was completed with final construction, and deployed prior to residents' moving in.

Date services started being delivered: Immediately upon opening in 2008.

TECHNOLOGY

The following information was provided by Qwest's Stephanie Walkenshaw and Carolyn Tyler.

How does bandwidth get to the property?

Qwest fiber is deployed to the nearest remote terminal, where it intersects a VDSL2 digital subscriber line access multiplexer (DSLAM) for conversion to electrical current. From there,

copper feeder and distribution loops are used for less than 3,000 feet. This network architecture, and the use of heavy-gauge cabling, allows Qwest to offer Internet speeds of up to 40 Mbps to individual customers.

How are signals distributed within the property? The copper loop is fed through risers to 12 telecommunications closets. Qwest has a termination block and switching panel in each closet that connects to the property-installed Cat 5 wiring leading to each unit. A distribution box is located within each unit. Coaxial feeds from the DIRECTV dishes installed on the roof also terminate in the closets after entering the main distribution frame (MDF) headend, also located on the property.

When a resident orders services from Qwest, a Qwest technician places a cross-connect patch from the main block to the resident's unit. Qwest also coordinates the activation of video services through its partnership with DIRECTV.

Coaxial and Cat 5 cabling run from the closets to individual units via lateral conduits in the walls, and each unit is supplied with an access panel to support all its service needs.

Inside the unit, coaxial wall plates feed DIRECTV set-top boxes, and the Cat 5 cable provides up to a 40 Mbps signal to an Actiontec Q1000 Wireless NVDSL Modem/Router.

Have you provided wireless signals within units? Customers have access to both plug-and-play and wireless connectivity in their units through the Actiontec Q1000 Modem/Router.

How much square footage did you have to dedicate to the network inside the building? We have two utility closets on each floor of each building, each approximately 3 by 4 feet in size.

In each closet we install a standard telecommunications cabinet of 66 blocks, depending on the space available. The cabinets are 12" x 12", 12" x 18" or 16" x 25", depending on how many home-run cables feed each floor.

Could closets be shared with other utilities?

The closets are shared by all service providers on the property.

SERVICES

Does the building have triple-play services?

The Qwest Triple Play consists of Qwest High-Speed Internet, Qwest Home Phone and a DIRECTV entertainment package.

Customers enjoy significant discounts if they bundle all their services, including Internet, DIRECTV, Verizon Wireless and a home phone package with long distance.

Are there amenities beyond the triple play?

Complimentary Wi-Fi and video services are provided in the common areas and clubhouse. Qwest also provides Internet service to the resident business center, which houses two dedicated workstations and an all-in-one printer/fax/scanner/copier.

Are other emerging IP services available?

With the Qwest Connected Home, a Belmar resident can monitor and view his or her home remotely. Residents receive alerts from sensors if their windows or doors are opened, if the temperature changes, if motion is detected or if water is leaking.

Do residents have a choice of service providers?

Although Qwest and DIRECTV are the preferred providers, residents can also receive services from Comcast.

Who provides support? If residents have an issue or a technical challenge, whom do they call?

Customers contact the Qwest dedicated team of white-glove customer service representatives that support MDU properties.

BUSINESS

Who owns the network? Does the property owner have "skin in the game"? Who paid for what?

All the internal wiring is owned by the property owner. Qwest Broadband Services Inc. installed the DIRECTV satellite dishes on the roof as well as all cabling to the phone closet. The network infrastructure beyond that is owned and operated by Qwest.



Was there a door fee? Qwest entered into a confidential marketing and services agreement with the property owner to act as the preferred provider of Internet, telephony and video services.

Are services automatically included in the rent? No. Residents can pick and choose services and are billed separately for their individual package choices.

Who handles billing and collection? Resi-

What has the return been on this implementation, in dollars or otherwise?

Tracy Reeder: Prospective tenants want to know whether they'll have a choice of providers when they move in, and they are usually hesitant to lease if they think they will be forced to take service from a single provider. With all the services available at Belmar Urban Flats, we've been able to let them know that they have choices, which is very reassuring to them.

"I've never heard a complaint regarding the vendor-to-customer interaction with Qwest. In the property management business, that amounts to high praise!"

dents sign up for service directly with Qwest, which handles all billing and collection activities.

How are the services marketed and by whom?

Because Qwest is the preferred service provider at Belmar Urban Flats, its services are comarketed by the property staff and Qwest. Qwest has a dedicated sales representative for the property who assists with marketing products and services to new and existing residents. In addition, Qwest collateral is displayed in the clubhouse.

Also, Denver is definitely a sports town, and the DIRECTV's NFL Sunday Ticket seems to be a very desirable option for our residents.

ONSITE EXPERIENCE/ LESSONS LEARNED

The following was provided by Tracy Reeder.

What was the biggest challenge? Here in Colorado, we have had some very snowy winters, which on rare occasions impacts satellite service. However, when that has happened, our



Qwest technician pulling fiber to the node (3 photographs, credit: Matthew Staver).



dedicated representative from Qwest remedied the issue in record time. None of our residents or staff were on roofs sweeping off satellite dishes, because Qwest responded to the issue immediately.

What was the biggest success? Qwest Broadband Services Inc. wired the property to allow for a single dish on each building. This allows all residents to

have video service – even those who do not have southern exposure. Aside from being extremely convenient, the single-dish solution also preserves the aesthetics of the buildings’ exterior by avoiding the need for multiple dishes on balconies.

What would you say to owners who want to deploy a similar network? It depends on the demographics and their

needs, but for a luxury apartment community, having these kinds of vendor relationships and services to offer to residents is a concrete marketing advantage, and has provided our ownership with the benefit of solid, consistent occupancy numbers.

What issues should they consider before they get started? In areas with heavy snowfall, satellite services can occasionally be impacted by the weather. However, we’ve found that those rare instances have been more than outweighed by the unique amenities that we’re able to offer here, such as the DIRECTV NFL Sunday Ticket sports package.

How did the vendor interact with residents during installation? Our dedicated Qwest representative has been extremely responsive to any issues that have come up, and always responds to us in a timely manner. Also, I’ve never heard a complaint regarding the vendor-to-customer interaction with Qwest. In the property management business, that amounts to high praise!

What is the property manager’s perspective on this installation? It’s a great amenity to have and gives us that much more of a competitive edge in our market. **BBP**