Conscious Unbundling

"I want to watch what I want, when I want, wherever I want, and I don’t want to pay through the nose for it."
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Today’s Discussion

• Let’s start with a little survey
• What’s in the news
• Industry trends...Data consumption continues to climb
• Industry trends...Video subscription is on the decline
• Cord cutting is happening...to what level & by whom ?
• Impact on infrastructure.
• Impact on agreements & revenue models.
Audience Survey

What is Cord Cutting?

• Not having a TV.
• Not subscribing to traditional cable service.
• Subscribing to more streaming content and less cable.
• Streaming content only.
• Taking a pair of scissors to your cable connection.
Audience Survey

In the past 5 years, how much has data consumption increased?

- About 10%
- Between 100% and 200%
- 200% and 400%
- 400% and 500%
- I think data consumption has gone down
Audience Survey

Which of these devices do you use or are most familiar with:

- Roku
- Apple TV
- Google Chromecast
- Xbox / Wii / PS4
- None
Audience Survey

What is your expectation of Cord Cutting?

• I hope to reduce my cable bill
• I want to customize my programming choices
• Willing to pay more for content that I want and enjoy
• View my content anywhere, anytime
• All of the above
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“The TV business may actually be addicted to the very thing that is killing it.”

TV revenues are still rising because companies are charging the dwindling number of customers more in subscription fees.

Mobile video is booming...

Global Mobile Video Traffic Will Continue To Surge

Source: Cisco, 2013

B1 INTELLIGENCE

Tablets are stealing prime time, the period we used to devote to TV.
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Time Warner Cable CEO Glenn Britt said in his last-ever conference call that the cable business has been 'in denial.'

Not just HBO: Starz wants to launch a streaming service for cord cutters as well.

CBS launching streaming service too.

HBO Explores the ‘How’ of Streaming Option
HBO Sees Potential Opportunity to Offer Service Through Apple TV, Microsoft’s Xbox, Roku and Others.

Verizon To Launch Internet TV Service That Lets You Pay For Only The Channels You Want.
Data Usage by Device

Download Data Consumption in MB

0% 5% 10% 15% 20% 25% 30% 35% 40% 45% 50%

Percentage of Devices

0 100 200 300 400 500 600 700 800 900 1,000

Condominium Community

Student Housing

Young Professional Rental Community

161% Higher than Condo

Data Courtesy of
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Goodbye, Cable TV

Cable video subscribers
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Exhibit 3: 3Q13 Pay TV Net Adds by Company

Source: ISI Group estimates, company reports
Cord Cutting Summary

- Data consumption is up, way up!
- Device count per user is also going up
- Consumers seem to want to watch video on all devices
- Most eyeballs are still on the TV, however, more and more TV’s are being connected to the Internet
Infrastructure

- Does Cord-Cutting mean I can cut back on wiring?
- Home run wiring: The move to fiber?
- Will there be more or less need for Wi-Fi on a community?
- Clubhouses must enable streaming content!
Agreements

• “Stay Competitive” language in an agreement will be huge. Can’t fall behind the bandwidth curve!
• Service level Agreements (SLA’s) are extremely important, don’t gloss over in reviewing your agreements!
• Providers will stress over higher deployment costs, but long term maintenance costs will be lower. Consider that carefully during negotiations!
• With residents moving away from linear programming, watch out for declining revenue share.
Panelist Opinion’s

**Final message –**
The trend continues to evolve;
Owners should focus on infrastructure requirements;
Revenue & Service agreements will ultimately change;
Internet service will be King;

What do our panelist’s think ???
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Q&A

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