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Multifamily Telecommunications Asset Management by RealtyCom

A Case Study

Organizational, Financial Impact for Affordable Housing Developer and Owner

In 2007, an award-winning builder and owner of affordable housing asked RealtyCom to help it review its telecommunications contracts on a diverse group of properties – including its development pipeline. The developer had a broad mix of smaller rentals, mixed-income and mixed-use properties and class A rentals.

Like many developers in dynamic markets, managing telecommunications was not a priority. Each project's developer structured their own deal – or no deal – depending on how much time and interest they had. In addition, because the projects were typically small and were only presented to potential service providers one at a time, most providers offered little or nothing in return for being allowed to serve the new development.

Besides developing new communities, the owner actively acquired assets many of which were encumbered by long term agreements that the owner didn't know about. No centralized database of telecom contracts existed, and the developer had no way to understand the value of their assets.

RealtyCom was engaged as the developer's agent and quickly structured a database of available information. The developer had an eclectic mix of contracts, expiration dates and incomplete data. Using this as a starting point, RealtyCom used its expertise and contacts to obtain copies of and review any existing agreements, solicit competitive, portfolio-wide proposals from national telecom providers.

The developer client set for itself three goals: maximizing asset value; establishing an ongoing telecom program for its existing and future properties; and establishing the infrastructure to manage this complex process. RealtyCom took the client through the process of packaging its portfolio so that it could professionally present itself to competing providers.

In the end, the client realized its goals. RealtyCom was able to convince service providers to rewrite most of the existing contracts that RealtyCom had located and reviewed. The new agreements provided the owner with far better terms and protection than what they had been provided in previous agreements. By successfully packaging the new developments and the existing communities RealtyCom was also able to negotiate substantially better financial terms than the owner had received in the past. RealtyCom worked in concert with the owner to create a management tool that allowed the owner to effectively manage all of the new service provider agreements and established a process for the service provider selection on future projects.