

THINK BIG, PLAN, THEN IMPLEMENT: HOUSING MASTER PLAN SUCCESS STORIES

ACADEMIC IMPRESSIONS | OCTOBER 17, 2011

PRESENTER: PETER ISAAC, PROJECT MANAGER, BRAILSFORD & DUNLAVEY



BRAILSFORD & DUNLAVEY



This project helped to identify our department as a catalyst for progressive thinking within our campus community.

Thank you for providing us with thoroughly detailed analysis, spirited discourse, and lively presentations. I am using the information and supporting documentation practically daily as we develop our financial strategies.

-Mr. Tim Chapman
Associate Director for Facilities / Western Carolina University

Relevant Experience:

- ❖ Over 500 Higher Education Projects
- ❖ Over 200 Student Housing Projects

Project Staff:

- ❖ Diverse Skill Sets and Backgrounds

Project Services:

- ❖ Planning
- ❖ Program Management
 - ❖ Project Scope Definition
 - ❖ Schedule and Budget Management
 - ❖ Professional Selections
 - ❖ Design & Construction Oversight
 - ❖ Communication/Logistics
 - ❖ Quality Control
 - ❖ Furniture, Fixtures & Equipment
 - ❖ Project Close Out

KEY QUESTIONS

- ❖ How does housing & residence life fit into the university's mission?
- ❖ What are the target markets for which housing should be provided?
- ❖ What are the financial parameters for the housing system?
- ❖ What are the financial parameters for new or renovated housing?
- ❖ What is the optimal pricing structure for the housing system?

STATE OF THE INDUSTRY

1997 to 2006:

- ❖ High School Graduates increased 22%
 - ❖ Minority graduation rose approximately 49%
- ❖ Total Enrollment increased 22%
 - ❖ Undergraduate → 22% increase
 - ❖ Graduate → 26% increase
 - ❖ Minority enrollment rose approximately 20%
- ❖ Since 2000, developers built 57,000 off-campus beds

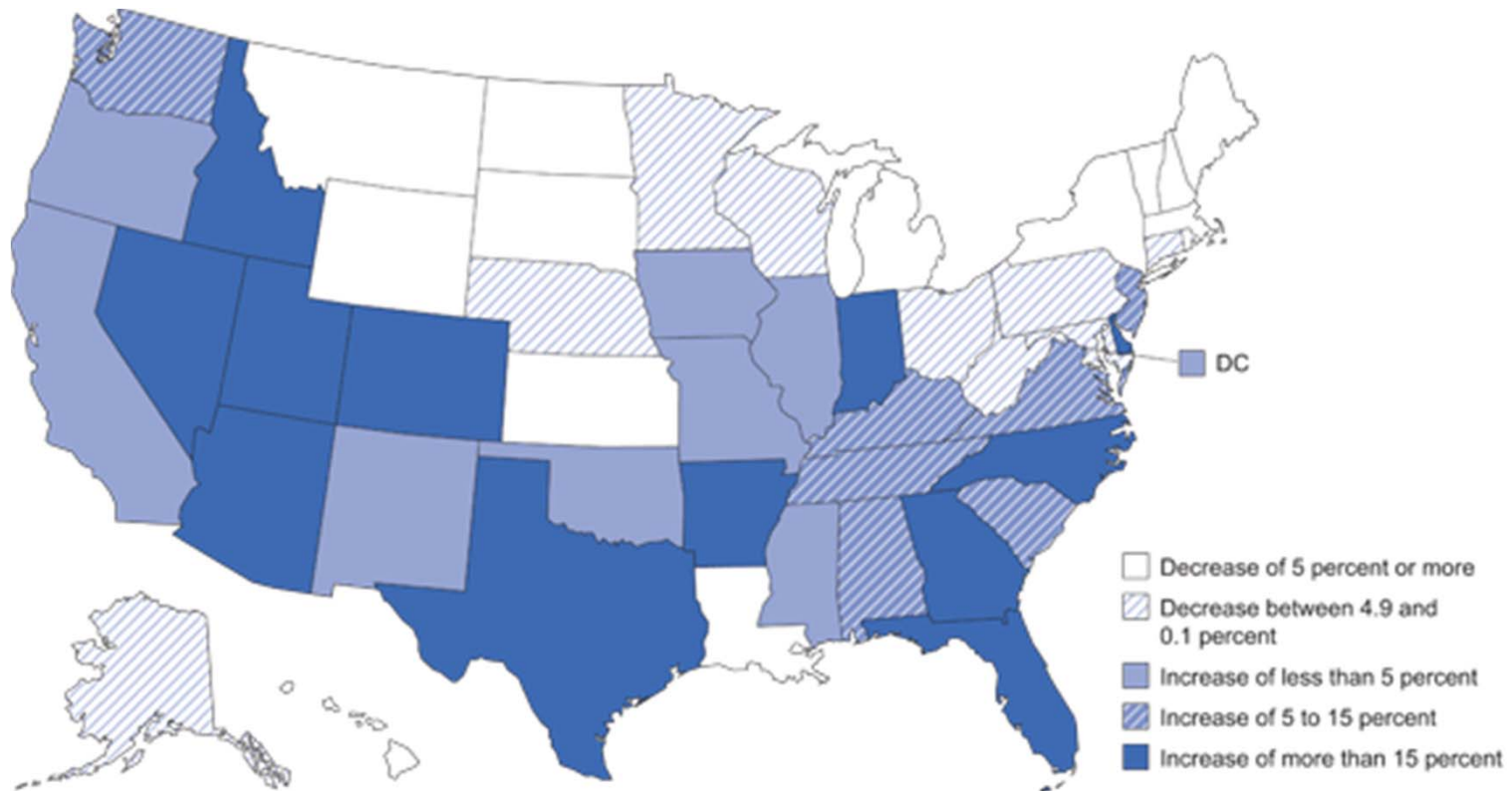
STATE OF THE INDUSTRY

2007 to 2017:

- ❖ High School Graduates → additional 22,000 students (+1%)
- ❖ Total Enrollment → additional 2.1 million students (+12%)
- ❖ Other factors:
 - ❖ Undergraduates are enrolling for more than 4 years
 - ❖ Rise in non-traditionally aged and international student enrollment
 - ❖ Rise in 2-year college and graduate school enrollment
 - ❖ Community Colleges have expanded their interest
 - ❖ Transfer population impact

STATE OF THE INDUSTRY

Projected percentage change in the number of public high school graduates, by state: 2007-08 through 2017-18 (Source: NCES)

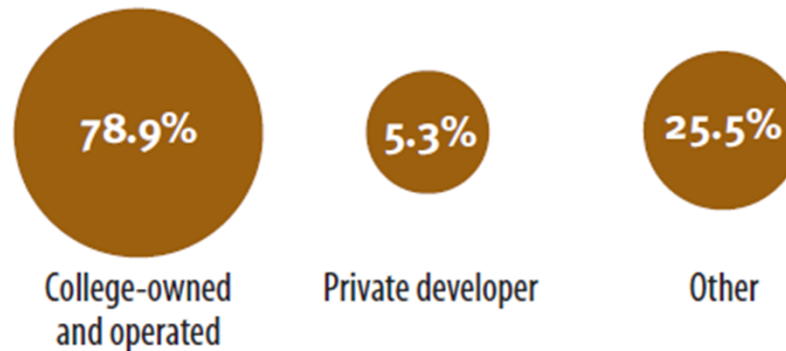


STATE OF THE INDUSTRY

Is your institution planning to increase the number of residence hall beds on campus?

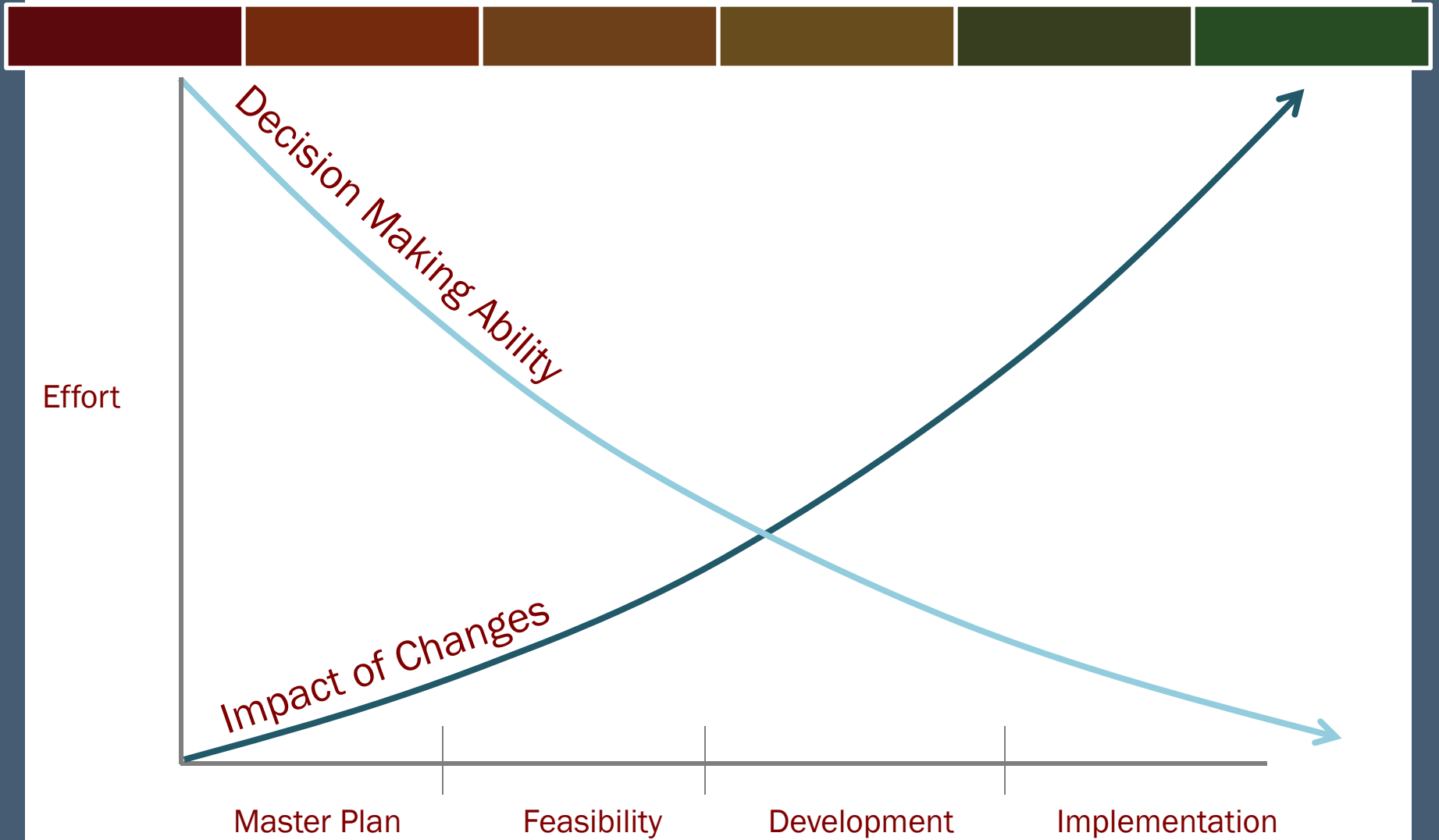


Who will own and operate the residence halls being planned?

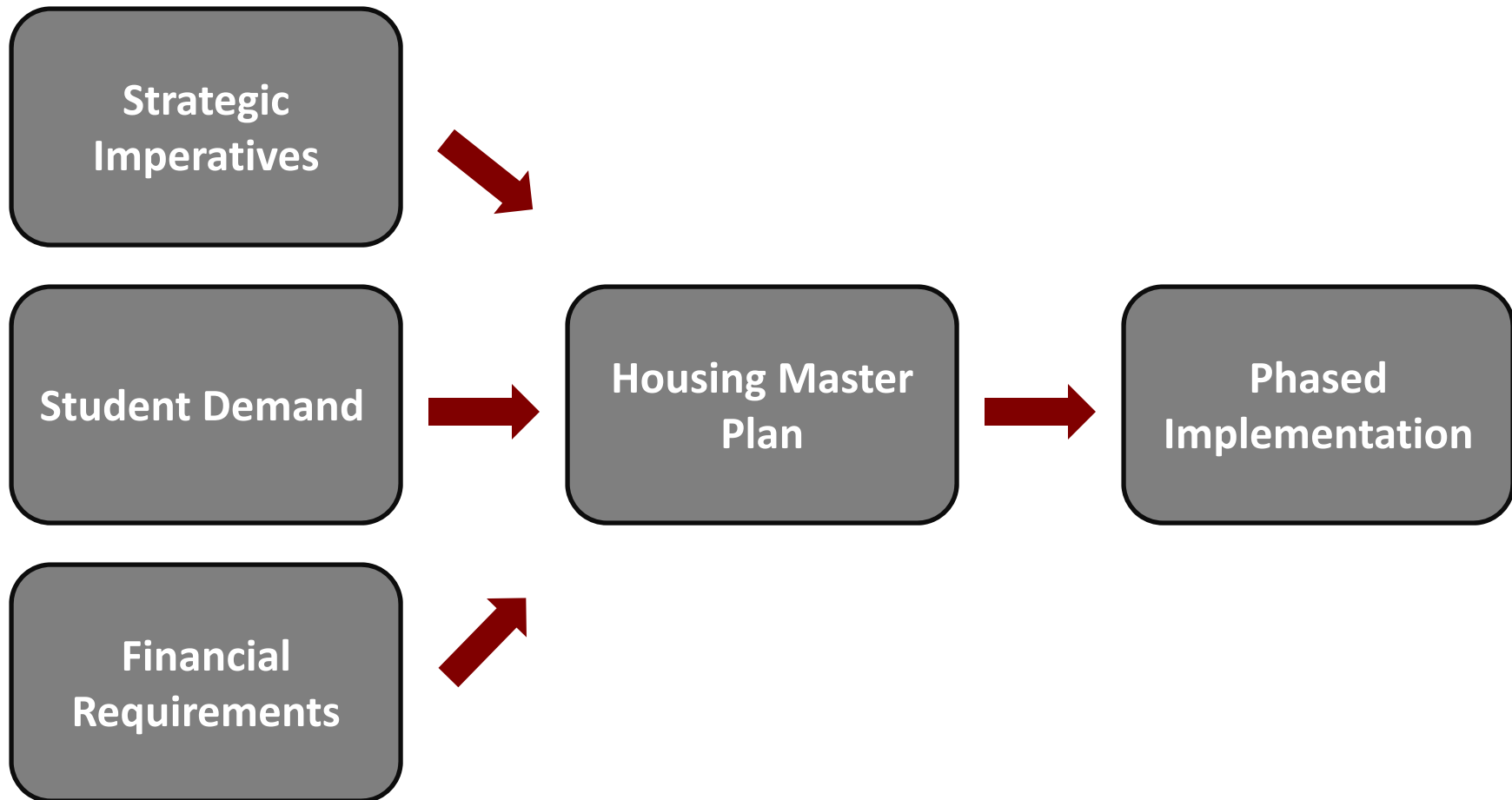


Abramson, Paul. "Living on Campus " 2010 College Housing Report. May 2010 www.webCPM.com.

WHY CREATE A HOUSING MASTER PLAN?



ASPECTS OF PLANNING



B&D ASSESSMENT TOOLS

1. Strategic Asset Value
2. Demographic Analysis
3. Focus Group & Intercept Interviews
4. Off-Campus Market Analysis
5. Competitive Context Analysis
6. Student Survey
7. Demand Analysis
8. Financial Analysis
9. Phasing & Feasibility Analysis



KEY STAKEHOLDERS

- Students
- Board of Trustees / Regents / Directors
- President
- President's Cabinet
- Student Affairs
- Housing / Residence Life
- Dining Services
- Student Activities
- Financial Affairs
- Faculty / Staff
- Foundation
- Off-Campus Developers
- City Planning & Development



WINSTON-SALEM STATE UNIVERSITY

HISTORY & BACKGROUND

- Founded in 1892
- HBCU located in Winston-Salem, NC
- Diverse enrollment
- Total Enrollment: 6,442
 - 5,975 Undergraduate
 - 467 Graduate
- Consistently ranks among the best public universities in the South



WINSTON-SALEM STATE UNIVERSITY

CHALLENGES

- Change in University leadership
- Enrollment fluctuation
- Inconsistent demand patterns
 - Reliance on hotel beds
 - Inconsistent financial performance
- Need to address deferred maintenance
- Inconsistent internal reporting structure

WINSTON-SALEM STATE UNIVERSITY

STRATEGIC DRIVERS

- Quantity / Location of Housing
 - Increase residential population across all class years (35% → 60-65%)
 - Accommodate Freshman and Sophomore Live-On Requirement
 - Locate all housing in communities of scale
 - Keep 1st and 2nd Year housing close to the core
- Target Market & Unit Types / Program Priorities
 - Support recruitment and retention strategies
 - Enhance residential programming supporting the developmental continuum
 - Create stronger campus community climate
 - Accommodate co-curricular, and weekend and evening activities
 - Increase faculty/ staff/ student interaction

WINSTON-SALEM STATE UNIVERSITY

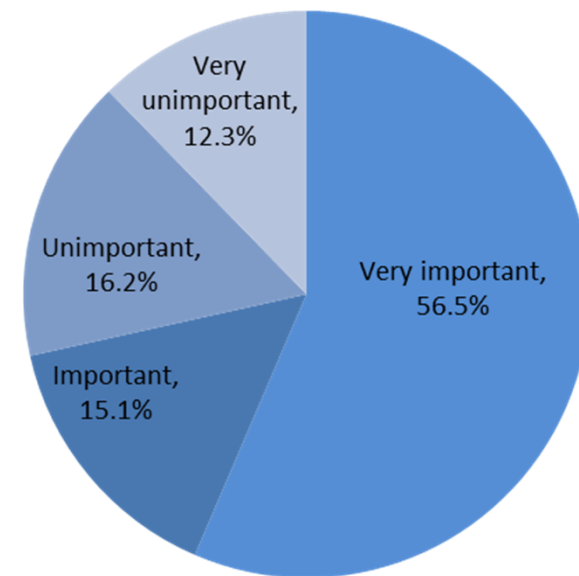
STRATEGIC DRIVERS

- Financial Accessibility & Quality Reconciliation
 - Create a “Distinctive Institutional Brand”
 - top small/mid range public, HBCU, liberal arts focused
 - Maintain affordable and quality unit types
 - Provide attractive housing incentives for prospective high performing students
- Level of Service / Underwriting Criteria & Institutional Will
 - Increased staffing to support enhanced residential programming
 - Housing portfolio financial performance should be carefully managed

WINSTON-SALEM STATE UNIVERSITY

MARKET CONDITIONS

- Relationships formed through on-campus residential experience made housing important for student development
- Dissatisfaction in assignment process
- Extreme rental rate variance
- Traditional residence halls needed renovation
- Undesirable off-campus housing market



How important was the availability of on-campus student housing in your decision to attend WSSU?

WINSTON SALEM STATE UNIVERSITY

MARKET CONDITIONS

- Safety - key concern in the nearby community
- Over 50% of off-campus residents commute 10-30 minutes to campus
- Limited nearby off-campus activities
- Most properties directly near WSSU are not student-focused

Scale	Description	# of Properties
5	Student focused marketing plus individual leases w/ parental co-signing, roommate matching services, academic year lease terms options, furnished units, roommate friendly floor plans, utility inclusive rates to avoid utility bill sharing among roommates,	0
4	Student focused marketing plus roommate friendly floor plans, furnished units, academic year lease terms options and parental co-signers accepted	0
3	Student focused marketing and parental co-signers are accepted, but otherwise standard apartment offerings without furnished units	8
2	No student focused marketing, services or amenities and restrictive credit policies	18
1	Aggressive non-student market orientation such as seniors or young professionals with credit policies, occupancy policies and lease terms that discourage student tenants to the extent	0
NP	Not Provided	4

WINSTON SALEM STATE UNIVERSITY



EXISTING FINANCIAL CONDITIONS

- 25% premium
 - Traditional - \$4,048
 - Suite - \$5,058

- 43% premium
 - Traditional - \$4,048
 - Apartment - \$5,805

- 15% premium
 - Suite - \$5,058
 - Apartment - \$5,805

WINSTON SALEM STATE UNIVERSITY

EXISTING FINANCIAL CONDITIONS

- Concerns about Annual Debt Covenant Compliance
- High Operating Expenses
 - Reliance on Hotel Operations
 - Operational Inefficiencies
- Need for Reserve Fund to Support Future Investment

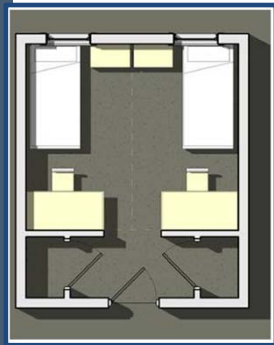
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SUMMARY OF EXISTING CONDITIONS

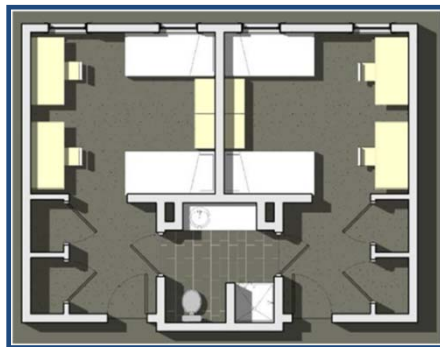
- Strategic objective to enhance institutional brand and improve the campus community
- Imbalance in supply and demand
- Need for improved financial performance

WINSTON-SALEM STATE UNIVERSITY

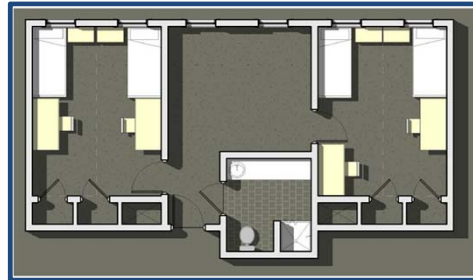
DEVELOPMENT OF CONTINUUM OF HOUSING OPTIONS



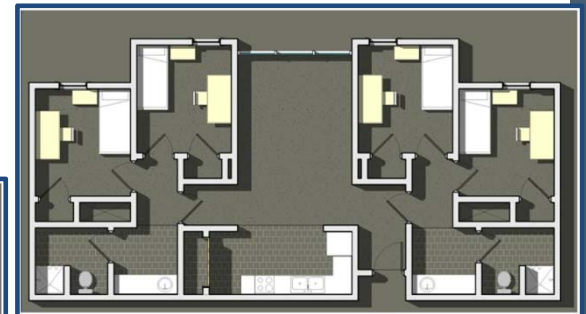
Traditional



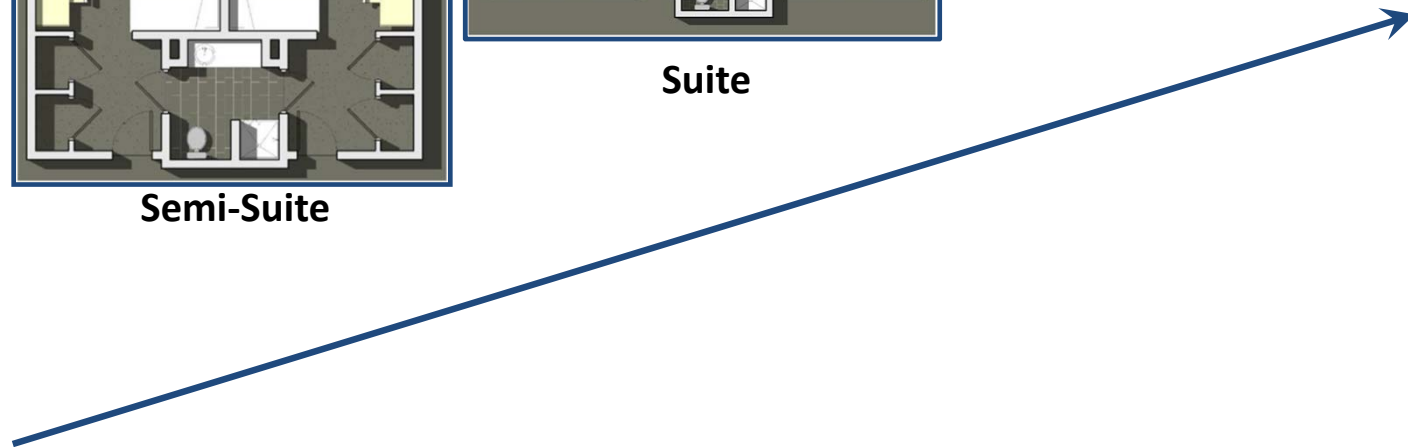
Semi-Suite



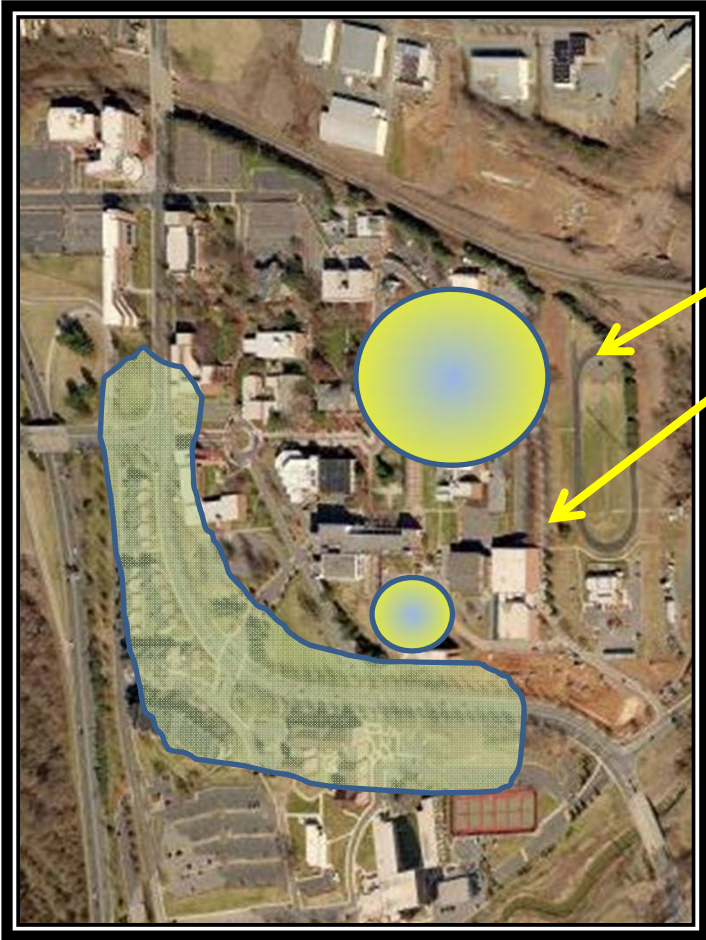
Suite



Apartments



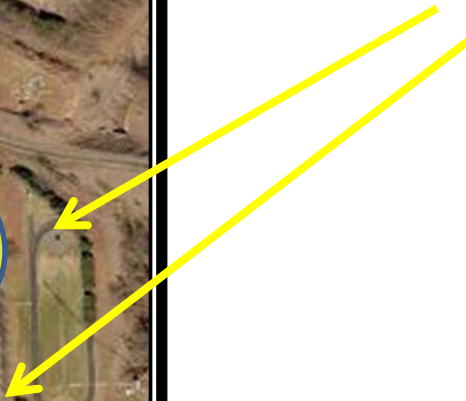
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Housing
Designated
for Some
Sophomores,
Juniors and
Seniors



Housing
Designated
for Freshmen
and Some
Sophomores



WINSTON SALEM STATE UNIVERSITY

MASTER PLAN RECOMMENDATIONS

- Revise Rental Rate Structure
- Redevelop Residential District at Campus Core
 - Develop new Semi-Suite Housing (approximately 220 beds)
 - Develop new Suite Housing (approximately 200 beds)
 - Renovate (existing 120 beds) / Replace Moore Hall (approximately 200 beds)
 - Renovate (existing 126 beds) / Replace Dillard Hall (approximately 200 beds)
 - Renovate and De-densify Atkins Hall (250 to 194 beds)
- Adjust Housing Assignment Policy as Housing Inventory is Adjusted
- Continue to Analyze Housing Operations

WINSTON SALEM STATE UNIVERSITY

Strategic Benefits of Enhanced Campus Housing

- Freshman and Sophomore Live-on Requirement
- Culture Developed to Capture Additional Upperclassmen
- Housing Expands as a Competitive Recruitment Tool for Attracting High Quality Students
- Student Experience and Campus Community are Strengthened

Market Benefits of Enhanced Campus Housing

- Supply and Demand Reconciliation

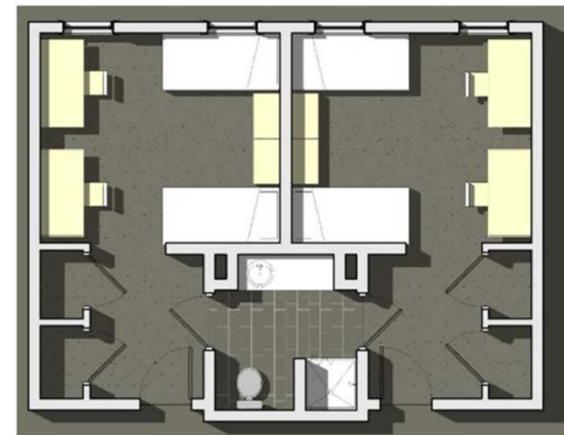
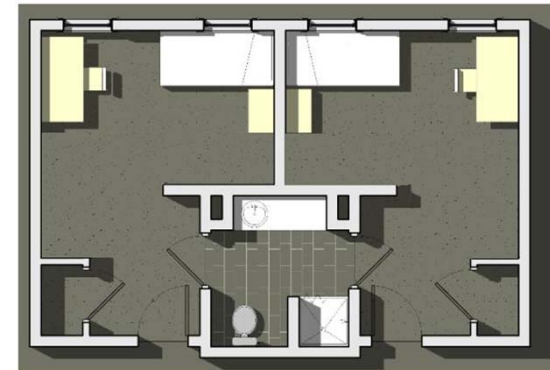
Financial Benefits of Enhanced Campus Housing

- Eliminates Reliance on Hotel Beds
- Provides Platform for Increased Rental Rates to Support Future Development
- Helps Satisfy Bond Covenant Requirements

WINSTON SALEM STATE UNIVERSITY

Phase I – New Development

- 220 New Beds
- Design 2011 - 2012
- Construction 2012 – 2013
(Pending Enrollment Growth / University Direction)
- Building Open: Fall 2013
(Pending Enrollment Growth / University Direction)
- Project Budget: \$14.8M



CONVERSE COLLEGE

HISTORY & BACKGROUND

- Founded in 1890
- All-women's school located in Spartanburg, SC
- Total Enrollment: 1,269
 - 721 Undergraduate
 - 548 Graduate
- 4-year live-on requirement



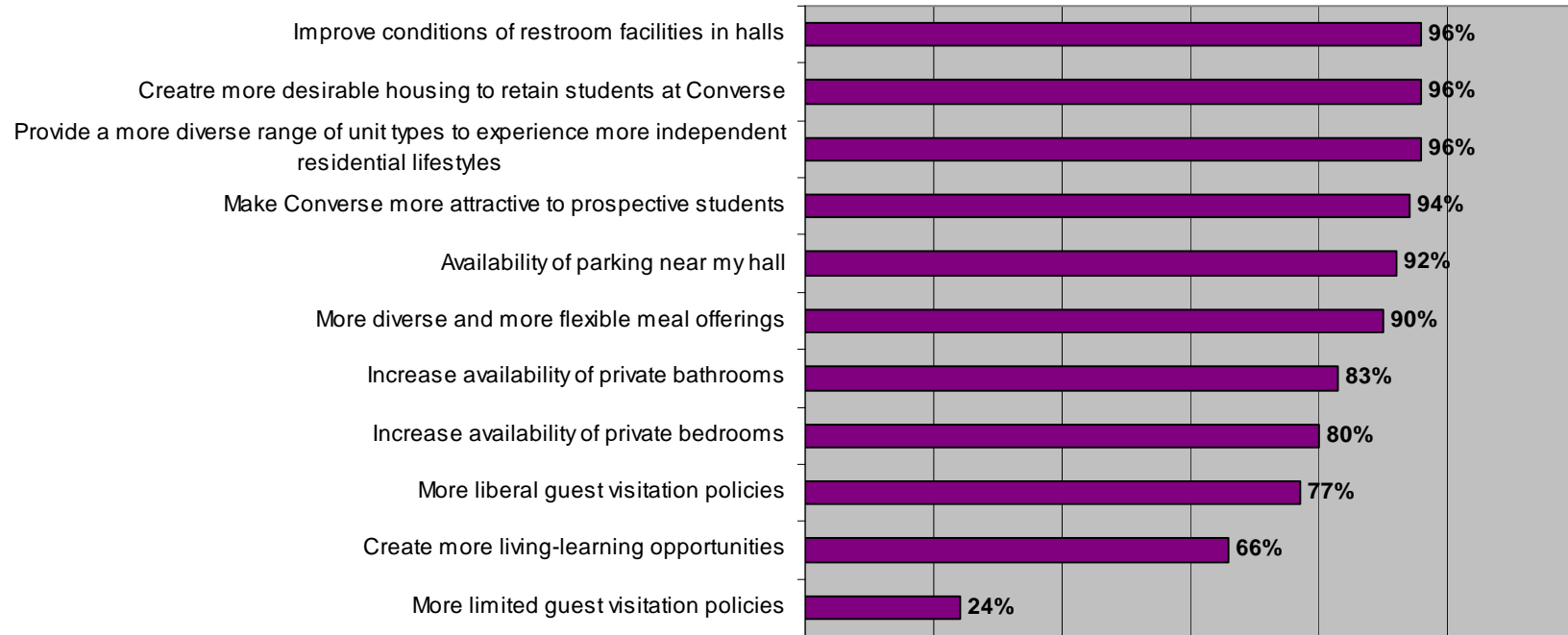
CONVERSE COLLEGE

- ❖ Condition of Converse's student housing put the College at a significant disadvantage for recruitment & retention
- ❖ Student satisfaction issues include rodent, heating/cooling, mold, structural, configuration, and other deferred maintenance issues.
- ❖ The four year live-on requirement and quality student housing are critical components of Converse's student life.
- ❖ While the four year live-on is an essential part of Converse's identity, facilities must be provided in the future to "keep up the College's end of the requirement."
- ❖ Housing facilities configurations are sufficient for underclassmen but are lacking for upperclassmen seeking more independence
- ❖ There is a surplus of traditional style units even accounting for projected enrollment growth
- ❖ Current housing is priced significantly below both comparable schools and the off-campus market

CONVERSE COLLEGE



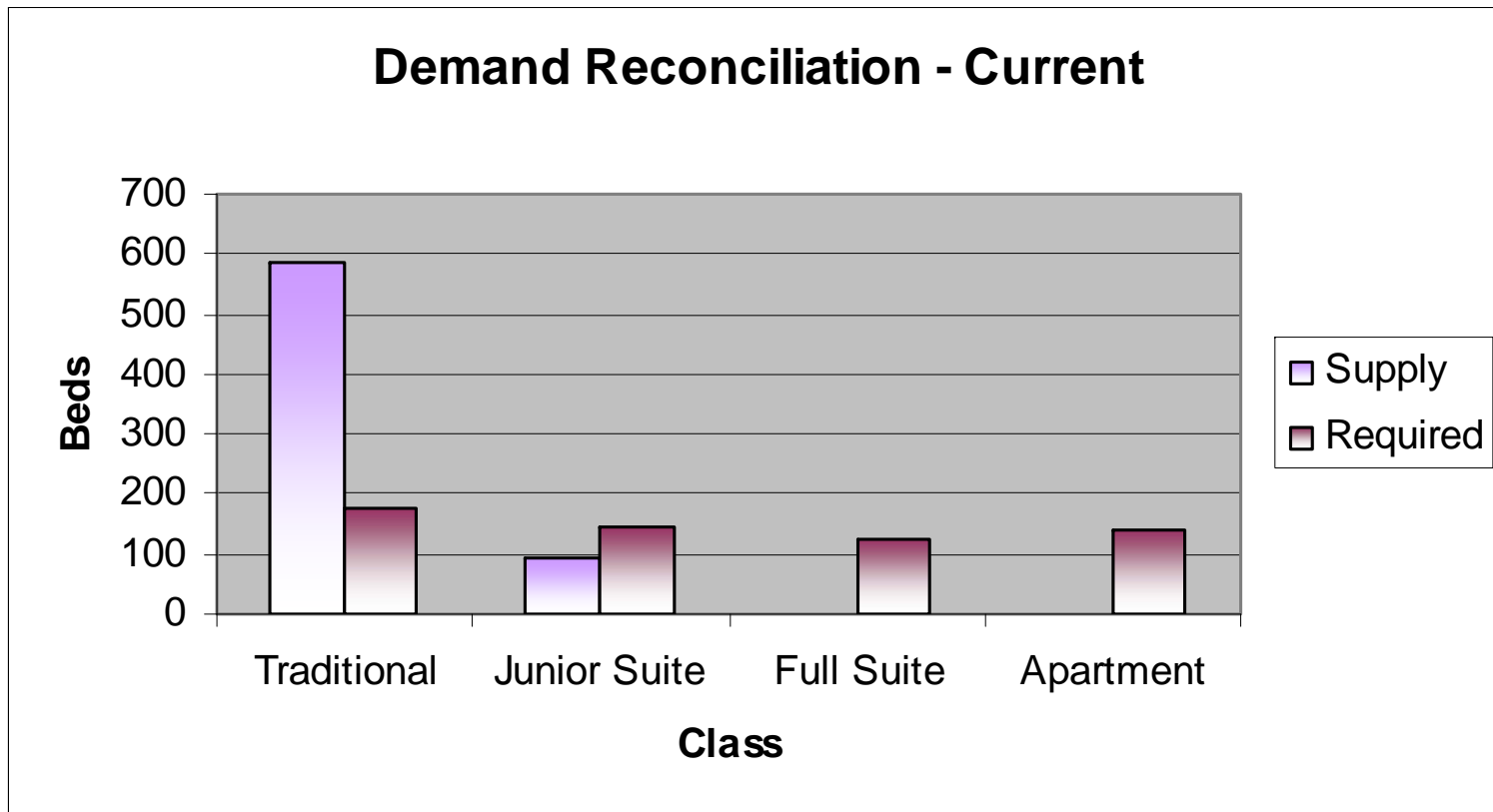
Please rate how important each of the following factors should be to Converse as it considers improvements to on-campus housing
(Respondents who selected "very important" or "important", n = 397 - 405)



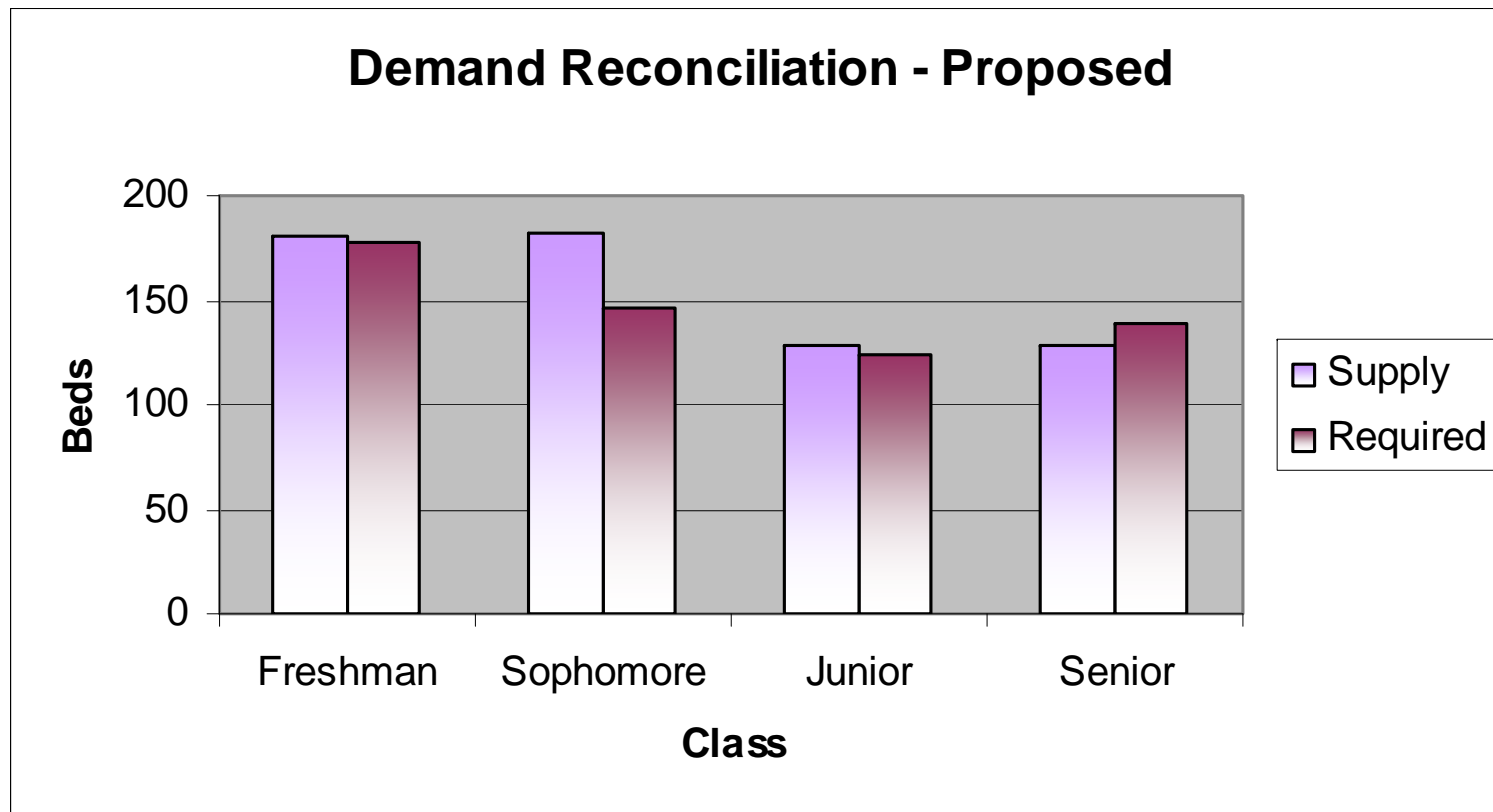
CONVERSE COLLEGE



Demand Reconciliation - Current



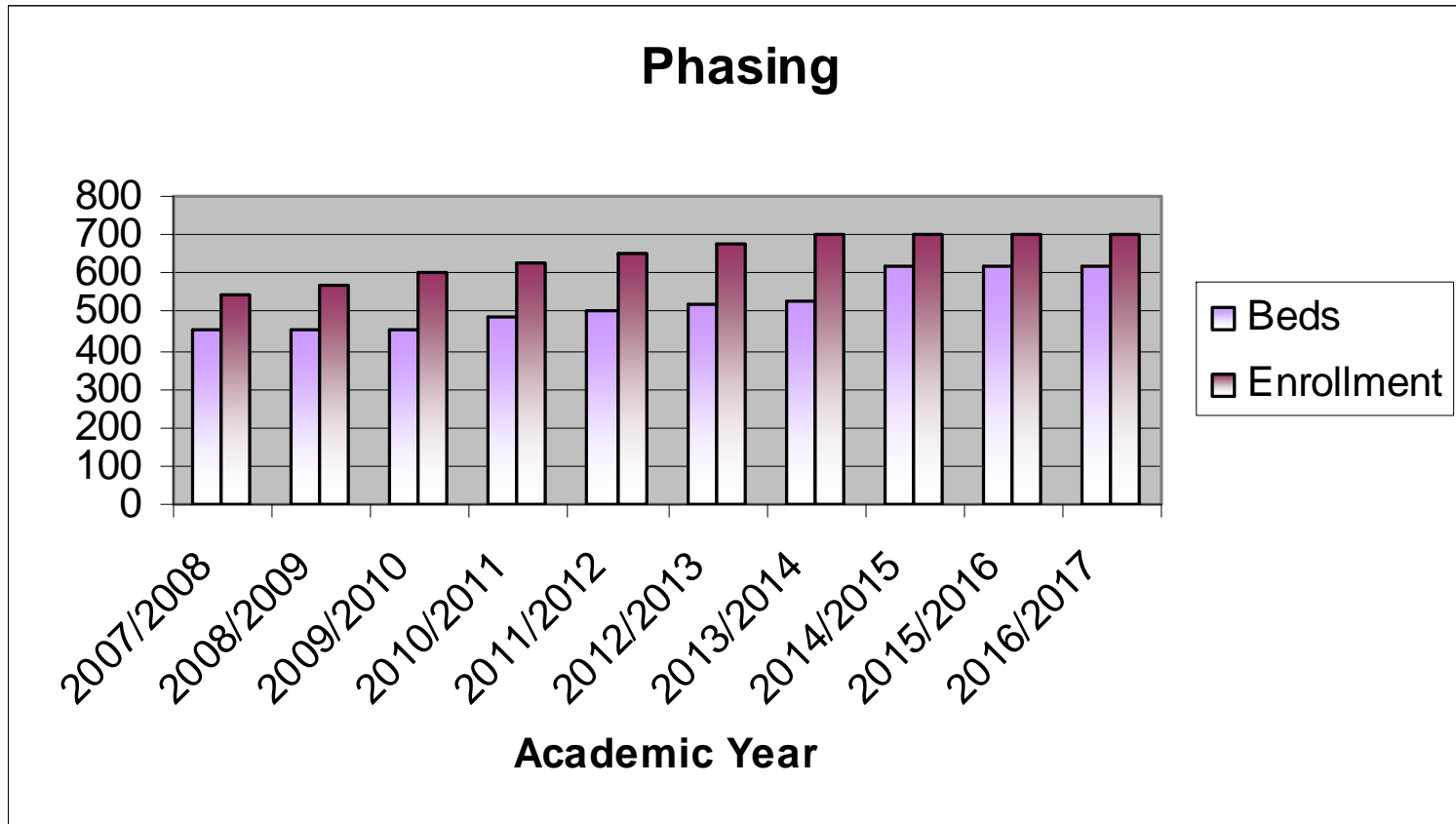
CONVERSE COLLEGE



CONVERSE COLLEGE



Phasing

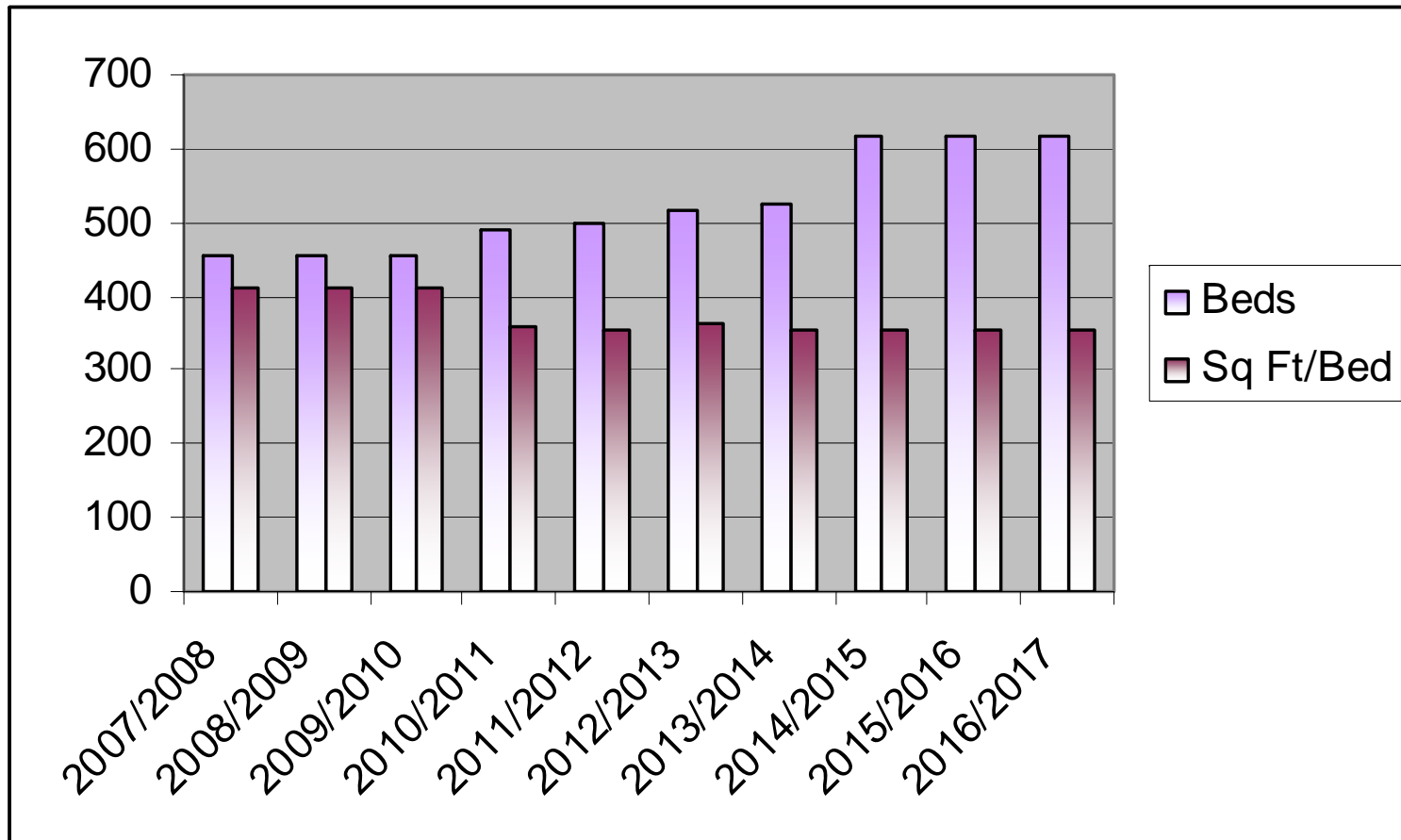


CONVERSE COLLEGE



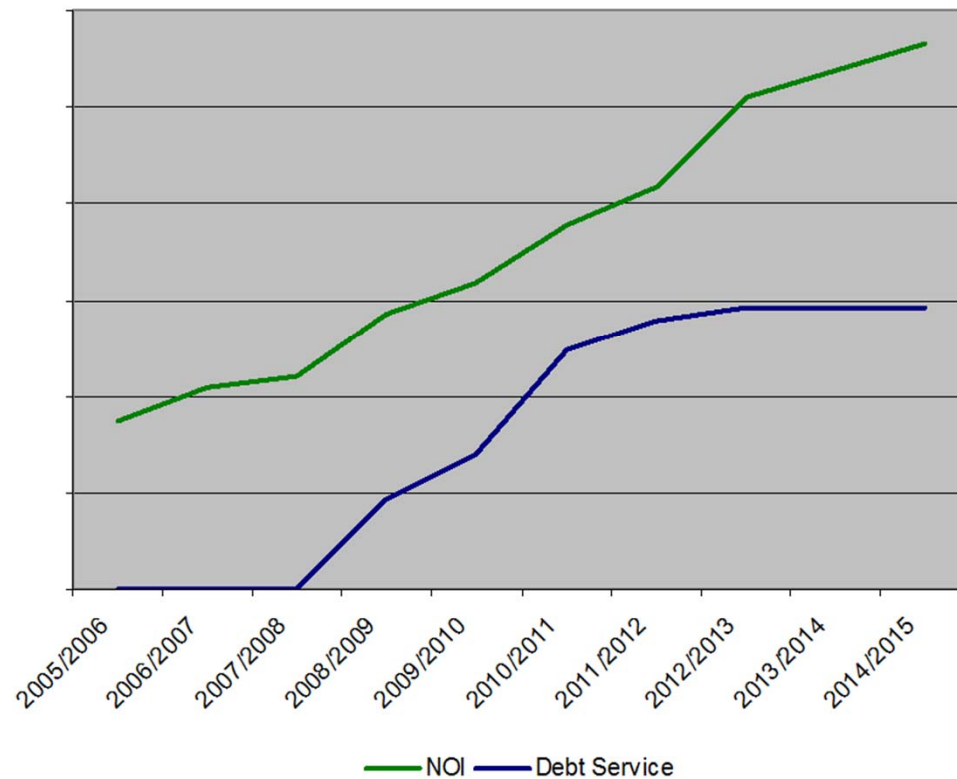
	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Andrews	Soph	Soph	Soph		Soph	Soph
Belk	Sen	Jun	Jun	Soph		Soph
Cudd	Jun	Soph/Jun	Soph		Soph	Mix
Dexter	Sen/Jun	Fr/Soph		Fr/Soph	Fr	Fr
Morris	Fr					
Pell & W. Wilson	Soph		Fr	Fr	Fr	Fr
Williams	Fr	Fr	Fr			
Junior Housing				Jun	Jun	Jun
Senior Village		Sen	Sen	Sen	Sen	Sen
Number of Beds	456	488	499	518	524	618

CONVERSE COLLEGE



CONVERSE COLLEGE

Net Operating Income vs. Debt Service



CONVERSE COLLEGE



CONVERSE COLLEGE



CONVERSE COLLEGE



CONVERSE COLLEGE



CONVERSE COLLEGE



CONVERSE COLLEGE



CONVERSE COLLEGE



CONVERSE COLLEGE



CONVERSE COLLEGE

STATUS

- Results have been transformational
 - Largest enrollment in over a decade
 - Increased SAT scores of applicants
 - Strengthened community
 - Increased living-learning engagement
 - Buzz regarding student housing
 - Student participation

OLD DOMINION UNIVERSITY

History & Background

- Founded in 1930 as The Norfolk Division of The College of William & Mary.
- Gained University status in 1969.
- Enrollment of 24,466
 - 18,965 Undergraduate
 - 5,501 Graduate
- Located in Norfolk, VA



OLD DOMINION UNIVERSITY

2001 Challenges

- Historic enrollment growth of 3% per year over previous 6 years.
- Lack of vibrancy of campus life on the main campus.
- Outdated housing facilities with significant deferred maintenance issues.
- Housing not meeting University goals for student development.
- Potential new private student housing development at University Village site.



OLD DOMINION UNIVERSITY

2001 Findings

- Facilities assessment conducted by Jacobs Facilities, Inc. (JCI) identified over \$12.4M in deferred maintenance among existing housing facilities.
- Market Analysis identified demand for over 4,200 beds (1,800 net new)
 - Increased to 5,000 beds with 3% enrollment growth annually
- Financial analysis recommended a financially feasible, 10-year housing master plan that would align housing stock with student demand.



OLD DOMINION UNIVERSITY

2001 Recommendations

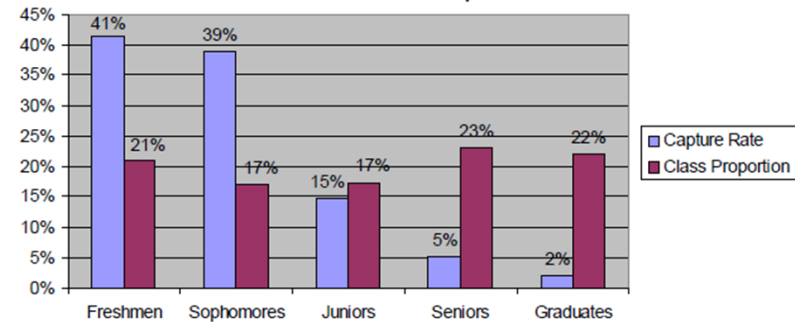
- Complete deferred maintenance upgrades in existing halls over 8 years.
- Repurpose Nusbaum Apartments
 - Repairs cost prohibitive
 - Does not meet student demand
- Support private development of University Village
 - 700 beds
 - 2-bedroom and 4-bedroom apartments – satisfy student demand
- Provide 500 additional suite-style accommodations on campus to support freshmen enrollment growth.

OLD DOMINION UNIVERSITY

2005 Challenges

- Desire to continue to develop Norfolk campus into a vibrant center for campus life.
- Must increase number of students attracted to / retained in student housing.
- University Village opened with 960 beds in one, two & four-bedroom apartment configurations.
 - Satisfied demand for apartment-style units
 - Now gap in student housing continuum

Current Capture Rates vs. Class Proportions of Student Body on Norfolk Campus

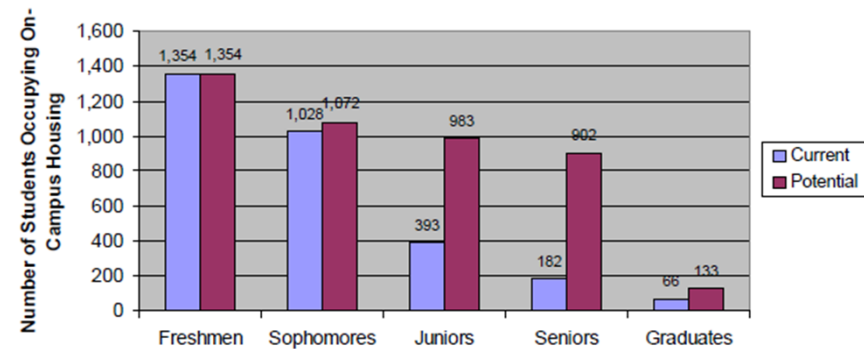


OLD DOMINION UNIVERSITY

2005 Findings

- Students identified a need for campus housing that offers privacy, but still facilitates connection to campus community.
- Need to provide transitional unit-type from traditional to apartment living.
- On-campus housing heavily concentrated among freshmen and sophomores.
- Remained a shortage of nearly 1,000 student beds.
 - Largest gap from current supply for junior and senior students
 - Interest in apartment- and suite-style unit types.
- ODU's student population is very cost conscious.

Current vs. Potential Demand by Class



OLD DOMINION UNIVERSITY

2005 Recommendations

- ODU further expand campus housing by constructing 350-400 suite-style units.
- Focus on junior and senior student housing experience.
- While cost conscious, students are willing to pay somewhat higher rental rates for amenities
 - More privacy
 - Convenient access to campus
 - Value on on-campus experience
- Providing a range of housing unit types (traditional, suite & apartment-style options) will keep students in the housing system longer, increasing vibrancy of campus life.



OLD DOMINION UNIVERSITY

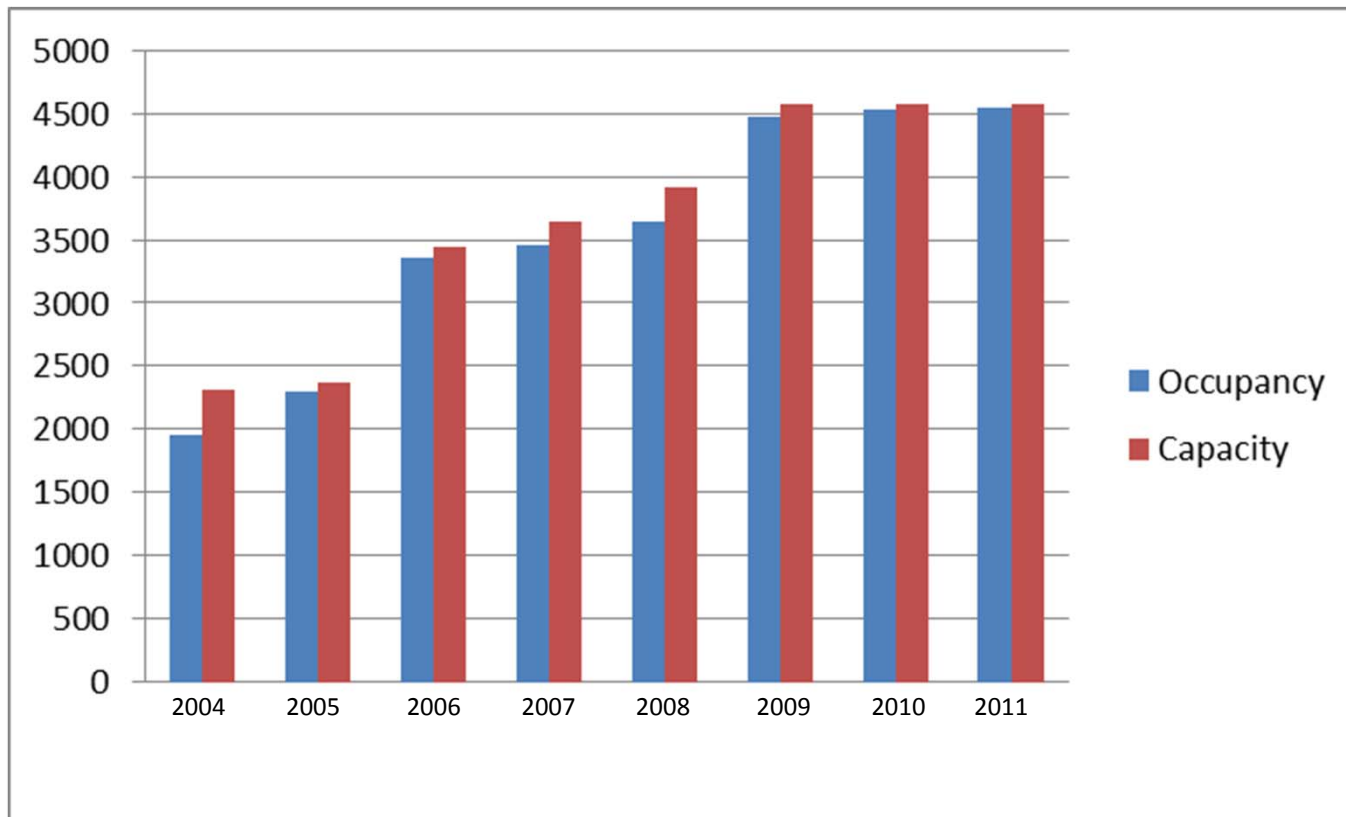


OLD DOMINION UNIVERSITY

- Completed construction of \$51M Quad project in 2009.
- The Quad is at the heart of the campus.
 - Newly construction recreation facility – Opened
- Number of on-campus beds has doubled since 2001.
- 85% of freshmen are living on campus.
- Many local students opt to live on campus to enjoy the residential experience.
- Nusbaum Apartments still in operation.



OLD DOMINION UNIVERSITY



CONCLUSIONS

Use smart planning early to maximize the value of the investment in your campus:

- Define strategic objectives in a consensus-driven process
- Analyze how changes in market conditions can impact your plan
- Strive for long-term financial sustainability



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