

## **TAHI MAY 2006 NEWSLETTER**

### **INTRODUCTION AND COMMENT**

We've certainly struck a chord with the TAHI forum, "Building Smart Homes and Communities....everyone profits," to be held later this month. Enquiries have been flooding in since we announced the event, which aims to explore the fledgling market for digital technology in the home.

Much of the forum's appeal can be attributed to the fact that it is unique in bringing the people who design and build our homes together with government agencies and representatives from the world of smart home technology. They will all be under the one round roof of the BT Tower on May 17, to examine ways of working together to open the door to smart homes for all, ensuring we may all prosper from the exciting opportunities of the digital age.

Smart home technology helps create sustainable and inclusive communities; it delivers improvements to the environment and to public services like healthcare, education and welfare; and it offers substantial dividends in terms of adding value and differentiation to properties.

The forum has secured support from top level speakers such as innovative designer **Wayne Hemingway** of Building for Life; **Michael Greeson** of US analysts The Diffusion Group; BT's Head of Broadband Strategy, **Paul Blacker**; **Derek Lickorish**, Chief Operating Officer for EDF Energy; and **Andrew Miller** MP, Chairman of the Parliamentary IT Committee.

Details of the event, including the full programme, can be found on <http://buildingsmarthomes.tahi1.com/index.html>. A handfull of places are still available - anyone interested in coming along is advised to email Mike Windsor at the earliest opportunity on [mikew@digitalliving.ltd.uk](mailto:mikew@digitalliving.ltd.uk) or phone 01491 835049 or 07733 263423.

Thanks to a fortuitous blend of good judgement, careful planning and luck, the forum coincides with a growing wave of evidence that the market for smart home technology is finally taking off.

House-builders and developers hold the key to making this happen. It was fascinating to learn that builders in the US are increasingly offering homes ready equipped with home technology... and where North America leads, the UK is usually quick to follow. A new study from across the Atlantic reports that almost eight out of ten builders say new technology is important in marketing new homes.

**Continued ...**

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### **INTRODUCTION Continued .....**

You can find out more in our report on the [USA Builders Survey](#) elsewhere in this newsletter, where you will see plenty of other evidence reflecting the enormous potential of digital home technology.

For example, the market for home networking and entertainment devices is set to multiply six fold in as many years, reaching \$85 billion by 2011, according to a new [study from ABI research](#), asserting that we have indeed reached the long-awaited turning point. The major driver will be the transformation of conventional consumer electronics devices - games consoles, DVD players, TVs and portable media players - from stand-alone to network-connected devices using wireless and wired IP technologies, says the firm.

Another report from the US predicts that revenue from [digital home health services](#) will quadruple in the five years to 2010, with wellness monitoring and e-health services leading the way followed by care monitoring for geriatric and acute cases.

Meanwhile, here in the UK the revolutionary [Shoreditch Digital Bridge](#) scheme has just been unveiled. This pioneering project brings the world's fastest internet connection to one of London's most deprived areas providing innovative community TV services, a PC on TV service, digital TV and video on-demand. As well as making high-speed internet available to all, it aims to improve community safety.

All this substantiation comes hot on the heels that smart functions are being installed by 49% of new home owners in the US as reported in [last month's TAHI newsletter](#) while here in the UK there are now more than 10 million subscribers to broadband, the channel through which smart functions are delivered.

People at every level are growing increasingly comfortable with digital technology and, indeed, becoming tech-savvy - expecting facilities which enable them to surf the internet, check emails, or play computer games online throughout the home

The concept of a digital home is not new, but it is becoming much more affordable and practical. Today's challenge is to make sure we are fully prepared to meet the inevitable demand.

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### **USA Builders Survey**

Builders in the USA are boosting their offerings of home technologies to keep up with the growing consumer demand for connected data and services in the home, according to a new industry study.

Today's modern household has become a hub of communication, commerce and entertainment technologies, reports Connections Industry Insights. Not only are the number of devices in the home connected to the outside world growing, but more portable devices are being brought home and plugged into the home network.

There's a growing trend for new homes in the US to go on the market fitted with structured wiring, monitored security, distributed audio, home theatre, automated lighting controls, energy management and home automation systems.

The third annual State of the Home Technology Builders Study, conducted by the Consumer Electronics Association (CEA) in partnership with the National Association of Home Builders (NAHB) found that structured wiring is the most popular home technology installed in new houses, featuring in 61 per cent of all new housing starts. Monitored security is implemented about half as often (27 per cent). Meanwhile, multi-room audio is installed in about one in ten new houses, the study found. Installations for lighting controls, home automation and energy management were generally low (in the single-digits), suggesting that today, installations of entertainment and communication home technologies are becoming more popular.

Most builders said their chief reason for installing home technologies was because they were specified by the buyer or architect. In the case of structured wiring and monitored security, the most common reason to install among builders was the need to keep up with the competition.

The overwhelming majority of builders questioned (79 per cent) say home technologies are important in marketing new homes. This is a significant jump from last year's results where about two-thirds of builders felt the same way. In addition, fewer builders believe home technologies are a more important marketing tool than two years ago. This downward trend illustrates not only that builders understand the increasing value of technology to consumers, but it also demonstrates how quickly home technologies have been adopted in the US building industry.

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### **USA Builders Continued.....**

About a quarter of builders this year say home technologies make a positive impact on their revenues. That's up from about one in five last year. But one of the most positive observations in this year's study is that no builders surveyed said home technologies negatively impact their revenues.

The survey found that home technology was installed by electrical contractors in the vast majority of cases (76 per cent), but specialist security or custom installers were also brought in. Some of the work was done by utilities, by major retailers or by the builders themselves.

For more information visit

<http://www.ce.org/default.asp>

[http://www.parksassociates.com/industryinsights/industry\\_insights\\_index.htm](http://www.parksassociates.com/industryinsights/industry_insights_index.htm)

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### **HOME NETWORKING TRENDS**

The market for home networking and connected entertainment devices will rocket over the next few years, according to a new study from ABI Research.

Total sales of hardware, gateways, networked storage devices and entertainment devices will rise from \$14bn in 2005 to more than \$85bn by 2011, reports [www.computing.co.uk](http://www.computing.co.uk).

The major driver will be the transformation of conventional consumer electronics devices, such as games consoles, DVD players, TVs and portable media players, from stand-alone to network-connected devices using wireless and wired IP technologies.

New digital media applications are creating demand for connected entertainment and communications devices, the research firm said.

The rise in popularity of multi-room personal video recorders, place-shifting and networked gaming are fast creating a need for a pervasive connectivity throughout the home, to the internet and between devices.

"This market has reached a major turning point," said ABI Research principal analyst Michael Wolf. "Home networking has moved beyond a basic broadband sharing model to one of networked entertainment and convergence across the PC, consumer electronics and communications devices."

Wolf added that the emergence of enabling technologies such as 802.11n for wireless video distribution, HomePlug AV and MoCA as alternative multimedia network backbones are "solidifying the foundation for an explosion of new devices and applications based on a fully connected home".

Service providers are the catalyst in this market, as IPTV providers such as Verizon, France Telecom, PCCW and AT & T utilise home network technologies for video distribution, while others look to home networking as a way to extend data services without having to rewire the home.

Residential gateways and networked set-top boxes are becoming standard requests as service providers look for new revenue streams based on IP and converged networked services.

"The total number of network connections shipped into the connected home will grow from 247 million in 2005 to over 861 million by 2011," said Wolf. "Wi-Fi will become the most common of the connection technologies as consumers look to connect home servers, gateways, networked consumer electronics and portable devices over the media network."

<http://www.computing.co.uk/vnunet/news/2153160/game-home-networking>

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### **DIGITAL HEALTH SERVICES**

Revenue from digital-home health services will quadruple over the next five years in the U.S. to exceed \$2.1 billion in 2010, according to a new report from Dallas-based market research and consultancy firm Parks Associates. The two fastest growing areas, wellness monitoring services and e-health services, will both achieve a compound annual growth rate (CAGR) of over 50 per cent over the next five years, while geriatric care monitoring services will achieve a CAGR of 22 per cent and acute care monitoring services a CAGR of 35 per cent over the same time period, according to the report, "Delivering Quality Healthcare to the Digital Home".

"Due to the aging population in the U.S. and the gradual change in the healthcare service model from clinical intervention to preventive care, home-based healthcare services demonstrate strong long-term growth potential," said Harry Wang, research analyst at Parks Associates.

"Delivering Quality Healthcare to the Digital Home" is less bullish on the industry's near-term growth potential, however, which is inhibited by several factors, including a lack of documentation on the clinical efficacy and financial benefits of home care services. As a result, payers in both private and government sectors are less likely now and in the next two years to proactively reimburse care providers for these types of services.

"This industry will start to grow rapidly around 2008-2010, when enough clinical data and cost-saving evidence exist to influence payers' attitudes towards home-based care services," Wang said. "Meanwhile, services that are easily comprehensible to consumers and subject to less stringent clinical standards, such as e-health services and wellness monitoring, will see faster adoption by consumers, service providers, and payers."

"Delivering Quality Healthcare to the Digital Home" is a comprehensive industry report analyzing the emerging technologies and their applications in the healthcare industry. Using data from Parks Associates' recent survey "Bundled Services & Residential Gateways: 2005," it focuses on products and services that help consumers manage their chronic disease states at home through advanced communication tools, self-diagnostic devices, and home-monitoring appliances. The report also examines incentives, regulatory and reimbursement issues, and the drivers and barriers for the implementation of home-based care services. Finally, the report profiles emerging players and offers a future roadmap for this industry.

For additional information on "Delivering Quality Healthcare to the Digital Home" or "Bundled Services & Residential Gateways: 2005," visit

<http://www.parksassociates.com> or [sales@parksassociates.com](mailto:sales@parksassociates.com).

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### **SHOREDITCH DIGITAL BRIDGE**

Residents in one of the East End of London's most deprived housing estates are trialling the world's fastest domestic internet connection in a revolutionary new service.

Shorditch Digital Bridge offers tenants a range of innovative community TV services, a PC on TV service, digital TV and video on-demand. It does away with locally hosted software such as Windows and the need for a separate PC hard drive. There is no need for residents to upgrade their systems with expensive anti-virus software and spam protection. Residents will also be able to upgrade their package to add broadband internet speeds of up to 8Mb and subscribe to premium content at an additional cost.

The unique Computer on TV scheme is being piloted by 1,000 tenants before rolling out to 20,000 residents. It is being run by government funded community association the Shoreditch Trust as part of its New Deal for Communities regeneration project.

Shoreditch Trust Commercial and Development Director James Morris said: "This project will demonstrate how the new technologies can be at the forefront of regenerating some of our most deprived communities. Providing broadband access has the potential to free working families in the 2000's in the same way council house sales did in the 1980's. The benefits of the internet should not be the preserve of a small elite. They should be open to everyone."

The project will feature a Community Safety Channel which will allow residents to monitor estate CCTV cameras from their own living rooms, view a 'Usual Suspects' ASBO line up, and receive live community safety alerts. The Computer in TV service is the latest phase in the development of the £12 million Digital Bridge system, funded in partnership by the Office of the Deputy Prime Minister, the London Borough of Hackney and the European Structural Fund.

<http://www.digitalbridge.org.uk/>

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### **CONNECTED HOME NEWS**

Connected Home News is a news portal that covers the industry spectrum, including news, analysis and whitepapers across smart home building, building automation, wireless networking, home networking, gaming, device convergence, home security and entertainment hubs.

It has recently formed an alliance with TAHI and is keen to receive whitepapers, case studies, feature articles and press releases from TAHI members. Please send your content for consideration to the online editor, Gael McLaughlin, editor@connected-home-news.com, Tel: +44(0)117 904 2003

Connect your thinking to the homes of the future with Connected Home News.

[www.connected-home-news.com](http://www.connected-home-news.com)

<http://www.digitalmediapublishing.co.uk>

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### **DIGITAL LIFESTYLE FORUM**

Consumer confidence in handling digital technology has developed rapidly as products such as the mp3 player, PVR, laptop and PDA have become progressively mainstream. This enhanced public adeptness has led to increased awareness and demand to be able to do more with their content. By delivering fully portable or mobile services and content, companies looking to succeed in the digital lifestyle will be tapping into consumer trends towards having things anytime, anyplace, anywhere, anyhow for anybody.

The digital lifestyle means that the opportunities in the connected home now extend beyond the boundaries of a house. It provides the chance to convert the latest technologies, services and applications into valued and compelling experiences for the consumer.

The Digital Lifestyle Forum: Beyond the connected home will be held in London on June 28-29, with the aim of maximising revenue opportunities by developing compelling consumer propositions to drive the uptake of the connected home and digital lifestyle

The forum puts the emphasis on discussion, debate and interaction to enable participants to compare ideas and strategies, as well as identify potential partnerships.

The forum will examine how to create profitable and convincing digital lifestyle packages and services. How will you interact effectively with the consumer market? What are the major drivers behind the digital lifestyle? How important is the role of content in driving uptake? What are the business models that will drive the digital lifestyle and connected home forward to capture a wider market?

<http://www.osneymedia.co.uk/>

## **TAHI MAY 2006 NEWSLETTER**

### **MEDIA COVERAGE**

#### **The End User: Wi-Fi goes faster - International Herald Tribune, April 26**

A new version of the popular Wi-Fi wireless data network system performs up to five times faster than current gear, and the computer industry expects it to usher in a new era of networked home entertainment.

The new "WiFi-N" devices, which went on sale this month, will enable consumers to play their favorite tunes or watch their favorite movies over their home wireless networks.

Users will only benefit in a big way when they can connect TV sets and stereo gear to a WiFi-N network. "That's what these vendors are banking on in the long term, that within a year a lot of complementary applications will come along," said Jean Kaplan, a Wi-Fi research analyst at IDC in Framingham, Massachusetts.

Full report: <http://www.iht.com/articles/2006/04/26/business/ptend27.php>

#### **Had a crash? Well here's a car that can call for help - Times, April 25**

Road deaths could fall by 2,500 a year across the European Union under plans to equip all new cars with a device that calls the emergency services after a crash, according to a study.

Ambulance response times are predicted to fall by 50 per cent in rural areas and 40 per cent in towns, giving paramedics a better chance of saving lives. The device, known as eCall, tracks the car's movements by satellite and is linked to sensors positioned around the car. To avoid false alarms, a message is sent to an emergency call centre only if at least two sensors are triggered.

Details about the location, the car, the owner and the severity of the crash are sent via mobile phone link to a call centre. An injured driver or passenger can press a button to contact the centre if the system fails to work automatically. The operator can use eCall to speak to people trapped in the wreckage.

The European Commission, which funded the study, has set a deadline of 2009 for eCall to be fitted to all new cars.

Full report: <http://technology.timesonline.co.uk/article/0,,20409-2150190,00.html>

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### **MEDIA COVERAGE Continued**

#### **Home and Mobile Network Convergence the “New Frontier” for the Digital Home - Cellular News, April 24**

The merger of the digital home network with mobile devices is the next frontier in new technology for the connected home, according to ABI Research. Consumer product vendors, content providers and mobile operators are developing solutions to allow consumers to access their personal content over the home network locally through Wi-Fi, or through the mobile network.

#### **End of Wires - Scottish Sunday Herald, 23 April 2006**

Imagine a world where everything is online all of the time. A place where your boiler books itself in for a service and your music follows you from room to room. Think about a house where your fridge knows it's empty and reminds you to bring home the beer. Then get used to it, because this is the home of the future and it's already here.

Ushering in a world without wires, this week saw the unveiling of a number of major Scottish initiatives that could be set to revolutionise the way we live. At an event hosted by the Scottish Enterprise-funded Wireless Innovation, the cream of the country's top 100 companies learnt how the high-tech revolution was poised to make an impact upon every aspect of modern life, from the way we are entertained to the way we protect our homes.

“Scottish users are already typically using at least 10 everyday household items that communicate wirelessly, but this is only the beginning,” says organiser Alisdair Gunn.

Increasingly, house builders are leaping aboard the smart home bandwagon. The company's systems are already being installed in over 1000 new UK homes, while a customer list that includes Tulloch and Scotia Homes is expected to generate revenues of £1 million for the current year. Stirling-based Hometech Integration pulled in £2m installing smart home technology in 2005 and expects a 30%-40% increase this year, while several of Scotland's utility companies are considering implementing a system that allows electricity and gas meters to read themselves and send the results back to base.

<http://www.sundayherald.com/55231>

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### **MEDIA COVERAGE Continued**

#### **Yahoo boosts stake in wired home ZDNet, April 19**

Seeking an invitation into customers' homes, Yahoo acquired a software company that specializes in delivering digital music, photos and video into living rooms. Yahoo announced that it had purchased Meedio, a Houston-based software company, for an undisclosed amount. According to a note posted on Meedio.com, Yahoo purchased the rights to most of the company's technology and all its intellectual property but not its products.

Yahoo plans to fold Meedio's technology into its Digital Home team, Meedio's note read. Among the technologies Meedio developed is one that let people organize and access digital music and video with their TV and remote control. 'Meedio provides the 10-foot interface,' says Yankee Group analyst Nitin Gupta. 'Meedio will link together Yahoo's disparate offerings so that users can access them from their couch.'

Full report: [http://news.zdnet.com/2100-9588\\_22-6062483.html](http://news.zdnet.com/2100-9588_22-6062483.html)

## **TAHI MAY 2006 NEWSLETTER**

### **FUTURE EVENTS**

**Pervasive Computing: The Next Wave  
of IT**

May 15

IEE, Savoy Place, London.

<http://www.nextwave-interface.org>

**Cedia UK Expo**

June 20-22

London

<http://www.cedia.co.uk>

**Building Smart Homes and  
Communities....everyone profits**

TAHI FORUM

May 17

BT Tower, London

<http://buildingsmarthomes.tahi1.com/index.html>

**Net-atHome 2006**

September 26 - 27

Cannes

<http://www.net-at-home.com/index.php>

**e/home 2006**

October 19-21

Berlin

<http://www.ehome-berlin.de>

**INSTALL China**

May 31 - June 3

China International Exhibition Hall

Beijing, China

<http://www.is-china.com/>

**Digital Radio Show**

June 1-2

London Olympia

<http://www.digital-radio-show.com/>