

Strategic IT Spending in the Downturn: Retain Tenants with WiFi

A wireless mesh network is an inexpensive amenity that tenants value highly. MDU owners find wireless Internet access helps attract and retain tenants.

By Sanjit Biswas N Meraki

The economy is hitting landlords where it hurts. The market is off, it takes more effort to keep vacancy rates down, and some owners are forced to offer free months' rent, subsidized utilities, rent reductions and more just to keep bodies in their units.

The situation calls for clever means of retaining the tenants you have and attracting new tenants without breaking the bank. Digging a pool, building a fitness center, remodeling – all of the big-ticket bells and whistles – are simply off the table for most.

One way to make a small investment with a big payoff is to deploy a wireless

network across your property. Depending on the vendor, installer and technology, a modest initial investment can provide your tenants free or low-cost WiFi, enhance your property's appeal and ensure a better retention rate. Many

tenants value access to the Internet when it's included in their lease.

THE AMENITY RENTERS CAN'T LIVE WITHOUT

When we talk to MDU managers, we often hear that Internet access is the one amenity that renters can't live without. Kathy Holdrum, property manager at SunDial East, a condo complex in Florida, says, "Our renters expect Internet access more than they do a stove."

But in a tough financial climate, deploying a propertywide WiFi network may seem daunting in terms of cost and operating complexity, especially to those who have tried first-generation wireless solutions in the past.

The current generation of wireless solutions offers two approaches for keeping costs and complexity down. One is to wire each access point with a connection back to the Internet; the other is to install a mesh network.

Wired access points broadcast a WiFi signal from each device but re-



Outdoor antennas mount almost anywhere and do not have that "institutional" look.

quire adding expensive wiring through walls. With mesh networks, on the other hand, only a few devices are connected to wires, and the rest simply repeat the signal. This allows you to extend a wireless signal from one or two wired Internet connections across your entire property, with less wiring labor. Mesh networks use a routing algorithm to automatically find the next strongest signal if one repeater fails, increasing uptime for your tenants.

A self-contained network that is managed on site typically includes costs of a server, software and the labor to install and manage it. However, there are now hosted alternatives that allow you to control access and bandwidth from any browser.

Meraki is an example of a mesh network solution with hosted services. Deploying this type of solution can keep your initial and operating costs down compared with a traditional wired access point WiFi network.

Your tenants will have 24/7 uptime, and you'll have more time to deal with everyday issues instead of rebooting access points, installing complicated software, and sweating over bandwidth.

Cliff Orloff, owner/manager of Riverfront Apartments in California, was an early WiFi adopter who attempted to blanket his 20,000-square-foot property with access points. The network, which he described as put together with "chewing gum and baling wire," was riddled

with dead spots and downtime. What had begun as an amenity had become a source of headaches and frustration for Orloff and his tenants alike.

Orloff says that when he read about Meraki, he thought to himself, "This is exactly what I am looking for. It would exactly serve my needs in a very cost-effective way." He bought three repeaters and plugged them in at his own apartment in the complex, and they immediately came on line. He bought and deployed 30 more. For backhaul, Orloff used one cable connection and one DSL connection, which provided high throughput speed as well as redundancy should one of the ISP connections go down. He shares one of these connections with the management office.

For about a \$5,000 initial investment, Orloff calculates that the network

more than paid for itself in less than a year in saved labor, tenant retention and the attraction of higher-caliber renters.

Satisfied with the Riverfront deployment, Orloff deployed similar networks in some of his other properties. "There's been no hassle since then. It was a good solution from day one. A lot of software doesn't do what it advertises, but the Meraki did. There was no learning curve," he says.

Offering free wireless at his properties was a strategic move on Orloff's part. "It's not just an amenity that doesn't cost a lot. It's worth a lot," he says. Free WiFi attracts a different class of clientele, he says – primarily better-educated residents. At Riverfront, he has been pleased with the upswing in applications from medical students at the nearby University of California, Davis Medical School. He notes that even his advertising costs have gone down. He no longer places ads in the newspaper, but advertises exclusively on Craigslist, where his ideal, Internet-savvy tenant is most likely to find him. And residents are happy to be free of \$45 Internet bills every month. As amenities go, Orloff says his free Internet service gets a lot more usage than his fitness centers.

"It is just a very cost-effective amenity. I get big value with a very low investment," says Orloff. In this economy, nothing sounds better than bang for your buck.

GENERATING REVENUES WITH WIRELESS

Some property owners like to see a return on investment that's more concrete than attraction and retention. Tom Weeks of

OCA Tenants is making revenue on his WiFi investment.

Weeks' family built the sprawling Oak Creek Apartment complex in suburban Atlanta a generation ago. A whopping 436 units in total, the property consists of 37 buildings covering 18 acres. The garden-style community serves lower-income residents with a safe and affordable alternative to public housing.

Weeks, a veteran of the telecom industry, wanted to provide his tenants with wireless Internet access as a free amenity. He researched his options, including rigging together a point-to-point network using Linksys nodes. And then he discovered Meraki.

Now the entire property has WiFi. He used just 13 outdoor repeaters, two indoor repeaters and two gateways to the Internet. He keeps several extra indoor repeaters on hand in case a tenant experiences a weak signal, but so far that hasn't happened. At less than \$3,000 for the entire deployment, Weeks says he just couldn't have done it with any other solution. "Every other scenario I looked at had significant management overhead. I didn't want any part of that."

And as for any property owner, the absence of complaints is music to his ears.

Weeks now has a total of 200 registered users. Better yet, he is able to provide the service free to residents while making a return on his investment. The signal extends beyond his property line, and he offers neighbors the opportunity to pay a nominal monthly fee for access

to the network. At \$10 a month for a 1 Mbps connection, a growing tribe of subscribers are helping offset his capital investment.

"The response has been overwhelm-

A PARTNERSHIP TO CONNECT LOW-INCOME HOUSING

Meraki and One Economy, a global nonprofit that leverages technology to help people improve their lives, have forged a partnership that continues the push for digital inclusion by delivering affordable broadband WiFi to more than 100,000 families in low-income housing in the United States and around the globe over the next two years.

As part of a multiyear agreement, One Economy will deploy Meraki solutions to low-income communities in every location where it provides services, starting with major US cities including Atlanta, Boston, Chicago, Los Angeles and San Francisco, and eventually expanding throughout the globe. Residents of these housing developments will be able to access crucial information and education resources that are available online.

"Every day, we use the Internet to investigate pressing issues in our lives: education, jobs, immigration, health care and other vital issues," says Rey Ramsey, One Economy CEO. "Meraki's technology has already enabled us to quickly cover a housing development with a strong, reliable wireless signal that doesn't require much upkeep. By taking on this new challenge we are bringing affordable broadband access to the people who need it most."

"We believe open, constantly available access to information has the power to transform lives," says Sanjit Biswas, Meraki CEO.

One Economy has already used Meraki's WiFi networking solutions to bring free and low-cost broadband to more than 15,000 low-income people across the United States. For example, One Economy used Meraki devices to bring high-speed Internet access to the Park Boulevard housing development, a public-private partnership established with the Chicago Housing Authority. This effort connected 45 units of low-income housing that are part of a larger mixed-income development covering two city blocks.

ingly good. Initially I didn't even advertise it, but it spread by word of mouth," he says. The leasing agents who help manage the property tell Weeks the effect of free WiFi on tenancy has been "absolutely amazing." Weeks advertises Oak Creek vacancies exclusively on Craigslist and "FREE WIFI" is now featured in every ad's headline.

"It attracts a better class of clientele that is by definition more technically savvy and sophisticated," he says. "It is definitely a deciding factor for our clientele, and we need every advantage we can get these days." **BBP**

About the Author

Sanjit Biswas is CEO of Meraki, where he is responsible for the company's strategic direction and day-to-day operations. To learn more about Meraki and its offerings for property owners and managers, visit www.meraki.com.



Small, lightweight Meraki panel antennas install easily on almost any post or wall.



At the Oak Creek Apartment complex in suburban Atlanta, a wireless mesh network provides free Internet access to residents and low-cost access to nearby neighbors.