

State of the Altnets 2024



A summary of key highlights from the 2024 report Metrics for the UK Independent Network Sector produced by INCA in partnership with Point Topic.

Key metrics

2 million
Customers now using Altnet fibre

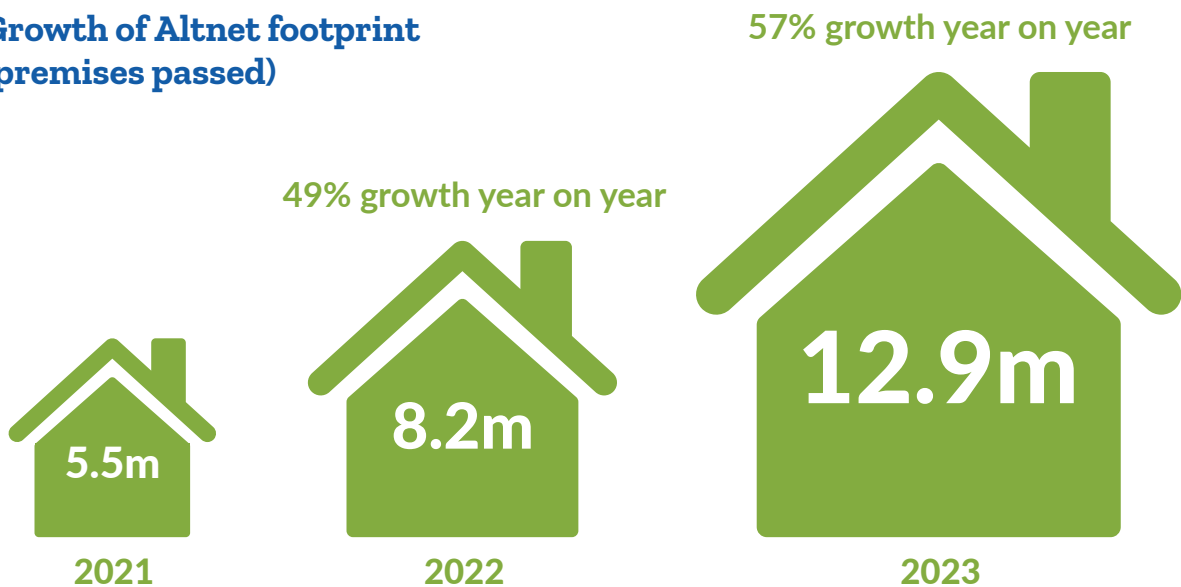


35%
of all UK premises passed by Altnet fibre

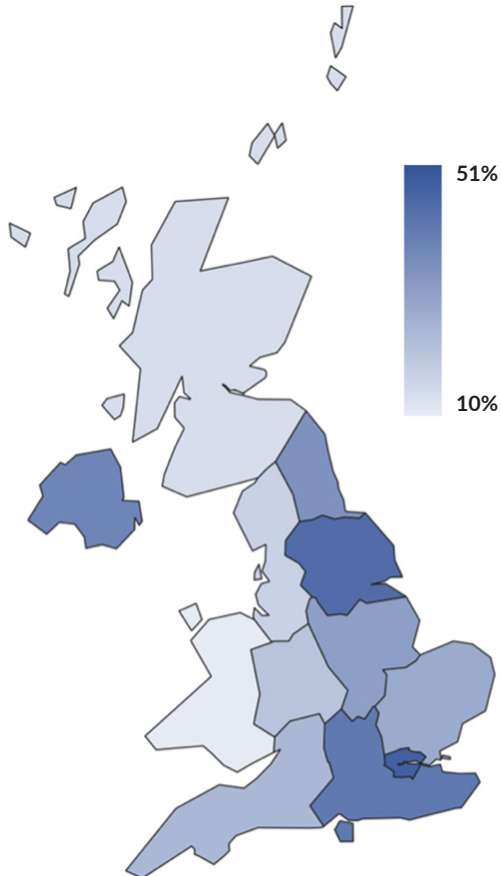
32%
of Area 3* premises passed by Altnet fibre

12.9m > | < **12.8m**
Homes passed by Altnet fibre Homes passed by Openreach fibre

Growth of Altnet footprint
(premises passed)

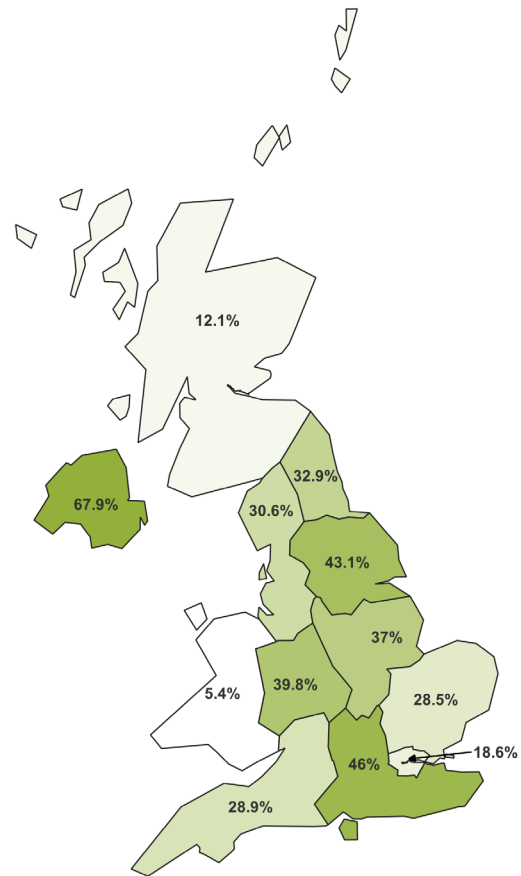


Premises passed



Percentage of premises passed by Altnet fibre in each region

- Altnets remained resilient through 2023, growing network coverage by 57% year-on-year to reach 12.9 million premises.
- In London more than half of premises can get FTTP service from one or more Altnets, with the South East and Yorkshire & the Humber close behind.
- 3 million of these premises were in Ofcom's Area 3. Altnets have delivered full fibre connectivity to nearly a third of UK premises in harder to reach rural areas, highlighting a significant variance in Ofcom's assumptions. We estimate that Altnet fibre will reach 46% of Area 3 premises by end 2025.
- BDUK has – as at April 2024 – awarded 32 Project Gigabit procurement contracts to Altnet operators worth £1.3bn, aiming to cover around 760,000 premises.



Percentage of premises passed by Altnet fibre in Area 3*

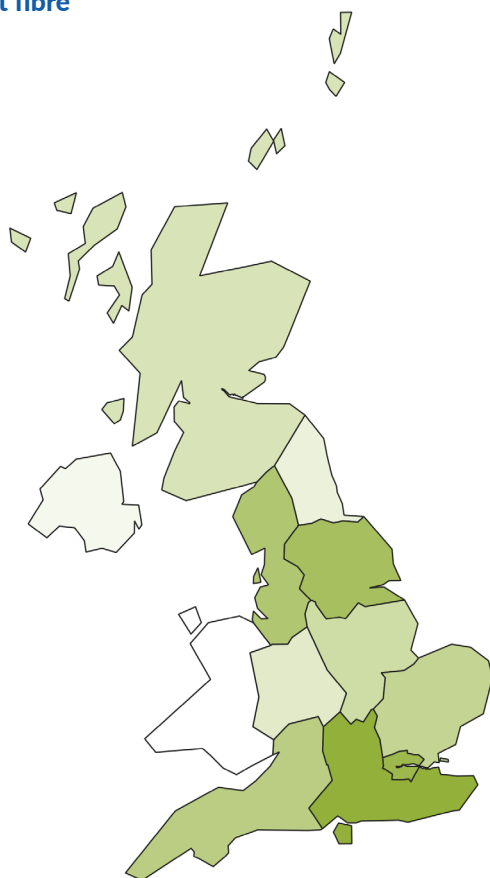
- Many Altnets have actively engaged in BDUK's voucher programme enabling them to extend their commercial build to harder to reach properties. INCA are encouraged by BDUK's recent announcement that the voucher deadline has been extended to 2028.
- Despite challenging market conditions, high global inflation, soaring energy and construction material costs, combined Altnet full fibre footprint of 12.9 million premises exceeded that of Openreach at the close of 2023.
- Adjusting for Altnet overbuild we estimate between 11.3 – 11.6 million properties now have access to an Altnet service.

* Area 3 was defined by Ofcom as parts of the country (mainly rural) where no material Altnet competition to Openreach was expected.

Live connections

- Almost half a million customers switched to an Altnet during 2023 leading to 2 million live gigabit capable connections: 33% growth year-on-year.
- Altnets are trusted by consumers, outperforming the major incumbents on independent review sites like Trustpilot and Google Reviews.

Over 6.9 million premises are only passed by Altnet fibre



69,100	Wales
82,900	Northern Ireland
317,900	North East
405,300	West Midlands
429,000	Scotland
494,700	East Midlands
542,400	East of England
575,500	South West
589,700	North West
741,400	Yorkshire and the Humber
1,309,700	London
1,353,800	South East

Expectations and aspirations

- Despite the scaling back of rollouts Altnets are still deploying at pace and aim to supply full fibre to millions more premises (16.7 million) by the end of 2024, with 3 million live connections anticipated, giving Altnets >10% of the residential broadband market.
- These aspirations depend on the Government's continued support for investment and infrastructure competition and the regulator delivering a fair competitive marketplace, which will be reviewed in Ofcom's upcoming Telecoms Access Review 2026–2031.

Investment

- Investment in the Altnet sector continued through 2023 with an estimated additional £7 billion committed during the year.
- We estimate intended CAPEX spend by Altnets from 2024–2028 at over £13.4 billion with OPEX of at least £1 billion. (BT Group (Openreach) estimates £15 billion investment to the end of 2026).
- Taking this private sector investment together with the Government's £5 billion Project Gigabit commitment, planned Altnet full fibre investment until end 2028 totals £25 billion.



The full report from which this summary has been drawn is available from the INCA website:

<https://www.inca.coop/news/altnet-report-2024>
or use the QR code.