

## Got Indoor Network?

The ever-growing need for indoor wireless connectivity is driving decisions on where we work, play, and live. Following similar findings in commercial real estate, a study by the National Multifamily Housing Council (NHMC) indicated that “reliable cell phone reception is the most valuable amenity.... ahead of a fitness center, a swimming pool or even parking.” Owners of all types of properties recognize that the wireless carriers are not bringing coverage into their buildings and that the onus to provide indoor cellular service is now in their hands. However, many property owners do not have the time or inclination to jump into a steep learning curve to navigate the complicated path to indoor connectivity. And some that have tried are suffering from making expensive mistakes.



“Some property owners have already invested in their own Distributed Antenna Systems (DAS),” says Michael Wright, Head of Sales for Cheytec Telecommunications, “however, many have discovered too late that the actual connectivity process is lengthy and complicated, and can result in an ‘orphaned DAS’ that provides no cell service.”

### **ORPHANED DAS**

So, what is an orphaned DAS? These are situations where the building- owner or developer has invested in a Distributed Antenna System (DAS) and wired up the building to provide enhanced capacity and connectivity in the building. However, when only one or two (or none) of the wireless carriers agree to bring their signal and connect to the DAS, it can sit dormant for years.

Why does an orphaned DAS happen? In most cases, it happens where the real estate owner/developer has heard the call for the need for increased in-building coverage. They designed, capitalized, and installed a system as part of a construction or amenity upgrade project, but the carriers never committed to connect to it.

“It is often overlooked that the carrier incurs a significant cost to connect to a wireless in-building system,” explains Jarrett Bluth, CEO of Cheytec Telecommunications. “The carriers have a cost per subscriber model that must fall within their established budget guidelines, so if there is no business case to be made, the carriers will spend their network building capital elsewhere. Building owners are then left with a state-of-the-art wiring system and equipment with no service running over it.”

## **HELP PLEASE!**

To support property owners in the preparation of robust indoor wireless strategies, telecommunications experts provide value by navigating the evolving indoor wireless technology maelstrom and addressing under-utilized DAS locations. For example, Cheytec Telecommunications developed its “Accelerate” program to add carrier signal to orphaned DAS situations and streamline the process enabling a guaranteed connection from multiple carriers to new and existing in-building systems.

Through a series of nationwide agreements with the wireless carriers, Network Equipment Providers (NEPs), DAS providers and system integrators, Cheytec can guarantee carrier in-building system connectivity for property-owner funded projects with the same system design and performance that the carriers use themselves on a timeline to suit the property owner.

This is a new option to bring carrier signal into in-building projects that otherwise would not attract carrier participation. It’s a program to support the needs of many industry verticals including commercial office, multi-family, healthcare, hospitality and entertainment where the cost and reputational risk of not having full cellular service is tremendous.

## **SPEAKING OF COSTS...**

Cheytec anticipated the trend of the funding for indoor wireless shifting from the wireless carriers to the property owner and developed an online Return on Investment (ROI) tool in collaboration with banks and financial institutions. The tool models the total potential revenue of a building, factors in capital and operational costs of the technology choice – inclusive of paying for carrier signal and other lifecycle management variables – and derives a new net-building income that can be achieved without adding any new square footage. This net new income creates additional building value that can be used as a pricing lever during disposition of an asset or to create additional purchasing power to grow a portfolio.

“An investment into an in-building system adds value to a property’s bottom line. Connectivity is a valuable amenity that enables increases cash flow, higher valuations and therefore more capital,” explains Ed Myers, Cheytec’s VP of Sales and Marketing

The importance of in-building connectivity to ensure low vacancy rates (hospitality), increased price per square foot (commercial business), and better overall tenant experience (multi-family and health care) is becoming a key investment component for property owners and enterprises looking to differentiate their properties from others. So much so that institutional lenders are factoring in-building connectivity and technology heavily during the diligence phases of their investment evaluation. Although the driver for ubiquitous indoor wireless connectivity and improved user experience has its foundation based in technology, the two pivotal decision-making elements for in-building projects are not technology based. They are: (1) Garnering wireless carrier participation to bring their signal and service to a location; and (2) A market-based return on investment analysis that results in the creation of additional building value. Telecommunications companies like Cheytec have the tools, products, and agreements to ensure not only a good technology decision, but also one that provides both income and increased building valuation.



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