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Internet Connections Affect Home Sales

Portola, CA (October 12, 2017) – The economy is finally on the rebound, and home sales in some rural areas are up. One key reason is the expansion of broadband in rural communities.

Plumas-Sierra Telecommunications, a small telecommunications utility located in Portola, California, is addressing the issue of poor Internet connectivity in its region.

"Part of electric and telecommunications cooperatives' mission is to bring key services to Rural America. Access to affordable broadband is a crucial component to arresting the loss of jobs and population in our region," says Bob Marshall, chief executive officer.

PST began building a fiber-optic network backbone from Reno, Nevada, north to Susanville and west to Quincy, California in 2012, with the help of a \$13.7 million grant through the American Reinvestment and Recovery Act, and a commitment from several local anchor institutions. To date, the company has constructed 190-plus miles of fiber optic network, purchased abandoned TV coax cable systems and added wireless technologies to help address costs and a variety of challenges created by different topographical elements in the region.

Marshall points out that a major goal of the project was to create jobs and boost the economy by allowing existing businesses to expand, while attracting new businesses to the region.

"Completion of the project now allows businesses, households and key community institutions to have access to higher data usage at a lower cost," says Marshall.

Marshall goes on to say that fiber construction to rural homes in the region is generally not economically feasible, because of lack of home density and other challenges.

"It is a great option where it is physically possible and where neighbors can band together to help bring costs down—but it isn't the only option," says Marshall,

PST employs other solutions where direct connection to PST's fiber network is prohibitive, like making use of a fiber-to-coax hybrid or a wireless-to-fiber hybrid.

Where the Internet was once an amenity, it has become a must-have—much like electricity in the 1930's. Because access to the Internet has become central to the way Americans work and live, the speed of its connection coupled with its reliability is vital to a community's economic health. Access to high-speed Internet, therefore, has now become a major consideration in America's home-buying experience.

High-speed, reliable connections are a must to address the dramatic increase in freelancers, entrepreneurs and others working from home, especially in rural America. Students without broadband connections struggle to keep up with school assignments, both at home and at school. Researchers say rural communities with limited access to high speed Internet are more affected economically than urban areas, where most homes have access to broadband. For these reasons and more, real estate brokers across the country are seeing an increase in buyers asking about Internet connections during a home sale.

The Internet-of-Things has such an impact on how we function as a society that some home buyers cannot even imagine existing without it, and won't even consider properties that do not have access to broadband.

Some studies suggest these buyers are affecting home prices. According to one study conducted by researchers at the University of Colorado and Carnegie Mellon University, fiber-optic connections (the fastest type of high speed Internet available) can add \$5,437 to the price of a \$175,000 home.

In the end, what people want in a home can vary. But real estate professionals agree there are certain features that can be a deciding factor—and broadband is starting to figure prominently into the equation.

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