

Fundamentals of Negotiating Internet, Cable TV and Phone Contracts

Telecommunications services continue to evolve while resident expectations increase. From analog to digital, cable and telephone companies compete for high-speed Internet, television and voice services. As these services get more complex, so do challenges like:

- Gig Internet • Fiber “Overbuilds” • Vendor mergers • Google Fiber • Private cable operators pitching suites of services • FCC regulations banning exclusive service agreements • Wired to wireless • Smart TV’s and Internet-of-Things • Mobile streaming • Over-the-top technologies • Growing Bandwidth Expectancies • Mandatory Access States • New FCC Definition for “Broadband”



Because of these ever-changing challenges, now is an ideal time to **re-examine your existing contracts** or to consult with a professional firm who will analyze your portfolio to determine if outside expertise is needed. Even if expiration dates are a few years away, technology evolves quicker than the legal or regulatory environment so it might be time to assess a contract renewal. Remember, if you cannot locate a copy of an agreement that does not mean one does not exist.

Maximizing Your Return

Once you’ve analyzed your portfolio’s existing contracts, take the time to determine your objectives before beginning contract negotiations. Then, learn as much as possible about the key issues involved in telecommunications service agreements, such as:

- Understand what new technologies and delivery methods are being offered today that may provide the capability for new services tomorrow.
- Review each property’s unique needs. This includes identifying which services are most important to your residents.
- Determine if there are additional *strong providers* to consider who will ensure quality services for residents.
- Identify the infrastructure that is in place at each property, who owns the infrastructure, who is authorized to use specific wiring and who is *actually* using the wiring. Is the wiring on the property capable of delivering the latest services and fastest internet speeds?
- Compare multiple vendors, including different offer structures and business terms.
- Be critical in determining what automatic renewal terms will mean for each contract.
- Negotiate and understand your rights to each community’s infrastructure during the term of the contract and after it ends.
- Know the specifics of your contract commitments. Understanding and documenting the commitments your property has made to each vendor helps avoid unintended consequences.
- Consider who will oversee the programs once the contracts are negotiated. It is important that these programs be monitored over the life of each contract. This includes implementation, revenue management, expiration dates as well as monitoring changes in technology and residents preferences. These post-contract activities help derive maximum benefits for you and your residents.

In today's world a multifamily owner should not accept that a service provider is doing them a favor by simply serving their property. The property owner’s capital creates a market that is more lucrative for a

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service provider over single-family homes. Maximizing the value of your communities while assuring satisfied residents requires that your properties stay competitive with the telecommunications services available today and in the future. Have you started gathering your contracts for review?



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*Shari Smith is Vice President of Business Development for **Choice Property Resources, Inc.** Choice is a professional services firm specializing in telecommunications contract analysis, negotiations and implementation. Choice exclusively represents owners, managers and developers.*

About Choice:

Since 1999, Choice has been discovering new revenue and service channels by representing over 320,000 units throughout the United States. With an average of 25 years of professional experience, our team is seasoned in analyzing, negotiating and managing the most advantageous vendor contracts for your portfolio 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, Shari may be reached at:

 shari@choiceprop.com

 614-568-7303

www.choiceprop.com