

# Bricks and clicks: The importance of moving to a gigabit society

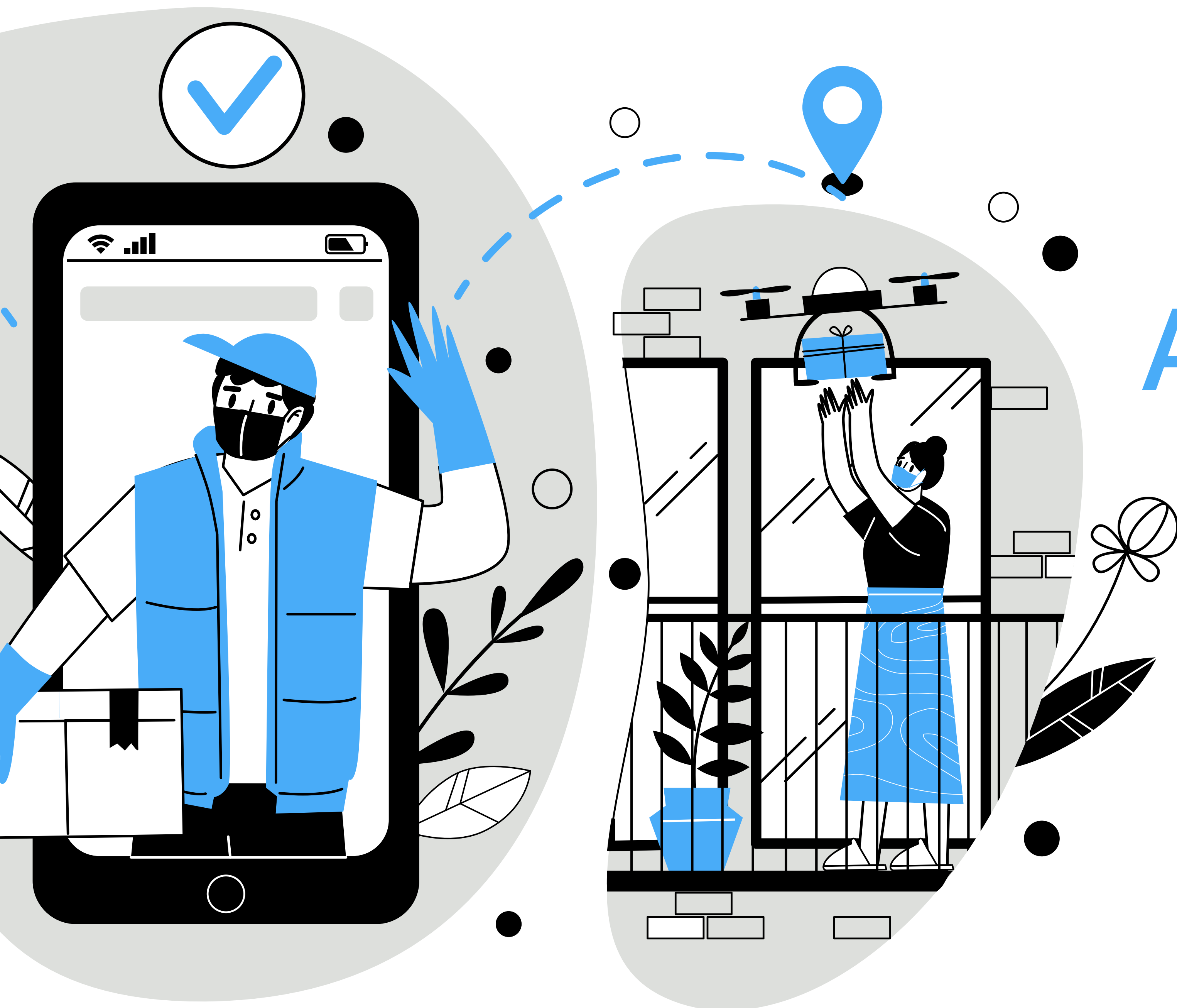
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Omdia was established following the merger of Ovum, Heavy Reading and Tractica with the acquired IHS Markit technology research portfolio.

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# A digital divide

By 2026

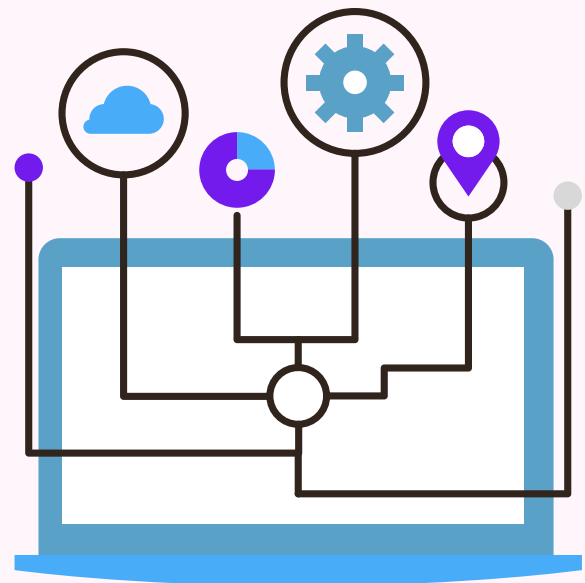
# 70%

of the world's population will be connected, via a personal mobile data or household fixed-broadband subscription.

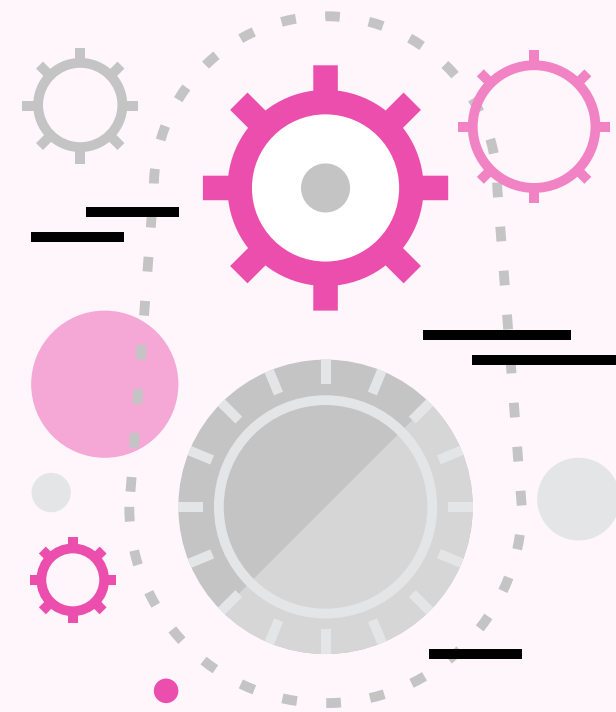
# Connected population by region, 2026

Consumers with gigabit-speed broadband will be largely confined to Europe, North America and Oceania, Eastern & South Eastern Asia. With more gigabit users in Northern America than the total broadband population in Africa.

By 2026 **70%** of the world's population will be connected, via a personal mobile data or household fixed-broadband subscription

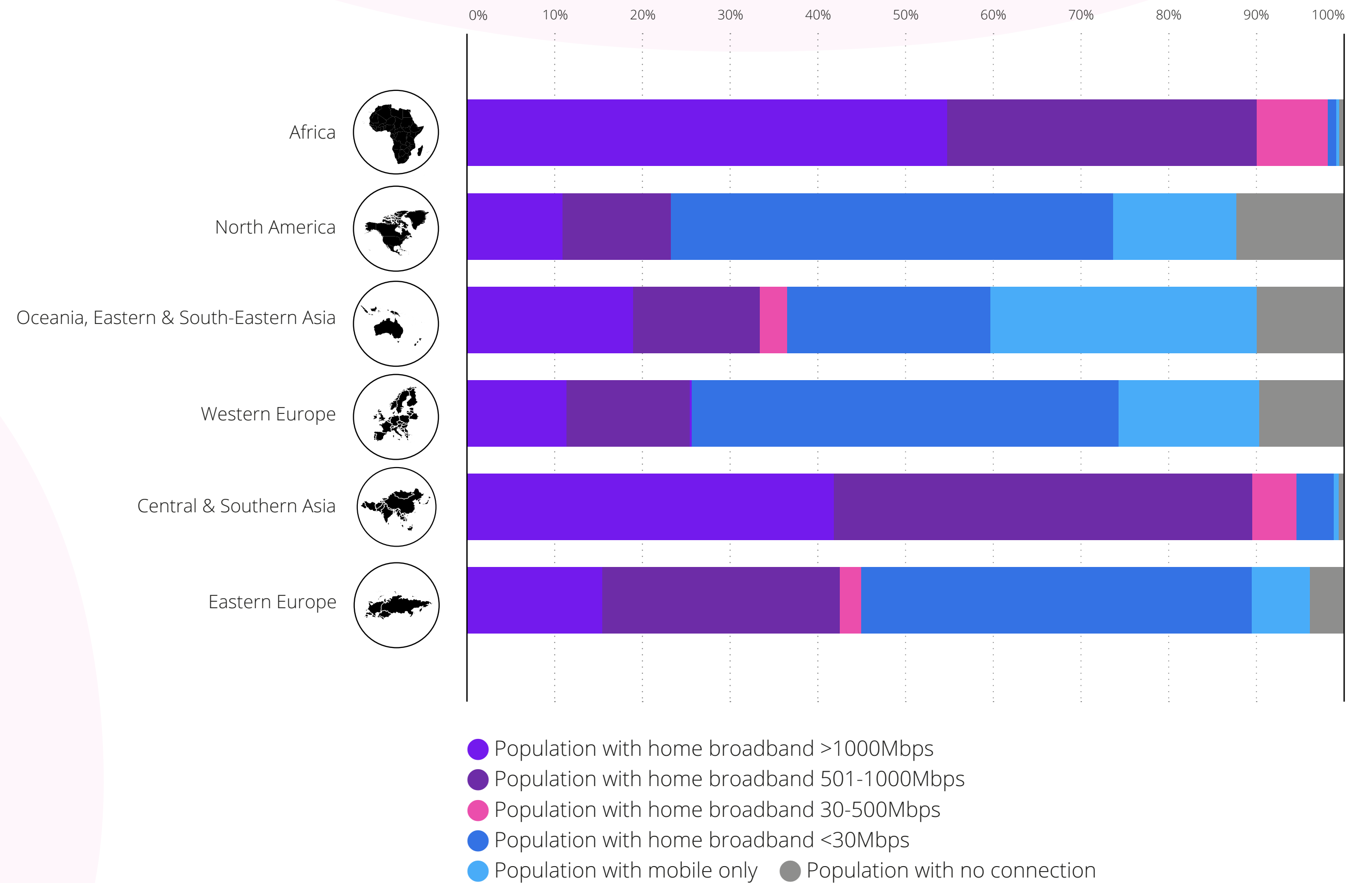


For every **10% increase** in BB penetration = **0.25% to 1.2% growth in GDP** (ITU)



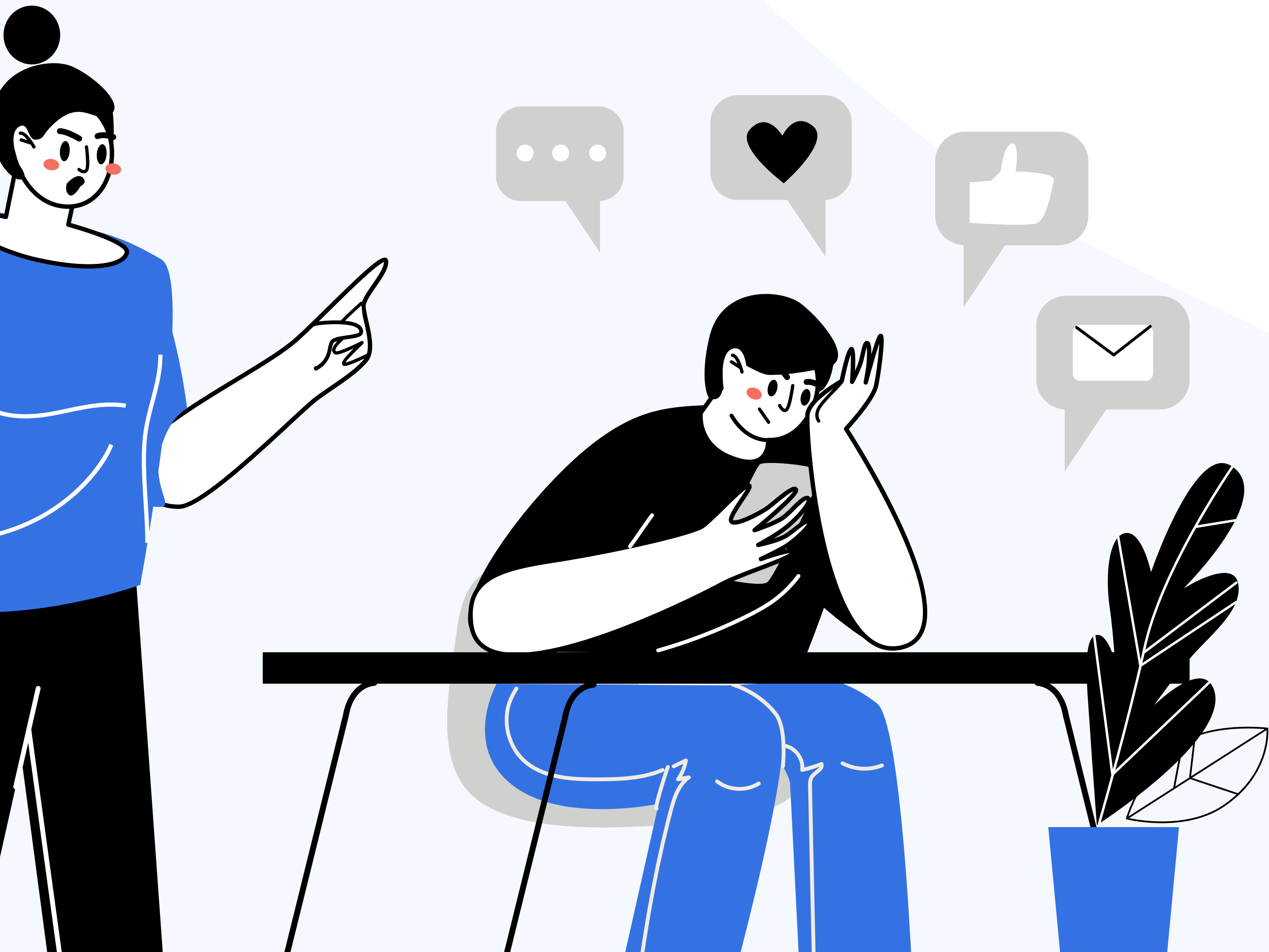
For every **doubling of speed** a further 0.3% in GDP (EIB)

However, **30%** will be mobile only users, and a further 6% will have fixed broadband but with speeds of less than 30Mbps



● Population with home broadband >1000Mbps  
 ● Population with home broadband 501-1000Mbps  
 ● Population with home broadband 30-500Mbps  
 ● Population with home broadband <30Mbps  
 ● Population with mobile only ● Population with no connection

SOURCE: OMDIA



# All-optical networks

Bell Canada has **highlighted** that its churn rates are lower when customers are on a **full-fiber** (FTTH) network. On average, the company found that churn rates for fiber access subscribers are 30–35 basis points lower than those on fiber-to-the-node (FTTN) or digital subscriber line (DSL) networks.



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### Benefits to the customer:

- Future proof speeds
- Symmetrical services
- Lower Latency
- Lower jitter
- Greater consistency
- Greater reliability

### Benefits to the operator:

- Higher customer satisfaction
- Higher ARPU
- Lower maintenance cost
- Lower operational cost
- Reduced energy usage

### Benefits to society :

- Increased GDP
- Increased productivity
- Reduced urbanization
- e-government efficiency
- Greater energy efficiency



Telefónica: FTTH 85% more energy efficient than old copper infrastructure.

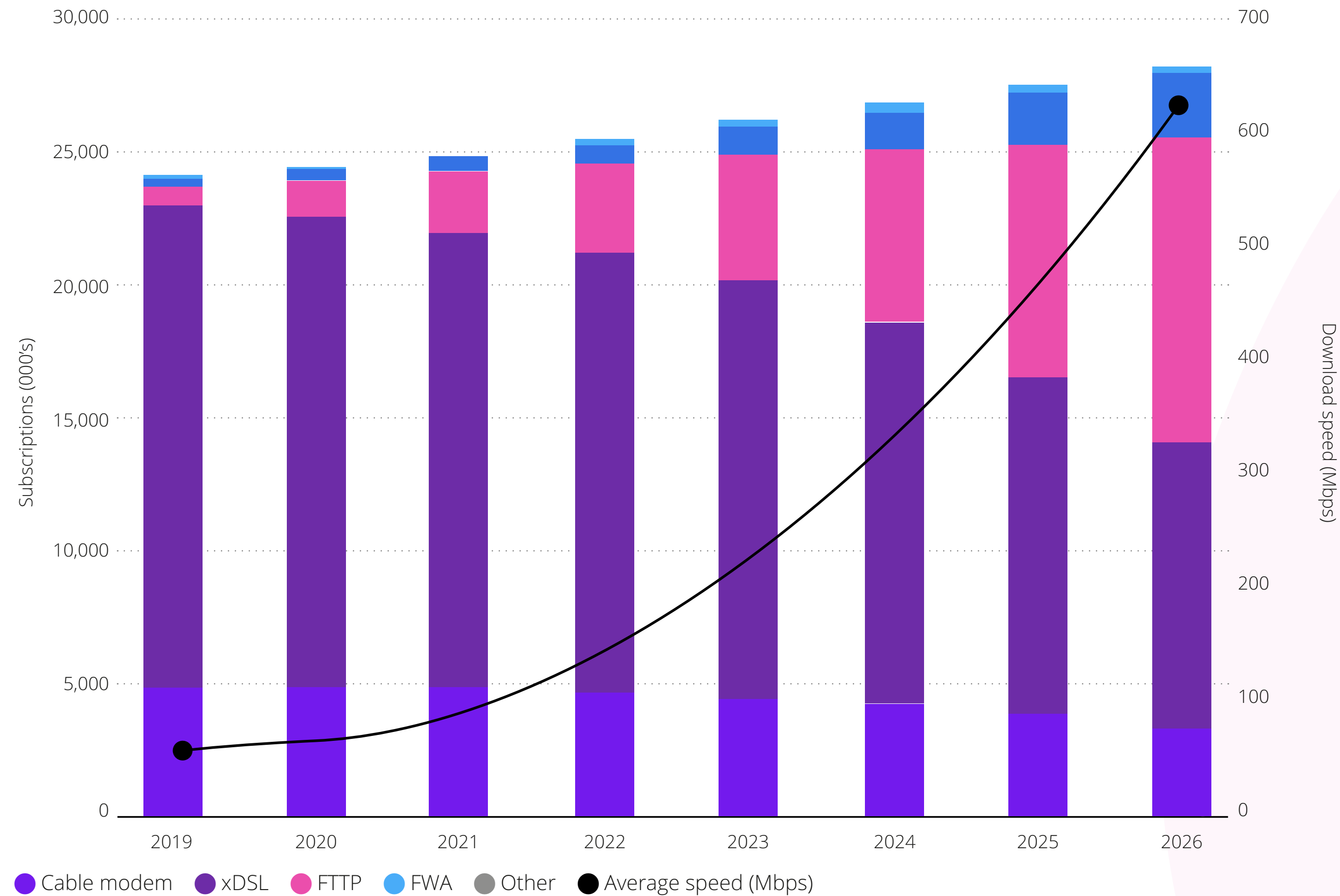


# UK's fiber development

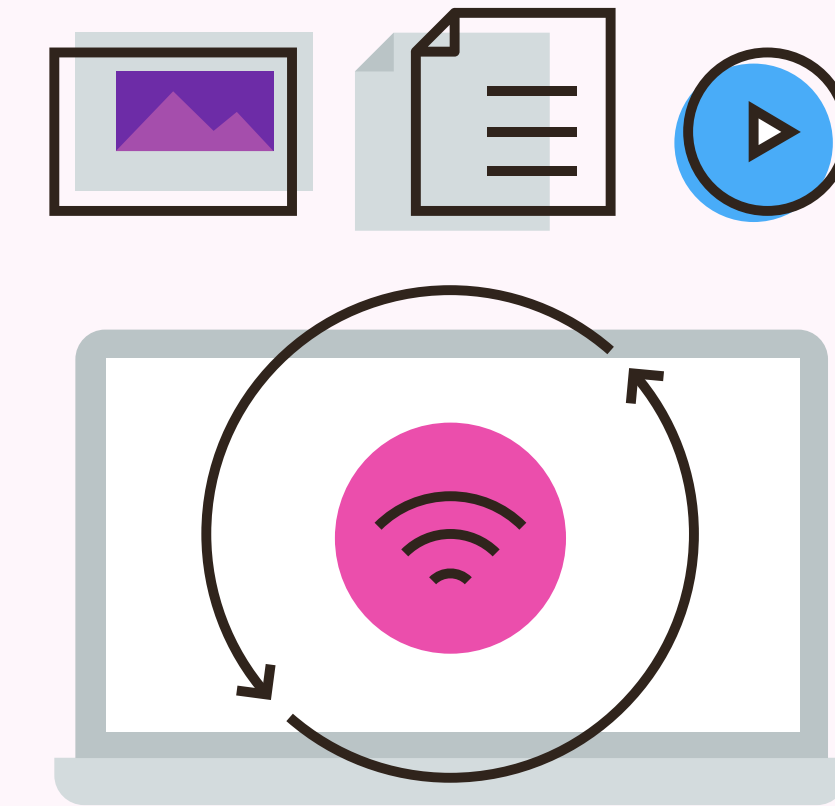
Due to its legacy in **xDSL and cable networks**, the UK sits in **55th position** in Omdia's Fiber Development Index.

# Consumer broadband forecast, UK

Due to its legacy in xDSL and cable networks, the UK sits in 55th position in Omdia's Fiber Development Index



SOURCE: "CONSUMER BROADBAND FORECASTS, 2019-2026", OMDIA



## 600Mbps

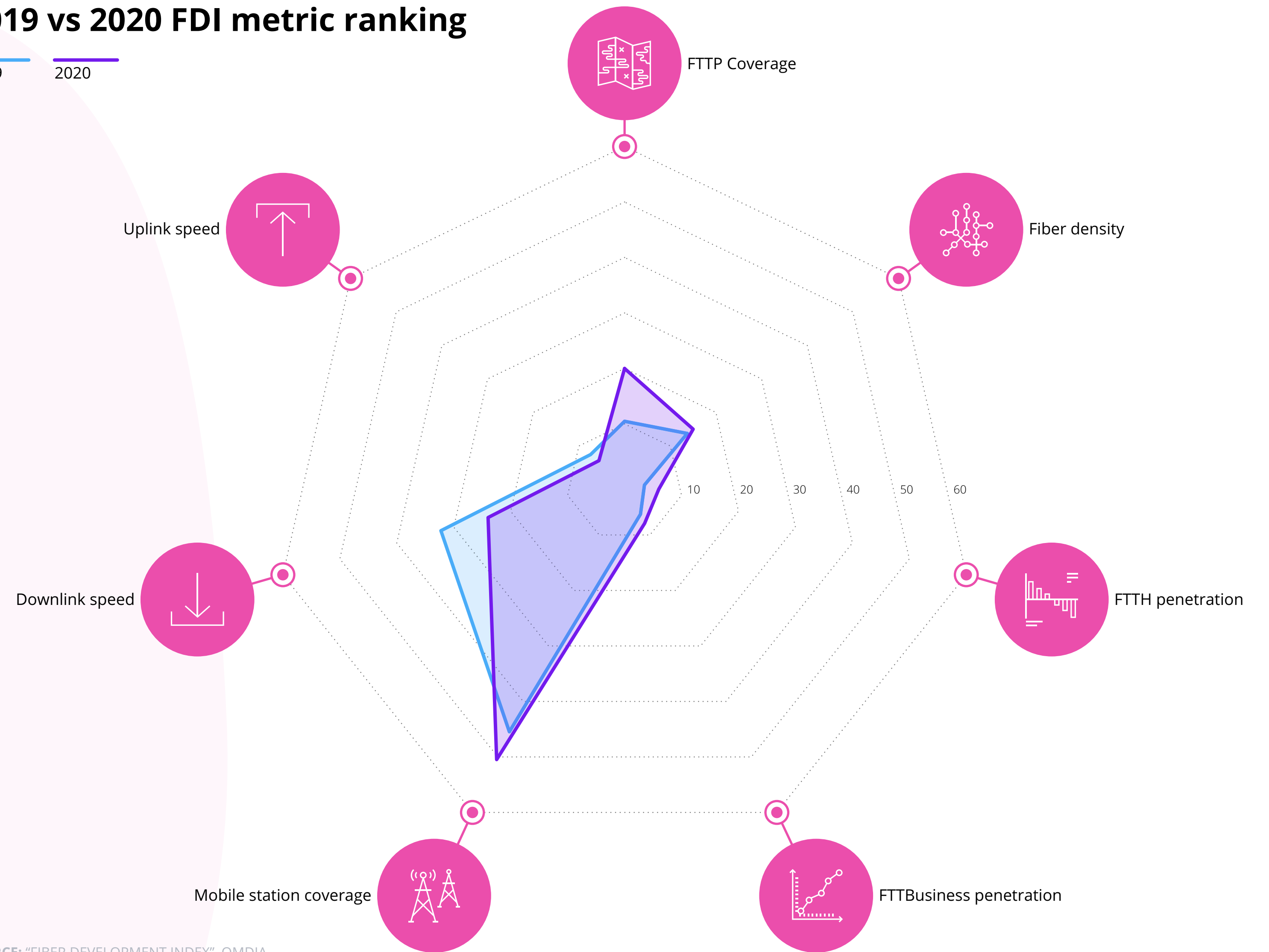
Due to the UK's Project Gigabit, plus private investment, by 2026, FTTH penetration will have increased to 37% household penetration and average download speed will be in excess of 600Mbps.



At the end of 2021, only **7% of UK households will be connected to FTTH**, and the average speed will be just over 100Mbps.

## 2019 vs 2020 FDI metric ranking

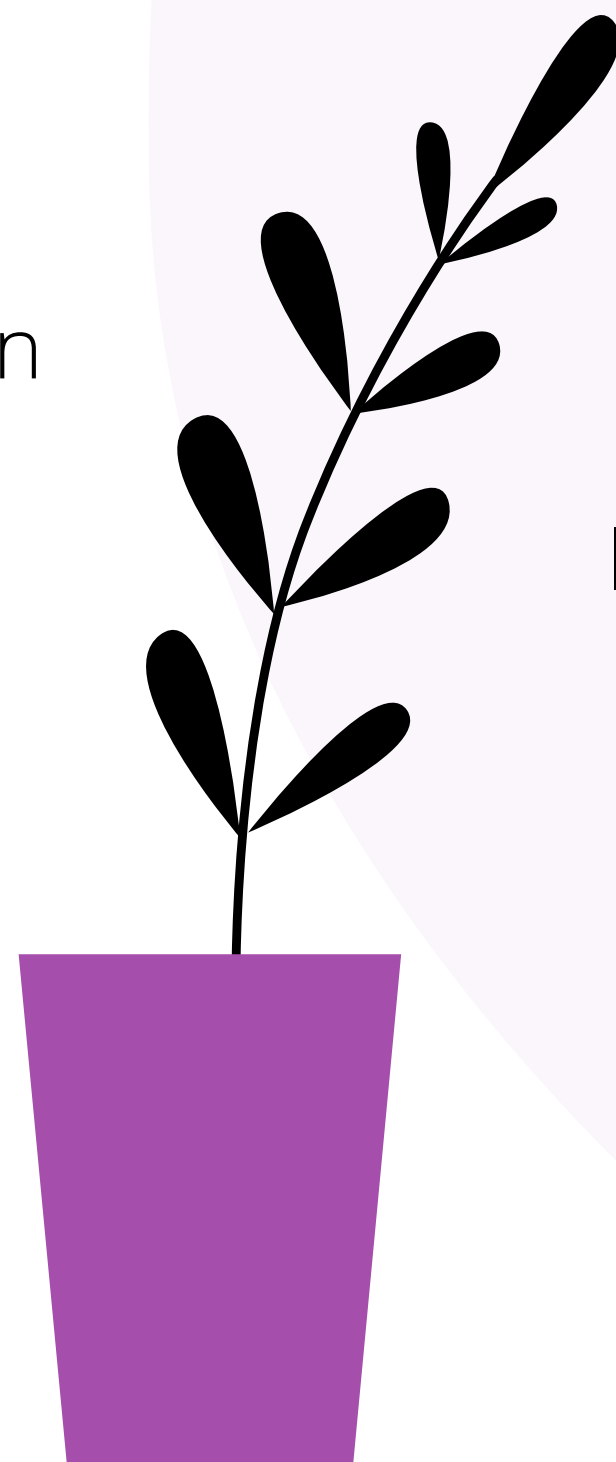
2019 2020



SOURCE: "FIBER DEVELOPMENT INDEX", OMDIA

# Rising importance of broadband to house buyers

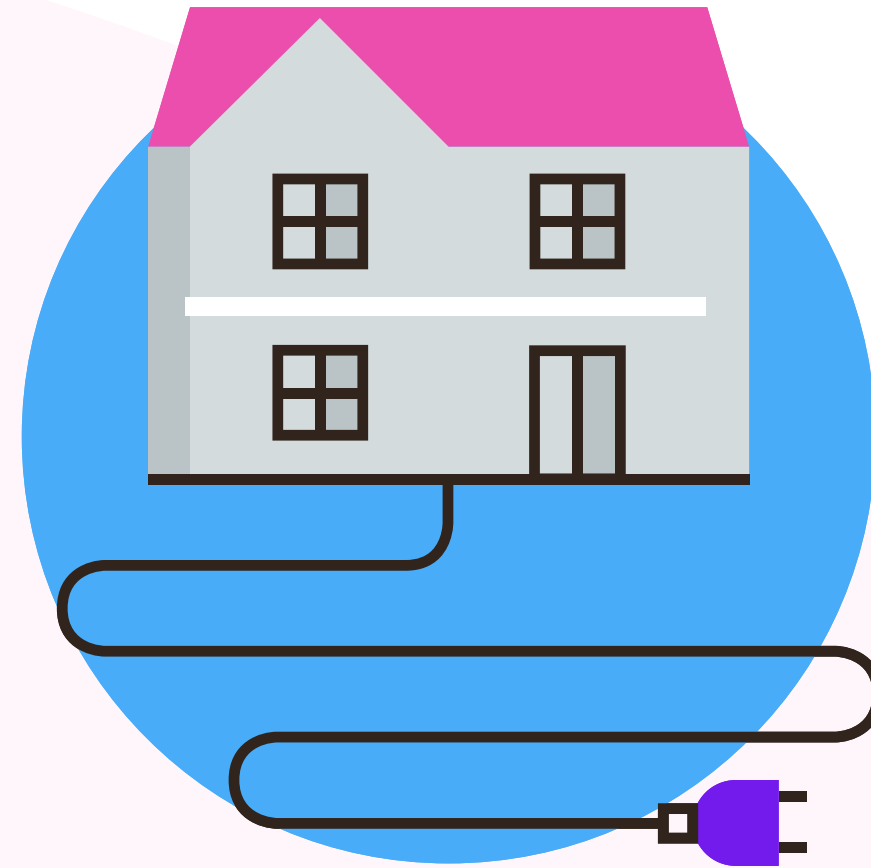
Over the past 18 months, agents have seen a **71% increase in demand for property**. This is particularly high in the Northwest (91% stated an increase), Northeast (79%), Southwest (85%), and Scotland (90%).



# Broadband is an essential characteristic for today's homebuyers

N=294 UK estate agents

Equal spread of respondents responsible for selling existing houses (32%), new-build houses (34%), and a mix of both (34%).



Over the past 18 months, agents have seen a 71% increase in demand for property. This is particularly high in the Northwest (91% stated an increase), Northeast (79%), Southwest (85%), and Scotland (90%).

## Rising importance of broadband to house buyers:

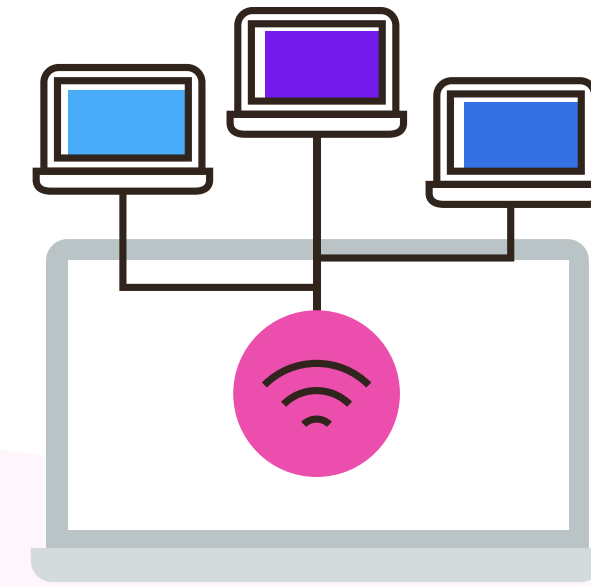
- 1 OVERALL SIZE OF PROPERTY 
- 2 HIGH-QUALITY/SPEED OF BROADBAND CONNECTION 
- 3 NUMBER OF BEDROOMS 
- 4 AGE OF PROPERTY 
- 5 PROXIMITY OF LOCATION TO LOCAL TRANSPORT HUBS 
- 6 SIZE OF GARDEN 
- 7 SEPARATE HOME OFFICE SPACE 
- 8 OFF ROAD PARKING 
- 9 PROXIMITY TO WORK 
- 10 ENERGY SAVING FEATURES 

## Features least likely to be compromised:

- 1 HIGH-QUALITY BROADBAND 
- 2 HOME OFFICE SPACE 
- 3 LOCATION TO AMENITIES 
- 4 OUTSIDE SPACE 
- 5 OFF ROAD PARKING 

30%

of agents ranked high-quality broadband as the top of these features that buyers were least willing to compromise on.



After the overall size of the property and number of bedrooms, having a **high-quality broadband connection** is the 2nd most important feature buyers look for.

20%

of agents ranked the availability of high-quality broadband as **THE** most important feature. It is a particular strong feature in Scotland and the Southwest where it is ranked number 1.



The **high-quality broadband connection** is also the **least likely feature** (from high-quality broadband, home office space, location to amenities, outside space, and off-road parking), to be compromised on.



# Broadband related enquiries

Since the start of the COVID-19 crisis, **69% of agents have witnessed an increase** in queries about the quality of the broadband connection at a property.

# Agents have witnessed an increase in queries about the quality of the broadband connection

What difference have you seen in terms of queries from buyers about the quality of the broadband connectivity of a property since COVID-19?

# 74%

of these queries have been concerned with the availability of full fiber connectivity

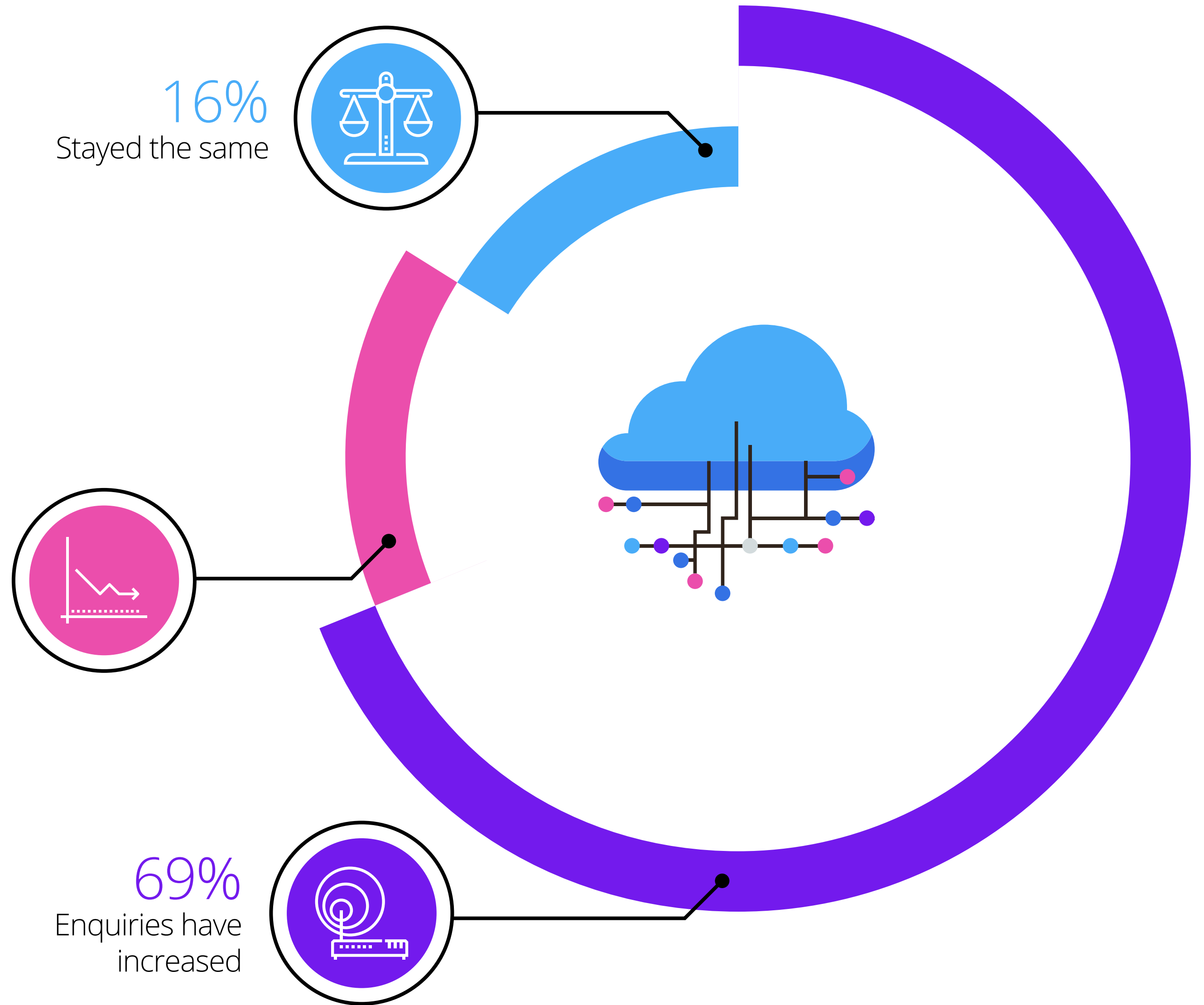
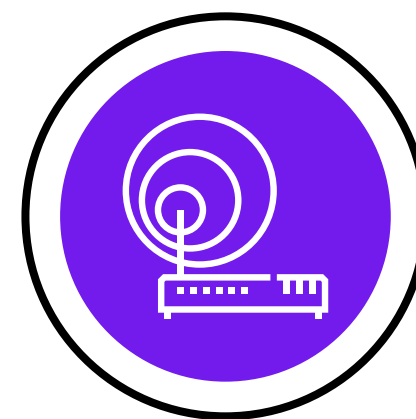
15%  
Enquiries have decreased



16%  
Stayed the same



69%  
Enquiries have increased

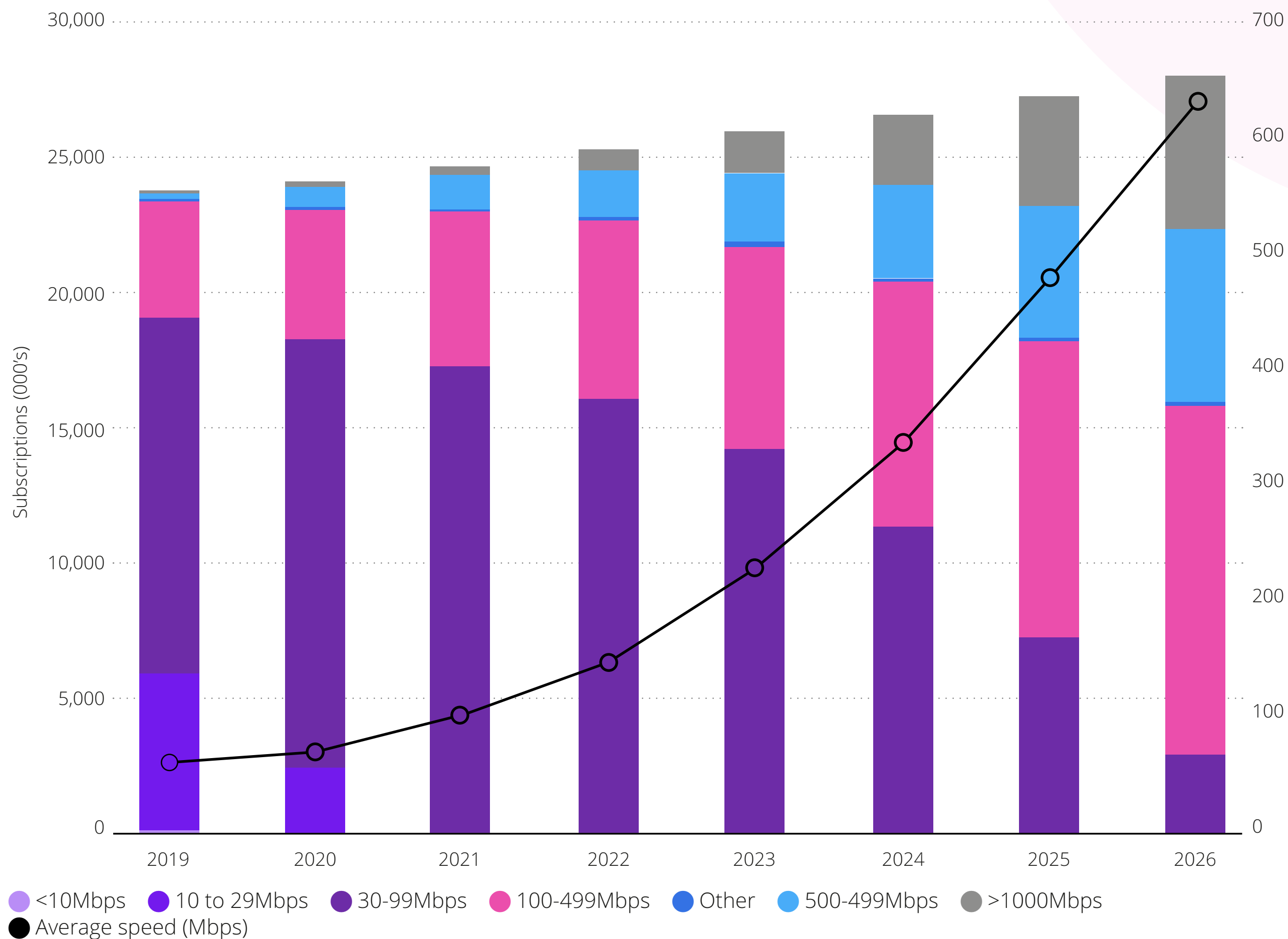


Since the start of the COVID-19 crisis, 69% of agents have witnessed an increase in queries about the quality of the broadband connection at a property.

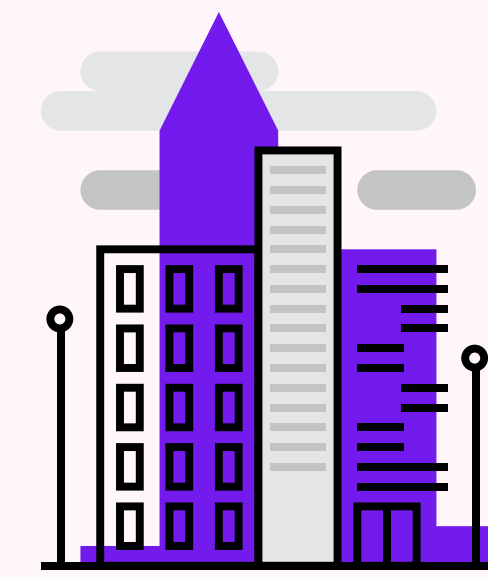
**67%**  
about the speed  
at a property.

This was particularly strong in those regions that witnessed very strong increases in property demand; Northwest, Northeast, Southwest, and Scotland.

### Consumer broadband forecast by speed, UK



SOURCE: OMDIA



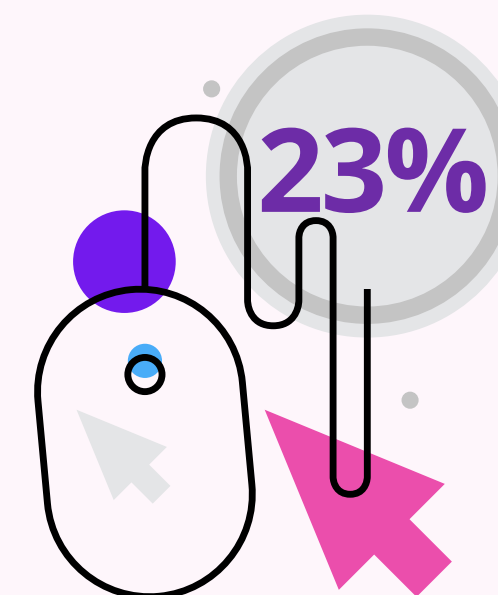
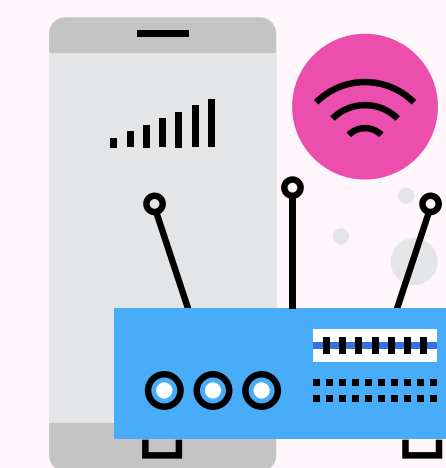
In terms of speed,

# 34%

of agents stated their customers were typically looking for houses with speeds of 300Mbps plus. This was particularly strong in the Northwest (43%) and London (42%)

# 3x

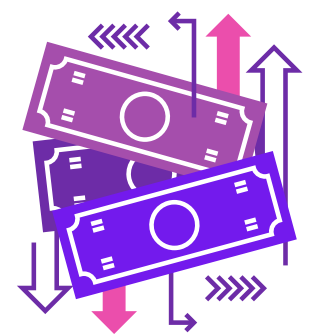
the current national average broadband speed



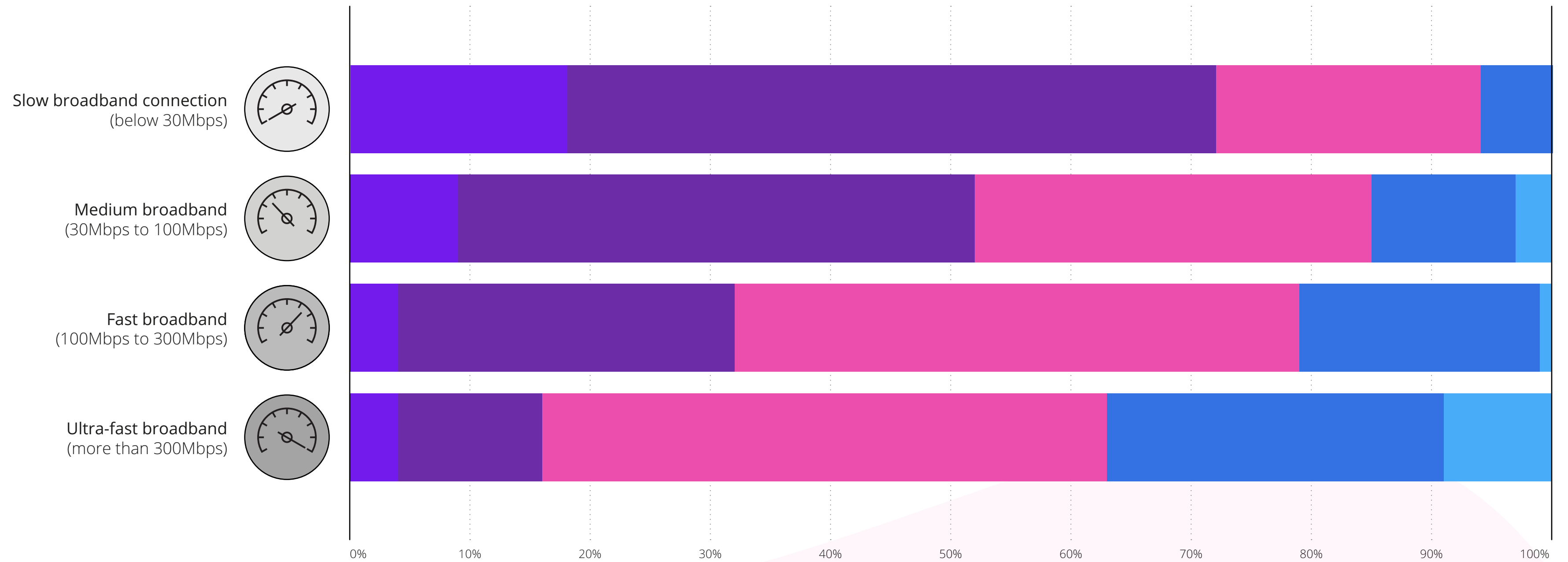
# 23%

of agents stated that typically clients were looking for speeds of 1Gbps

**Compared to the exact same property in the same location but with no broadband connectivity, how much more money do you think the property would be valued with the following?**



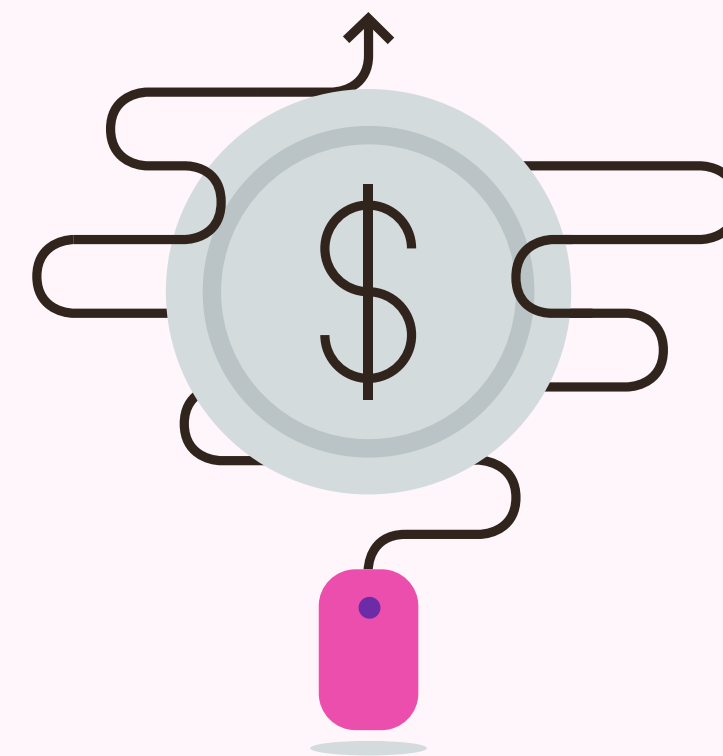
- £0
- £1-£1,000
- £1,001-£5,000
- £5,001-10,000
- More than £10,000



NOTE: N=294  
SOURCE: OMDIA

**37%**

of agents stated that compared to the exact same house with no broadband connection, a house with a broadband connection with **300Mbps would be worth over £5,000 more.** The highest regions were the North West, Yorkshire and NI, where over 45% of respondents stated it would be worth £5,000 or more extra.



**9%**  
stated over **£10,000**

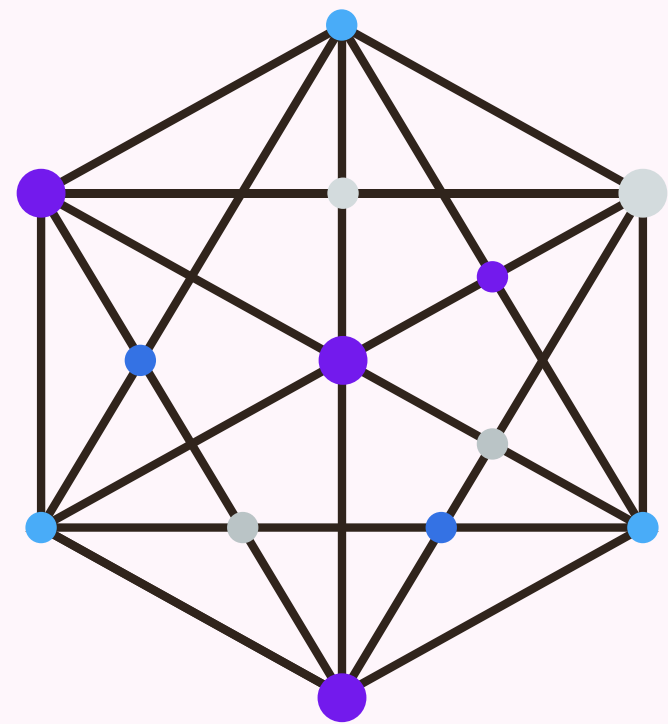
# Broadband and new builds

37% stated buyers would expect ultrafast broadband (300Mbps plus).

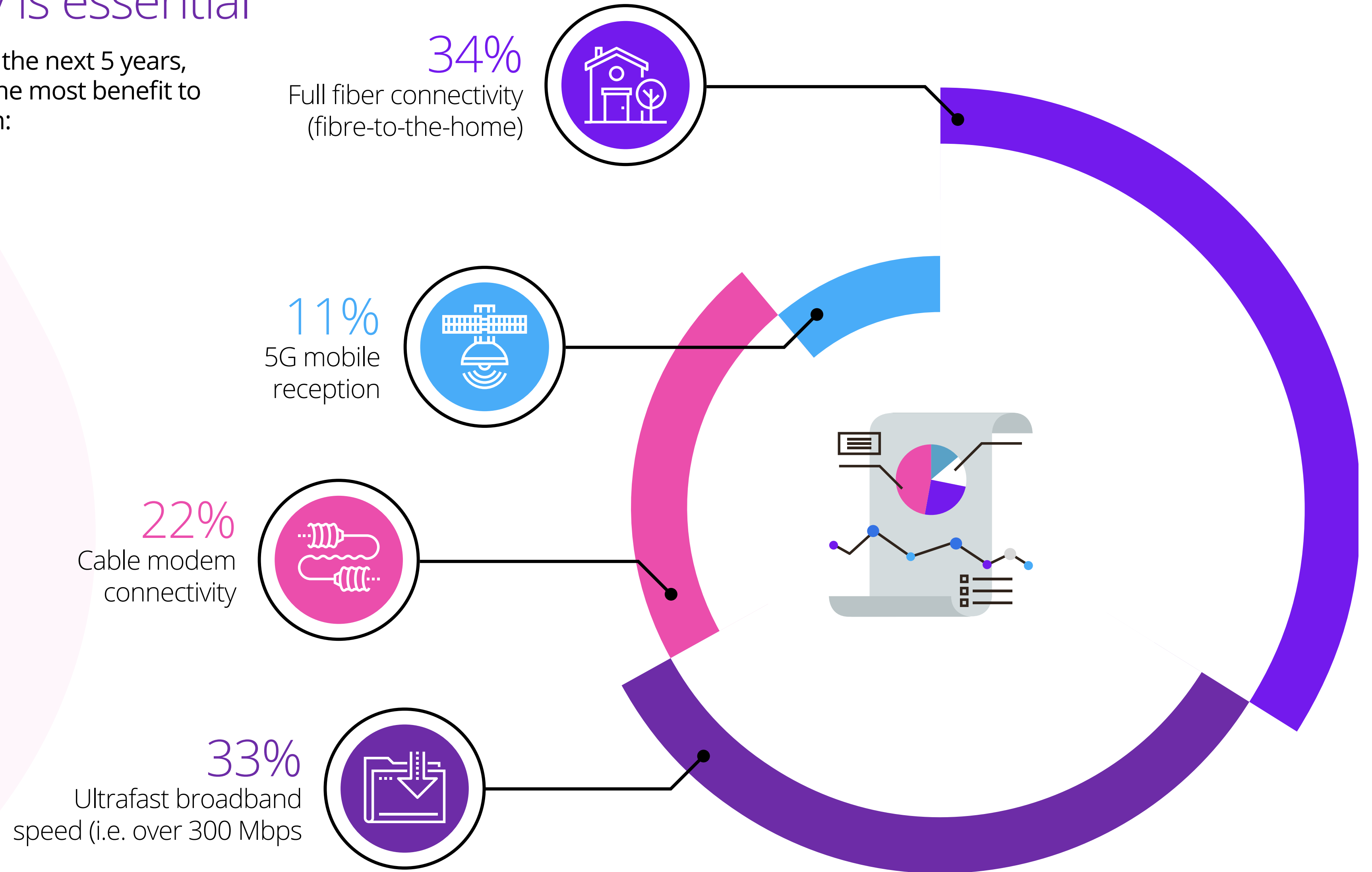


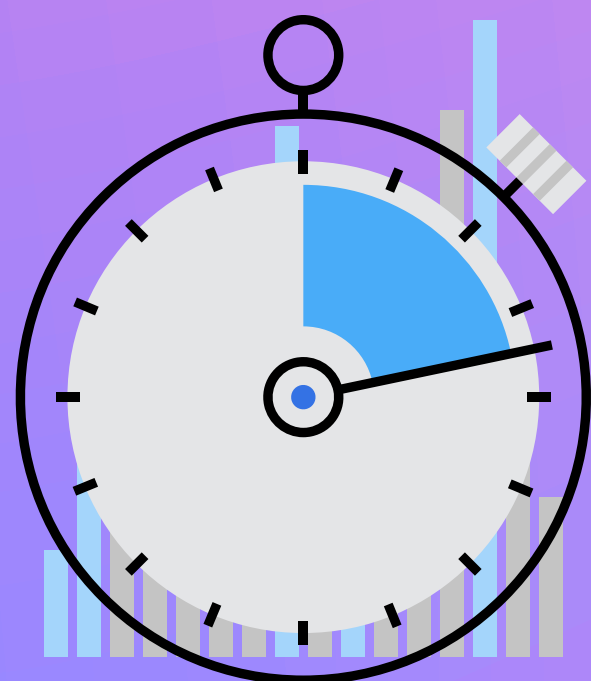
# Broadband connectivity is essential

From your experience of selling houses, over the next 5 years, which of the following features would bring the most benefit to your customers if the government invested in:



In terms of marketing impact, 77% of respondents stated that advertising full fiber connectivity or ultrafast broadband speeds would have the most impact when compared to cable modem or 5G connectivity.





In terms of broadband speeds, 70% of agents stated that buyers of new-builds would expect speeds of more than standard xDSL services (70Mbps). In the Northwest this is closer to 90%.

Virtually all (93%) agents selling new properties state that broadband connectivity is essential.

**37%**

stated buyers would expect ultrafast broadband (300Mbps plus).



# Levelling up and sustainability

70%

of agents believe a gigabit broadband service to every home would boost or significantly boost demand for homes in their area.

# High-speed broadband to every home benefits buyers

From your experience of selling houses, over the next 5 years, which of the following features would bring the most benefit to your customers if the government invested in:

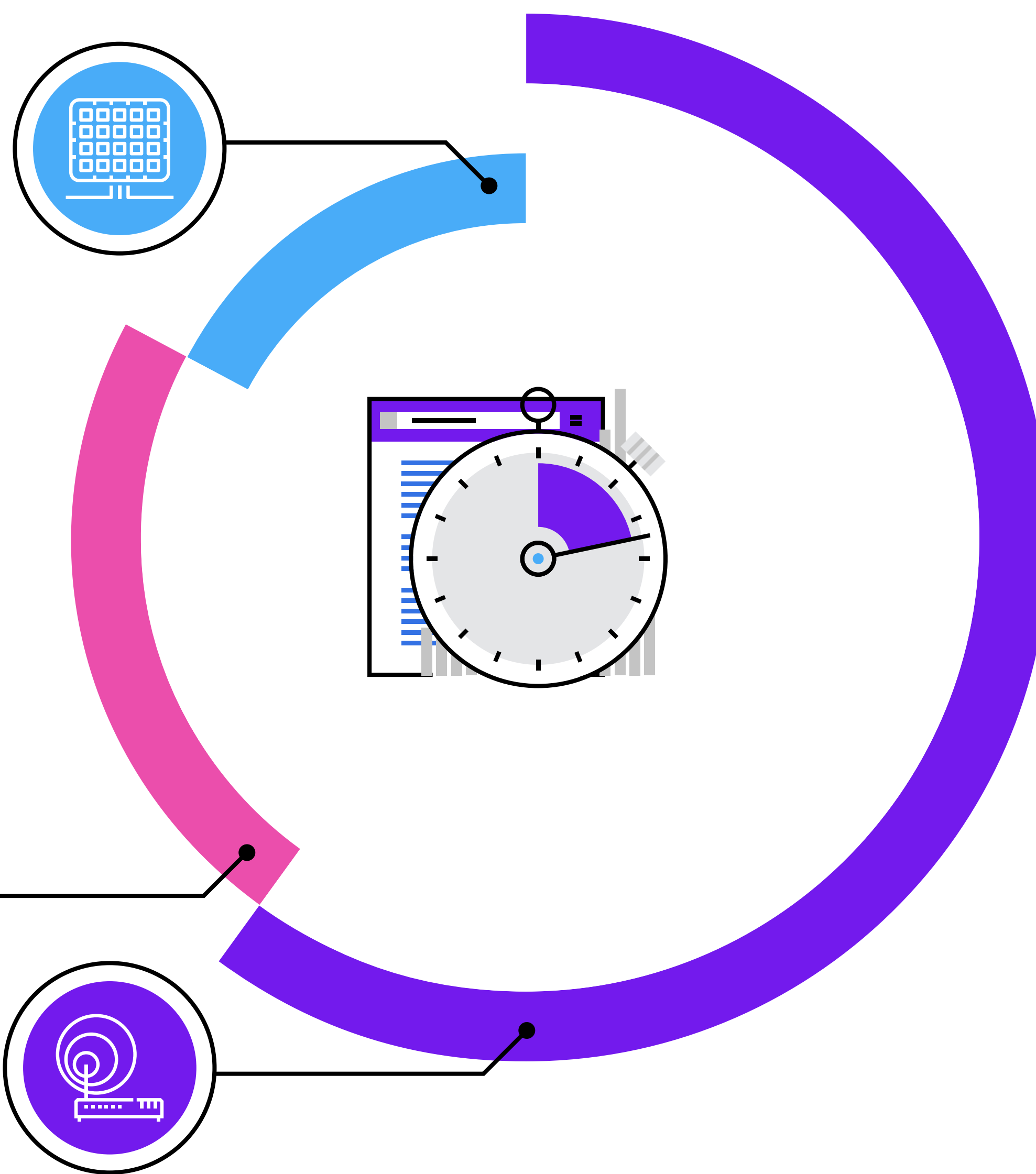


60% of respondents stated that government investment in high-speed broadband networks to every home would benefit buyers in their area more than investments in electric-car charging points or eco-energy solutions such as solar panels. This increases to 70% in the Northwest and the Southwest.

23%  
Electric-car charging points to every home

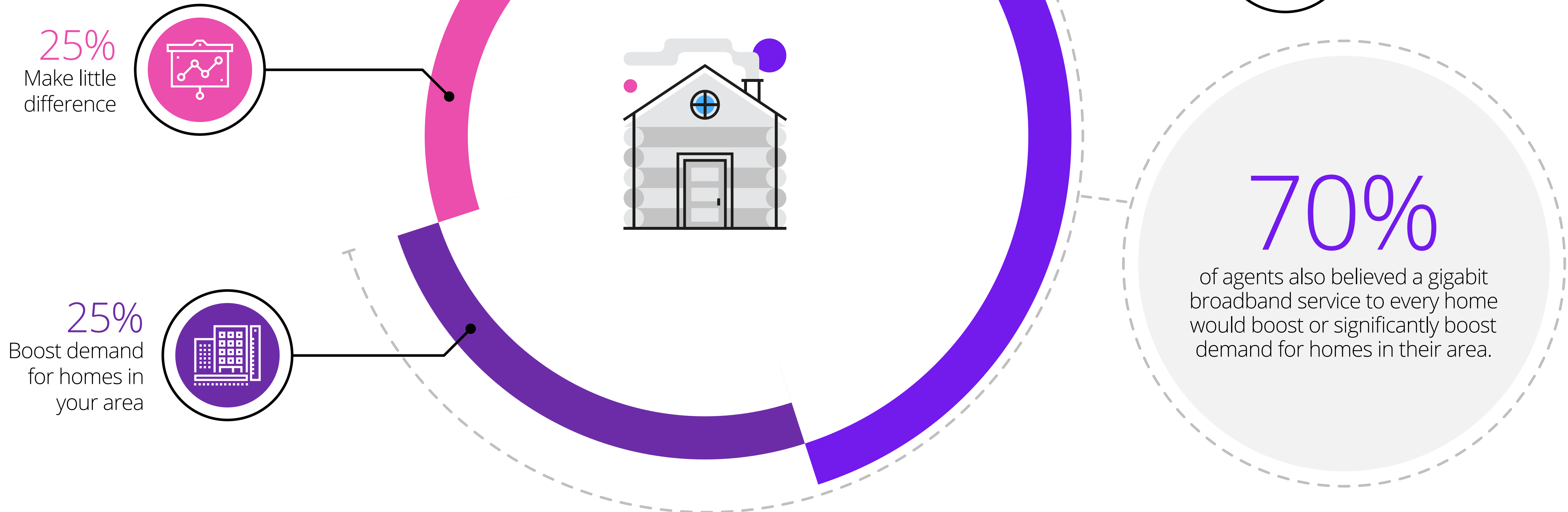
17%  
Eco-energy solutions (such as solar panels etc.) for every home

60%  
Gigabit/high-speed broadband to every home



# Gigabit broadband significantly increases demand for homes

In your area, if every home had gigabit/high-speed broadband, what would you say the impact would be?

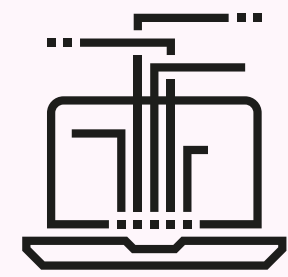
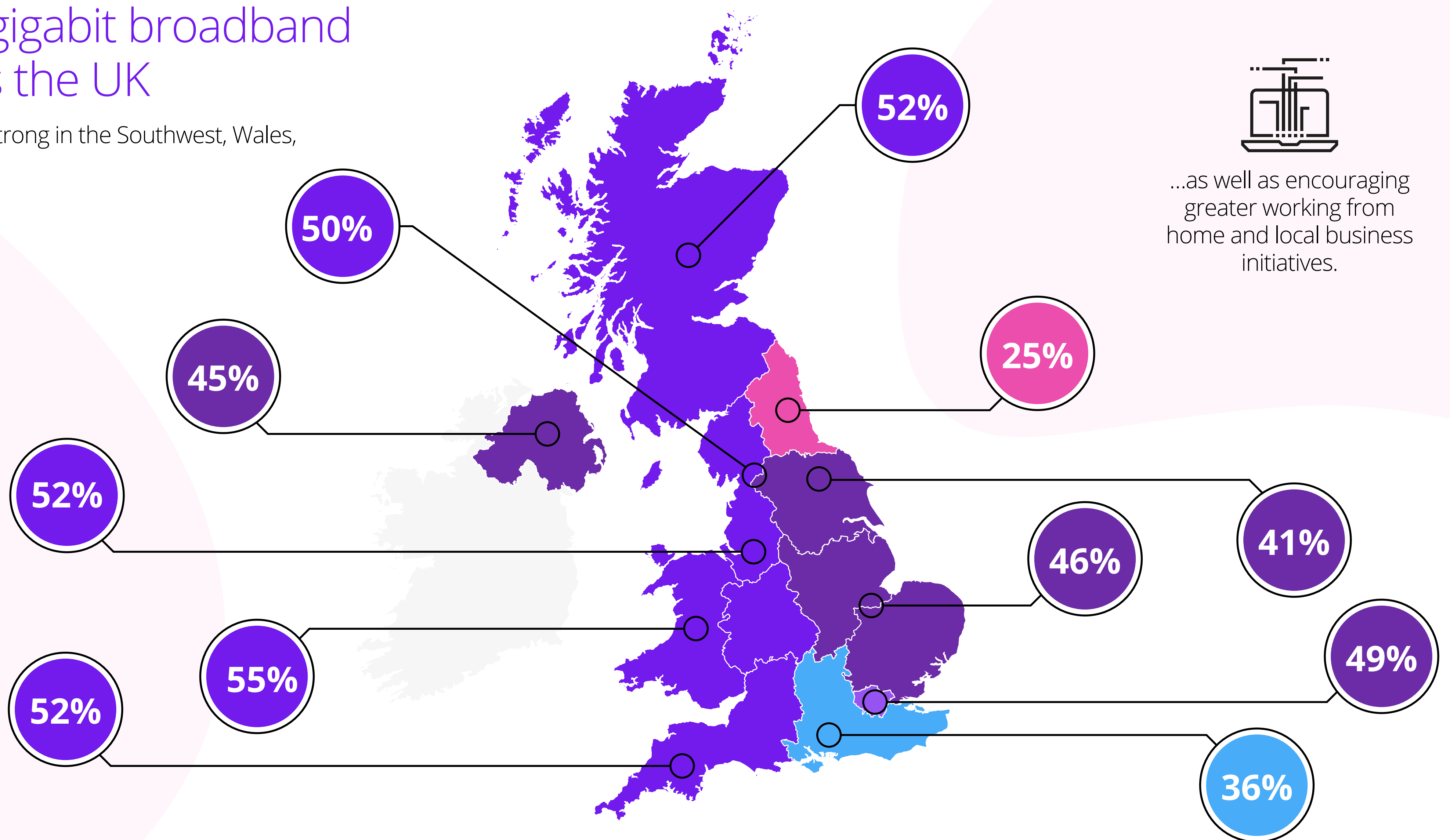


# Demand for gigabit broadband strong across the UK

Demand was particularly strong in the Southwest, Wales, Northwest, and Scotland.

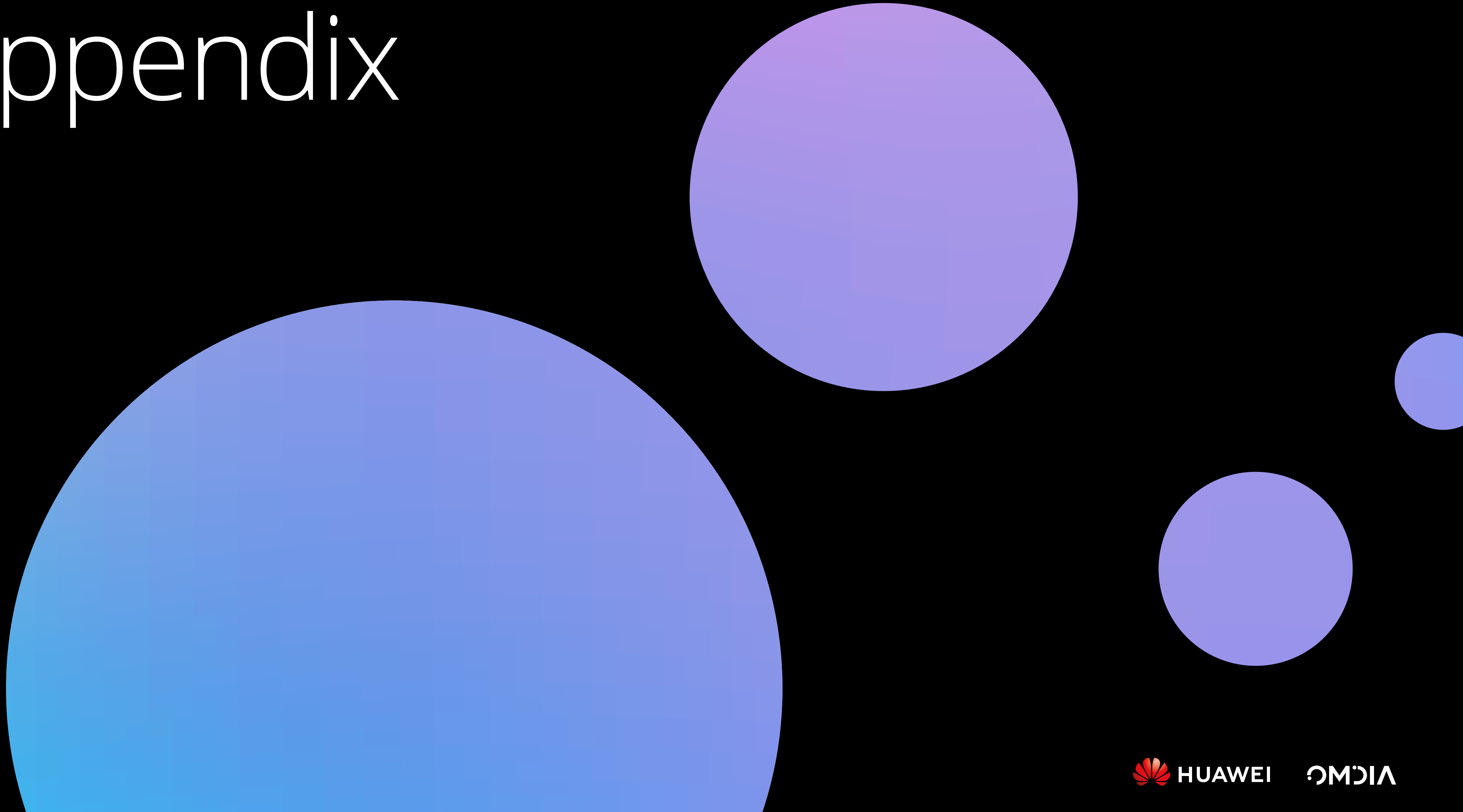


Investing in optical fiber networks would also bring its own energy efficiencies, being **85%** more efficient than legacy xDSL networks, and **64%** more efficient than cable...



...as well as encouraging greater working from home and local business initiatives.

# Appendix



# About

## Omdia

Omdia is a global technology research powerhouse, established following the merger of the research division of Informa Tech (Ovum, Heavy Reading, and Tractica) and the acquired IHS Markit technology research portfolio\*.

We combine the expertise of more than 400 analysts across the entire technology spectrum, covering 150 markets. We publish over 3,000 research reports annually, reaching more than 14,000 subscribers, and cover thousands of technology, media, and telecommunications companies.

Our exhaustive intelligence and deep technology expertise enable us to uncover actionable insights that help our customers connect the dots in today's constantly evolving technology environment and empower them to improve their businesses – today and tomorrow.

\*The majority of IHS Markit technology research products and solutions were acquired by Informa in August 2019 and are now part of Omdia.

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United States

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Malaysia  
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