EMERGING TRENDS & INNOVATIVE RESPONSES

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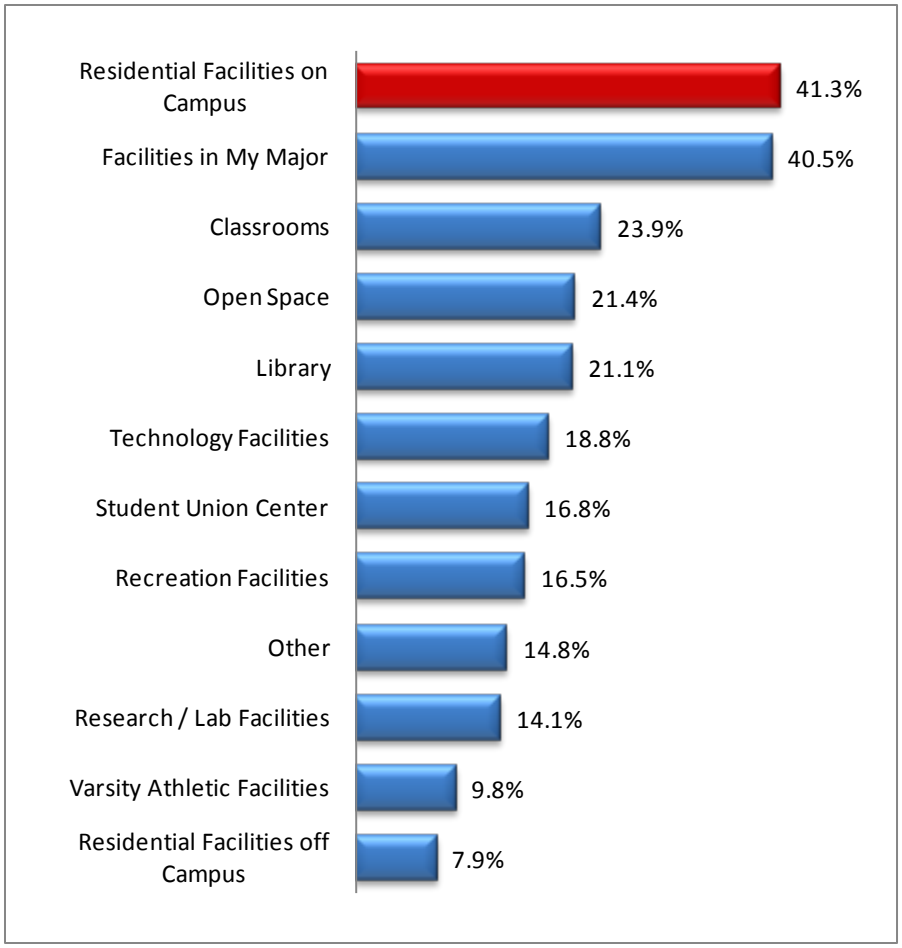
Housing

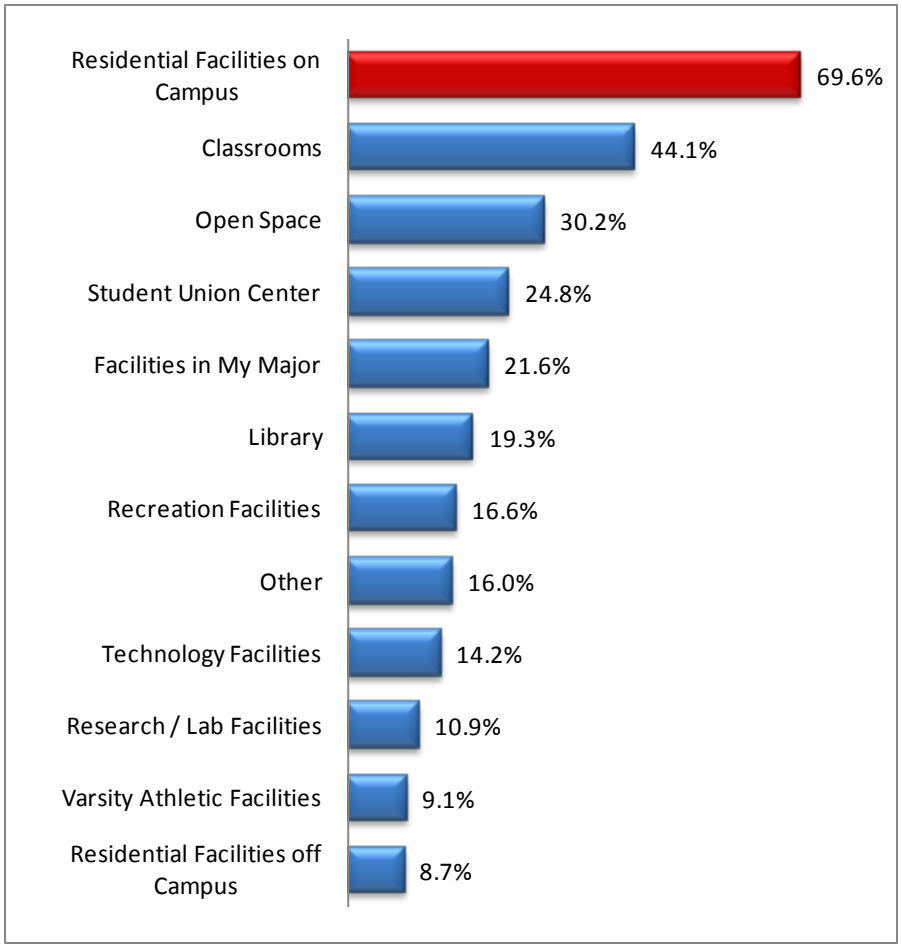
Dining Services

Student Housing Trends

Inadequate Facilities at Rejected Institutions



Poorly Maintained Facilities at Rejected Institutions



Source: The impact of facilities on recruitment and retention of students – Reynolds, et al 2006

Student Housing Trends

Categories	2000	2007	Variance	% Change
Total Enrollment	15,312,000	18,249,000	2,937,000	19.2%
Total Off-campus Housing	13,247,872	15,665,612	2,417,740	18.3%
Total On-campus Housing	2,064,128	2,583,388	519,260	25.2%
Total PPP Housing	35,804	110,246	74,442	207.9%
Total Off-campus Housing as % of Total Enrollment	86.5%	85.8%		
Total On-campus Housing as % of Total Enrollment	13.5%	14.2%		
Total PPP Housing as % of Total On-campus Housing	1.7%	4.3%		

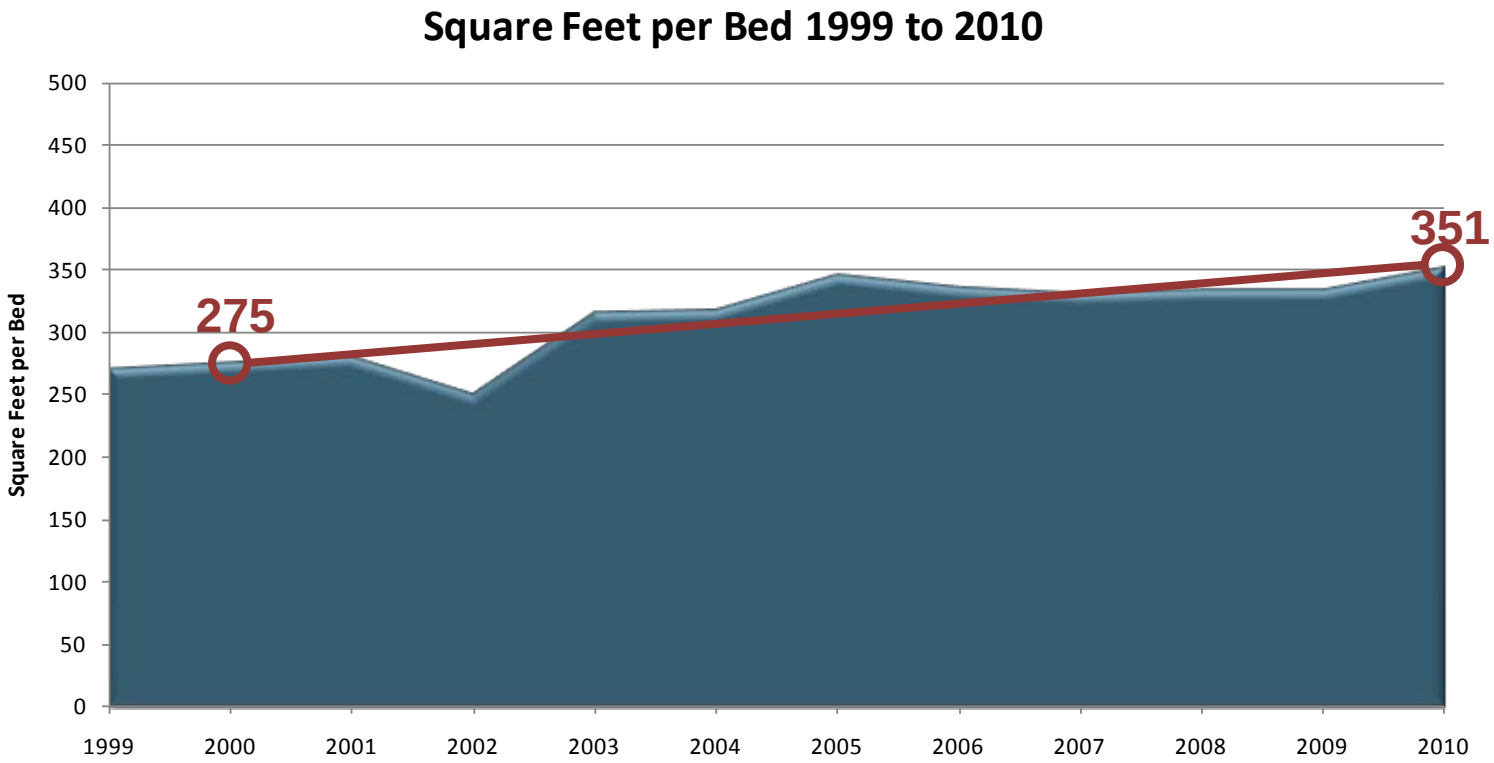
Note:
Enrollment data provided by the U.S. Department of Education and the National Center for Educational Statistics.
On-campus housing data provided by the U.S. Census Bureau and the National Center for Educational Statistics.
PPP housing data provided by George K. Baum and Company.
On-campus data includes off-campus properties that are affiliated with the institution (i.e. public-private partnerships).

- Of the 4,300 plus higher education institutions, 2,252 offer on-campus housing
- On campus housing grew 25.2% from 200-2007, exceeding total enrollment growth
- Total on-campus housing as a percentage of total enrollment grew from 13.5% to 14.2%

Student Housing Trends

- Recent forecasts anticipate projected growth
  - 19.1M in 2009 to 20.6M by 2018
- Current economy and long standing deferred maintenance issues causing institutions to find new ways of redeveloping their housing.
  - Housing remains in the forefront of many institutions to maintain competitive advantages
- Legislative budget cuts and shrinking endowments have affected institutions ability to finance campus facilities on their own.
- Median construction costs for institutional quality housing rose 200% since 1998 to $240 by 2008.
- Community colleges have growing interests in student housing, particularly due to their changing enrollment demographic. Approximately 30% offer housing at some scale.

Student Housing Trends



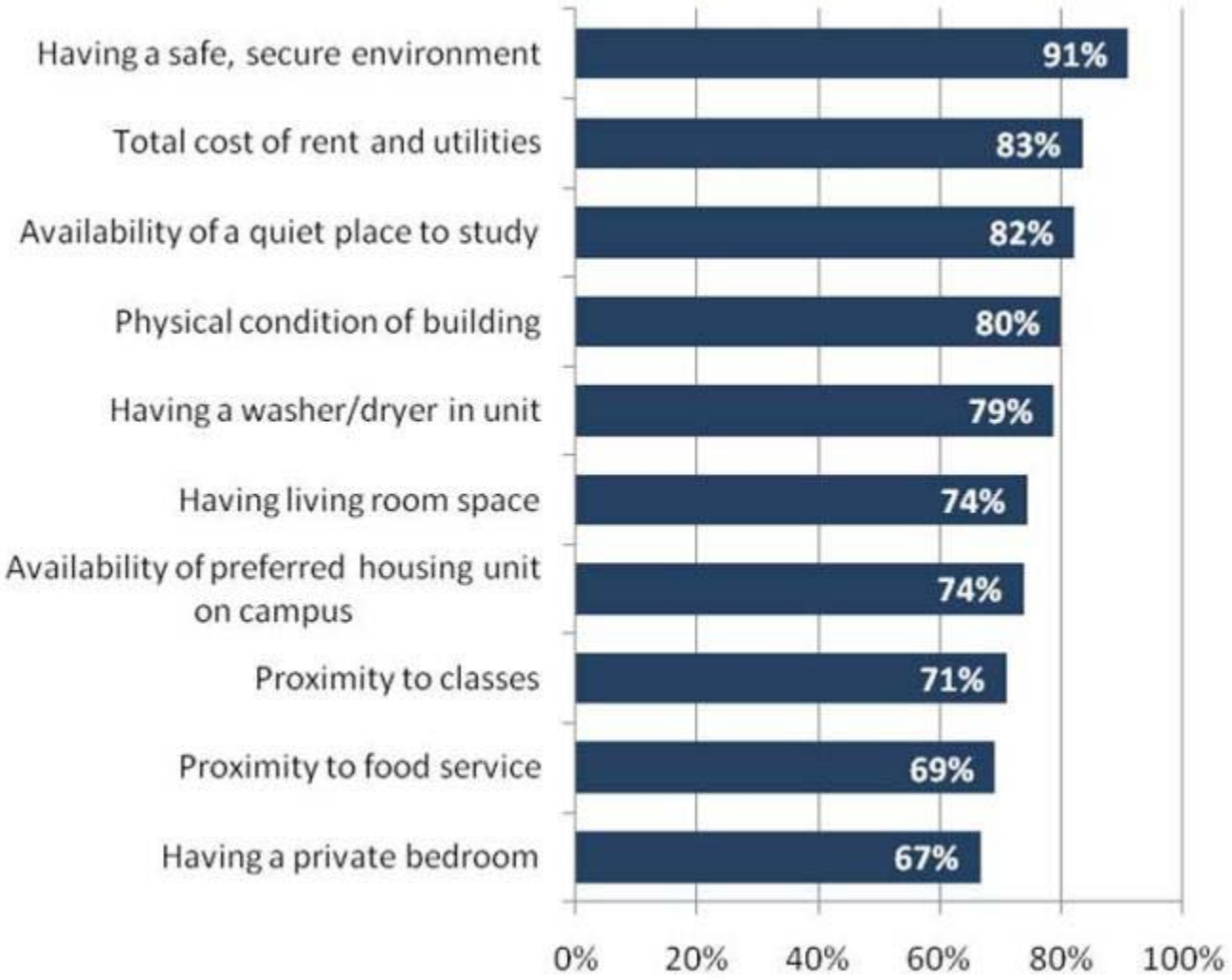
- 28% increase over the past 10 years
- Transition from Traditional Units to Suites and Apartments

Student Housing Trends

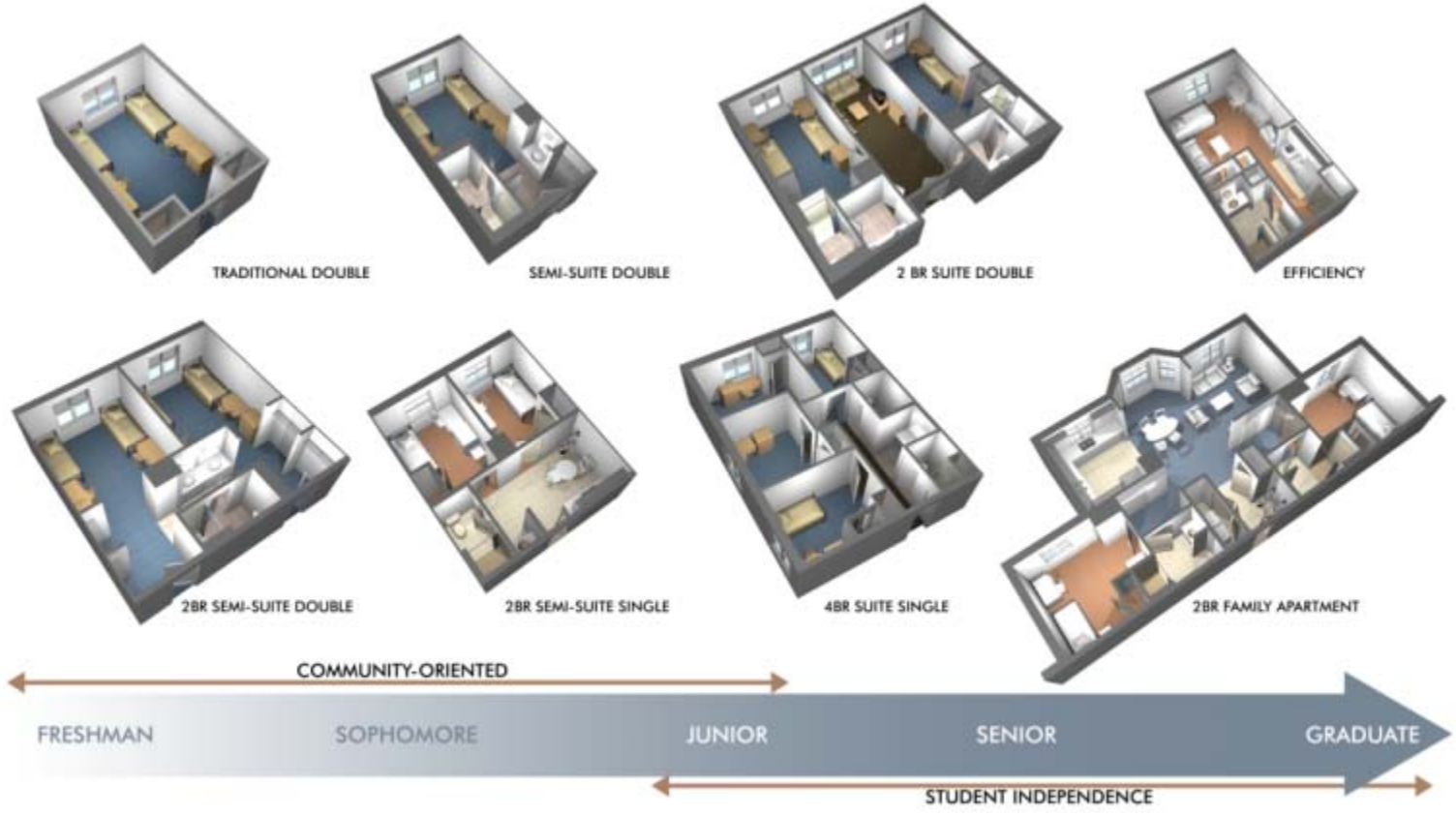
Year	Project Cost Per Square Foot	Project Cost per Bed	Square Foot per Bed
1997	$80	N/A	N/A
1998	$85	N/A	N/A
1999	$90	$31,000	270
2000	$105	$24,000	275
2001	$130	$35,000	280
2002	$110	$40,000	250
2003	$150	$45,000	315
2004	$145	$45,000	317
2005	$155	$53,000	345
2006	$175	$55,000	335
2007	$210	$63,000	330
2008	$231	$73,900	333
2009	$208	$69,100	333
2010	$194	$69,500	351

Source: College Planning & Management

Housing Influences



Student Housing Continuum



STUDENT HOUSING CONTINUUM

Unit Preferences

TRADITIONAL DOUBLE: 8%

SEMI-SUITE DOUBLE: 10%

2 BR SUITE DOUBLE: 17%

2BR SEMI-SUITE SINGLE: 22%

4BR SUITE SINGLE: 28%

2BR OR 4 BR SINGLE APARTMENT: 15%

Student Housing Trends

WHAT'S NOT WORKING

- Program is driven by facility, should be other way around
- Housing does not support living/learning initiatives and development continuum
- Large inventory of traditional units forcing sophomores and juniors to live in traditional halls
- Limited Singles
- Lack of identity and sense of arrival
- Lack of comfortable lounge/study spaces in the residence halls
- Perceived vertical barrier of having lounges spaces in the "basement"
- Lack of natural light, a/c, dated furniture

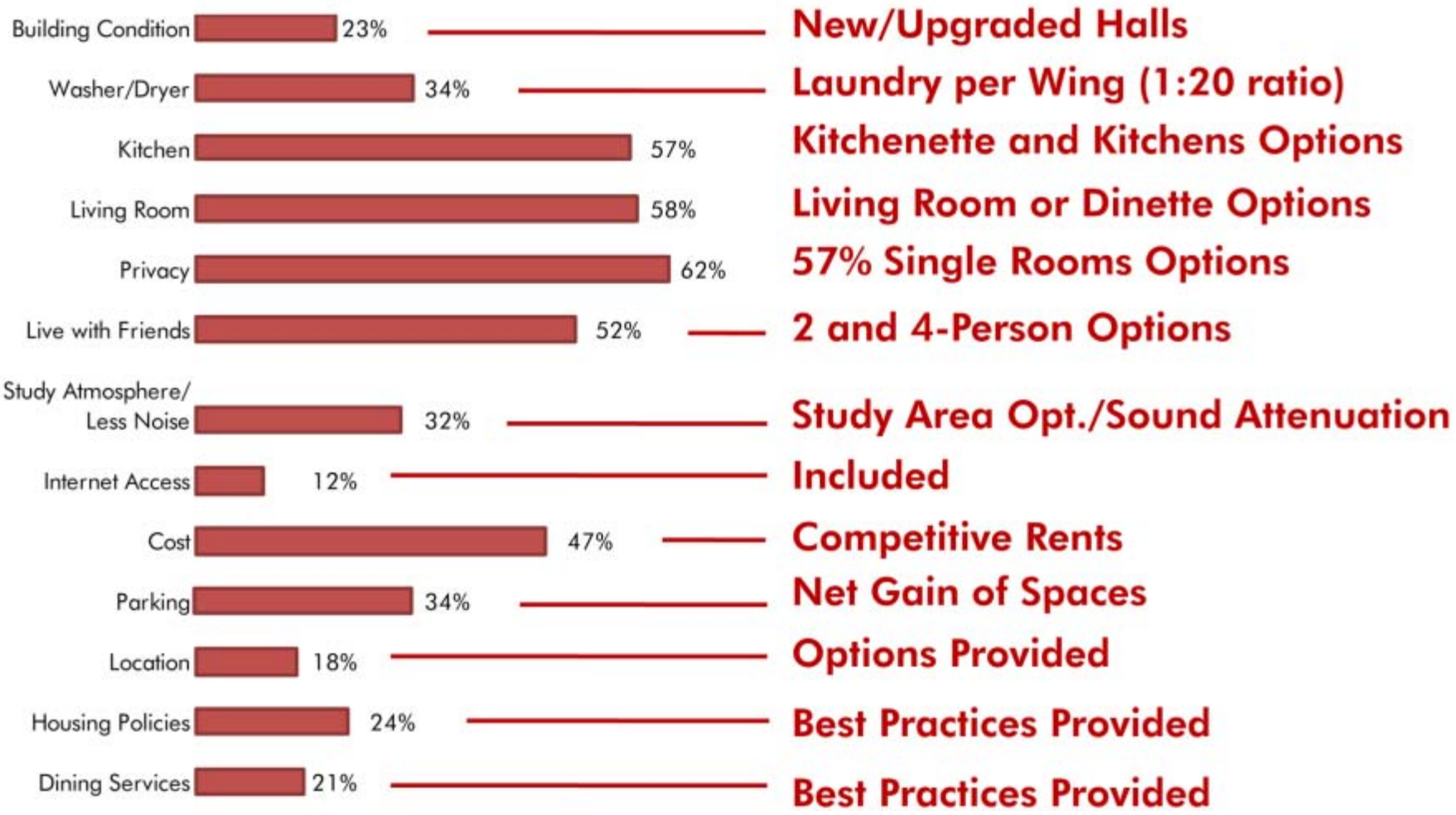
Student Housing Trends

Student Housing Trends

Mixed Use / New Urbanism

- Walkable Neighborhoods
- Live/Work/Play
- Student Housing to drive retail traffic
- Students have best of both worlds

Key Issues and Responses

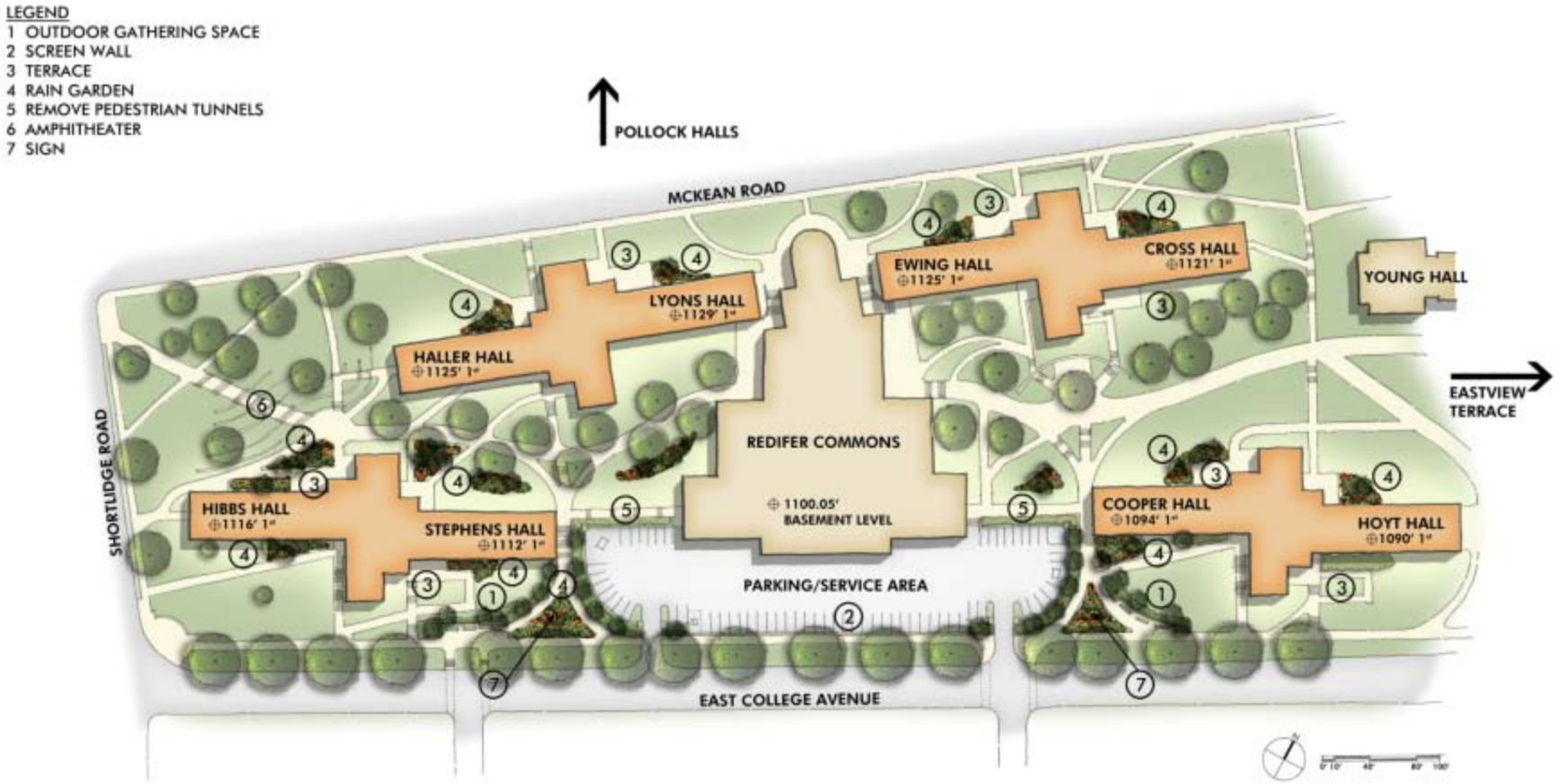


Housing Levels of Community

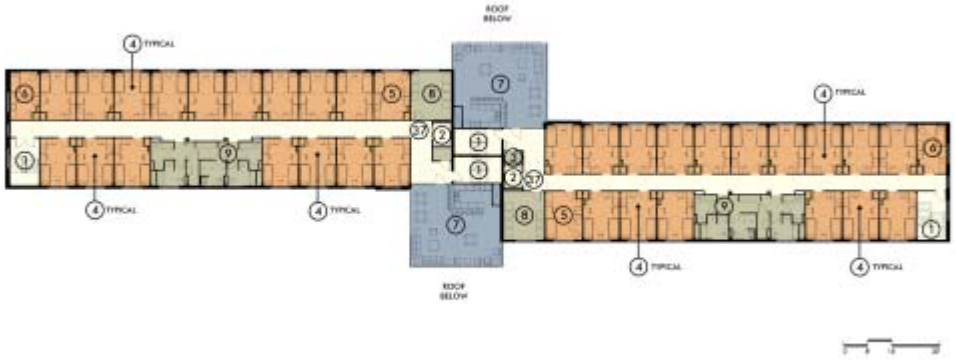
FOUR LEVELS OF COMMUNITY

PSU Freshman or Greek LLC

- 980 Bed Renovations – 3 Phases 2012, 2013, 2014
- $35 k/Bed with Site/Dining Enhancements
- Indoor/Outdoor Communities & Embedded Technology
- Low Headroom/Vertical Systems/LEED Silver



PSU Freshman or Greek LLC



University of Reno LLC

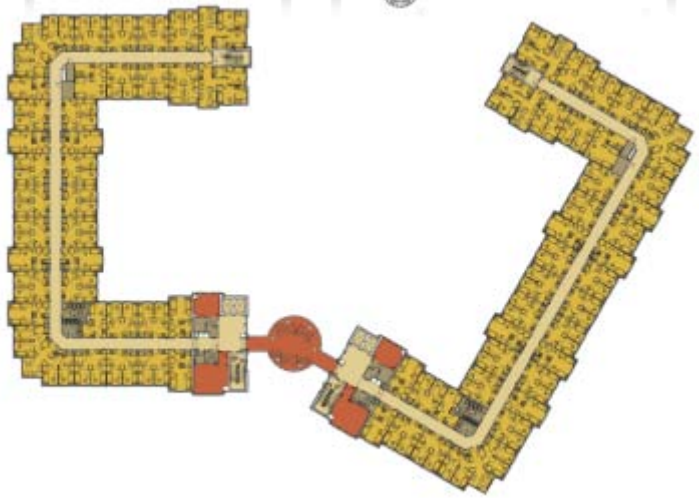
- Traditional Delivery
- 320 Beds at 84k/Bed
- Freshman/Pod Communities
- LEED Standards

University of Reno LLC

Indiana University of PA LLC

- PPP/GMP: 3,500 Suite Beds at 50k/Bed
  Fall 2006-10 Openings
- 90% LLC's & Innovative Programming;
  6% Growth and Dramatic EBI Results
- LEED Rated and Embedded Technology

Indiana University of PA LLC



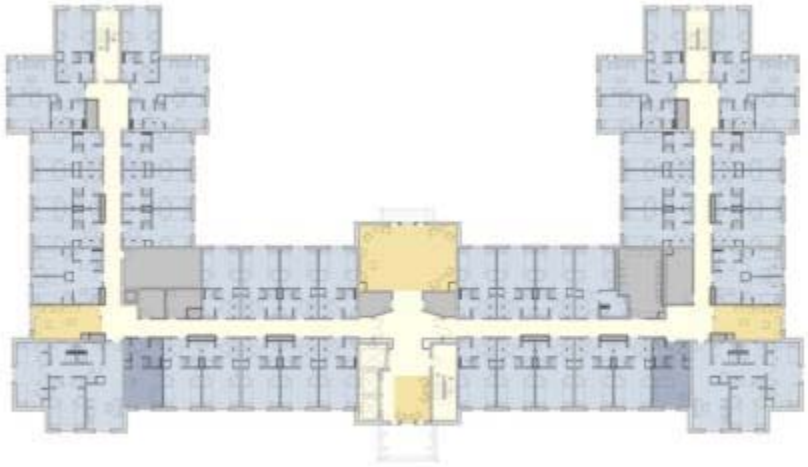
Building H Typical Floor

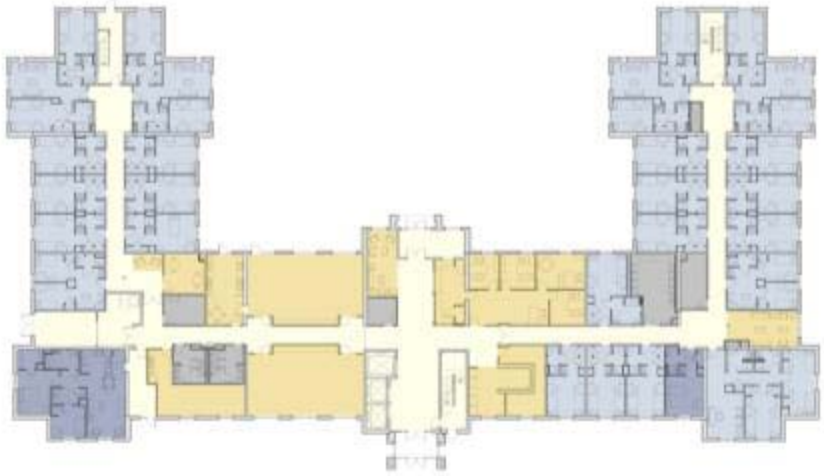
Building H Ground Floor

West Chester University of PA LLC

- PPP with GMP
- 1,200 Suite Beds
- $60k/Bed
- Enhanced Gr. Fl. Programs
- Campus Geothermal System
- Masonry Construction w/ Long Span Plank
- Embedded Technology
- Fall 2010 Opening with Future Phases In Process

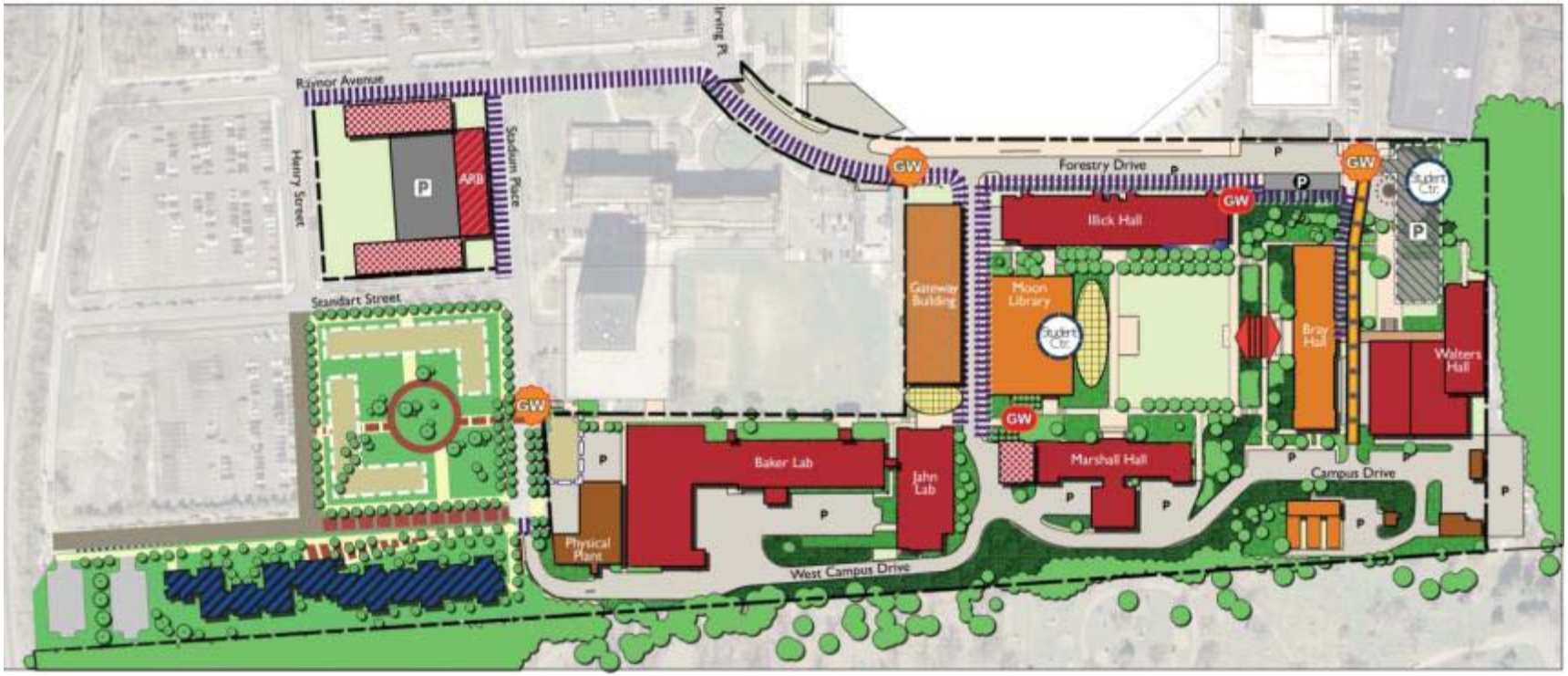
West Chester University of PA LLC





Environmental Science & Forestry LLC

- Syracuse University PPP with GMP
- “Fusion Community” 454 Apt./Suite Beds at 40k/Bed
- Modular Construction and Embedded Technology
- Fall 2011 Opening & Tracking LEED Platinum



Environmental Science & Forestry LLC

THIRD FLOOR PLAN

FIRST FLOOR PLAN

Customer Context

Generation Y

- Characteristics
  - Open minded & unpretentious
  - Information hungry
  - Oriented toward personalization – What, How & When
  - Collaborative / Group oriented
  - Connected / Technologically astute
  - Most ethnically diverse American generation - Minorities will be the majority by 2040

- Attitudes Toward Food
  - More sophisticated & knowledgeable than previous generations - *“Cooking from a Book is So Last Century”*
  - Seek customizable foods & experiences
  - Oriented toward “Fast Casual” more than “Fast Food”
  - Like to Share
  - “Best Value” oriented – Seek and expect the best
  - Sustainability focused

University Context

- Financial Pressure
  - Reduce cost / Create efficiencies
  - Drive additional revenue
- Increased focus on optimizing real estate / sustainability
  - Shrinking budgets + ↑ energy costs + sustainability = *facility scrutiny*
  - Excess space = Excess utility, maintenance and renewal cost *For Life*
  - For Food Service, excess space also means labor inefficiency
- Continued emphasis on dining as a vehicle for community building within residential neighborhoods
- Increased focus on living/learning and fostering connections between residential communities and the larger academic environment

Dining Halls → Residential Commons

- Stronger integration between Residential Education, Dining and Recreational Programming
- Incorporation of multi-purpose space
  - Teaching
  - Study / collaboration
  - Wellness
  - Recreation
- Infrastructure that supports programming
  - Event lighting
  - Audio-visual
- Incorporation of resident focused services
  - Nutrition counseling
  - Exercise classes
  - Tutoring

Residential Dining → Community Dining

- Renewed enthusiasm for all you care to eat dining
  - Seen as high value when quality is good
  - Can incorporate premium options
  - Encourages community dining
- Hybrid meal plan structures that emphasize community dining while providing flexible use across campus
  - More financially stable
  - Block meals plus Dining $
  - Unlimited access plans plus Dining $
- Improved resident student access
  - Continuous service
  - Expanded dinner service hours
  - 4th meal opportunities

Residential Dining → Community Dining

- Intentional outreach to non-resident customers
  - Fosters Student/Faculty/Staff interaction
  - Drives new revenue
- Aggressive marketing of voluntary meal plans
  - Discounts and bonuses
  - Special promotions
  - Peer to peer selling
- Improved public access
  - Publically accessible entrances
  - Freestanding structures decoupled from residence halls

“Next Gen” Residential Dining Operations

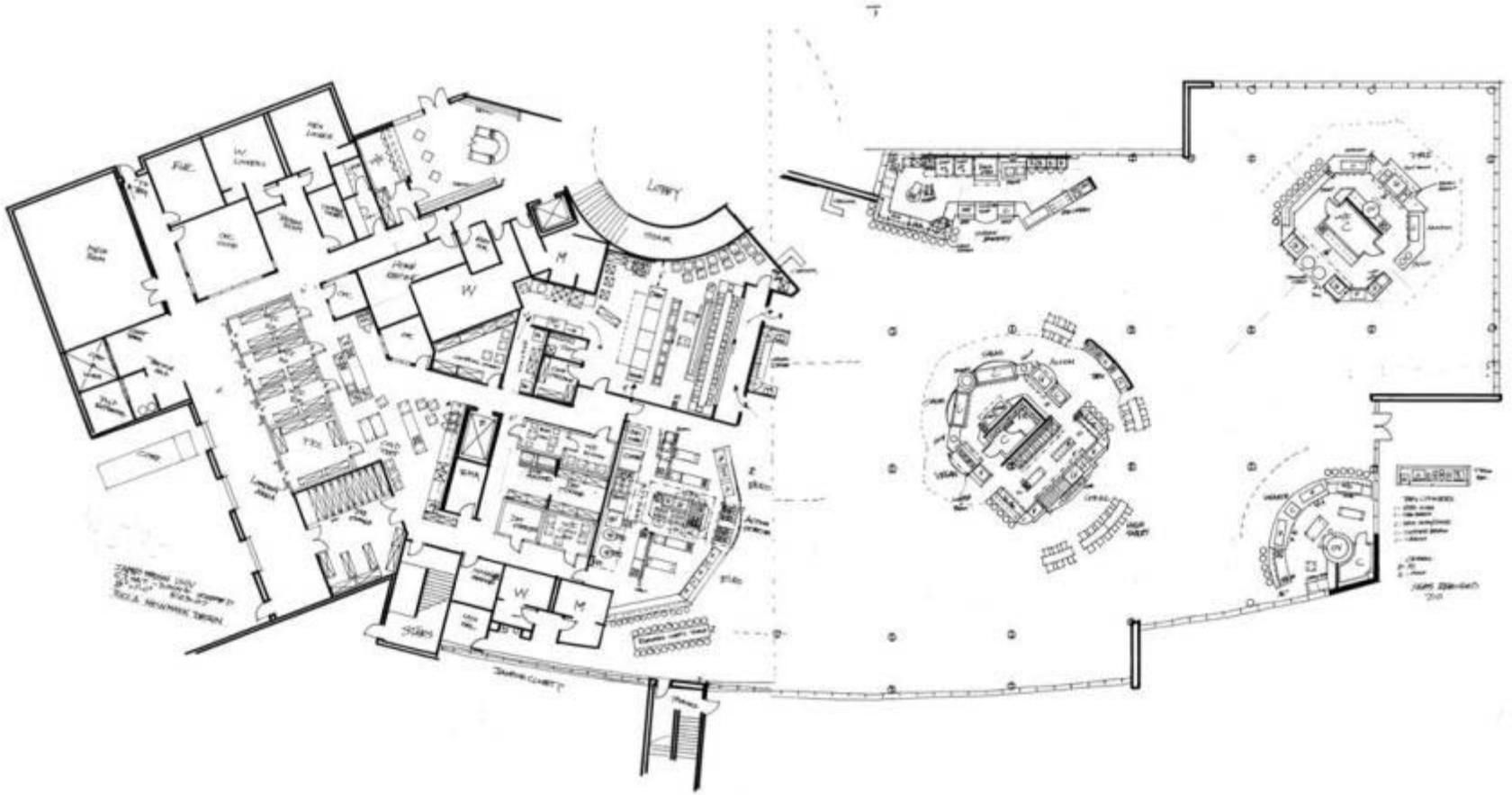
- Restaurant quality, flexible dining spaces that support programming and educational initiatives
  - Variety of seating styles
  - “Built to suit” reservable spaces
  - Simple to reconfigure (movable furniture; adequate storage, etc.)
  - Designed to support student lifestyles
    - Good study lighting
    - Comfortable hang-out space
    - Abundant electrical outlets
    - Integrated audio-visual capability & lighting that supports programming

“Next Gen” Residential Dining Operations

- Service styles that encourage interaction, customization and connection while optimizing efficiency
  - Open kitchen / Exhibition cooking
  - Fewer, more flexible service platforms positioned as “micro-restaurants”
  - Reduced emphasis on back-of-house
  - Integrated teaching components / teaching kitchens
    - Cooking classes
    - Wellness education

“Next Gen” Residential Dining Operations

- James Madison University – East Campus Marketplace
  - No kitchen
  - 5 Exhibition micro-restaurants

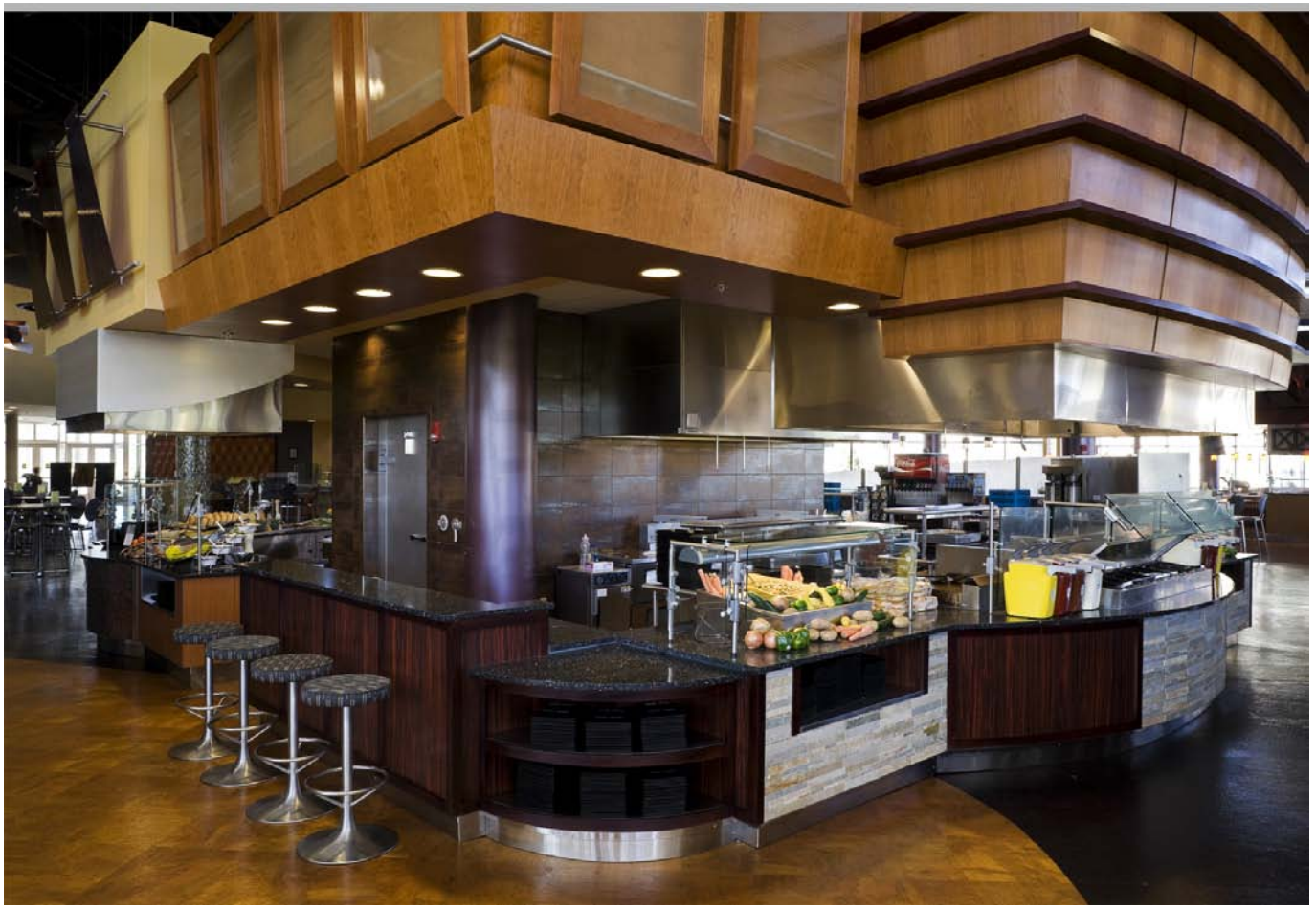


“Next Gen” Residential Dining Operations

- Platforms as “Micro-restaurants”

“Next Gen” Residential Dining Operations

- Platforms as “Micro-restaurants”



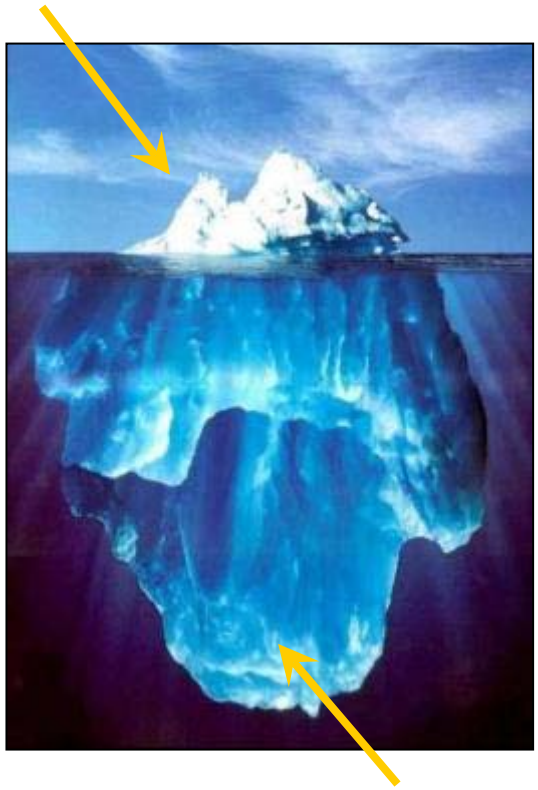
“Next Gen” Residential Dining

- Technology integrated in every aspect of the service model
  - Customer Service
    - Online ordering for pick-up/delivery
      - Kiosk ordering
      - Handheld ordering
    - Mobile commerce
      - SMS payment (texting systems)
      - Near Field connection (cell phone swipe)

  - Marketing & Communication
    - Real time marketing via:
      - Texting
      - Instant Messaging
      - Twitter
    - Facebook
    - Data mining

  - Operations
    - Smart kitchens
    - Haptic based training technology

Sustainability



Food service now a focal point for sustainable practices

- Waste reduction
  - Trayless
  - More reusable; Less thrown away
  - Recycling
  - Composting
- Green supply chain
  - Fair Trade
  - Organics
  - Farm to table and sustainable agriculture
- Energy conservation
  - Incorporation of LEED principles
  - Energy monitoring
- Higher investment cost / Lower life cycle cost

Implications for the Service Model

- Increased need for cross collaboration
  - Residential Education
  - Housing
  - Co-located Services
  - Recreation
- Increased need for dedicated programming resource(s) within Dining
- More/Different investment in technology and technology expertise
- Dining Hall manager evolution to Commons manager
- Higher development costs

What Does This Mean?