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Room With A View

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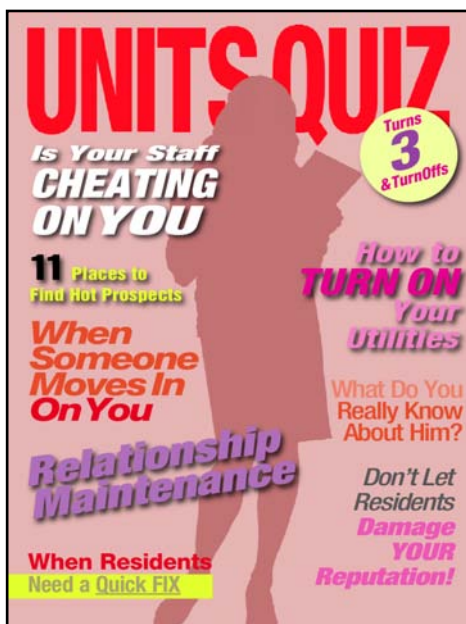
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Better Bring the Bandwidth

BY LAUREN BOSTON

Survey reveals that students demand high-quality Internet access—and they're willing to relocate if speeds don't meet their expectations.



Internet access and speed play an overwhelmingly important role in students' rental housing decisions. Education Realty Trust (EDR) learned this lesson the hard way.

The Memphis, Tenn.-based apartment management company opened a new community with an 80 percent occupancy rate. The following year, the building was 100 percent occupied—but the amount of bandwidth offered remained the same.

“Those 80 extra students immediately ate up our bandwidth and our residents were blasting [us on] Facebook, commenting on the lack of it,” says Christine Richards, Senior Vice President for EDR. “There were even articles in the local newspaper and town meetings regarding the issue. Once the infrastructure was upgraded, the complaints ended and the community went back to 95 percent

occupancy—but the situation was eye-opening.”

The response was not surprising, according to a recent survey conducted by J Turner Research, a market research firm for the multifamily housing industry.

Of the 10,288 students (a 20 percent response rate) who responded to the 15-question survey, which examined the importance of technology in student housing, 64 percent said they would consider relocating if Internet speeds in their current apartment didn't meet expectations.

The survey revealed that 56 percent of students claim they spend between three and five hours on the Internet every day, with another 16 percent spending between five and six hours online. Also of note, speed of Internet access ranked just behind a 'large bedroom' and cell phone reception as the most important amenity students seek.

The results of the survey, distributed to 51,945 students across 130 student housing communities nationwide, were presented by Joseph Batdorf, President of J Turner Research,



“Don't let third-party companies decide how you're going to do business.”

Miles Orth
Executive Vice President and Chief Operating Officer
Campus Apartments
Philadelphia

Campus Apartments Caters to High-Tech Student Population

Premium bandwidth service is helping the company stay ahead of the technology curve.

If you're an apartment owner in student housing, you better have the best Internet service you can provide. At least that's the sentiment at Campus Apartments.

The Philadelphia-based apartment management company, which operates 55 communities in 25 states, is now offering a premium service of 100 megabits of Internet bandwidth per resident at select communities—a massive upgrade from the 20-megabit maximum it used to offer.

Improved Internet service is a must in student housing as students' technological sophistication—and bandwidth demand—continues to bloom, according to Andrew Marshall, Chief Information Officer of Campus Apartments. "There's something called Nielsen's Law, which states that bandwidth consumption from high-end users—such as college students—will increase 50 percent year on year," he says. "Internet is a principal amenity and the demand is only increasing. We're not likely to lose residents if we don't have a tanning bed, but we will lose them if we don't have efficient Internet service."

Campus Apartments decided to expand its Internet service after discovering that the most efficient way to serve a student's Internet usage demands was to raise bandwidth limits. Campus Apartments did just that, rolling out the 100-megabit service in April 2010 with a trial run at a mid-rise in

Philadelphia. The company has since extended the service to over 30 buildings in Philadelphia, with plans to expand in Georgia and North Carolina.

Students have the option of a standard, 10-megabit bandwidth package for \$39.99 per month, or the premium, 100-megabit service for \$59.99 per month. Marshall says, on average, 20 percent of residents are using the premium service where available.

Although Campus Apartments offers the 100-megabit bandwidth package, Marshall says only 1,000 megabits—or 1 gigabit—is actually delivered to each building. "The reality is that very few people are going to come close to using 100 megabits, so 1,000 megabits per building is more than sufficient," Marshall says. "Theoretically, we could support 100 megabits per student on our end, but the equipment people use to access the Internet simply won't allow them to consume anything greater than 85 megabits at one time. And if you're plugging something into a wireless access point, for example, you can't go above 54 megabits."

Campus Apartments' Internet traffic is monitored every 15 seconds by proprietary technology to get a sense of each building's bandwidth consumption. Marshall says the company's Philadelphia residents have yet to consume more than 20 percent of the total building bandwidth at any one time, ensuring there is plenty to go around.

While it's unlikely that residents will ever use anywhere near the maximum bandwidth available, Marshall says it's important to offer the most reliable Internet service possible. "College students are moving away from traditional consumption of video games on an Xbox or movies rented from Blockbuster to online gaming and movies downloaded from the Internet. Ten megabits is bare bones and three megabits certainly won't cut it."

It's still too early to gauge resident satisfaction, Marshall says, but Campus Apartments will conduct its first resident survey in the near future. It will take a few years to expand the service company-wide. —L.B.



Walnut Hill Apartments, an 82-unit community in Philadelphia owned and managed by Campus Apartments, offers 100-megabit bandwidth Internet service.

at NAA's Student Housing Conference & Exposition in February.

Richards and Miles Orth, Executive Vice President and Chief Operating Officer for Campus Apartments, also shared their reactions to the survey results during the education session.

Besides monitoring usage, following are four other tips from the session to help companies deliver the best bandwidth possible in today's tech-savvy student housing market:

1 Evaluate infrastructure (and take control). Campus Apartments owns and

manages its communities, as well as its bandwidth infrastructure. "If you own the infrastructure, you're engaged with how bandwidth is delivered," Orth says. "That can be just as important as owning the buildings themselves. If you can monitor bandwidth in-house, that's your best bet. Don't let third-party companies decide how you're going to do business."

2 Have a plan to infuse capital.

Richards says EDR has recently invested over \$1 million in a capital plan should it suddenly need to make significant bandwidth improvements.

Campus Apartments offers a 100-megabit bandwidth package to its residents. Only 1,000 megabits—or 1 gigabit—is actually delivered to each building. "The reality is that very few people are going to come close to using 100 megabits, so 1,000 megabits per building is more than sufficient."



Andrew Marshall
Chief Information Officer
Campus Apartments
Philadelphia

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"It's expensive, but it's what you have to do and the return is amazing."

Christine Richards
Senior Vice President
Education Realty Trust (EDR)
Memphis

"It's expensive but it's what you have to do and the return is amazing," she says.

Orth says student housing management companies must invest enough to stay ahead of the curve. "There isn't always a direct correlation between adding more bandwidth and getting more rent or leases, but you have to put the money in."

3 ■ Enlist help from experts. Managing bandwidth is not something they teach at real estate school, Orth says. "This needs to be a class that's taught, because bandwidth is right up there with location and price in terms of what student residents are looking for. If you're just a real estate guy, you need to work with someone who specializes in technology. Five years

ago, I didn't see this spike happening, but our technology expert [Andrew Marshall] did."

4 ■ Survey your residents. At another one of EDR's communities, no one complained about the Internet speed, so Richards assumed it was fine. She learned otherwise—and understood the importance of surveying—when many residents moved out. "It was the quiet killer," she says.

Survey results also have helped Campus Apartments justify its investments, Orth says. "Most of the surveys are just affirmations of what we've already experienced or known, but it's great to have concrete information to back-up why we're spending our limited resources on bandwidth," he says. **NAA**

Lauren Boston is NAA's Staff Writer. She can be reached at lauren@naahq.org or 703/797-0678.

For more resources on appealing to student residents, visit the Student Housing library by clicking "All Libraries" under the Resources tab. Sign in at <http://community.naahq.org>.



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