

# Q&A

## Webinar Name

The Positive Effects of FTTH for Real Estate Projects

## Date

18.04.2013 11:00 - 12:00 CEST

### Questions Asked by Attendee

The Commission is proposing to mandate in-building wiring (make buildings NGA ready). Realty is expected to resist, how can they be persuaded it's for their own good? What should the FTTH Council do to persuade them?

Why was cable internet not an option for these 8 real estate players? in our experience, they always stated "we can do these same things perfectly by cable" (of course no clouding).

was the vertical building financed by the real estate builders? this was the key question to solve. if payed by them, they would not be interested in any way, even if all these benefits were mentioned

According to me the cost of deploying fibre to estates is still high especially for brown fileds. What are you doing in Europe to get the cost of building the access links cheaper? more people will take up fibre services but they cannot afford the once off link cost (last mile)

Hi Benoit, didn't you find any cloud services - like desktop as a service, archiving from the cloud to individuals?

With Cloud services should come uplinks large pipe. How can we educate ISPs to provide wider bandwidth? Most ISPs aren't considering there is a consumer expectation here.

### Answer

For new buildings it should be a no-brainer and it's hard to understand why realty would resist. The main reason they like the idea of legacy copper is that often the incumbent pays for it whereas new entrants (with fiber) can't afford to do so. It's mostly a regulatory issue. That being said, more research, and especially quantitative on the benefits for real-estate players can only help.

1. Because quite often (if not always) cable requires exclusive contracts, and the previous wave of exclusive contracts by cable companies has left a lot of real-estate players with a sour taste in their mouths. 2. That's indeed an issue, see my answers above. The collusion between incumbents and real-estate players is very often the heart of the issue.

This goes much beyond the scope of this particular Q&A, but my answer in keeping with the context is to spread the cost accross multiple stake-holders, including but not necessarily limited to operator and real-estate. Another thing I should stress is that people are often willing to pay for things they see clear benefits from and the marketing of fiber is generally very poor in articulating these benefits.

I found some theoretical models, but no offers specifically bundled with real-estate.

It's not that they don't see a consumer expectation it's that they don't see a revenue potential. They create that by selling upload capacity separately, so they create a (mostly) artificial scarcity in the hope that a few customers will pay extra.

Where a social housing company has public sector responsibilities- such as in the UK- did you encounter any 'reluctance' or concern over the risk of FTTH/B being seen as 'state aid' and a barrier? (Not that it should be...)

We have recently established a procurement framework in the UK for social housing groups to procure broadband networks and services from pre-approved suppliers. How can we share the findings of this research to encourage and accelerate real estate companies to adopt broadband?

In what countries are fiber and/or conduits mandated?

Fibre is great for speed and I would like it as a user. But none of the services you talk about need fibre speed, why dont real estate companies simply deploy copper ?

in any real estate projects have you found any examples of collaboration with energy distribution companies for the provision of FTTH combined with smart metering/grids? Our study tour to Chattanooga in June will explore how the long-term view of the energy sector can resolve some of the investment issues that seem to constrain telco's.

Are you aware of any studies/attempts to quantify benefits for real estate? How do you think that such a study could or should be set-up?

What are your observations on the current state of providing FttH connections in new housing projects? Are FttH connections or conduits provided in the majority of new housing projects or is it still an acception (or very country dependent)?

exception

did you analyze in what way metering and other specific building connected applications are separated and secured from the residential gateways used and sometimes even configured by the customer?

How much (in %) increases the purchase price of home in a fibred building (social and private homes)?

Whatg about the homes in rural areas? Cost are definitely higher there, meanwhile the 3 impact you assesed are higher (atrectiveness, efficiency, satisfaction)?

Great seminar Benoit, thank you. Incumbents and some public sector players will say that many of the benefits described can be achieved over existing copper networks. what is the answer to that?

1. I haven't. I've spoken to two UK companies and neither mentioned that. 2. You can start by sending it to me and to the council, and once we've read it we'll see how it may benefit for these findings to be spread around.

Fiber; Finland, France and Spain. Conduits: Greece, Italy, Lithuania, Portugal, Sweden.

They do deploy copper. People keep looking for a killer app for fiber, ie. a service that cannot operate on anything but fiber. That's not how it works: fiber allows multiple concurrent services to run at the same time without degradation of quality, it allows for better quality of service and reliability on all services. That's what it's all about. At the end of the day, it's about customers wanting it for all of those reasons.

Yes and no. This is an area that utilities, especially energy players are looking into for sure, but in a number of countries regulatory reasons forbid them from bundling electricity and broadband together thus allowing for a seamless metering.

1. The only study I'm aware of was a quantitative interview of estate's agents in Verizon territory in the US that concluded that fibered homes were worth \$3-5000 more on average on the market. This was commissioned by the US FTTH Council I believe. 2. It's completely country dependent. In our survey for this study we asked if the rules were applied in countries that mandate it and for the most part it seems that they are. We haven't gone that deep into the analysis. For the most part, the end-points seem to be different (customer consoles rather than set-top boxes) but this may be more due to the markets surveyed than active choices from providers. I don't see this as a big issue, but maybe I'm missing something.

1. Again, see above. This has not been accurately measured in Europe. 2. I suspect (but can't prove it) that the price impact on rural homes would be much higher as it would really enable teleworking and "urban" style connectivity. It could very well be that the price impact, especially in the early days, more than offsets the cost of rural deployment.

See above. Essentially they are correct, but they don't implement these services over copper either.

but all these applications are not "fiber specific"

Hi Benoit, I'm from Telecom Namibia. We are planning for the first ever FTTH deployment in Namibia and we have selected - approached-agreed with a new Real estate developer. Is it economic for us as Telecom Namibia to also invest in the equipment to offer the services such as those enabling tenant communication and facility booking. Or should we rather fully focus on just deploying the basic FTTH solution before we can look at adding services on top of FTTH network. Also another question is, for Greenfield deployment to multi-dwelling buildings - is it a must to go with fibre to the unit or can we afford save some money and take fibre to the basement while extending the link to the unit over CAT 5 or CAT 6?

Benoit - after knowing all the advantages for the real estate field, are you going to do some business / consultancy work in this area in France?!

Why heating monitoring was not possible to realise earlyer, with classical, cooper- or wireless-based networks?

"If we deploy 4 fibers per home, the service providers dont wont do work with us" - why?!

See above. There are no "fiber specific applications" and if we wait for them, we won't ever deploy. The reasons for deploying fiber are many, and cannot be reduced to a single killer app.

1. It really depends on the nature of the deal with the real-estate player(s) involved. If adding these services allows for a better revenue share for you, then it might very well be worth it. 2. At today's performance expectations, an FTTB deployment with CAT 6 will get you roughly the same performance as FTTH. That being said, there is an arbitration to be made because FTTB means active equipment in the field (building basement, generally), so the maintenance of that needs to be taken into account. On the other hand, FTTB also means no ONTs inside the homes, which can be a great benefit both in costs and maintenance.

1. I'm open for consultancy work on this topic and others in and out of France. Do you have a specific project in mind ? 2. It was, it just wasn't done, in part because it's often done "over-the-top" and in part because a new architecture forces you to rethink your service propositions. 3. Because the consensus between operators has become deploying 2, and having 4 means they now have to look at such a deployment as "non-standard".