



A Comprehensive Approach to Housing Master Planning

ACUHO-I Business Operations Conference
Columbus, OH
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BRAILSFORD & DUNLAVEY

BGSU

■ Introduction

Master Planning

Business Planning

BGSU Case Study



Introduction

Presenters

Kim Martin, Project Manager

- Brailsford & Dunlavey
- 10 Years of Campus Planning Experience
- Student Affairs Background
- Market Analysis and Financials Focus
- Ohio Office

Andrea Depinet, Associate Director for Business and Operations

- BGSU Office of Residence Life
- 15 years of Private Industry Experience
- Business Background
- Budgets and Finance, Facilities Management, Housing Assignments and Administration, and Conference Programs and Guest Services



Introduction

B&D

Focus – “Quality of Life” Projects

Experience – Over 350 University Projects Planned

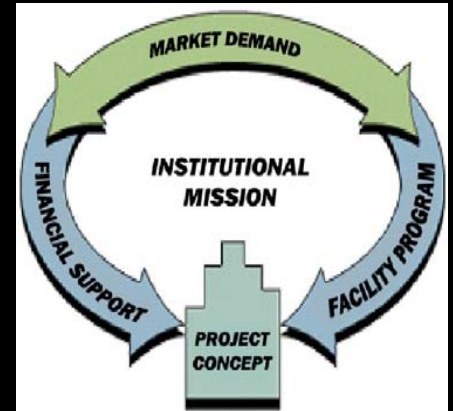
- Athletic & Recreation Facilities – over 150 assignments
- Campus Unions – over 100 assignments
- Student Housing – almost 200 assignments
 - Precision Demand Projections
 - Strategic Advisor

Services – Concept => Implementation

Staff – Interdisciplinary/Experienced/Cross Trained

Leadership – Industry Standards / Conveyers of Ideas

Relationship – Your Agents / Shared Values



Introduction

Learning Objectives

- Participants will obtain an understanding of the process for developing a Housing Master Plan.
- Participants will obtain an understanding of the value of market analysis and benchmarking on the impact of a Master Plan.
- Participants will obtain an understanding of the spectrum of public private partnerships for student housing development.



Introduction

- Master Planning

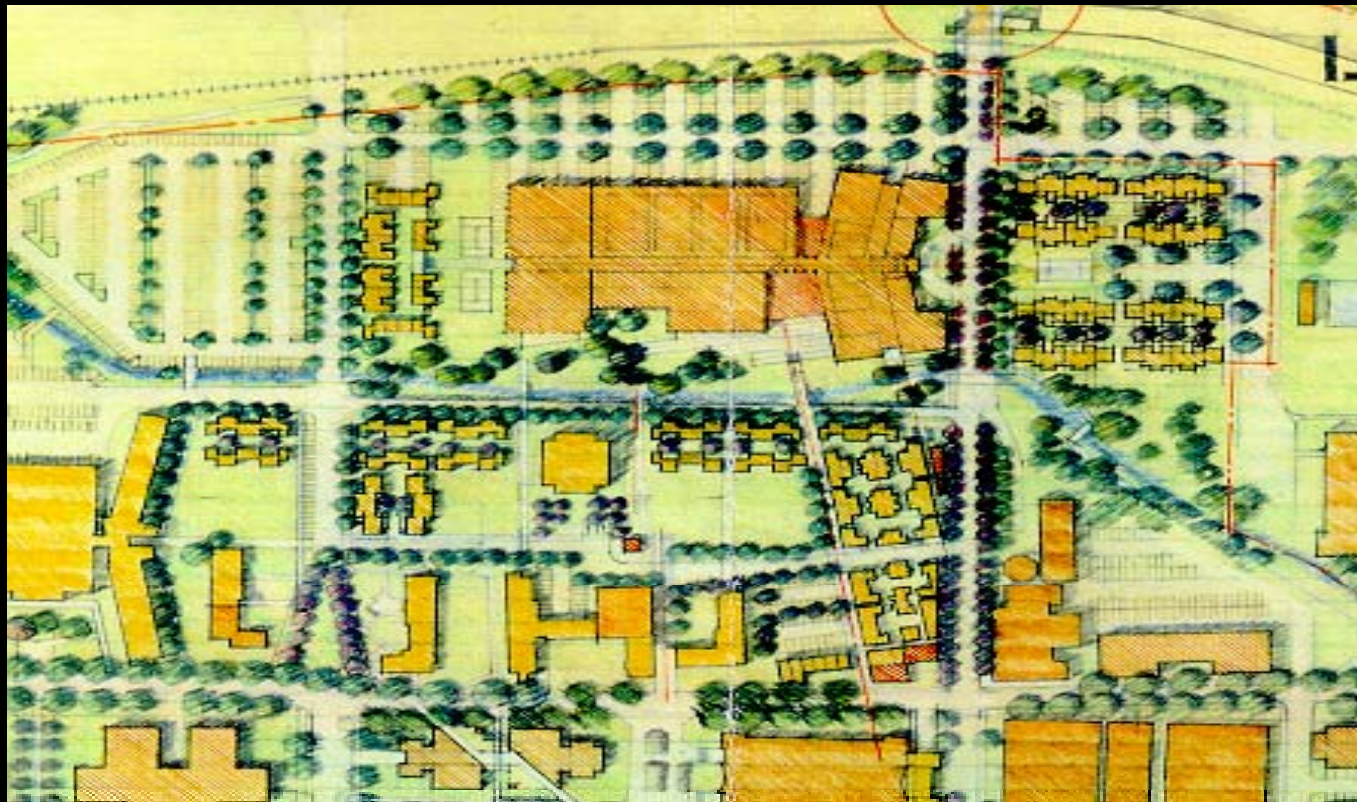
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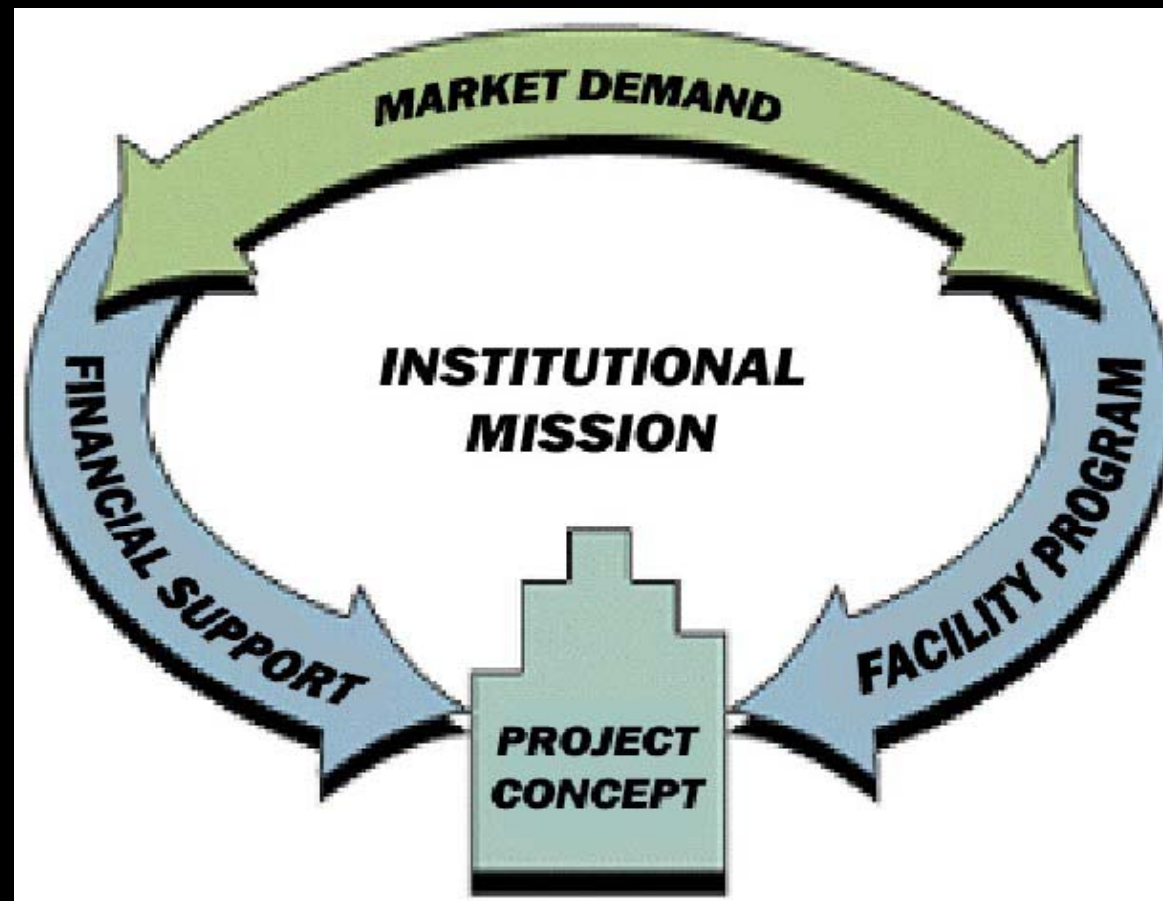
Master Planning

What is a Housing Master Plan?



Master Planning

Process



Master Planning

Strategic Analysis

Developing Strategy

- Educational Outcomes
- Enrollment Management
- Campus Community
- Financial Performance

Guides Decision Making

- Quantity and Location of Housing
- Target Market and Unit Types / Programmatic Priorities
- Financial Accessibility & Quality Reconciliation
- Level of Service / Underwriting Criteria & Institutional Will

	Targeted Strategic Value									
	Low					High				
	0									10
Current Conditions:					X					
Aspirations:									O	
I. Educational Outcomes										
a. Supervision Through Maturity										
b. Proximity to Educational Resources										
c. Personal Development										
d. Direct Curriculum Enhancement										
e. Development Continuum										
II. Enrollment Management										
a. Housing Market Supplement										
b. Competitive Amenity										
III. Campus Community										
a. "Residential Campus" Designation										
b. Out-of-class Activity										
c. Neighborhood Creation										
d. Quality of Life System Integration										
IV. Financial Performance										
a. Balance Sheet Utilization										
b. Revenue/Occupancy Risk Tolerance										
c. Financial Accessibility										
d. Level of Service										
e. Sustainable Design and Operations										

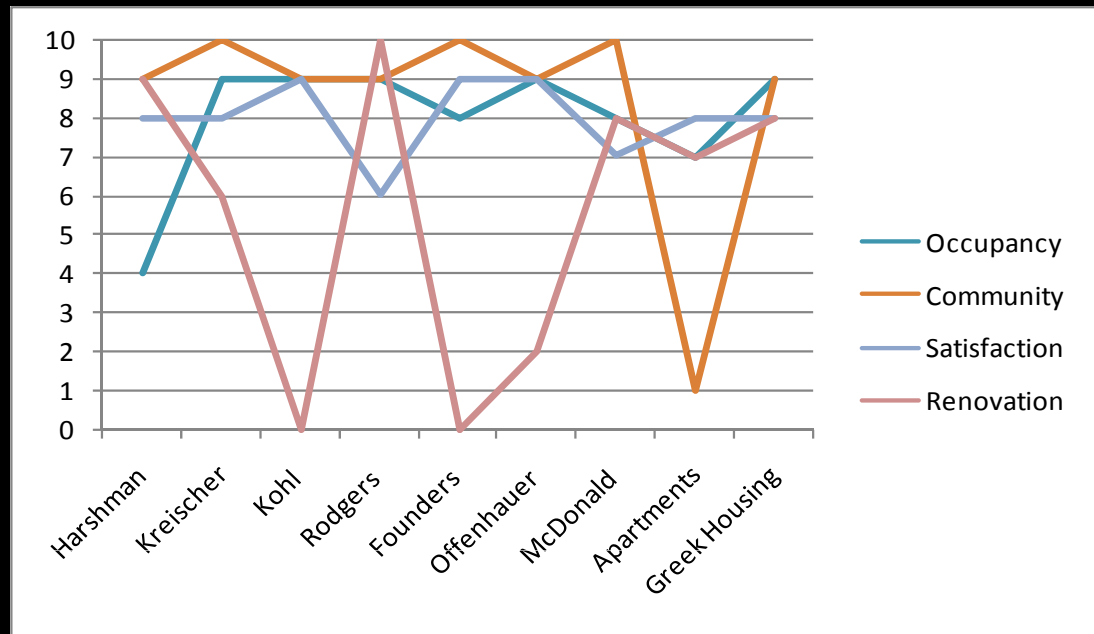


Master Planning

Strategic Analysis

Hall Analysis

- Occupancy
- Demand (Application Request)
- Retention
- Community Development (Dining, Lounge, etc.)
- Academic (Study, Computer/Technology Center, Lev Learn, etc.)
- Satisfaction (Survey)
- Physical Conditions



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Strategic Analysis

Student Demographic Analysis

- FT / PT Students
- Gender
- Age
- Classification
- Live-on Requirement
- Enrollment Projections



Master Planning

Focus Groups

Information Goal is Qualitative

- What students care about (identify issues)
- Why they care about it
- How much they care about it

Format & Process

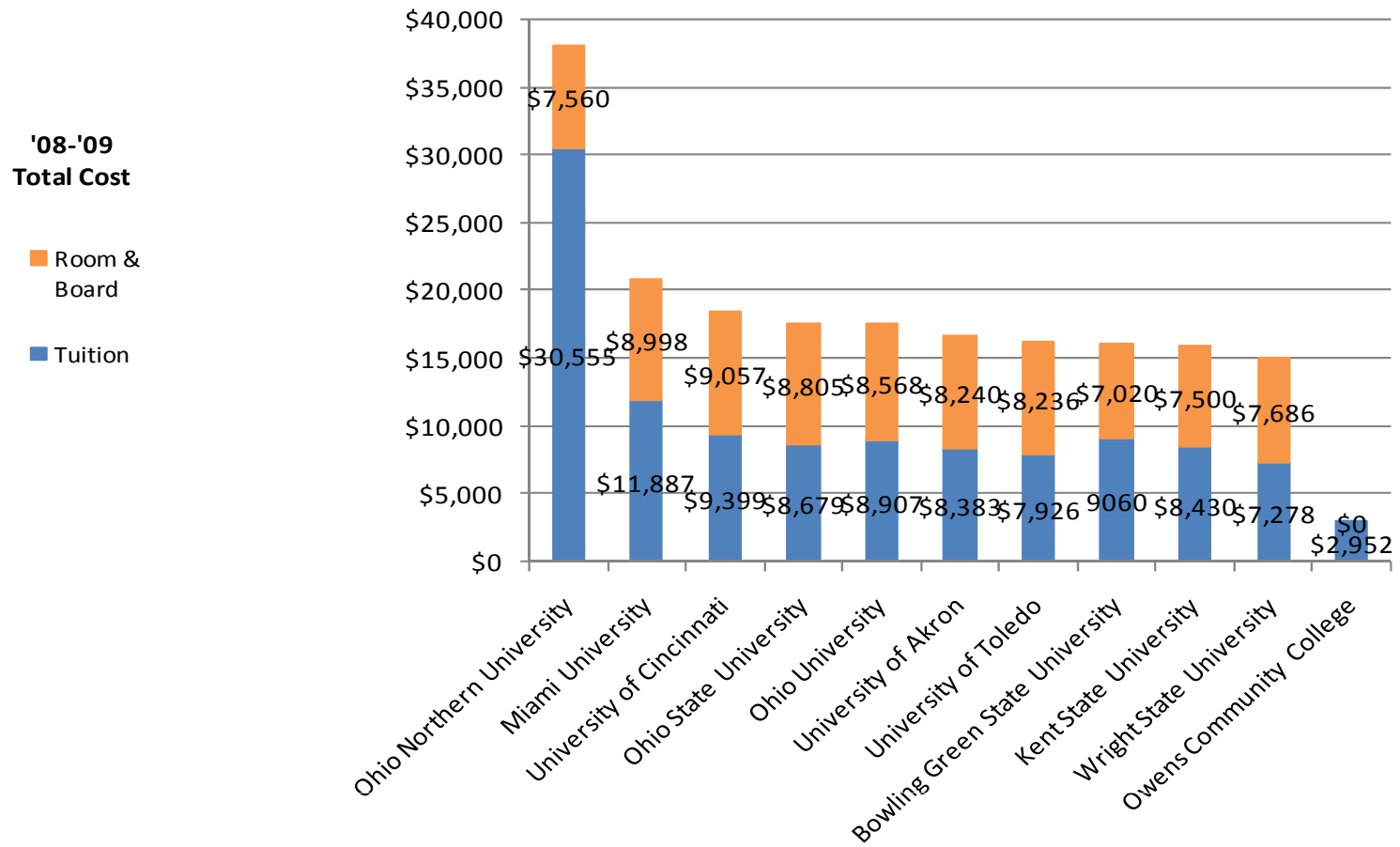
- Groups of eight to twelve
- Planned strategy (macro => micro)
- Test prevailing wisdom, intercept information & concepts



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Competitive Context & Trend Analysis

Undergraduate Cost Analysis
(includes in-state tuition, room & board)



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Off-Campus Analysis

Key Indicators

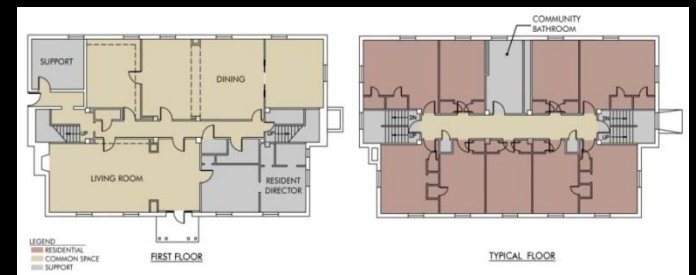
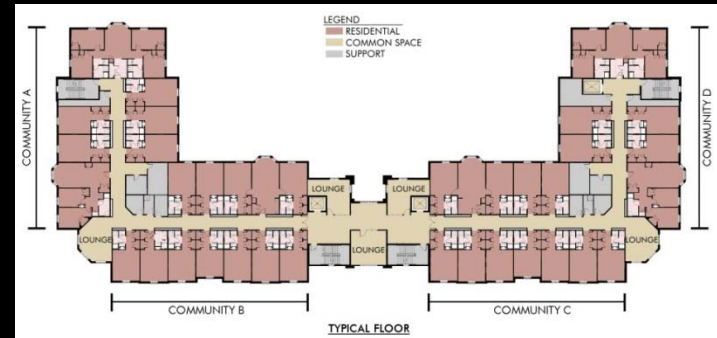
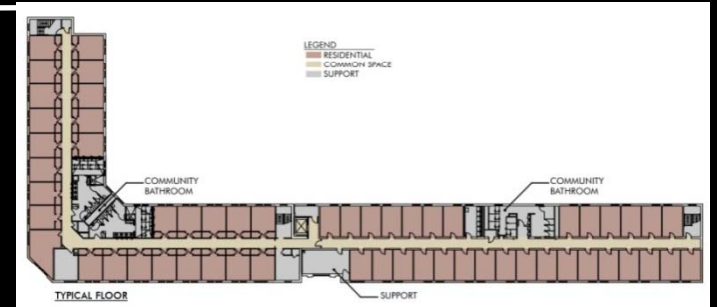
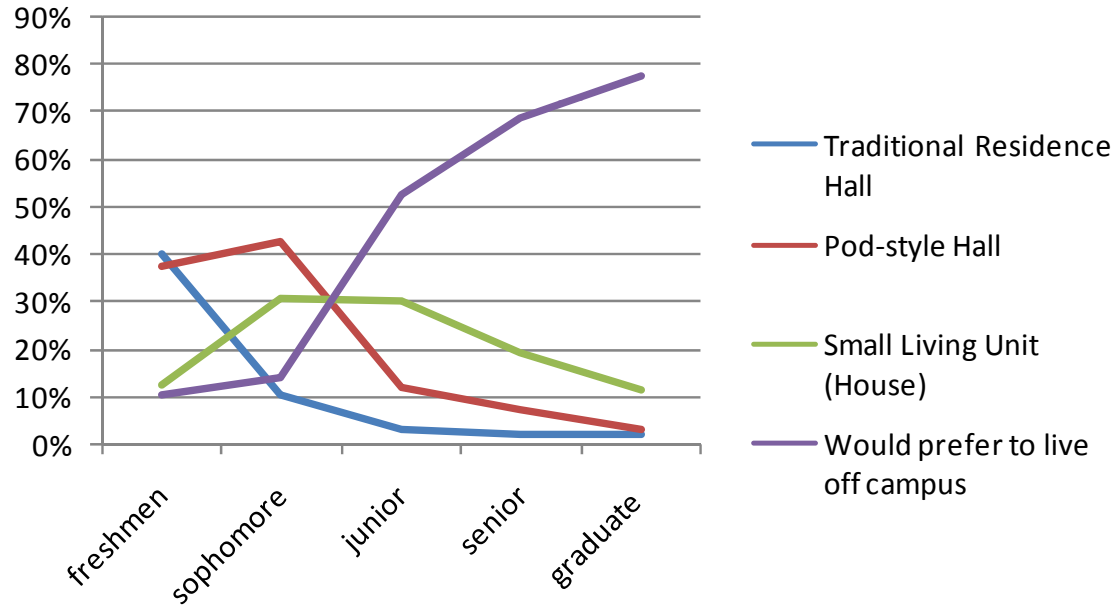
- Rental Rates
- Occupancy
- Amenities
- Future Development / Expansion



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Survey

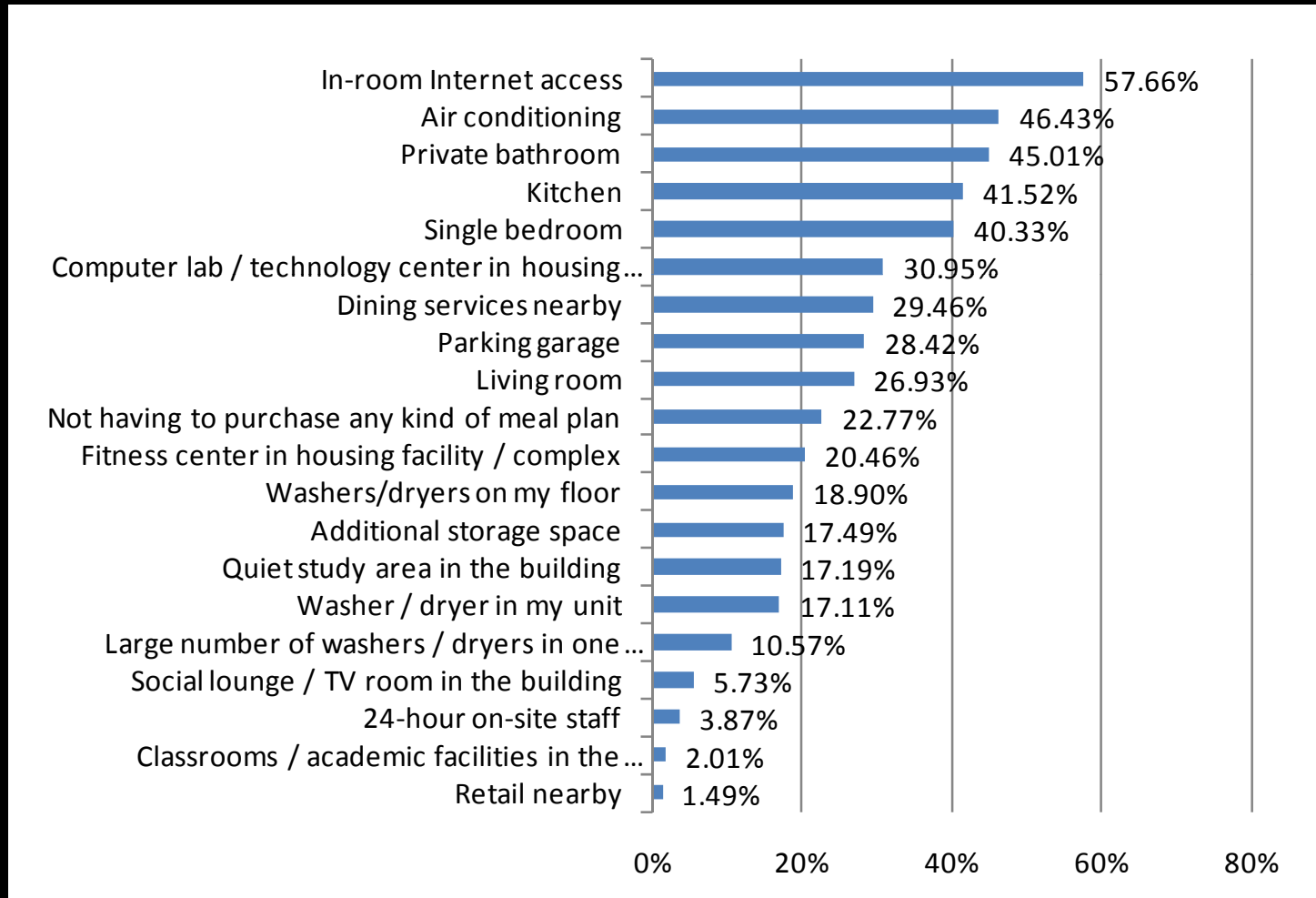
If all of the living environments described above were available on campus, what would be your preferred housing configuration (Q 61-65)?



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Survey

If Bowling Green built new housing, which five features would be most important to you?



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Demand-Based Programming

Target Market Filters

- Classification
- Age
- Enrollment Status
- Family Status
- Campus
- Affordability



On-Campus Housing Type: Distribution of Demand

Class	Traditional Double	Traditional Single	Semi-Suite Double	Semi-Suite Single	Suite Double	Suite Single	4-Bed Apmt Double	4-Bed Apmt Single	2-Bed Apmt Double	2-Bed Apmt Single	Efficiency Single	Total
Freshman	292	172	179	113	192	119	272	550	172	172	146	2,381
Sophomore	40	28	34	68	97	91	188	604	114	148	160	1,572
Junior	38	38	22	33	71	98	109	375	82	217	125	1,207
Senior	18	77	30	18	65	113	95	404	83	237	142	1,282
Demand	388	316	265	232	425	421	664	1,933	451	775	573	6,442
Capacity	1,710	800	0	455	46	201	0	0	994	1,497	0	5,703
Surplus / (Deficit)	1,322	484	(265)	223	(379)	(220)	(664)	(1,933)	543	722	(573)	(739)



Introduction

Master Planning

- Business Planning

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Business Planning

What is a Housing Business Plan?



Business Planning

Financial Analysis

Key Components

- Operational Analysis
- Long-term Revenue Projections
- Long-term Expenses Projections
- R&R Contribution
- Sensitivity Analysis
- Alternative Financing Analysis and Impacts

Pro Forma

	1 2009/2010	2 2010/2011
Total Bed Supply	7,247	7,247
<u>Revenue</u>		
Traditional Units:	\$21,691,000	\$22,778,000
Semi Suite Units:	\$1,115,000	\$1,171,000
Suite Units:	\$1,755,000	\$1,843,000
Apartment Units:	\$290,000	\$305,000
Other Revenue:	\$2,582,000	\$2,659,000
Total Revenue	\$27,433,000	\$28,756,000
<u>Expenses</u>		
Employee	\$8,867,000	\$9,310,000
Operating Expenses	\$5,873,000	\$6,167,000
Student Telephones	\$800,000	\$840,000
Apartment Rental	\$186,989	\$192,599
Student Cable TV	\$350,000	\$367,000
Utilities	\$3,110,000	\$3,266,000
Scholarships	\$250,000	\$262,500
General Service Charge	\$3,735,000	\$3,735,000
Property Insurance	\$213,000	\$224,000
Infrastructure Payment	\$949,000	\$958,490
Total Expenses	\$24,333,989	\$25,322,589
Net Operating Income	\$3,099,011	\$3,433,411
<u>Debt Service</u>		
Existing Debt Service	\$4,014,000	\$3,034,000



Business Planning

Financial Analysis

Operational Review

- Review Operating Policies
- Benchmark Operational Costs / SF
- Analyze Room Rate Structure
- Review University Overhead Charges
- Maximize Summer Revenue Potentials

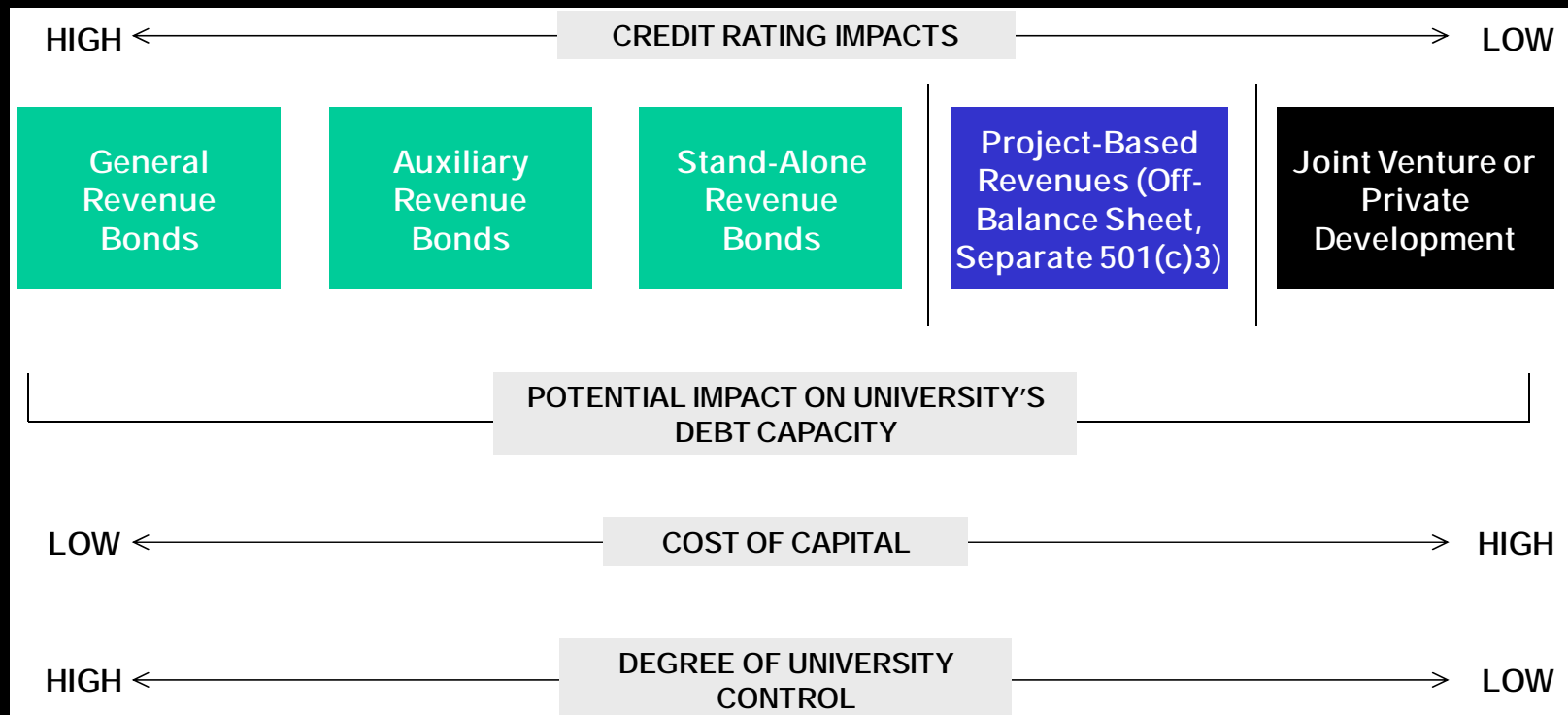


Business Planning

Financial Analysis

Financing Decision Matrix

- Identify Funding Sources & Initiative Partners
- Analyze Alternative Financing Options and Impacts



Business Planning

Development Decision Matrix

	University	Private Developer	Hybrid
Cost of Capital	Lowest	Highest	Premium for commercial uses
Speed of Delivery	Slowest	Fastest	Same as private developer for commercial
University Control Program, Operations, Tenants, etc.	Greatest	Least	Need for control; manage the developer
University Risk Delivery, Financing, Lease-up, etc.	Greatest Exposure	Least Exposure	Least exposure for retail, may require subsidy
University Financial Impact	Greatest Exposure / Opportunity	Least Exposure / Opportunity	Blended



Business Planning

Public Private Partnerships

Potential Institutional Needs

- Project Development
- Financial Capacity
- Operating Risk
- Ownership
- Management Skill



Business Planning

Public Private Partnerships

Potential Institutional Needs

- Project Development (outsource)
 - Speed to meet aggressive delivery schedule
 - Skill to design and build student housing of high quality for limited budget
 - Capacity to bring large number of varied housing types on-line



Business Planning

Public Private Partnerships

Potential Institutional Needs

- Financial Capacity
 - University to preserve debt capacity for other projects
 - Generate cash flow (monetization or lease terms)
 - ✓ For investment and cross-subsidy of other projects



RIT COLLEGETOWN - VIEWPOINT 2



Business Planning

Public Private Partnerships

Potential Institutional Needs

- Operating Risk
 - University to mitigate long-term operating risk (enrollment)



Business Planning

Public Private Partnerships

Potential Institutional Needs

- Ownership
 - Developer to take on capital, construction & lease-up
 - University to control product & operation through RFP & Contract Terms
 - ✓ Unit-type, Bed Mix
 - ✓ LLC Program Spaces
 - Lease terms



Business Planning

Public Private Partnerships

Potential Institutional Needs

- Management Skill
 - Property Management (Private)
 - ✓ Budgeting, financial management, rate setting
 - ✓ Marketing
 - ✓ Custodial & Maintenance
 - ✓ Coordination with Physical Plant
 - ✓ Planning & Construction
 - ✓ Conference management
 - ✓ Grounds
 - ✓ Security
 - ✓ Vendor contracts (food service, laundry, vending machines, ATM's, housekeeping, and maintenance services such as HVAV, elevators, etc.)
 - ✓ Information Technology (IT)



Business Planning

Public Private Partnerships

Potential Institutional Needs

- Management Skill
 - Residence Life (University)
 - ✓ Assignments & contracts
 - ✓ Residential education
 - ✓ Research & assessment
 - ✓ Community living
 - ✓ Student behavior / judicial affairs
 - ✓ Staff recruitment / HR functions
 - ✓ Greek Affairs
 - ✓ Family & graduate housing



Introduction

Master Planning

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BGSU Case Study

Why BGSU Residential Master Plan?

Background

- Enrollment declines over past 5 years – aligns with peer infrastructure improvements
- Housing not competitive with Ohio peers
 - Cost / quality / range of offerings
- One of two Ohio schools below 100% occupancy
- Bed mix: 90% traditional-style beds
- Strong living learning programs (12% of residents participate)
 - Expand to 100% participation
- Residential campus (capacity to house 43% on campus)
 - Invest in freshman and sophomore experience



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Why outside planning team?

Consultant Expertise

- Regional and national perspective
- Consultant experience
- Act as an advisor throughout the process
- Act as a mediator
- Knowledge of latest architectural advancements and trends
- Assist in developing a campus consensus
- Knowledge with regard to public private partnerships
- Educated on incorporating groundbreaking technology



BGSU Case Study

Overview

Master Plan Strategic Objectives (gaps)

- Support Educational Outcomes
 - Supervision through Maturity
 - Direct Curriculum Enhancement
- Assist with Enrollment Management Objectives
 - Competitive Amenity (re-position BGSU in the marketplace)
- Build Campus Community
 - Out-of-Class Activity
 - Neighborhood Creation
- Financial Performance
 - Level of Service
 - Sustainable Design and Operations



BGSU Case Study

Overview

Master Plan Goals

- Achieve Bed Mix Desired By Students
 - Build new on-campus beds to support deficiency in bed type / community spaces
 - Renovate existing halls to improve traditional experience
- Maintain Affordable Housing And Offer A Range Of Options
 - Renovated bed rates will not exceed 10% premium
 - Room rates for the new projects should be within the range tested in the survey
- Double To Single Ratio
 - Increase singles to at least 20% of total beds
- Public Private Partnerships For New Beds
 - Preserve University debt capacity
 - Speed of delivery
- Space / Bed
 - Traditional-style: 275 sf / bed
 - Suite-style: 325 sf / bed



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Overview

Lessons Learned

- Outline University outcomes prior to consultant interaction
- Perform financial analysis, what is the University able to take on financially? What does the University want to take on financially?
- Advanced notice regarding all plans, meetings and focus groups
- Ensure higher level of engagement allows time for consistent engagement
- Be prepared to make difficult decisions
- Communicate, communicate, communicate
- Define committee roles
 - Core committee
 - Steering committee



Discussion



Kim Martin

kmartin@facilityplanners.com



BRAILSFORD & DUNLAVEY

www.facilityplanners.com

Andrea Depinet

adepine@bgsu.edu

BGSU

Office of Residence Life

www.bgsu.edu/offices/sa/reslife