



NEW ENGLAND  
AFFORDABLE HOUSING MANAGEMENT ASSOCIATION

## Explore the Latest Telecom Technology, Keep Your Competitive Edge

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With the exciting expansion of Verizon's FiOS to the city of Boston, multifamily owners and managers have an opportunity to bring new telecom services to their properties. This means that your residents will have the ability to choose the telecommunication services that best fit their digital lifestyles. The competitive environment brings many advantages to property owners. Below you will see the breakdown of the many option now available in three of New England's six states. Consider the key action steps you can take to improve your residents' technology experience and keep your competitive edge.

What determines true competition or provider selection on your property?

Services offered by telecom providers include cable TV, internet and phone, also called a Triple Play. Satellite providers are not included in this environment – if more than one service provider offers a Triple Play through wired service, you have true competition and can offer a selection of services to your residents.

Excluding satellite providers, the Federal Communications Commission (FCC) reports that only 38 percent of homes in the United States have access to more than one cable TV provider. This means that approximately 80 million households have only one cable TV provider.



Verizon introduces FiOS into Boston, expanding the city's telecom technology options.

To be qualified as “broadband”, the FCC increased the minimum internet connection speed. The new regulations state that a connection must provide 25 Mbps download and 3 Mbps upload. However, not all providers meet this new definition in all areas of their footprint. There is a new proposed rule for properties financed by The Department of Housing and Urban Development (HUD). HUD has proposed that properties must install “broadband infrastructure” during rehabilitations and new construction. While many properties meet this criterion, there are still a surprising number of properties that do not have infrastructure that provide the latest services to residents.

Service options offer a competitive advantage

## Massachusetts

In June 2015, Massachusetts had 43 municipalities with no cable TV provider and 190 with only one telecom vendor – 66 percent of the state’s 351 municipalities lack significant competition. For details, view the state’s map of electric utility providers by city or town. The most populated markets, primarily, have two or more cable providers. Even within those municipalities, there are areas with only one provider.

The state’s service options are limited and Verizon’s expansion into the Boston market is not a quick fix. Per Verizon, it may take up to six years to complete the build out of their advanced fiber-optic system. This is a reasonable timeframe for an intense initiative in a dense urban area. Verizon has also divided Boston into “Fiber Zones” and not every area will receive FiOS. Using a method fostered by Google Fiber, businesses and residences will be asked to vote for their Fiber Zone. By expressing interest in FiOS, Verizon could prioritize neighborhoods in the build out.

## Connecticut

In January 2016, the state of Connecticut commissioned a study of broadband deficiencies. The existing providers, Frontier and Comcast, currently service the majority of the state. The study uncovered surprising results – the average internet connection speed was declining in Connecticut. This is contradictory to the increasing of broadband speeds across the nation. The study also concluded there was a lack of competitive broadband service in the state’s urban areas.

Frontier began as a traditional phone company then acquired their Connecticut internet system from AT&T in 2014. Recently, Frontier began offering Triple Play services. With the launch of Vantage brand, a premium cable service that delivers HD TV, Frontier committed to build out to 3 million homes over the next 3–4 years within their national areas of service. When the expansion is complete, Frontier will still only provide cable TV services to 50 percent of their footprint of the 8.5 million homes they service.

## Rhode Island

Although the smallest state, Rhode Island ranks first in the United States as the most connected state according to BroadbandNow, an organization that strives to bring high speed internet to the unserved and underserved. Currently, 99.9 percent of Rhode Island’s residents have a wireline provider. Statewide, Rhode Island has a high-ranking average internet download speed of 41 Mbps.

Recently, Choice Property Resources assisted a RI owner who wanted to offer residents a selection of telecom providers on six multifamily properties. Now these satisfied residents can choose between two Triple Play providers in their communities.

## Your competitive advantage

As a multifamily operator, you can enhance your residents' satisfaction and ensure a selection of providers. The following are steps you can take to best meet their technology needs.

### Assess Your Portfolio

Review your portfolio to determine which telecom vendors are servicing each property and which services are currently provided. With this information, you can evaluate if these services meet the unique needs of each property. This evaluation will help you to allocate resources, staff and time.



Increasing telecom choices can improve residents' digital experience.

### Solicit Telecom Vendors

Per each property location, you will need to research which telecom vendors provide services in these cities and townships. Next, contact each of these providers and determine the type of services they offer in your areas. Are these providers offering service upgrades and new technologies? In our representation of multifamily operators in 49 states, Choice finds this is the best way to uncover all opportunities. You can then align your properties with the providers' scheduled upgrades.

Owners should be careful not to miss upgrade opportunities. As with this recent expansion, once completing the build-out, Verizon may not return to in-fill properties that did not previously receive FiOS.

Multifamily owners should also consider "other telecom providers". Many owners only look to traditional phone and cable companies for their service needs. Be aware that a healthy market of specialty providers exists. This group includes over-builders such as RCN, Google Fiber and WOW, Private Cable Operators (PCOs) and a growing list of private network operators specializing in broadband services for multifamily properties. Often these specialty providers can fulfill a special need.

### Negotiate Your Contract Terms

When negotiating the contract, you will need to consider present and future telecom services. You can avoid unintended consequences by establishing the terms of ownership and usage rights for the wiring on each property in advance. This ensures your rights should you want to add another vendor's services in the future. In the negotiations, you will also want to incorporate any new services or upgrades that other providers are offering.

Telecom providers need a "right of entry" to service your private property. In most cases, a property owner must grant this approval. It is mutually beneficial to negotiate these terms upfront, even in mandatory access states. Without negotiated right-of-entry agreements, your property may miss opportunities for new services, new providers and revenue.

### Managing the Contract

Finally, multifamily operators need to periodically check the original telecommunications contract to ensure the vendor is meeting their commitments. Choice has encountered many situations where the vendor build-out was not executed per the vendor agreement. This usually occurs when an owner does not have the staff, time or experience to routinely review their contract terms.

New England's telecommunications landscape is changing, especially in the city of Boston. Providers are now investing in their networks, delivering faster broadband speeds and competitive services. You, as a multifamily operator, can impact your residents' digital lifestyle. This is the ideal time to explore the new telecom options and provide the best telecom solutions for each of your properties.

A proud member of NEAHMA

Mike Coco is President of Choice Property Resources, Inc.

Choice exclusively represents and advises multifamily property owners, developers and managers in telecommunication vendor contract negotiation to ensure resident satisfaction. Following comprehensive portfolio analysis, Choice negotiates, executes and manages vendor contracts to maximize the value of portfolio assets, generate ancillary income and improve ROI.

### About Choice Property Resources

Since 1999, Choice has been discovering new revenue and service channels for multifamily operators. Representing over 320,000 units throughout the United States, our seasoned team has an average of 25 years of professional experience. We analyze, negotiate and manage the most advantageous vendor contracts for multifamily portfolios nationwide. Choice's experience includes over 15 years of representing affordable housing owners, managers and developers.

If you would like to discuss your contract opportunities, Mike can be reached at [mike@choiceprop.com](mailto:mike@choiceprop.com) and (614)-568-7301

[www.choiceprop.com](http://www.choiceprop.com)

[Next Article](#)

[Previous Article](#)

IN THIS ISSUE

Changing lives with #packedhope

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The “Nuts and Bolts” of a Quality Maintenance Event

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Congrats to our Regional Poster Winners!!

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Explore the Latest Telecom Technology, Keep Your Competitive Edge

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Charity Corner

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Welcome New Members!

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COQ Nominations Due to NEAHMA August 26

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OTHER ISSUES

Volume 4–Issue 3

---

Volume 4–Issue 2

---

Volume 4 – Issue 1

---

Volume 3 – Issue 3

---

Volume 3 – All Issues

---

Volume 2 – All Issues

---

Volume 1 – All Issues

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