

STUDENT HOUSING MASTER PLAN

HUMBOLDT STATE UNIVERSITY

JUNE 2017

BRIEFING DOCUMENT



In November 2016, Humboldt State University (the “University” or “HSU”) engaged Brailsford & Dunlavey, Inc. (“B&D”) to complete a Student Housing Demand Analysis for Housing & Residence Life. The purpose of the Student Housing Demand Analysis is to provide a market analysis of the overall housing demand from Humboldt State University students. In addition to testing overall demand for campus housing, B&D intends to understand the specific housing needs of students to address the unit offerings and amenities included in the facilities.

B&D would like to thank the following individuals for their assistance in this project:

Lisa Rossbacher	President
Peg Blake	Vice President, Enrollment Management and Student Affairs
Joyce Lopes	Vice President Administrative Services
Stephen St. Onge	Director of Housing & Residence Life
Traci Ferdolage	Associate Vice President Facilities Management

The findings contained herein represent the professional opinions of B&D's personnel based on assumptions and conditions detailed in this report. B&D conducted research using both primary and secondary information sources, but accuracy cannot be guaranteed.

B&D's project team was comprised of the following individuals:

Matt Bohannon	Regional Vice President
James Birkey	Project Manager
Monty Jarecke	Assistant Project Manager
Seneca House	Project Analyst

EXECUTIVE SUMMARY

OVERVIEW

Brailsford & Dunlavey conducted a student housing demand analysis that examined the characteristics of Humboldt State's demographic makeup, off-campus housing market, the University's peer institutions, and preferences for new housing. The purpose of the analysis was to provide a detailed assessment of student demand for on-campus housing mindful of the possibility of funding the project through a public-private partnership ("P3"). This analysis informed B&D's understanding of how healthy the market is for student housing at the University particularly in light of the possibility of utilizing a P3 funding structure.

CURRENT SITUATION

Humboldt State University currently enrolls approximately 8,500 students at its campus east in Arcata, California. Currently, The University has increasingly served a student body from across the State of California. This increase places a particular burden on the campus and the surrounding Arcata market to house students coming to Humboldt to pursue a degree—particularly as the vast majority of students do not originate from within driving distance to campus.

Humboldt State's housing portfolio is undersized, and —particularly for first- and second-year students—aged. Apart from the College Creek Apartments, much of the housing portfolio is accumulating significant deferred maintenance as it ages and is objective need of investment. Furthermore, the surrounding Arcata housing market is very constrained, leaving some students to sleep in their cars or camp in the woods while they continue to look for housing. This tight supply of accessible housing

on- or near-campus is also reflected in the emergence of purpose-built student housing in the market, as an 800-bed apartment-style facility is nearing construction start proximate to campus.

WORK PLAN

B&D's approach required an active working relationship with Humboldt State students and staff to develop an understanding of the University's mission, stakeholders, customer groups, and strategic project objectives to achieve the objectives for potential upper-division student housing. An in-depth understanding of the nuances surroundings Humboldt housing market, particularly the purpose-built housing as a competitive product, was critical in comprehending the implications of building new upper-division housing for the first time. The work plan included:

- ❖ A **strategic visioning session** with campus leadership identifying the needs strategic drivers of improving first- and second-year student housing and the critical role housing can play
- ❖ **Focus group and stakeholder interviews** to qualitatively understand student preferences for housing and perceptions of the existing market
- ❖ An **off-campus housing market analysis** to assess the dynamics of the housing market and the conditions that students currently face
- ❖ A **student survey** to quantify interest in housing and the sensitivities among students for certain amenities, unit types, and price points
- ❖ A **demand analysis** to quantify bed demand for new housing on the Humboldt State campus based on data collected from the student survey
- ❖ A **financial concept analysis** to understand the capital and operating budgets necessary to construct new student housing.

FINDINGS AND RECOMMENDATIONS

B&D considered a series of student demographic characteristics to understand how well its composition could support additional student housing. Characteristics included gender, full-time status, age, and origin. In sync with Humboldt State’s pull from regions across California, the institution’s student body is increasingly diverse, and includes a growing number of first-generation students. Although much of the housing portfolio is dated, students cherish community spaces in residence halls and on campus.

Investigation into the off-campus market revealed the Arcata market to be “Student Adverse”, given its high price point, requiring credit checks and large security deposits, 12-month leases, few student amenities, and active landlord selection against student occupants. The inability for students to effectively access housing locally places additional pressure on Humboldt State’s housing offering.

In conjunction with Humboldt State, B&D administered a market demand survey in late November-early December 2016. The survey received significant response from the student population, with 1,313 respondents and a 2.5% margin of error. The survey confirmed excess demand of 818 beds, weighted toward traditional and suite-style.

Bed Type	Demand	Existing Beds	Demand Delta
Traditional	596	456	-140
Suite Style	1172	814	-358
Apartment	1120	800	-320
	2888	2070	-818

FIGURE 1: Demand for Housing by Unit Type

In terms of market characteristics indicated by the survey and outlined in the student focus groups, three central themes emerged. Student demand gravitated around:

- ❖ **Cost efficiency** (willingness toward simpler living to reach desired price point)
- ❖ **Community-enhancing** (“amenities” are seen as spaces for students to interface with each other)
- ❖ Support for **academic success** (study spaces, quiet space, collaboration & seminar space)

In addition to housing security, students viewed on-campus housing as preferable because of its ability to build community with other students, as well as enhance access to the academic experience at Humboldt State. In addition to spaces that directly promote the academic work of its residents, a potential project should seek soft program and related efforts to improve the scholastic life—not just as a mission driver, but as a market preference as well.

Based on detailed conversations with Humboldt State University students, administrators, stakeholders; off-campus market research; review of institutional mission and dynamics; market demand survey and understanding of the status of existing facilities, it is recommended that the University target the approximately 500 net new beds of unmet demand of traditional and suite-style beds. This will allow Humboldt to reinvigorate its first- and second-year offering, strengthen that students experience, while leaving open the possibility of coordinating with the 800 beds of private upper-division housing being built nearby.

Additionally, the master planning process evaluated existing residence halls and identified areas of improvement. Cypress Hall, built along a

slope, has extensive deferred maintenance and the unit typology does not best suite first and second year students. B&D recommends replacing this residential community and adding to the potential new housing project. Campus Apartments also has significant deferred maintenance to address and will likely require replacement or demolition in the mid-term; however, with the focus of the plan on first- and second-year students B&D does not view this facility as a priority. Redwood and Sunset halls are popular with students and provide an appropriate unit-type for a first-year residential experience. The halls are dated and lack programming space that could both be addressed through targeted renovation and expansion.

Currently, first-year housing is primarily located towards the north of the campus around the Jolly Giant Commons (“JGC”). Overall, the community is centered around a valley and the Jolly Giant Creek. With the strategic focus of the University on improving academic success, graduation rates, and the student experience, defining a neighborhood that focuses on student housing (primarily first- and second-year students) within this valley is ideal. The addition of the 500 net new beds, plus potential replacement housing would create a critical mass of residents and activity supporting these strategic drivers. Synergies and a potential renovation of the JGC could create a unique student housing community and center which would greatly enhance the opportunity for HSU to recruit and retain students.

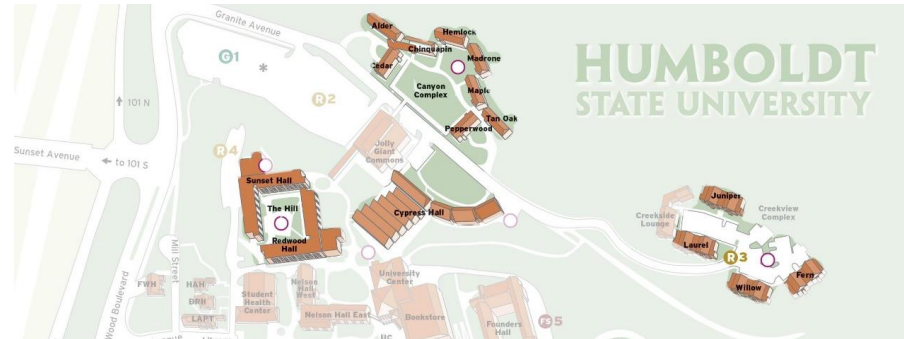


FIGURE 2: Partial Campus Map Identifying Housing Communities

Although the location for this new housing project is programmatically ideal, there are potential costly conditions at the site due to the underground creek and previous use as a log pond. Foundation costs for a potential project may be too high to support necessitating an alternative location be found.

Depending on site costs and financing strategies, the potential new housing project(s) could range from \$125M to \$160M in 2017 dollars. Ultimately, creating a positive value proposition that balances costs with experience and appropriate unit types for academic success is the priority. Public-private partnerships may provide an opportunity for the University to potentially reduce students rental rates and balance other project risks and debt capacity concerns.

NEXT STEPS

As Humboldt State University continues towards improving its housing program, B&D recommends the following next steps:

- ❖ The University should completed a program document for the new housing project that would quantify the residential and support spaces within the building. This document will assist with the additional conceptual development and test fit of the project related to potential site locations.
- ❖ A greater understanding of site conditions and construction costs is required to proceed forward with the ideal general location for the new housing project. The University should engage geotech firms and cost estimators to generate conceptual cost models for housing to refine the total project budget.
- ❖ The Jolly Giant Commons represents a unique community asset for a revitalized first- and second-year housing community. An analysis should be conducted of the existing facility and services to identify opportunities for renovations to support a large on-campus housing population.
- ❖ The University should engage additional stakeholders on campus such as Dining Services and the University Center as the new housing and potential improvements to the JGC are conceptualized.
- ❖ Opportunities to utilize P3s to assist with the goals for the project should be investigated further. Consultations with the Chancellor's Office and campus leadership will be required to start the P3 concept approval and solicitation process. The value for money (P3 vs SRB comparison) analysis should be updated as the P3 process evolves. If

a viable P3 options is present, the University should proceed to the CSU Land Development Review Committee for approvals. The P3 analysis should also address existing campus housing needs and phasing of potential projects.

- ❖ The University should continue discussions with AmCal regarding the new student focused off-campus development for potential use as swing space if needed.

MARKET ANALYSIS

B&D conducted a market analysis that consisted of a review of in-person campus demographics, focus groups, evaluation of the off-campus housing market, and more specifically the purpose-built housing market, and a campus-wide student survey. Below is a summary of the market analysis with additional data points supporting the overall themes that arose throughout the project.

DEMOGRAPHIC ANALYSIS

B&D conducted a demographic analysis to understand a series of characteristics of the Humboldt State University population that could influence demand for student housing. In collaboration with Housing & Residence Life, B&D analyzed the following demographic factors of the University's population from 2006 to 2016: gender, full-time status, age, origin, and total enrollment. The collective trend of these demographic factors provided B&D with a holistic understanding of Humboldt State University's student potential need for housing. Data from the CSU Common Data Set only represented in-person enrollment.

GENDER

Since 2006, females have made up on average 55% of the population—a typical representation nationwide. During this time, the female portion of the population has seen moderate growth by +1.64%. However, the male population over the same period has decreased by -2.04%. This is a positive trend, as female students have a higher likelihood to lease on-campus student housing than male students.

STATUS

During the 2006 to 2016 period, the share of students enrolled full-time increased from 85% to 93%. This is significant, as full-time students have a greater demand for resources like student housing to support their academic commitment.

AGE

The age of students attending Humboldt State University was considered from the perspective of its average and the share of those between the ages of 18-24. On average, students at Humboldt State University were 21 years old and the share of those 18-24 was 75%. Since 2006, the average age has dropped by two years and the share of 18-24 year olds has increased by +12%. This decline in the age of students is important because students aged from 18 to 24 make up the target market for student housing.

ORIGIN

The geographic origin of Humboldt State University's population was examined to understand trends among non-local students. The percentage of out of local area (excluding top five counties) students increased from 44% in 2006 to 51% in 2016. During that same period, the percentage of international students remained consistent at 1%. These trends are beneficial to Humboldt State University, as the data represents that more students from Southern California are increasing the demand and therefore will have a greater need for student housing.

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Residency	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Humboldt	36%	36%	35%	31%	29%	27%	23%	22%	16%	15%	15%
Los Angeles	10%	11%	11%	12%	13%	14%	15%	17%	18%	18%	18%
San Diego	5%	5%	5%	6%	6%	6%	7%	7%	8%	8%	7%
Orange	3%	3%	3%	4%	4%	5%	5%	5%	5%	5%	5%
Riverside	2%	2%	2%	2%	3%	3%	3%	3%	3%	4%	4%
Other CA Counties	41%	41%	40%	42%	43%	43%	44%	44%	44%	45%	45%
Other States	2%	2%	2%	2%	2%	2%	2%	2%	6%	5%	5%
International	0%	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

FIGURE 3: Changes in Student Origin Over Time

ENROLLMENT

B&D studied the trends in the total enrollment of in-person Humboldt State University students from 2006 to 2016. During that period, total enrollment increased 14% from 7,435 students to 8,503 students. This is impactful because as the number of students increases, demand increases for the on-campus housing project, especially for the increasing number of students with origins outside of the top five counties near Arcata, CA.

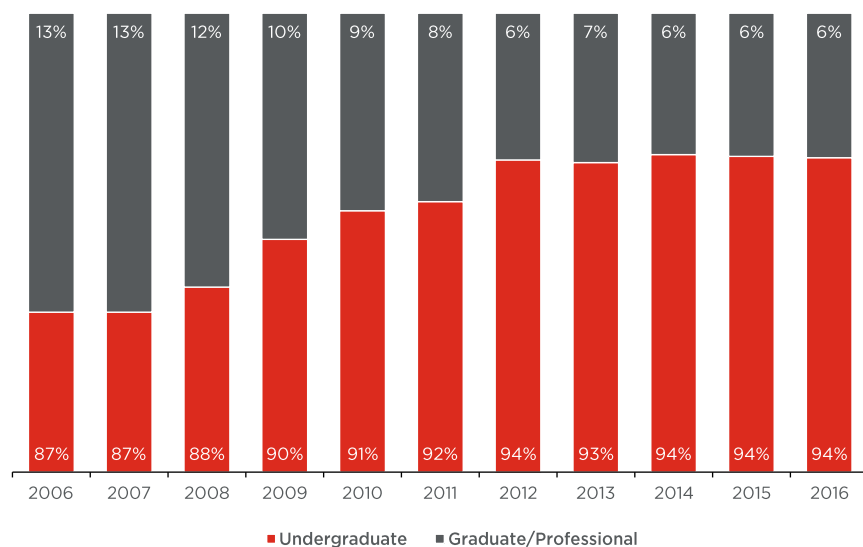


FIGURE 4: 10-Year total enrollment trend

FOCUS GROUPS AND INTERCEPT INTERVIEWS

The intent of the focus group sessions and intercept interviews was to engage a variety of students in dynamic conversation on the topics of campus life, campus housing, the off-campus market, and the future housing & other spaces. B&D engaged students regarding their reasons for attending Humboldt State University. Student housing experience touched on availability, quality, price points, amenities, and suitability. Student interest in campus housing, as well as the amenities and features that would best fit their needs, were also part of these conversations.

METHODOLOGY

B&D conducted seven focus group sessions on October 20-21, 2016, to understand each group's housing concerns. Each moderator presented a series of open-ended questions and allowed individuals to discuss tangential issues and engage in dynamic conversation. While the moderator was predisposed to obtaining answers to the questions asked, close attention was paid to participant-generated issues raised in the process.

Feedback from students collected during these sessions and interviews represents responses and concerns regarding housing. These focus groups were made up of local area students, transfer students, both on and off campus students, and resident assistants. The summary of findings include comments and viewpoints from both students and staff members. B&D was able to speak with 30 participants throughout these sessions.

SUMMARY OF FINDINGS*1. Why did you choose to attend Humboldt State University?*

Students indicated that they chose Humboldt State University for its low cost and beautiful surroundings. Others indicated that the campus had a relaxed and positive environment feel to it. In addition, students described the campus size helps foster student engagement. Concerns that students addressed dealt with marijuana being a nuisance among non-smokers and issues around race in residence halls.

2. What is your overall perception of the housing facilities on the HSU campus? How would you improve housing?

Overall, students expressed that while on-campus is a convenient living option, it is too expensive. Students who are living in traditional halls felt there was a sense of community and is one of the best features. One feature that is lacking in on-campus housing is suites and apartment unit mix. To improve housing students indicated that there should be more community and socializing space added. Other perceptions of housing included:

- ❖ Some residents feeling marginalized during their experience living on campus
- ❖ HSU housing is great way to meet other students during their first year on campus, especially for those living in traditional halls,
- ❖ Double occupancy units that have been converted into triples were perceived as being small,
- ❖ A feeling of “housing insecurity” among continuing students, particularly transfers, who were unsure of where they would live next year, and

- ❖ The perception among transfer students that on campus housing was too expensive and off-campus housing was difficult to obtain.

3. What are your preferences for future housing?

When presented the question of preferences for future housing and where they would live next year. Student did have interest in living on-campus to be closer to academic resources, but perceived they would not be able to afford it. In addition, for the students who could afford it there was no sure guarantee for housing due to the priority going to freshman students.

Many participants planned to live off-campus to save money. Students are price sensitive and came to HSU due to its low tuition so they are unwilling to pay more for housing than necessary. Other reasons for moving off-campus besides price included:

- ❖ A sense of independence and a step toward adulthood,
- ❖ More personal space,
- ❖ The ability to live with their friends, and
- ❖ The ability to escape campus rules and regulations.

4. What are your impressions of the off-campus market?

Students stated it is very difficult to find off-campus housing. They cited local property managers who preferred tenants with marijuana “grow houses” or otherwise in the cannabis industry due to their ability to pay higher rents and security deposits. Participants also described the market as very expensive for students living alone or with one other person. Students described there was a need to share the cost of rent with at least three other students off-campus to make it an affordable option. Other impressions of the off-campus market included:

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- ❖ The sentiment that students were targeted by predatory landlords,
- ❖ Public transportation in the off-campus market was not easy to navigate,
- ❖ Students felt some property managers discriminated against them based on their race,
- ❖ When asked, most students knew of peers who became homeless or semi-homeless due to difficulties of the off-campus market, and
- ❖ There is not enough parking on-campus to support students living off-campus.

OFF-CAMPUS MARKET ANALYSIS

B&D conducted an off-campus market analysis to understand the housing market and how it compares to living on-campus at HSU. This analysis included a survey of 25 off-campus properties for a variety of features. In addition, phone conversations with property managers were conducted to understand the macro level factors affecting the housing market.

The properties surveyed as part of the off-campus housing analysis included 15 multi-family housing units and 10 single family housing units. The characteristics of the surveyed properties were:

- ❖ An average of 1.4 miles from Humboldt State University
- ❖ An average \$1,060 security deposit in the surveyed off-campus market
- ❖ An average age of 31 years old (built in 1986)

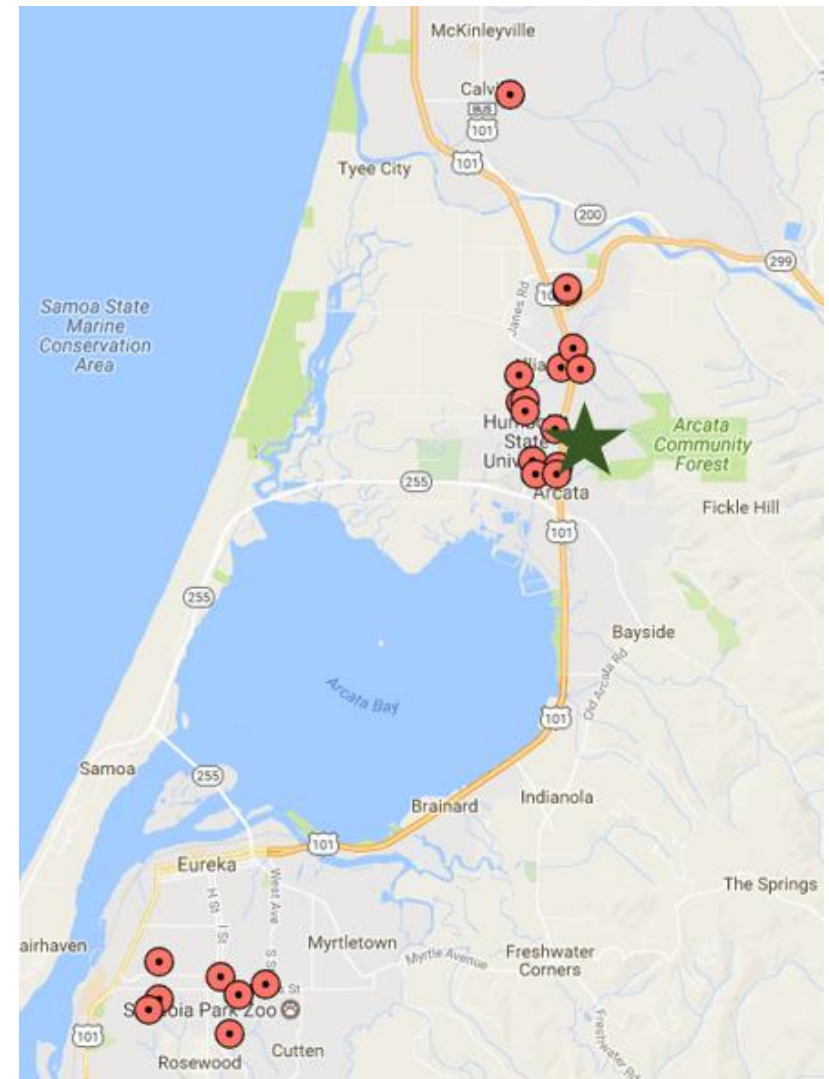


FIGURE 5: Map of off-campus properties surveyed

MARKET OVERVIEW

A market overview was performed to understand macro level of off-campus housing conditions that are impactful to students considering living off-campus. Overall, the Arcata area is limited for units available. As a result, this is causing students to live further away from campus in other cities (i.e. Eureka and McKinleyville). Majority of the properties in the area are older, and as a result, this demand allows property managers to increase leasing cost. In addition, the focus on leasing to students is student averse, which discourages students from leasing. In addition, credit checks maybe required, which makes it difficult for students having to rent. In addition, the 12-month lease requirements make it difficult for students to commit year-round, due to the semester scheduling of the academic year. The market also provides few student amenities.

HUMBOLDT STATE UNIVERSITY RENTAL RATES

B&D collected rental rates for multi-family housing units during the month of December 2016. The average monthly rental rates (excluding utilities) for a private studio, one, two, three, and four bedroom apartment units were \$758, \$765, \$1,027, \$1,109, and \$1,468 respectively. The average rental rates for single-family housing unit with two, three, and four bedroom units are \$1,063, \$1,748, and \$1,468 respectively.

MULTI-FAMILY HOUSING UNITS					
	Efficiency/Studios	1-Bedroom	2-Bedrooms	3-Bedroom	4-Bedrooms
Unit Price	\$758	\$765	\$1,027	\$1,109	\$1,468
Private Room Price	\$758	\$790	\$514	\$370	\$367

FIGURE 6: Multi-family home rental rates

SINGLE-FAMILY HOUSING UNITS					
	Efficiency/Studios	1-Bedroom	2-Bedrooms	3-Bedroom	4-Bedrooms
Unit Price	-	-	\$1,063	\$1,748	\$1,468
Private Room Price	-	-	\$531	\$583	\$367

FIGURE 7: Single-family housing unit properties rental rates

AMENITIES AND UTILITIES

Amenities and utilities included in off-campus properties offer a general configuration with less focus on student amenities. Overall, amenities offered in the Arcata market were less abundant than in other student focused university target markets. Below are the top unit and building amenities generally offered to students who plan on living off-campus as part of the total cost of rent.

- ❖ Refrigerator
- ❖ Microwave
- ❖ Stove
- ❖ Dishwasher
- ❖ Cable Internet Hookup
- ❖ In-unit Laundry
- ❖ Fireplace
- ❖ Off-street Parking
- ❖ Carport Parking
- ❖ Garage

In addition, surveyed properties required an average security deposit of \$1,092 for the apartments and \$1,926 for the single-family homes as part of the lease agreement. This average is regarded an expensive, high barrier to entry for student renters in the multi-family housing market generally. As a result, the barriers to entry are averse to students living off-campus in multi-family and single-family properties.

SURVEY ANALYSIS

Humboldt State University students were sent a survey via e-mail during the period of November 29 to December 10, 2016. All students were given an opportunity to indicate their current housing conditions and interest in student housing. Approximately 1,313 students responded to the survey for a response rate of 15.7%. This response rate translates to a margin of error of +/- 2.5% assuming a 95% confidence level. This illustrates that if the same survey were performed 100 more times, 95% of the time the results would fall within +/- 2.5%.

DEMOGRAPHICS

Survey demographics were consistent with the overall demographics of Humboldt State University, with the exception of under and over representation of full-time students and specific age groups. Minimum amounts of skewed data are common for survey samples are acceptable, as B&D's methodology of determining housing demand isolates demographic sub groups. The average age of student respondents was 23 years old.

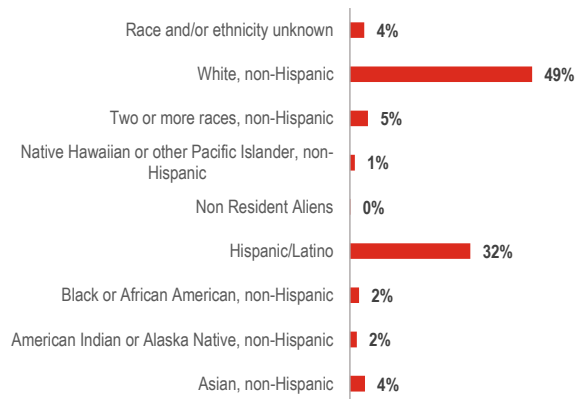


FIGURE 8: What is your race/ethnic background?

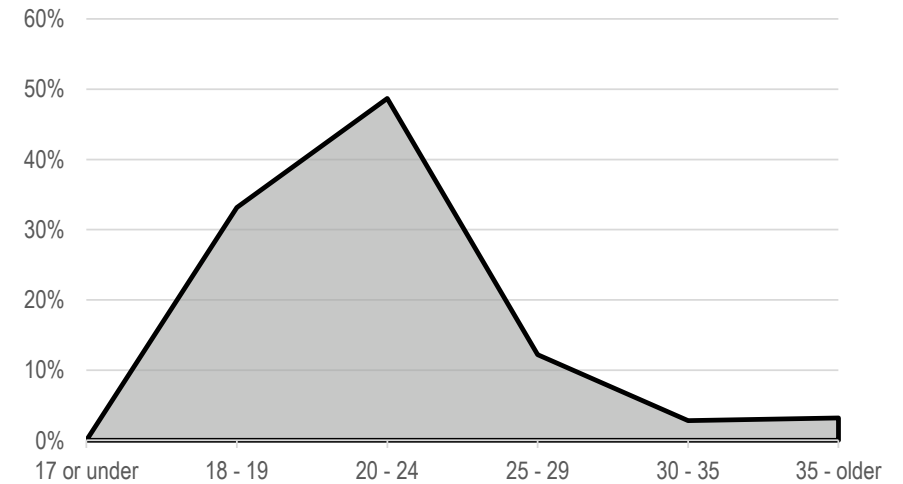


FIGURE 9: What is your age?

CURRENT LIVING CONDITIONS

Overall, the factors that were most important to students in their housing decision about where to live this year were total cost of rent and utilities (69%), proximity to classes (51%), the availability of a private (single) bedroom (35%), ability to choose my own roommate(s) (29%), availability of a kitchen (28%), and the availability of high-speed internet (25%).

When asked to describe where students are currently living off-campus, 45% of student respondents indicated that they were living in a house. Also 48% of the students who live off-campus currently live with other HSU roommate(s). The figure below illustrates that 4% of the student population are living at home with a parent(s) or relative:

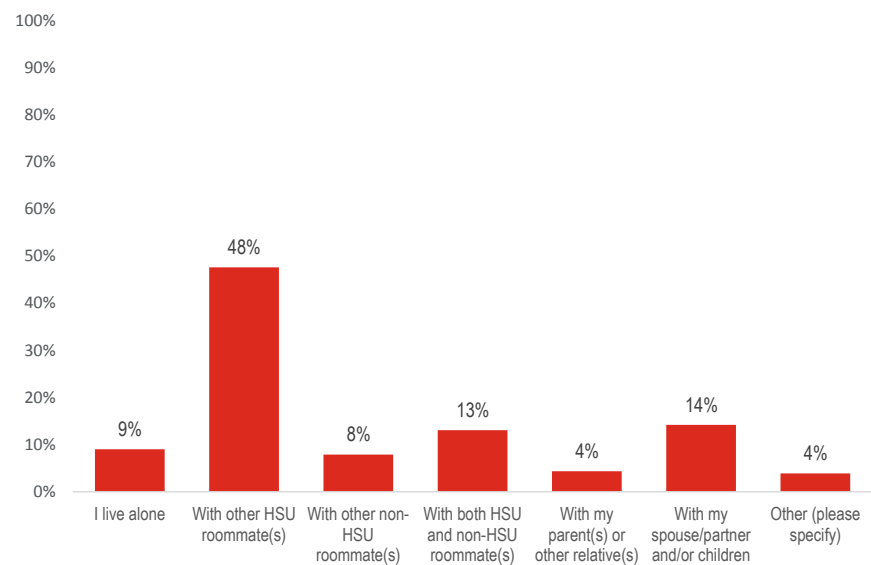


FIGURE 10: With whom do you currently live off-campus?

The factors that are least important to students’ decision about where to live this year were proximity to shopping, entertainment, or restaurants, access to campus dining, opportunity to be involved in HSU residential communities, proximity to other students, and pets. These factors were not of any significant importance when students made a decision of about where to live. This may suggest that students are rather interested in keeping cost down and limited supply of housing off-campus.

OFF-CAMPUS CHARACTERISTICS

Among the overall market respondents living off-campus, students self-reported paying an average of \$513.96 per month in rent and an additional \$75.45 in utilities, totaling an average rental cost of \$590 per month per student. On average, these students were sharing the cost of rent with one to two other students and living in a two bedroom-housing unit. Approximately 35% of survey participants demonstrated they shared a bedroom. These findings suggest that students living off-campus are

sacrificing privacy in exchange for the risk of becoming homeless and saving money.

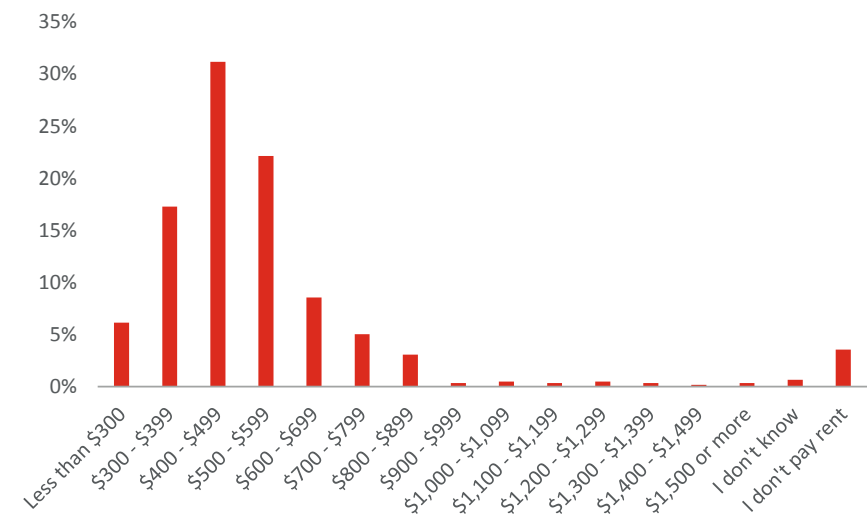


FIGURE 11: What is your personal share of monthly rent/housing costs, excluding utilities?

The average time students spent commuting one-way to campus was 14 minutes, with 36% of students who live off-campus travel to campus by walking. This average walk time to campus represents that students do prefer to live near campus if they cannot secure a place on campus. Approximately 46% of students indicated they had a rental agreement that required a lease of one year or more. These longer lease agreements are unpopular with students who prefer the flexibility to pursue opportunities outside the region during the summer.

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HOUSING AND AMENITY PREFERENCES

Students were presented with a series of housing components designed to test their preferences for features they would like to see in an on-campus housing facility. A highly amenitized project is not desired, features that provide students with a full in-unit kitchen and in-room wireless internet access were indicated as most important. Therefore, presented with a series of factors to be integrated into a potential housing facility, students indicated they wanted on-site parking (42%), Private (single) bedroom (40%), Convenient location (39%), Convenient laundry facilities in the building (34%), Fully furnished living unit (26%), Environmentally-friendly design and operation (24%), Private bathroom (23%), and a Quiet study area in the building (22%), as important to housing preference.

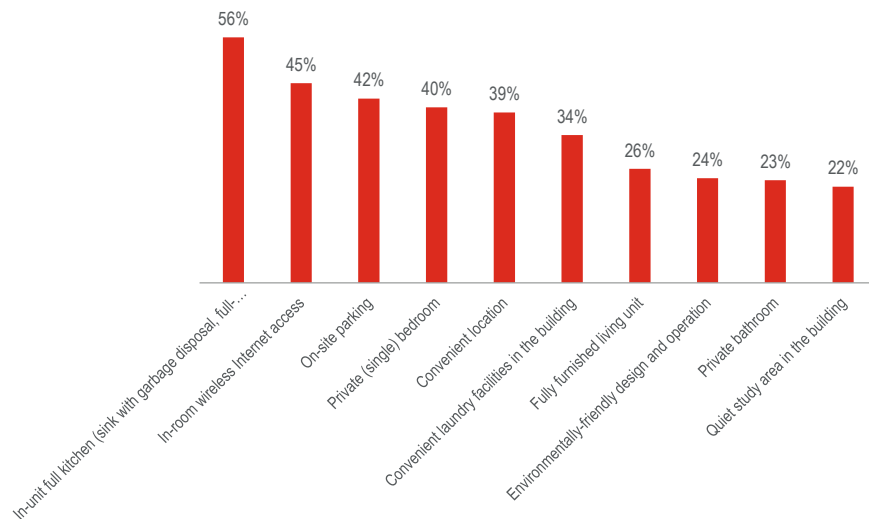


FIGURE 12: Amenities and preference importance

DEMAND ANALYSIS

OBJECTIVE

B&D developed a detailed model to project levels of demand for student housing at Humboldt State for a variety of unit types. The model’s results are based on responses from the student survey as well as current in-person enrollment figures provided by the University. Several measures were taken throughout the demand analysis to provide a conservative estimate to safeguard against occupancy issues.

METHODOLOGY

By utilizing unit types (traditional, suite-style, and various apartments) and occupancy preferences (single- versus double-occupancy rooms) submitted by students in the survey, B&D’s housing demand model projected demand based on the University’s fall 2016 total in-person enrollment.

Survey respondents were provided with a narrative description of possible campus housing options that included sample floor plans and estimated rental prices for each. Respondents were asked to indicate which unit type and occupancy preference they would select, if available this academic year (2016-2017). Additionally, a response option was provided to allow students to indicate that they would not be interested in living on campus to prevent over-inflation of demand results.

The pricing tested for the potential unit types are summarized below. These price points were selected taking into account likely potential project costs and in consideration of current on-campus housing prices.

Bed Type	Private Room		Shared Bedroom	
Traditional	\$875 to	\$925	\$525 to	\$700
Suite Style	\$1,075 to	\$1,525	\$850 to	\$925
Apartment	\$1,250 to	\$1,575	\$1,025 to	\$1,200

FIGURE 13: Tested rates, 2017 dollars, adjusted monthly

B&D developed specific target markets to create realistic demand consisting of survey respondents who would likely be interested in student housing. The combination of survey data and B&D’s judgment was used to develop the target market with the following criteria: (1) between the ages of 18 and 24; (2) junior or senior level class standing; (3) currently living off campus and not with their relatives, guardian, spouse, or children; and (4) paying a minimum rent of \$500 per month. Respondents not fulfilling these requirements were removed from the final demand results.

DEMAND SUMMARY

Using a total population consistent with fall 2016, B&D projected the following total demand for student housing below, across all class levels.

Bed Type	Demand	Existing Beds	Demand Delta
Traditional	596	456	-140
Suite Style	1172	814	-358
Apartment	1120	800	-320
	2888	2070	-818

FIGURE 14: Total projected demand for on-campus housing across bed type



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SAV



1. KEY DRIVERS OF HOUSING

What is the core purpose of housing at Humboldt State University?

- Housing at HSU facilitates attendance as well as augments the academic experience; Revenue vs student culture and institutional identity
- The benefits of housing revenue are balanced against housing's strategic inclusionary importance for student culture and institutional identity
- Housing key tool for achieving targeted graduation rates



2. HOUSING'S PERFORMANCE

What are key ways in which HSU housing is already performing well?

- Housing is viewed as effective in retention and development of student-campus identity; however gaps in program (e.g., small supply, underdeveloped second-year experience) create weak points
- Availability of first-year housing critical to recruitment of first year students



3. FINANCIAL PERFORMANCE

What are the financial realities surrounding housing at HSU?

- In regard to balance sheet, the University has several projects (e.g., science building) that demand concurrent attention
- HSU views public-private partnerships as an opportunity to overcome current project constraints (cost, capital, capacity)
- Sustainability, especially visual, a key aspect of promoting the Humboldt experience within potential new housing

The background image shows a multi-story building, possibly a hotel or apartment complex, at night. The building has many windows, some of which are illuminated from within. In front of the building is a parking lot with several cars parked. The scene is lit by streetlights, creating a warm glow. A large red semi-transparent banner is overlaid across the middle of the image, containing the title text.

DEMOGRAPHIC ANALYSIS

ANALYTICAL OVERVIEW

MARKET ANALYSES



Demographic Analysis – Increased Diversity & Draw from out of area



Focus Groups – Interest in value and community-building



Existing Conditions – Spaces that build community



Off-Campus Housing Supply Analysis – Student Adverse Market



Peer Benchmark Analysis – Competitive with peers



Survey Analysis – Affordability major student concern



Demand Analysis – Significant market demand for new beds



OVERVIEW

DEMOGRAPHIC ANALYSIS

Graduate
Enrollment

535

Undergraduate
Enrollment

7,968

8,503

Total Enrollment
for Fall 2016



18%

Increase in Undergraduate
enrollment the past 10 years

Fall 2016



56%

of population, 2%
increase in
composition since
2007



93%

Of Undergraduates
are enrolled
full-time



74%

Average retention of
first-time students



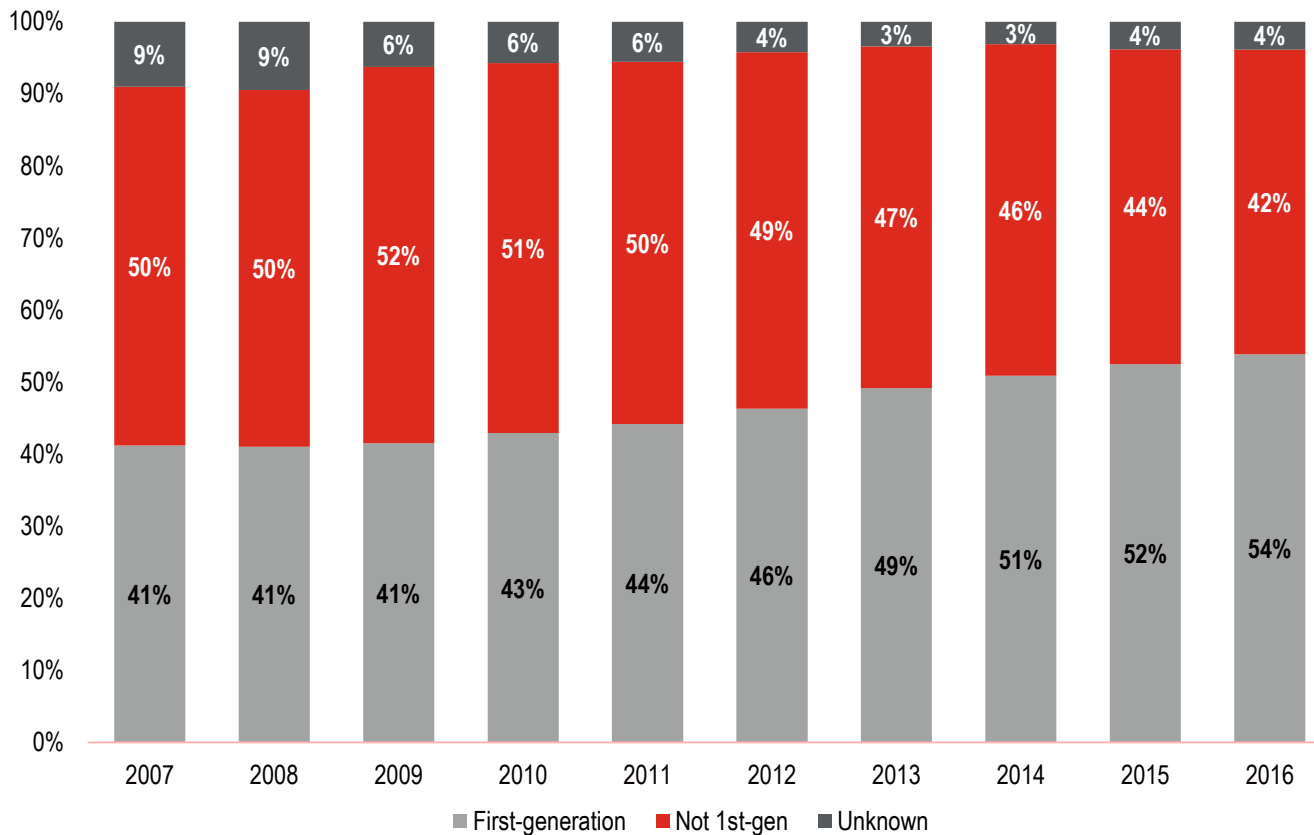
78%

Of students are
between the ages
of 18-24



FIRST GENERATION

DEMOGRAPHIC ANALYSIS




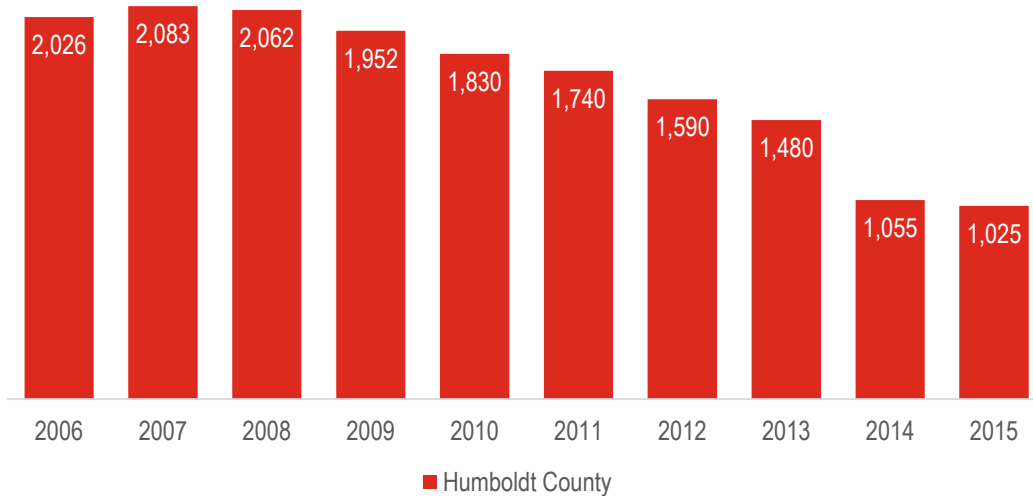
43% Increase in first-generation students in the past 10 years

3% Annual growth in number of transfer students in the past 10 years




ORIGIN

DEMOGRAPHIC ANALYSIS



49%
Decrease in
Humboldt County
population among
undergraduates in
the last 10 years



107%
Increase in *LA/San
Diego County*
populations among
undergraduates in
the last 10 years



FOCUS GROUPS



OVERVIEW

STUDENT FOCUS GROUPS

- ◆ Focus groups held October 20 – 21, 2016
- ◆ Seven focus group sessions
- ◆ 30 participants
 - Local area students
 - Transfer students
 - Both on- and off-campus students
 - Resident assistants
- ◆ Issues focused on:
 - Campus culture
 - Campus housing
 - Off-campus market
 - Preferences for future housing
 - Other spaces



FINDINGS

FOCUS GROUP ANALYSIS

◆ Campus Life

- Students chose HSU for its low cost and beautiful surroundings
- Relaxed and positive environment
- Campus size helps foster student engagement
- Marijuana a nuisance among non-smokers
- Issues around race in residential halls



◆ Campus Housing

- Convenient and expensive option
- Sense of community is housing's best feature
 - Lacking in suites and apartments
- Converted rooms seen as too small
- Lacking in community space
- Housing insecurity for cont./transfer students
- Need for maintenance – Campus Apt – “favela”





FINDINGS

FOCUS GROUP ANALYSIS

◆ Off-Campus Market

- Very difficult to attain housing off campus
 - Subject to predatory landlords/scams
- Property managers prefer “grow houses” over students
- Housing is unaffordable; requires roommates
- Public transportation is problematic
- Students forced into homelessness



◆ Future Housing & Other Spaces

- Promotion of socialization through programs and physical space
- Affordable housing options
- Additional bathrooms in traditional halls
- Suite-type units as opposed to apartments
- Resource centers for transfer/minority students
- Need for large central space, i.e., student union



The background image shows a multi-story building at night, illuminated by warm interior and exterior lights. The building has a mix of red and blue siding. In the foreground, there is a parking lot with several cars parked. Tall evergreen trees are visible behind the building. A semi-transparent red horizontal band across the middle of the image contains the text "EXISTING CONDITIONS" in white, serif, all-caps font.

EXISTING CONDITIONS

OVERVIEW

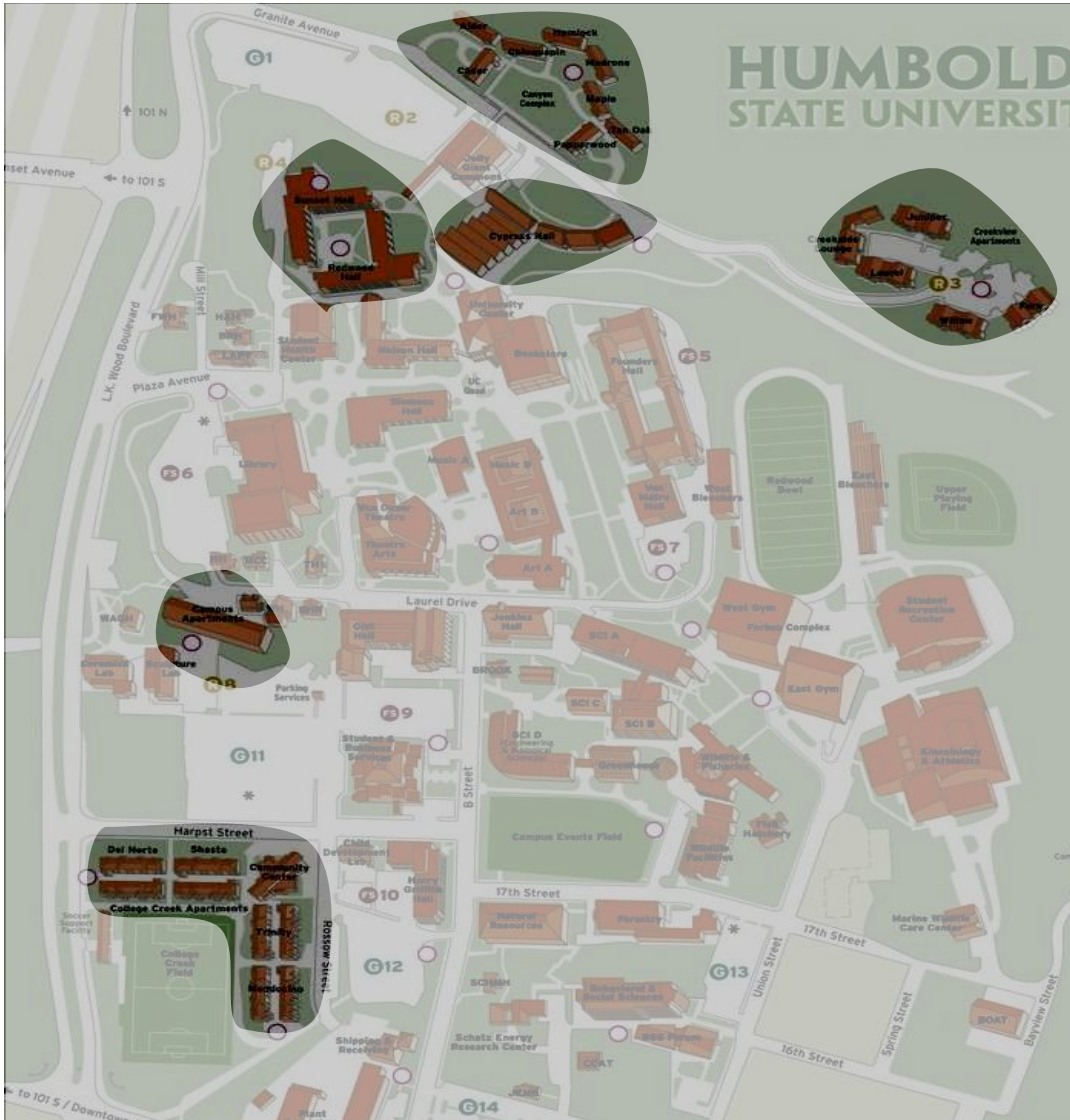
EXISTING CONDITIONS ANALYSIS

2,070 Bed Capacity for
HSU for fall 2016



27
Years Old

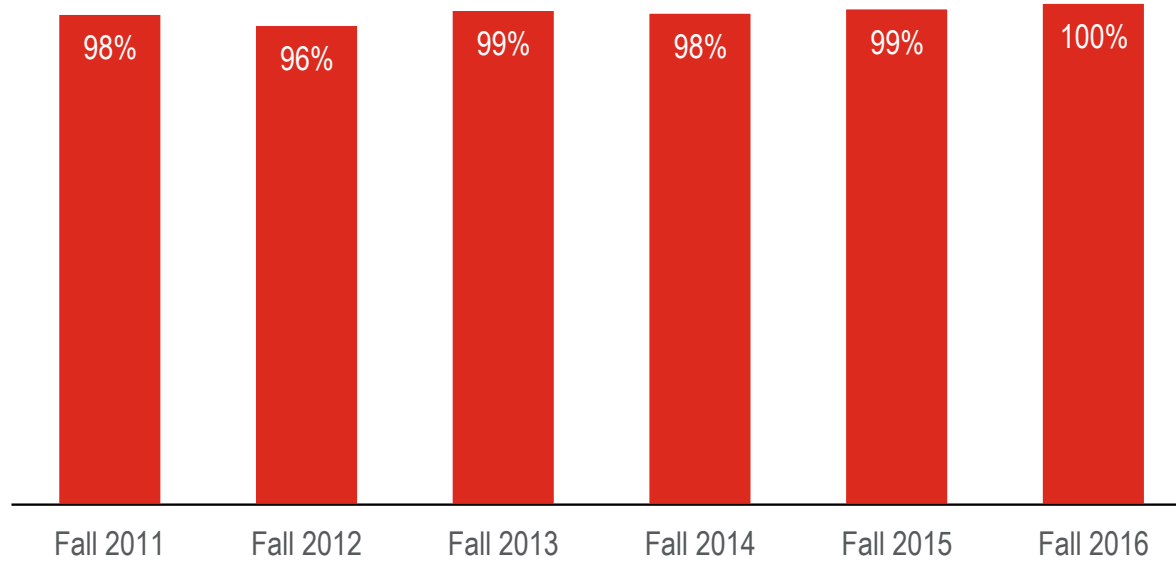
Average Age of HSU Housing Facilities





OCCUPANCY TRENDS

EXISTING CONDITIONS ANALYSIS



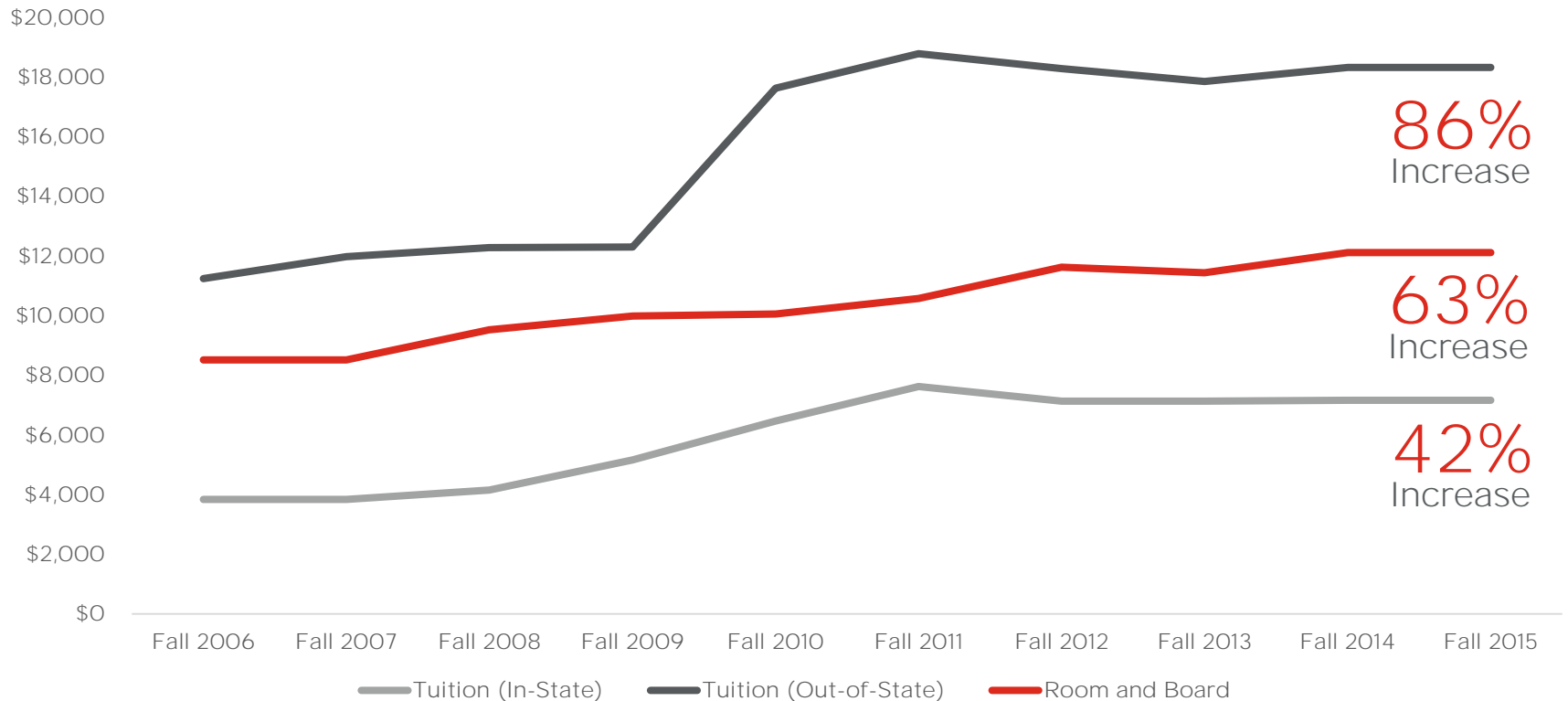
	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016
Capacity	2,012	2,013	2,013	2,021	2,047	2,070
Occupants	1,968	1,924	1,985	1,981	2,024	2,070
Occupancy	98%	96%	99%	98%	99%	100%
Waitlist	778	618	281	596	619	416

HSU has consistently experienced a very high occupancy rate in on-campus housing. Capacity has increased to meet demand, yet waitlists are still unabated.



HOUSING RATES

EXISTING CONDITIONS ANALYSIS



HSU has consistently raised student costs the past ten years with the in-state tuition experiencing the greatest increase.

Room rates have risen 55%, while board rates have only increased by

26%

The background image shows a multi-story building, possibly a university residence hall, at night. The building has many windows, some of which are lit up. In front of the building is a parking lot with several cars parked. The scene is illuminated by streetlights, creating a warm glow. A large red semi-transparent banner is overlaid across the middle of the image, containing the title text.

OFF-CAMPUS MARKET ANALYSIS



OVERVIEW

OFF-CAMPUS MARKET ANALYSIS



Multi-Family
Properties
Surveyed



Single Family
Properties
Surveyed

1.4 Miles
Average Distance of
Properties from
Campus

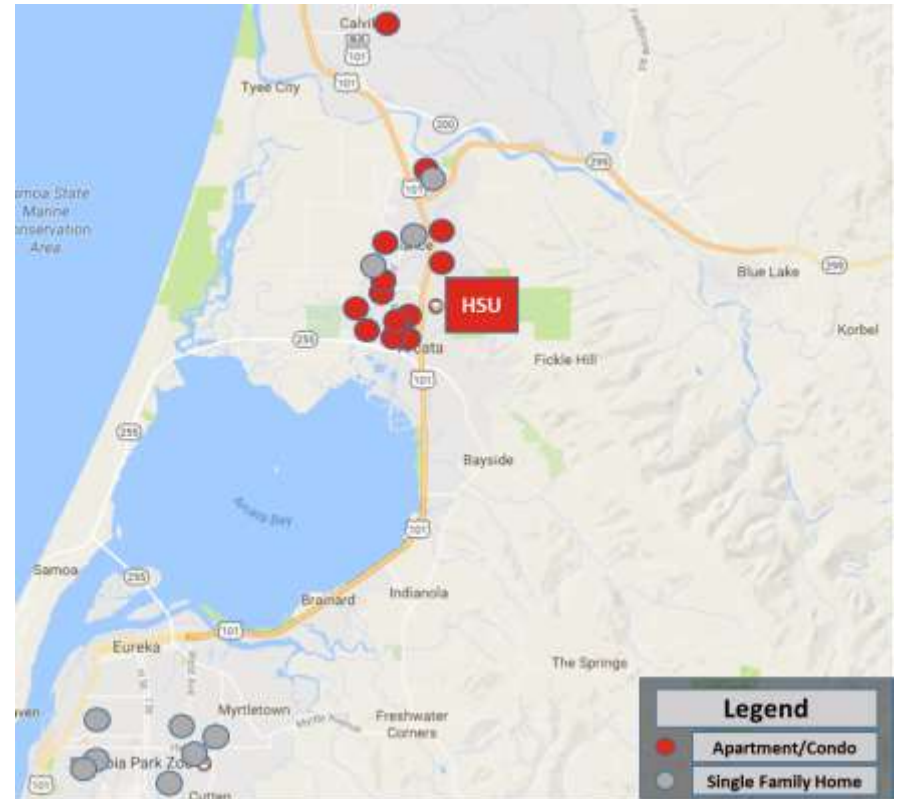
7.8 Miles
Average Distance of
Properties from
Campus



Average Rental
Rate per Person
per Month



Average Rental
Rate per Person
per Month



32
Years Old
Average Age of Multi-
Family Properties

67
Years Old
Average Age of Single
Family Properties



MARKET CONDITIONS

OFF-CAMPUS MARKET ANALYSIS

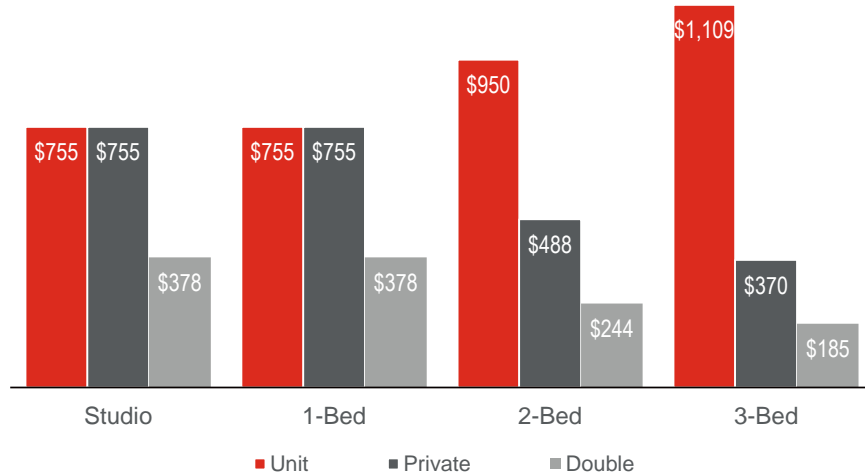
- ◆ Vacancy rates – historically low
- ◆ Supply – rate of development
 - Local government goes out of its way to make sure no new development
- ◆ Impact of marijuana industry
 - Financial incentive to rent to marijuana growers
 - Impacts students' ability to find housing
- ◆ Predatory landlords
 - Market is so tight – that landlords preying on student renters



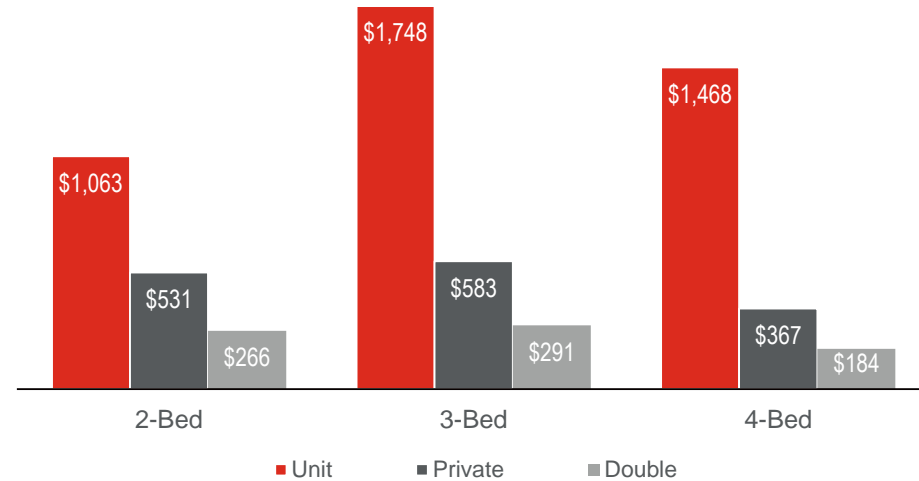
RENTAL RATES

OFF-CAMPUS MARKET ANALYSIS

Multi-Family



Single Family



Rental rate per person per month
(not including utilities)

Rental rate per person per month
(not including utilities)

\$1,031

Average security
deposit among
apartments surveyed

↓ 11%

Estimated rental rate
decrease since 2012
in Arcata, CA

Rental rates in Eureka decreased by 10%



MARKET TYPE

OFF-CAMPUS MARKET ANALYSIS

Student Averse

- ◆ Discourages Students
- ◆ Requires Credit Check
- ◆ 12-Month Leases
- ◆ Few Student Amenities
- ◆ General Market Focused

Student Friendly

- ◆ Welcomes Students
- ◆ Many Student Residents
- ◆ Some Student Amenities:
 - Fitness Center
 - Swimming Pool
 - Some Flexible Lease
 - Parental Lease Guarantee
 - Some Furnished Units

Student Focused

- ◆ Built for Students
- ◆ Only Students Residing
- ◆ Student Amenities
- ◆ Individual Lease
- ◆ Roommate Matching
- ◆ Academic Term
- ◆ Full-furnished
- ◆ Community Space
- ◆ Walk to Campus



RATE COMPARISON - 9 MO

OFF-CAMPUS MARKET ANALYSIS

Housing Rate Comparison			Off-Campus ⁴			
			Studio \$831	1-Bed \$831	2-Bed \$564	3-Bed \$446
Campus	Traditional ¹	\$853	3%	3%	51%	91%
	Semi-Suite ²	\$853	3%	3%	51%	91%
	Apartment ³	\$882	6%	6%	56%	98%

¹The Hill and Canyon - Single Occupancy (Monthly Rate)

²Creekview Suites - Single Occupancy (Monthly Rate)

³Average of Creekview, Campus and College Creek Apts - Single Occupancy (Monthly Rate)

⁴Assumes single occupancy and the addition of a \$76 utility rate (Monthly Rate)

On average, survey respondents indicated renting in a 2-BD or 3-BD



RATE COMPARISON - 12 MO

OFF-CAMPUS MARKET ANALYSIS

Housing Rate Comparison			Off-Campus ⁴			
			Studio \$1,083	1-Bed \$1,083	2-Bed \$727	3-Bed \$569
Campus	Traditional ¹	\$853	-21%	-21%	17%	50%
	Semi-Suite ²	\$853	-21%	-21%	17%	50%
	Apartment ³	\$882	-19%	-19%	21%	55%

¹The Hill and Canyon - Single Occupancy (Monthly Rate)

²Creekview Suites - Single Occupancy (Monthly Rate)

³Average of Creekview, Campus and College Creek Apartments - Single Occupancy (Monthly Rate)

⁴Assumes single occupancy and the addition of a \$76 utility rate (Monthly Rate)

On average, survey respondents indicated renting in a 2-BD or 3-BD

The background image shows a multi-story building with many windows, some of which are illuminated from within. The building is surrounded by tall evergreen trees. In the foreground, there is a parking lot with several cars parked. The scene is captured at night, with streetlights providing illumination. A semi-transparent red banner is overlaid across the middle of the image, containing the title text in white.

BENCHMARKING ANALYSIS



PEER BENCHMARKING

INSTITUTIONS

**Southern
Oregon
University**

CSU - Chico

**CSU –
Dominguez
Hills**

**Sonoma State
University**

**CSU –
Monterey Bay**

**Western
Washington
University**

**University of
California –
Santa Cruz**

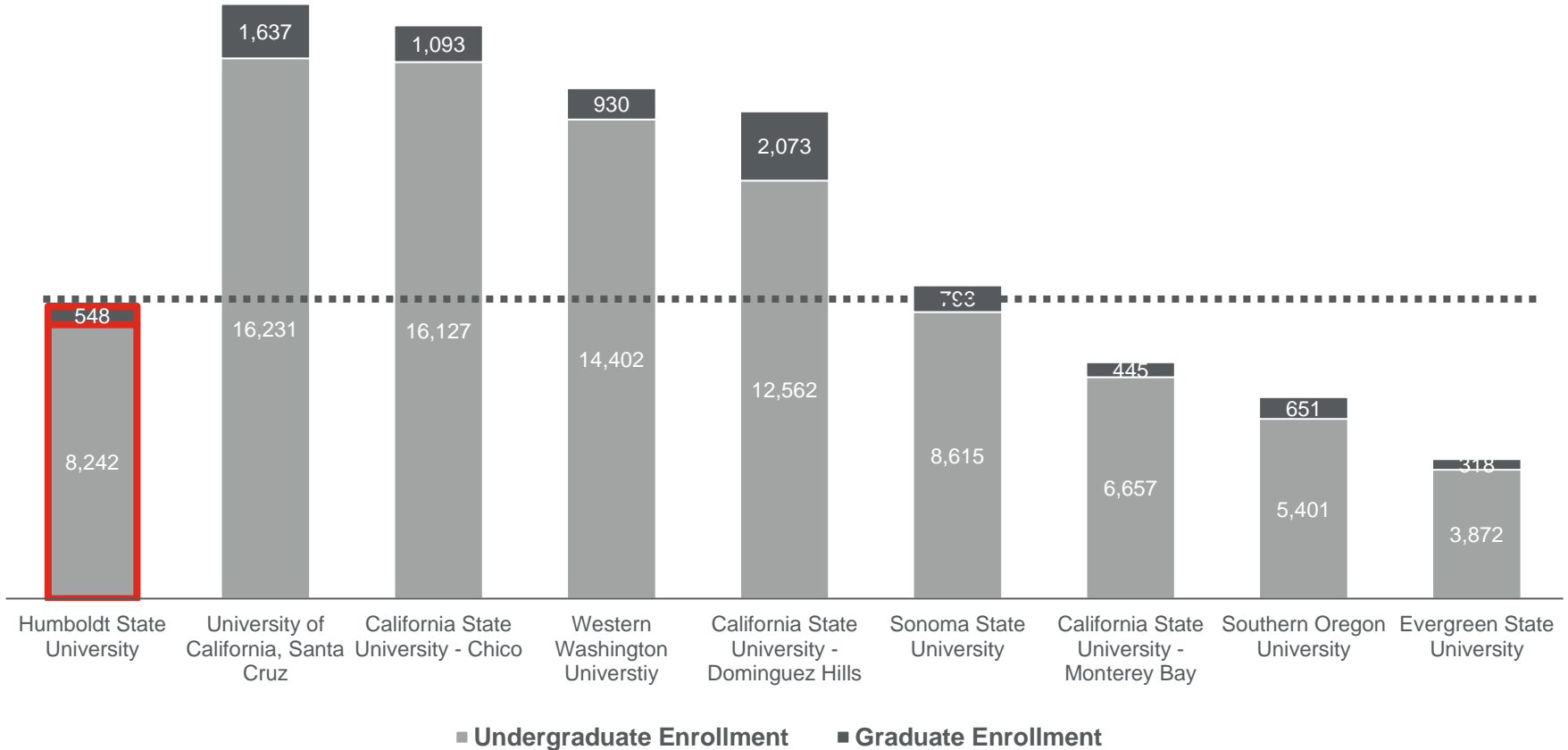


ENROLLMENT

PEER BENCHMARKING

8,790

Total enrollment





HOUSING CAPACITY

PEER BENCHMARKING

Housing Capacity

3,091

*Benchmark
average*

2,047

HSU

Capacity to House Undergrads

27%

*Benchmark
average*

23%

HSU



HOUSING RATES

PEER BENCHMARKING

University	Traditional Housing			Semi-Suite Housing			Suite-Style Housing			Apartment Style Housing		
	Single	Double	Triple	Single	Double	Triple	Single	Double	Triple	Private	Double	Triple
Humboldt State University	\$7,596	\$6,136	\$4,566	\$7,596	\$6,136	\$4,566	-	-	-	\$7,855	\$6,304	-
Southern Oregon University	\$7,111	\$6,176	-	-	-	-	-	-	-	\$6,593	-	-
California State University - Chico	\$6,976	\$6,508	\$6,225	-	-	-	-	-	-	\$6,464	\$5,642	-
California State University - Dominguez Hills	-	-	-	-	-	-	-	-	-	-	\$6,500	-
Sonoma State University	-	-	-	-	-	-	\$6,889	\$5,886	-	\$7,681	\$6,481	\$4,414
California State University - Monterey Bay	\$6,668	\$5,394	\$4,947	-	-	-	\$6,814	\$5,584	-	\$7,069	\$5,691	-
Western Washington University	\$6,249	\$5,439	\$4,674	\$6,249	\$5,439	-	\$6,249	\$5,439	\$4,674	\$4,466	\$2,766	-
Evergreen State University	\$4,563	\$3,858	-	-	-	-	-	-	-	\$4,671	-	-
University of California, Santa Cruz	\$8,138	\$7,063	\$6,487	-	-	-	-	-	-	\$8,933	\$7,371	\$6,716
AVERAGES:	\$6,617	\$5,740	\$5,583	\$6,249	\$5,439	-	\$6,651	\$5,636	\$4,674	\$6,554	\$5,742	\$5,565
Variance	13%	6%	-22%	18%	11%	-	-	-	-	17%	9%	-

Room & Board rates (traditional-double) were 6% higher at HSU

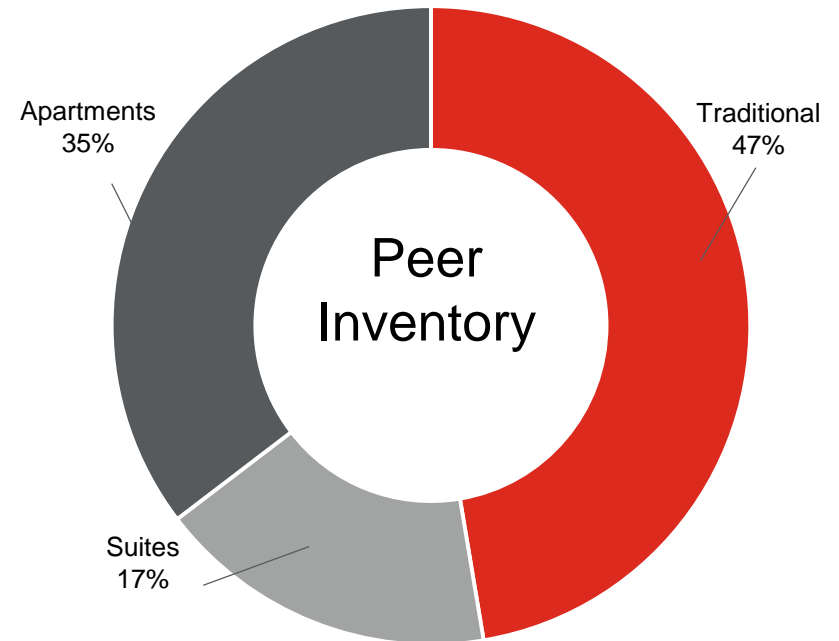
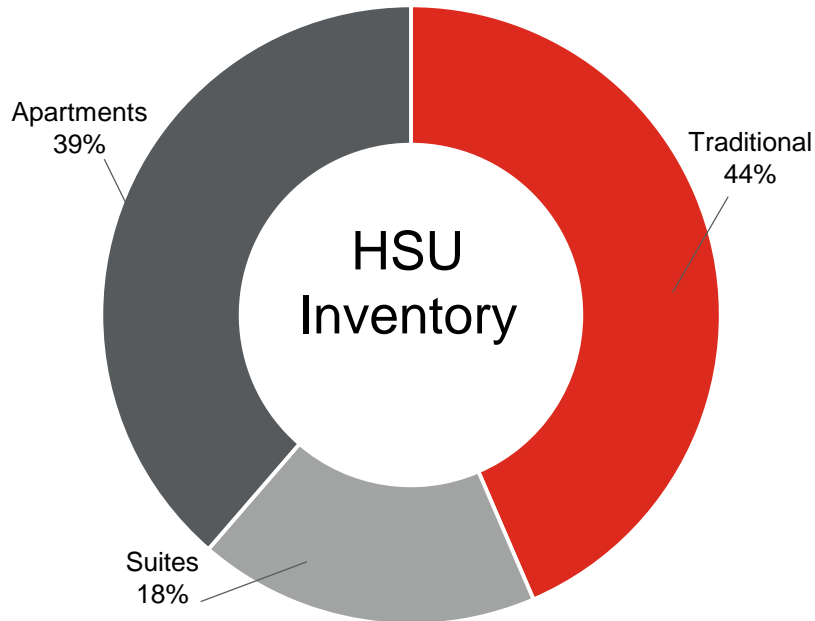
Remaining rental rates at HSU were 8% higher



UNIT COMPOSITION

PEER BENCHMARKING

Unit-Type Comparison



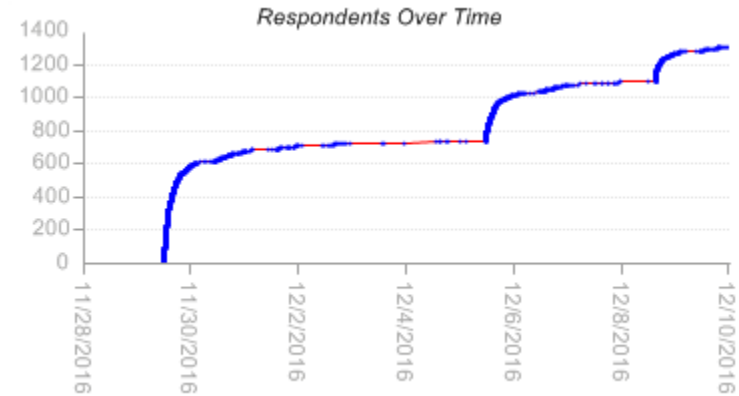
Peer institutions have a comparable unit mix



OVERVIEW

SURVEY ANALYSIS

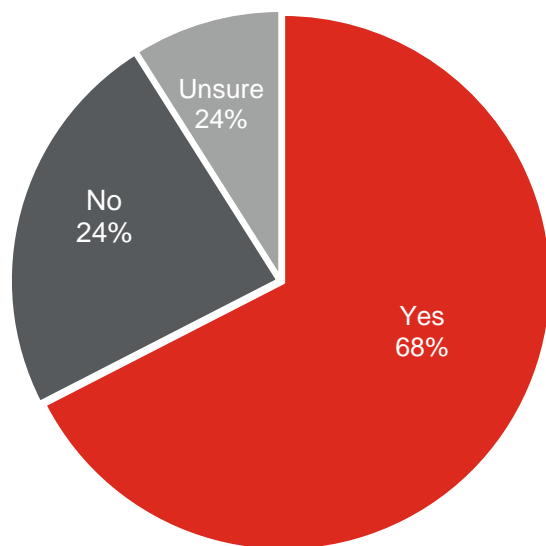
- ◆ Survey Range: 11/29/2016 – 12/10/16
- ◆ Send to all enrolled HSU students
- ◆ 1,313 respondents
 - 15.7% response rate
- ◆ +/- 2.5% Margin of Error
 - 95% Confidence Interval
- ◆ Variance among survey and campus populations below 10%
 - Underrepresentation of 20-24 year olds
 - Slight underrepresentation of males



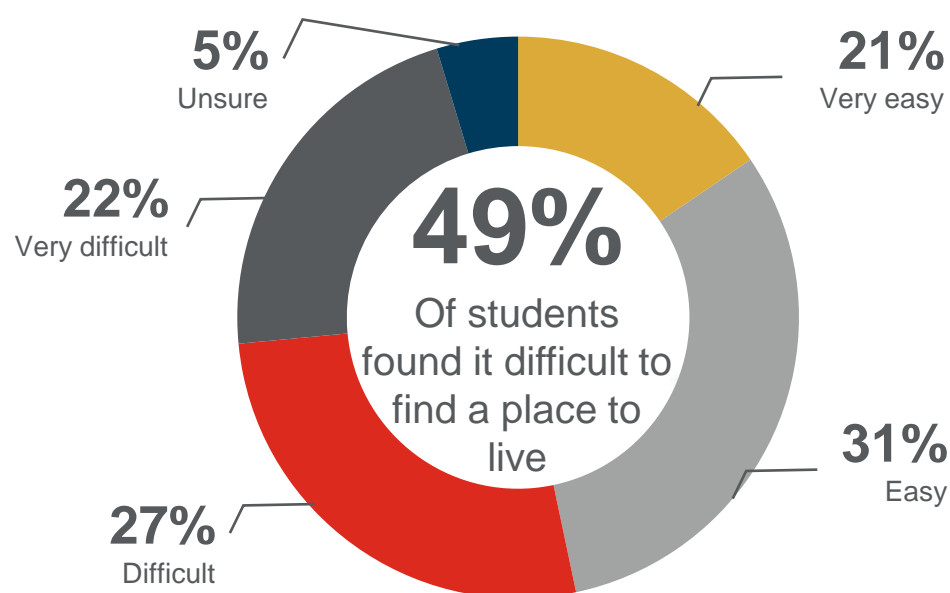
CURRENT HOUSING

SURVEY ANALYSIS

Did you expect HSU to provide you housing during your first year (n=1,269)?:



Once enrolled for the first time at HSU, how easy was it for you to find a place to live on or near campus (n=619)?:

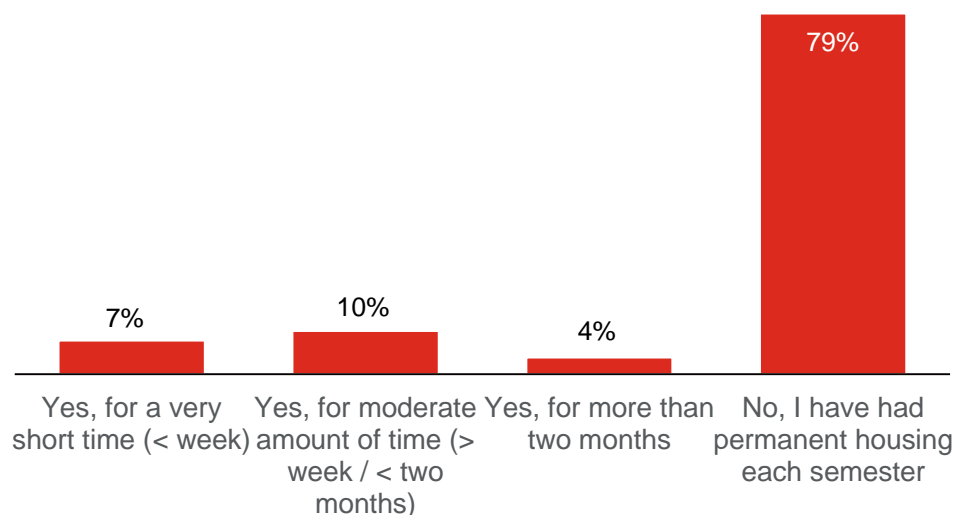


Almost 21% of students experienced housing insecurity in the past academic year

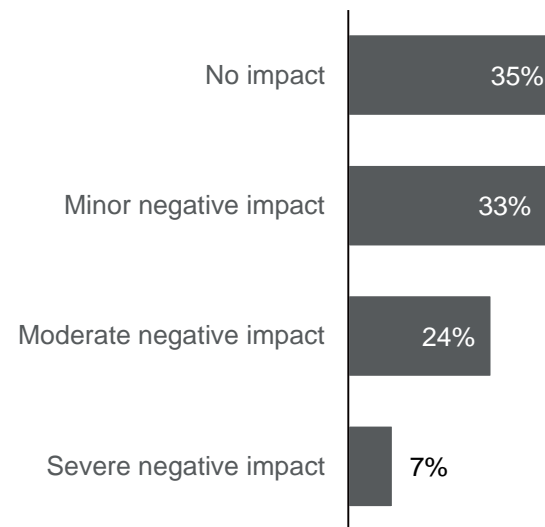
CURRENT HOUSING

SURVEY ANALYSIS

During the academic year at HSU, have you ever not had a permanent place to stay (n=1,271)?:



What negative impact has renting in the off-campus market had on your academic pursuits (n=619)?:

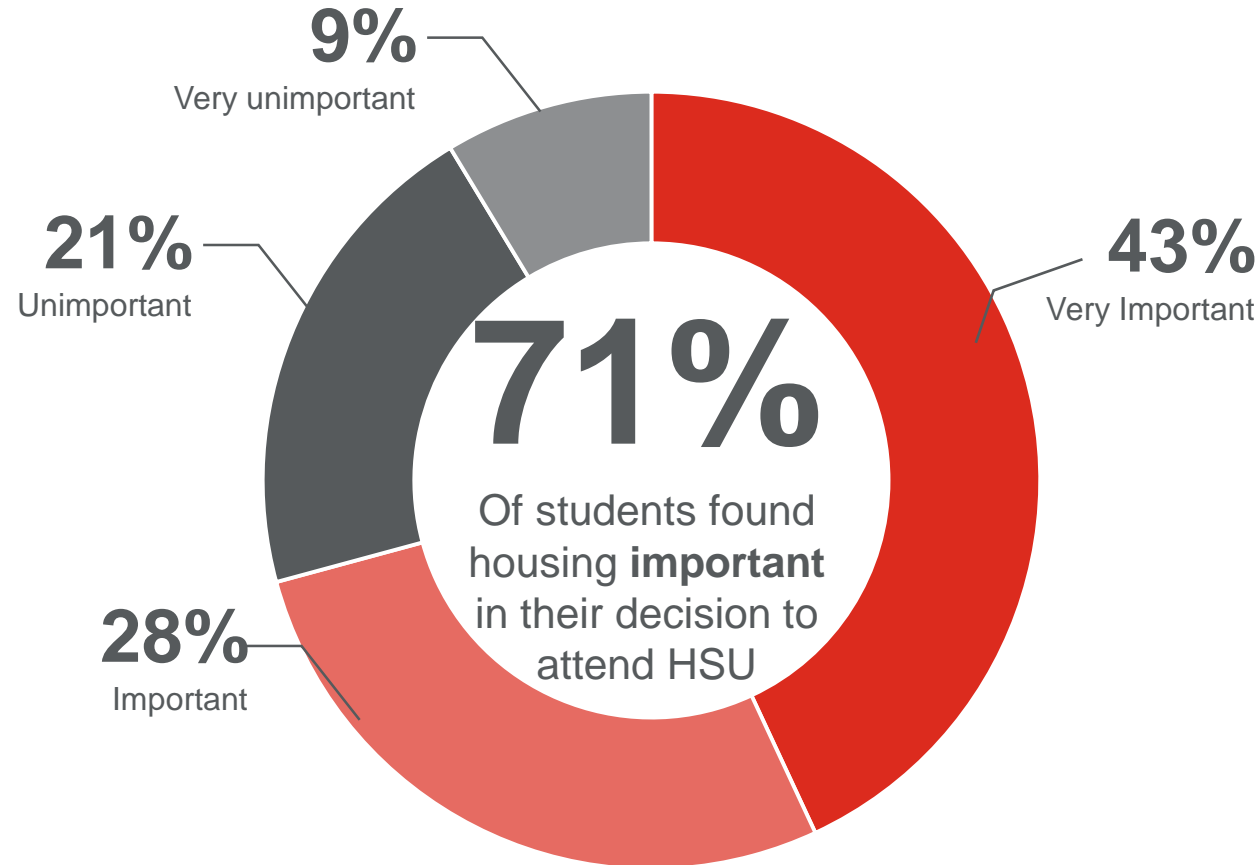


Almost 21% of students experienced housing insecurity in the past academic year

IMPORTANCE OF HOUSING

SURVEY ANALYSIS

How important
was the
availability of
on-campus
housing in your
decision to
attend Humboldt
State
University?
(n=1,270)



ON-CAMPUS HOUSING

SURVEY ANALYSIS

Please indicate your level of agreement with each of the following statements (n=943):

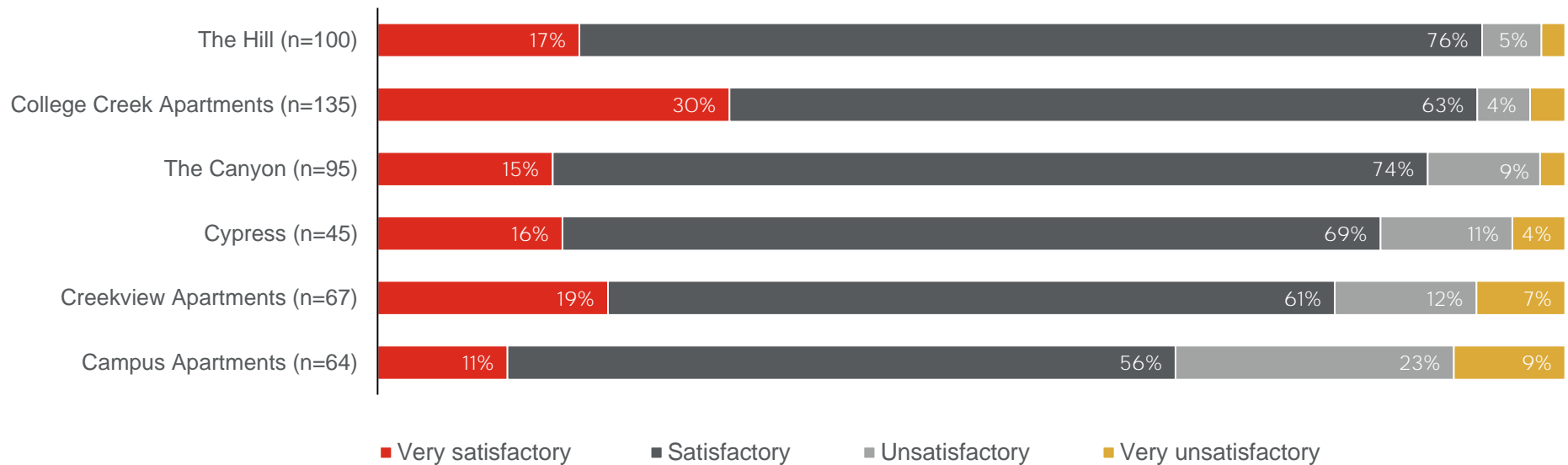
STATEMENTS	Strongly Agree / Agree
Provided me with a convenient living option	94%
Introduced me to new friends	92%
Helped acclimate me to life at HSU	92%
Provided me with a safe, secure environment	86%
Living on campus enhanced my overall experience at HSU	85%
Provided me with a sense of community	78%
Had a positive influence on my academic performance	76%
Provided me with leadership opportunities	55%
Provided me with a cost effective living option	39%

Cost effectiveness and leadership opportunities were lacking in residential living

LIVING CONDITIONS

SURVEY ANALYSIS

On-campus students: How would you describe your current living conditions?



Focus group students expressed that the sense of community was strongest in traditional halls

SATISFACTION LEVELS

SURVEY ANALYSIS

How would you describe your current housing situation?

FACTORS	On-campus students	Off-campus students
Proximity to academic interests	94%	79%
Current lease	87%	91%
Proximity to off-campus interests	80%	81%
Privacy	76%	87%
Amenities provided	74%	86%
Rental Rate	54%	74%

*Percentage reflects factors “very satisfied” or “satisfied”

Off-campus students traveled on average 14 minutes one-way to campus

DECISION FACTORS

SURVEY ANALYSIS

What were the FIVE MOST important factors in your decision on where to live this year?

FACTORS | OFF-CAMPUS RENTERS

- 1 Total Cost of Rent & Utilities (86%)
- 2 Private (single) Bedroom (43%)
- 3 Proximity to Classes (42%)
- 4 Ability to choose roommate (38%)
- 5 Availability of a Kitchen (28%)

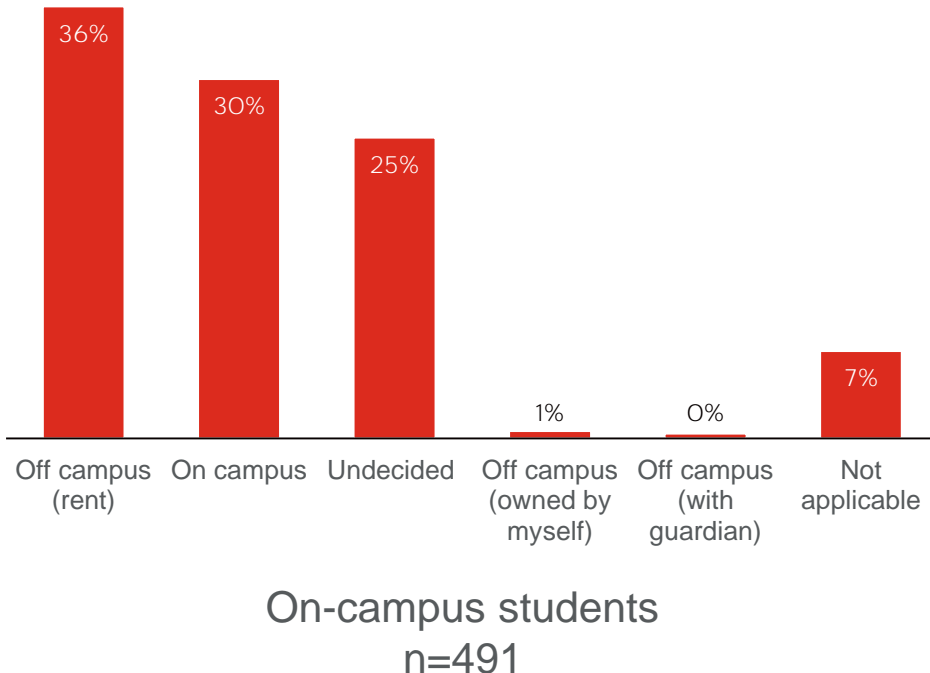
FACTORS | ON-CAMPUS STUDENTS

- 1 Proximity to Classes (65%)
- 2 Total Cost of Rent & Utilities (44%)
- 3 High-Speed Internet (36%)
- 4 Access to School Resources (36%)
- 5 Access to Campus Dining (30%)

FUTURE HOUSING

SURVEY ANALYSIS

Where do you plan to live next year while attending HSU?



If considering living off campus next year, why would you prefer to do so?

REASON	Percentage
1 More cost effective	79%
2 More privacy	46%
3 Fewer rules and regulations	45%
4 Ability to live with or near friends	35%
5 More living space	35%

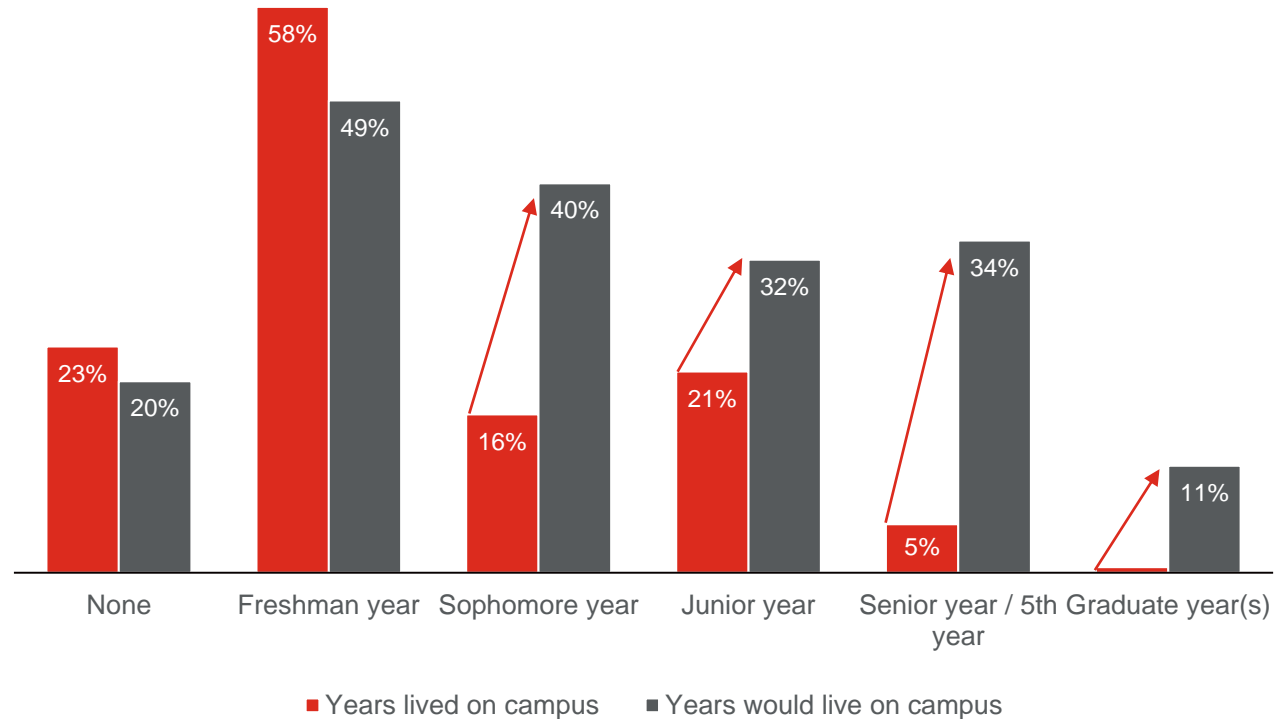
On-campus students
n=491

A greater proportion of students are moving into the off-campus market

POTENTIAL HOUSING

SURVEY ANALYSIS

Which years have you lived on campus vs. what years would you live on campus if your preferences were met?



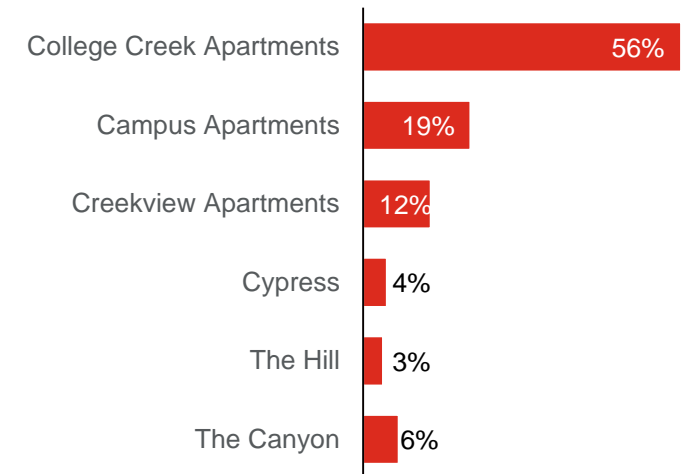
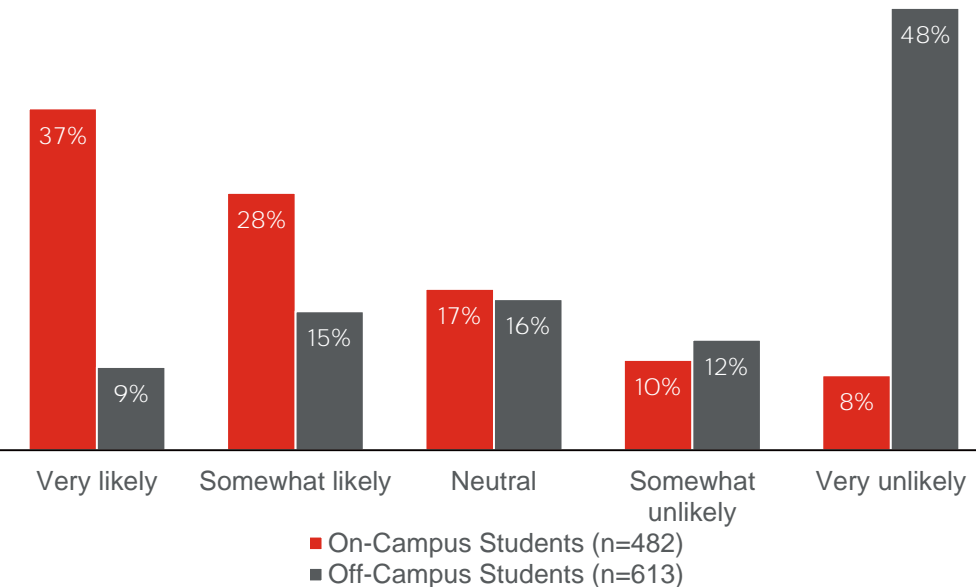
An unmet demand for housing exists among HSU students

POTENTIAL HOUSING

SURVEY ANALYSIS

Would you choose to live on campus if additional housing were available?

In what building would you prefer to live in (n=144) ?



HOUSING PREFERENCES

SURVEY ANALYSIS

How important are each of the following factors as HSU considers improvements to on-campus housing?

IMPORTANT FACTORS	On-Campus Students	Off-Campus Students	1st Generation
Keep housing affordable	100%	98%	100%
Support my graduating at HSU	88%	86%	89%
Improve the physical condition	85%	82%	84%
Improve residential dining	84%	82%	84%
Make housing policies more student friendly	82%	89%	87%
Improve on campus amenities	80%	78%	81%
Increase attractiveness to future students	70%	60%	68%
Increase the residential population	59%	55%	61%
Create more themed housing	42%	38%	47%

HOUSING PREFERENCES

SURVEY ANALYSIS

Most Important Physical Features to Consider with New On-campus Housing



56%

In-Unit Full Kitchen



42%

On-site Parking



39%

Convenient Location



45%

In-room wireless Internet access



40%

Private (Single) Bedroom



34%

Laundry facilities in building

Which personal preferences would be the most important to you?

54%

Flexible payment terms

39%

Fewer rules and regulations

49%

Ability to retain the same living unit from year to year

33%

Availability of maintenance and custodial services

48%

Ability to choose own HSU roommates

17%

24-hour on-site management

45%

Flexible occupancy terms

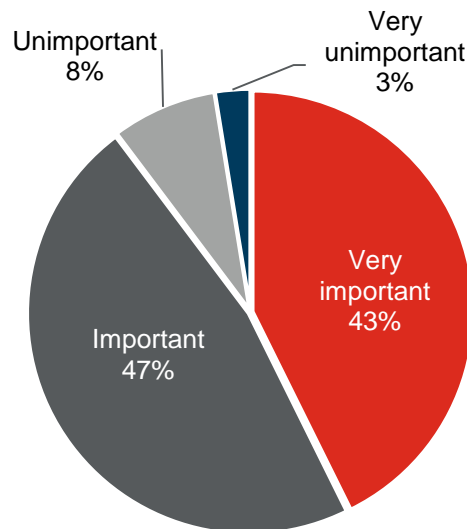
17%

Availability theme communities

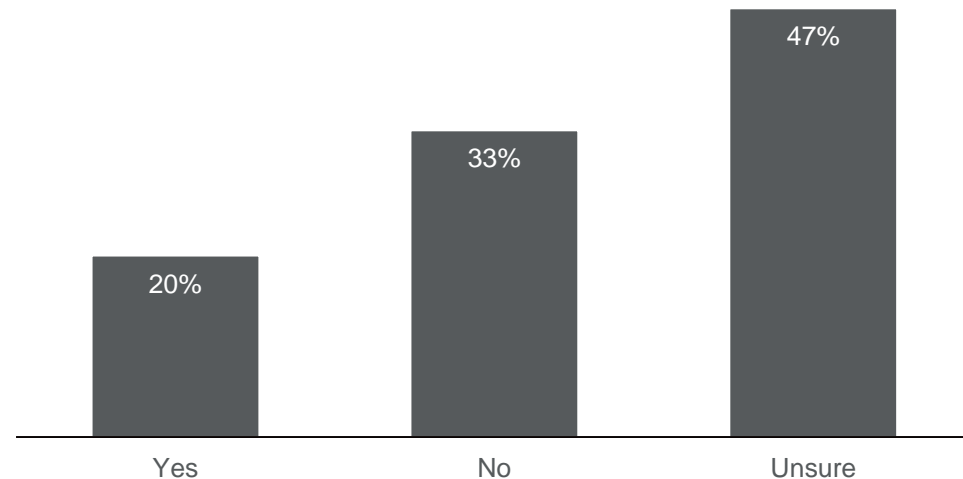
SUSTAINABILITY

SURVEY ANALYSIS

How important of a feature is sustainability to a new housing facility (n=1,054)?



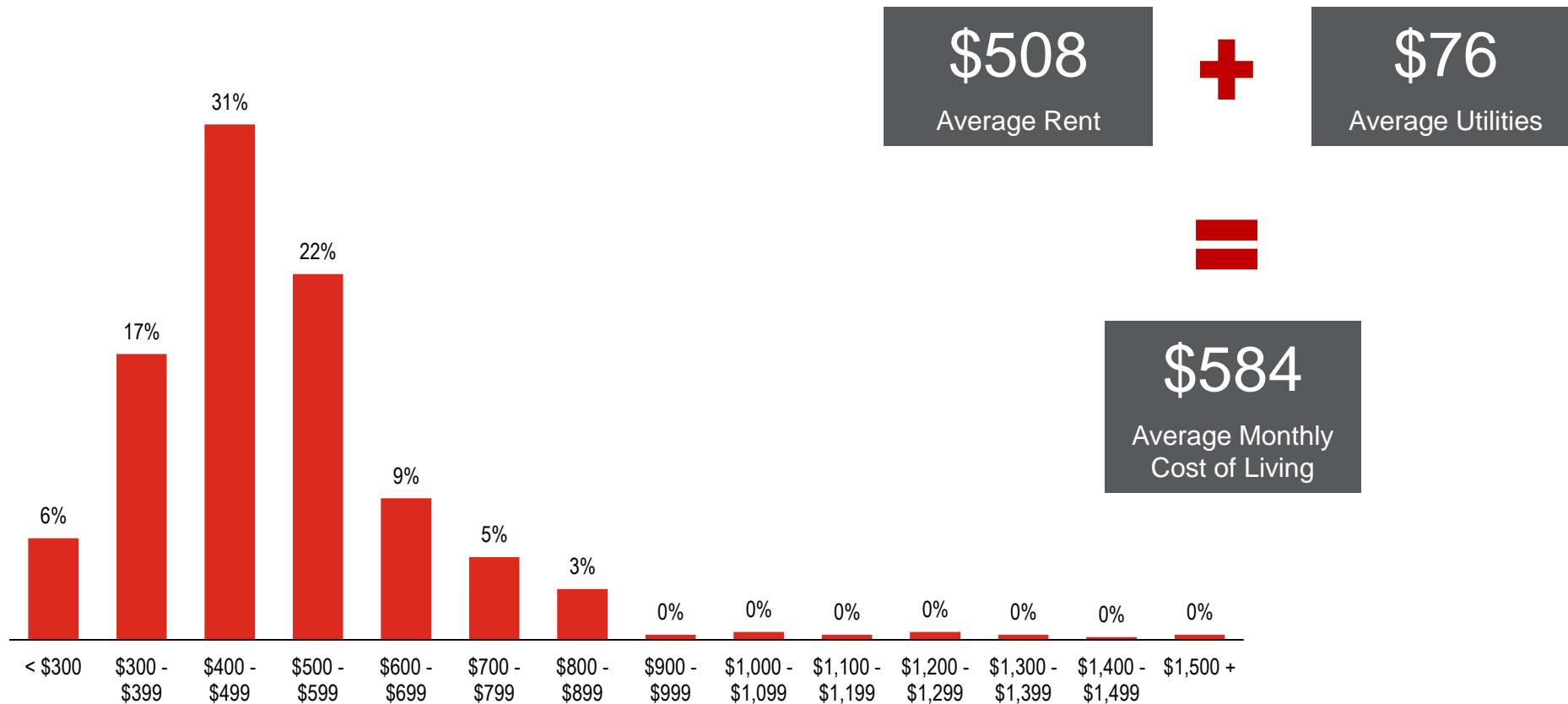
Would you pay a 15% to 20% premium to ensure new housing used sustainable practices (n=1,076)?



Renewable energy sources and rainwater reuse were the two most important sustainable attributes to respondents

OFF-CAMPUS MARKET

SURVEY ANALYSIS



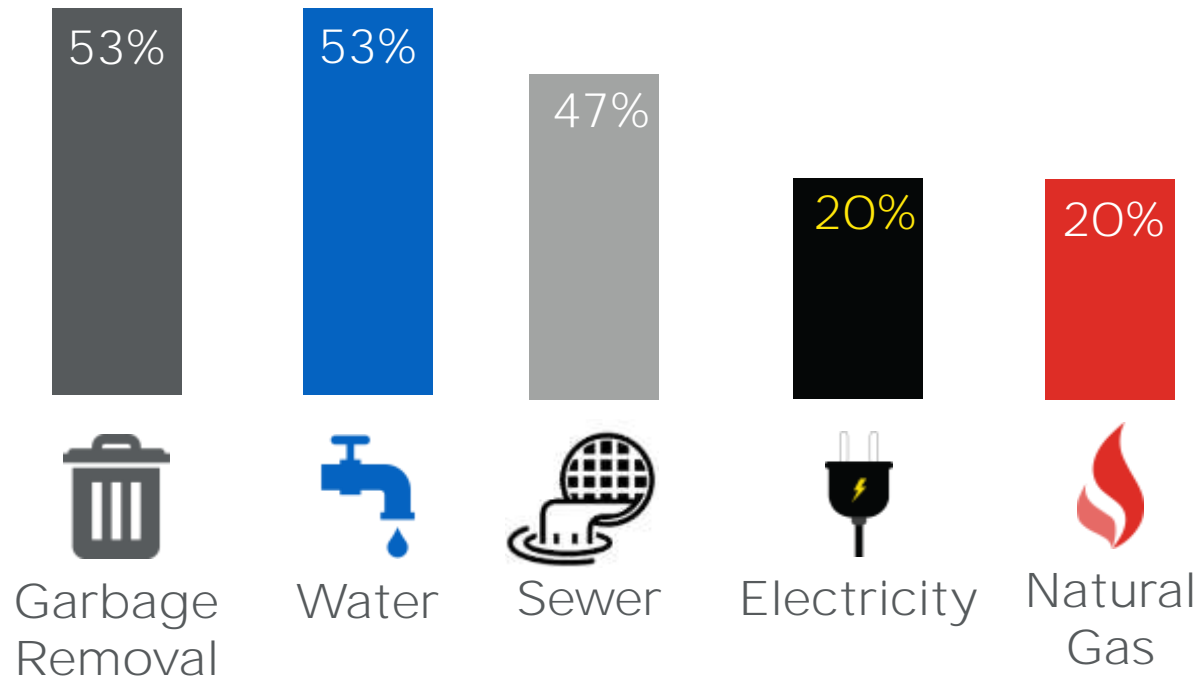
Nearly 66% of students lived in a private bedroom

Almost half of students were in a lease of one year or more



INCLUDED UTILITIES

OFF-CAMPUS MARKET ANALYSIS



Garbage removal, water, and sewer were the most commonly included utilities in the price of rent

TUITION AND FEES

PEER BENCHMARKING

**In-state
Tuition**

\$7,227
benchmark
average

\$7,212
HSU

**Out-of-state
Tuition**

\$18,660
benchmark
average

\$16,632
HSU

Tuition levels were relatively equal, contrary to focus group feedback

COST OF HOUSING

PEER BENCHMARKING

Room & Board Rate

\$11,923

*Benchmark
average*

\$12,638

HSU

Retention Rate

79%

*Benchmark
average*

75%

HSU

Room & Board rates were 6% more at HSU

- ◆ Resident Halls
 - Hardman Hansen Hall (HHH)
 - Robison Hall (renovated 1991)
 - Essene Hall (renovated 1993)
- ◆ Responsible for performing one 4-hour chore shift per week

400+
Residents

	HHH	Robison Hall	Essene
Unit Type	Cooperative Housing Hall	Cooperative Housing Hall	Cooperative Housing Hall
Meal Plan	Nineteen meals/ week	Nineteen meals/ week	Nineteen meals/ week
Price Points (AVG)	\$1,664/ Qr.	\$1,807/ Qr.	\$1,640/ Qr.
Room Type	Suite, Single, Double, Triple	Single, Double, Triple, Quad	Small, Regular, Triple



Love Memorial Hall

- ◆ Built in 1940
- ◆ \$45,000 donated
- ◆ Purpose: **Help young women make their way through college**
- ◆ Responsible for cooking and cleaning 4-6 hours per week



45 Female Residents

	Abel Hall	Love Memorial Hall
Unit Type	Traditional Hall	Cooperative Housing Hall
Meal Plan	Seven-day meal plan	+\$1,000 food allowance
Price Points	\$10,225/academic year	\$3,558/academic year
Room Type	Double	Double



Taylor Hall

- ◆ Built in 1996
- ◆ Allentown, PA
- ◆ \$13.2 Million (5 dormitories)
- ◆ Saves 5-10% on construction costs

CASE STUDIES

MUHLENBERG COLLEGE

SIZE **25,920** sq ft

TIME **120** days

CAPACITY **145** students

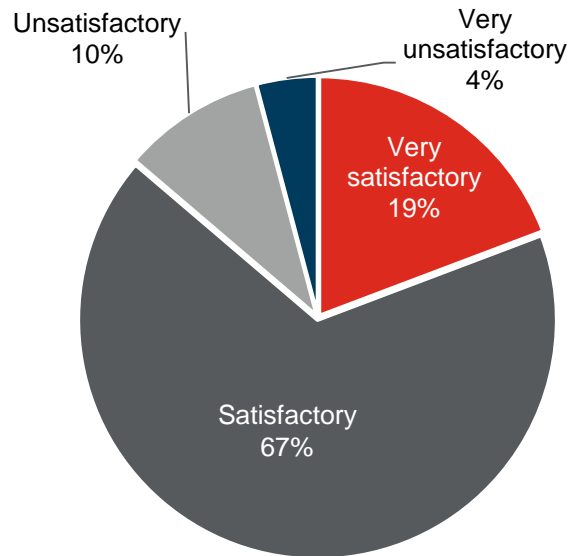
	Kathryn P. Taylor Hall
Unit Type	Traditional Residence Hall
Meal Plan	\$4,405/academic year
Price Points (AVG)	\$6,825/academic year
Room Type	Suite, Single, Double, Triple



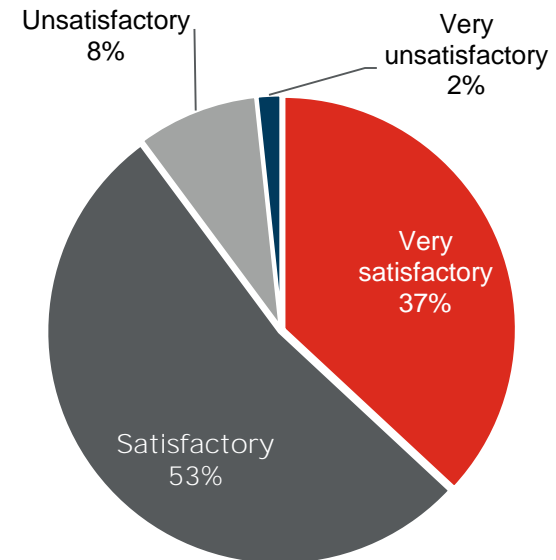
LIVING CONDITIONS

SURVEY ANALYSIS

On-campus students: How would you describe your current living conditions?



On-campus students
n=509



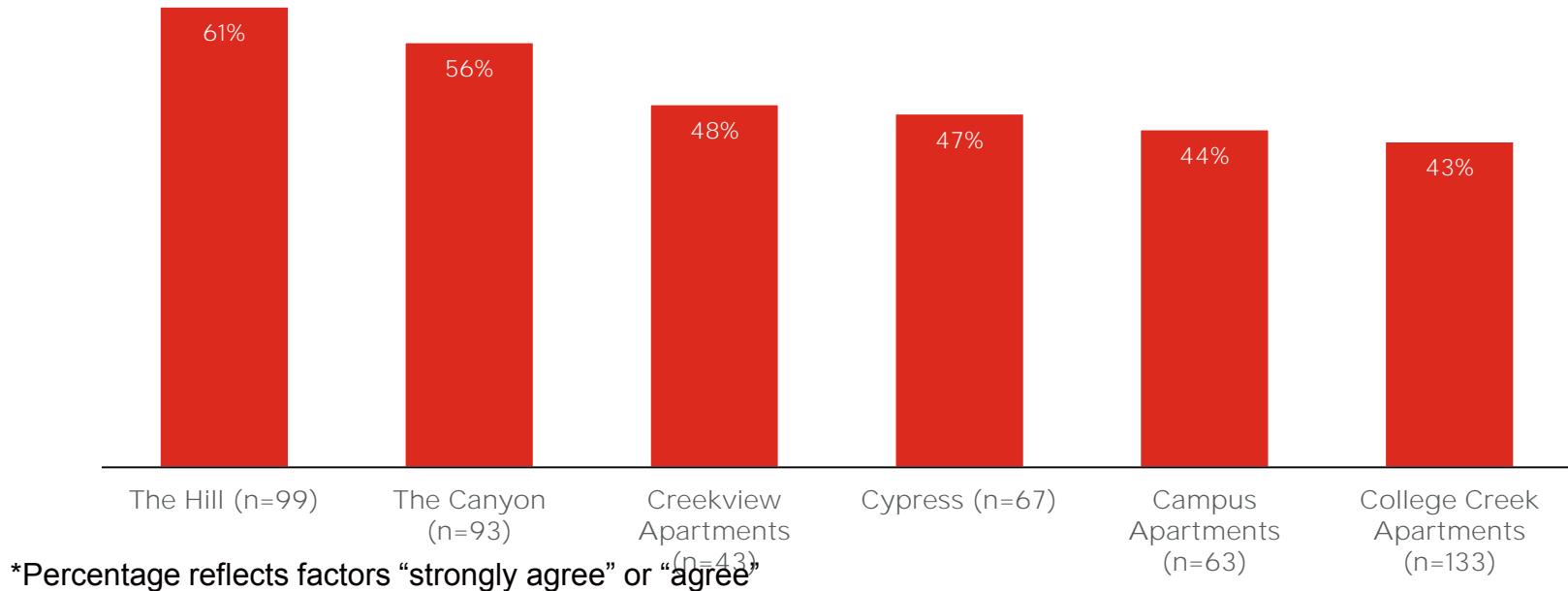
Off-campus students
n=650

Satisfaction levels were higher among students living off campus

COST EFFECTIVENESS

SURVEY ANALYSIS

On-campus respondents that indicated housing provided them with a “Cost effective living option” by housing facility



Greater value is perceived in traditional halls

Demand Analysis



PROCESS/METHODOLOGY

DEMAND ANALYSIS

- ◆ Demand analysis is a combination of **qualitative and quantitative methods** that are used to inform B&D's demand model.
- ◆ Model projects **demand** through the extrapolation of unit type preferences to the HSU population.
- ◆ A series of filters are then used to isolate a **likely target market** to project a range of demand
- ◆ An **Occupancy Coverage Ratio** is applied to mitigate occupancy risk.
- ◆ Students not interested in housing had the ability to decline all housing options on survey



TARGET MARKET FILTERS

DEMAND ANALYSIS

◆ Likely Target Market

- Enrolled full-time
- Renting off-campus
- Paying \$500/month or more in rent
- Undergraduates aged 18-24
- Graduates aged 18-29

OR

- Already living on campus

◆ Assumptions

- Based on fall 2016 enrollment of (8,503)
- No enrollment growth
- OCR to mitigate risk

Those not meeting this criteria are excluded from the demand analysis



EXISTING CAPTURE RATES

DEMAND ANALYSIS

Age	Current Enrollment	Capture Rate	Current Occupancy
First-time Freshmen	1,810	69%	1,254
Sophomores	1,073	20%	214
Juniors	2,108	19%	403
Seniors	2,977	5%	150
Graduate Students	535	1%	5
Total	8,503	24%	2,026

Capture rates
are low
among
upper-
classmen



DEMAND-BASED PROGRAM

DEMAND ANALYSIS

Demand by Unit Type	Current Demand	Existing Bed Count	Delta
Traditional (Single)	137	14	(123)
Traditional (Double)	298	346	48
Traditional (Triple)	161	96	(65)
Semi-Suite (Single)	446	164	(282)
Semi-Suite (Double)	539	560	21
Semi-Suite (Triple)	0	90	90
Full-Suite (Single)	107	0	(107)
Full-Suite (Double)	80	0	(80)
Studio (Double)	167	0	(167)
Two-bedroom Apartment (Single)	290	11	(279)
Two-bedroom Apartment (Double)	189	196	7
Three-bedroom Apartment (Single)	0	12	12
Three-bedroom Apartment (Double)	0	120	120
Four-bedroom Apartment (Single)	349	315	(34)
Four-bedroom Apartment (Double)	0	146	146
Cooperative Housing (Double)	124	0	(124)
TOTAL DEMAND FORECAST	2,888	2,070	(818)

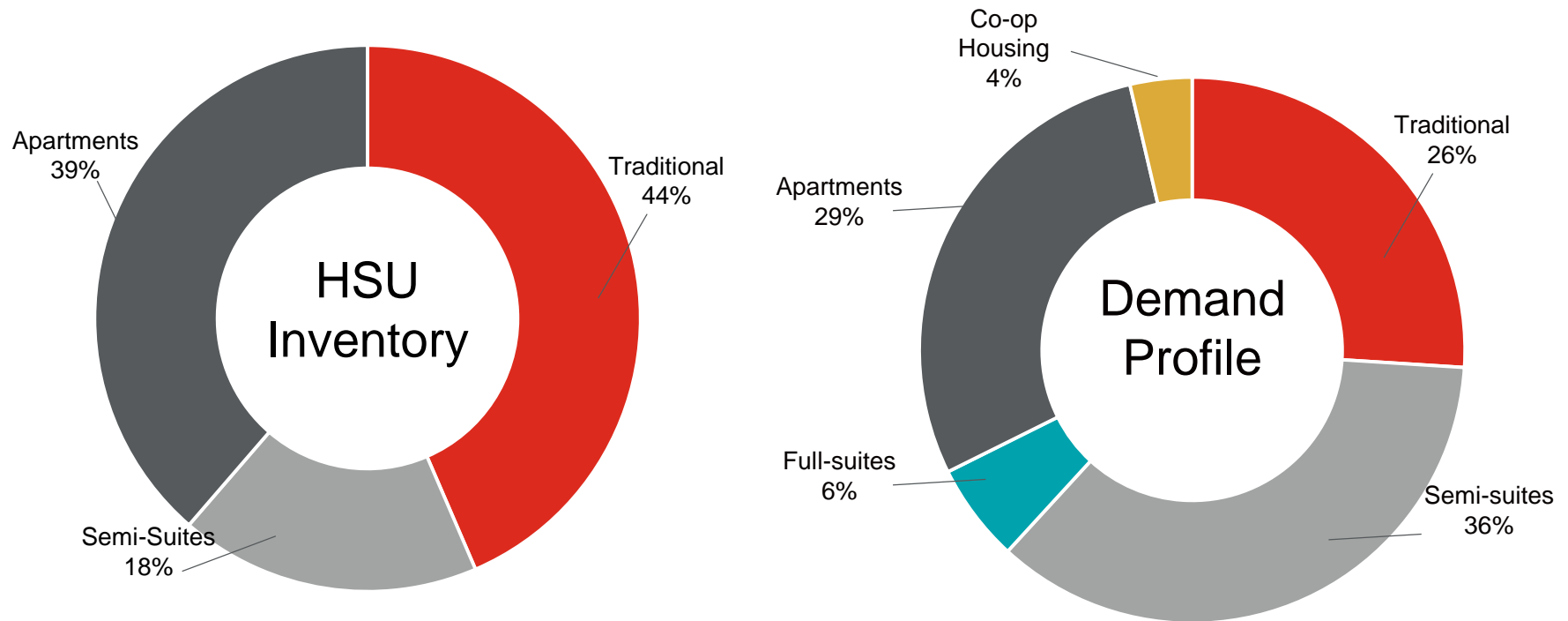
Deficit of traditional (-140), suite (-358), and apartment (-195) units

Demand for cooperative housing (124 beds) is sufficient for stand-alone facility



RECOMMENDED PROGRAM

DEMAND ANALYSIS



A more balanced mix of units includes more suites and fewer apartments

Programmatic Concepts



PROGRAMMATIC CONCEPTS

CONCEPTUAL ELEMENTS

- ◆ Core objective to strengthen first and second year experience – possibly with live-on policy
- ◆ Address ongoing costs & inefficiencies of Cypress Hall
- ◆ Housing growth ideally centers around existing campus infrastructure (e.g., JGC, cogen, etc.)

CAMPUS CONTEXT

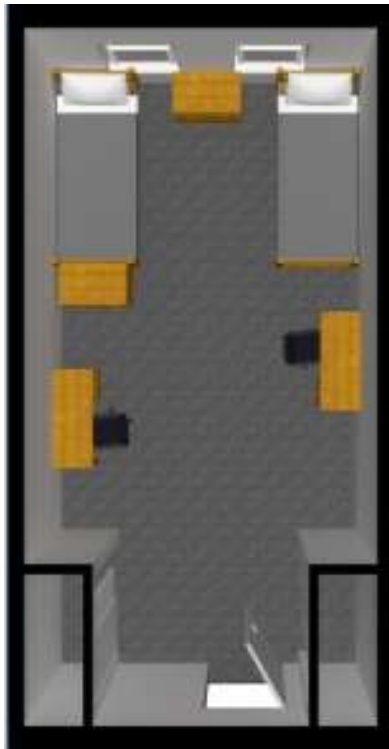




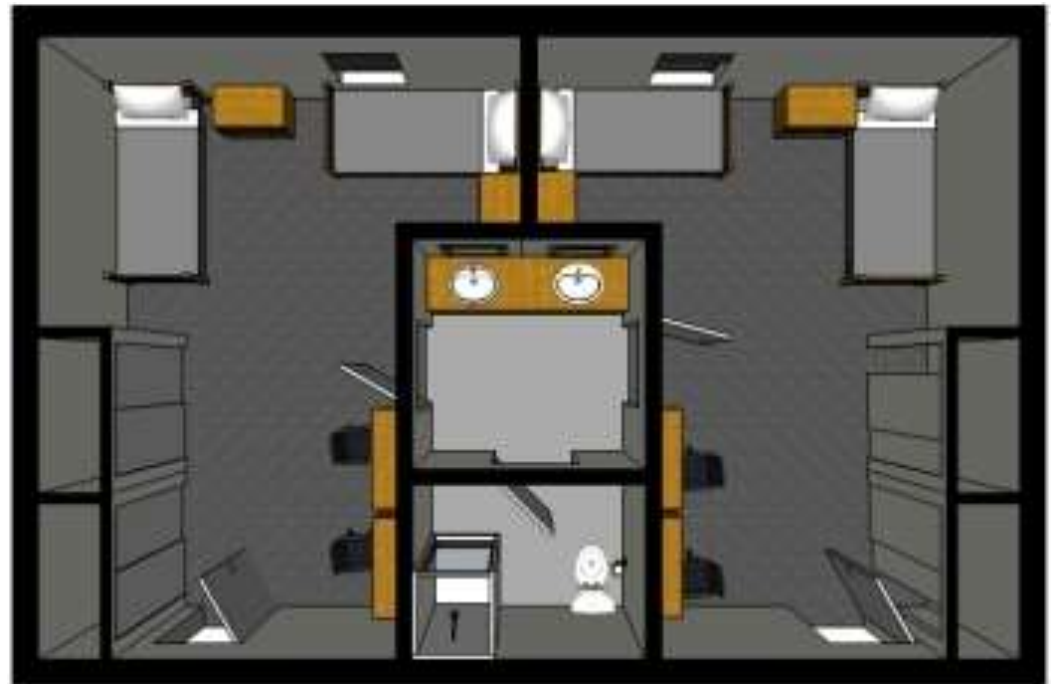
UNIT TYPES- FIRST YEAR

DEMAND ANALYSIS

Traditional (single/double)



Semi-Suite (single/double)

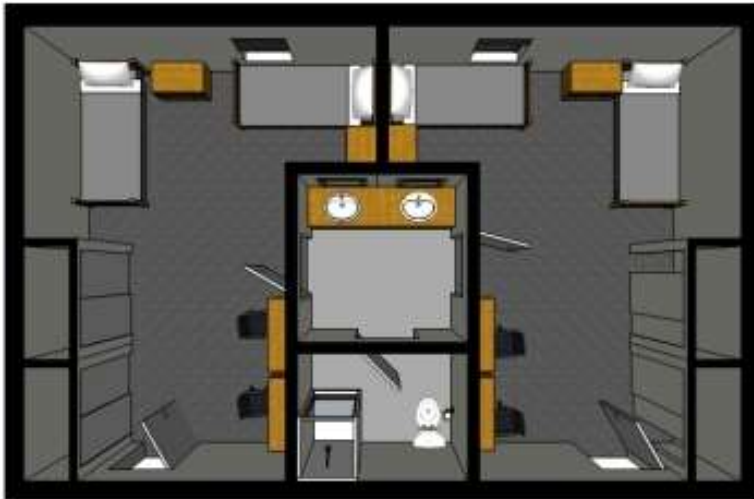




UNIT TYPES-SECOND YEAR

DEMAND ANALYSIS

Semi-Suite (single/double)



Full-Suite (single/double)





PROGRAMMATIC CONCEPTS

OVERVIEW

3RD PARTY SWING SPACE

NO 3RD PARTY SWING SPACE

MARKET RESPONSE

<i>Concept 1 - Market Response (3rd Party Swing Space)</i>				
Unit Type	Demand	Inventory	Market Gap	Add'l Build
Traditional	659	456	203	200
Suite	1212	814-231	629	600
<i>Apartment</i>	<i>1017</i>	<i>800</i>	<i>217</i>	
Subtotal	2888	1839	1049	800

<i>Concept 3 - Market Response</i>				
Unit Type	Demand	Inventory	Market Gap	Add'l Build
Traditional	659	456	203	200
Suite	1212	814-231	629	600
<i>Apartment</i>	<i>1017</i>	<i>800</i>	<i>217</i>	
Subtotal	2888	1839	1049	800

LIVE-ON REQUIREMENT

<i>Concept 2 - 2 Yr Live On (3rd Party Swing Space)</i>				
Unit Type	Demand	Inventory	Market Gap	Add'l Build
Traditional (1st Yr)	1112	456	656	650
Suites (2nd Yr)	1358	814-231	775	750
<i>Apartment</i>	<i>1017</i>	<i>800</i>	<i>217</i>	
Subtotal	3487	1839	1648	1400

<i>Concept 4 - 2 Yr Live On</i>				
Unit Type	Demand	Inventory	Market Gap	Add'l Build
Traditional (1st Yr)	1112	456	656	650
Suites (2nd Yr)	1358	814-231	775	750
<i>Apartment</i>	<i>1017</i>	<i>800</i>	<i>217</i>	
Subtotal	3487	1839	1648	1400

CONCEPT 1

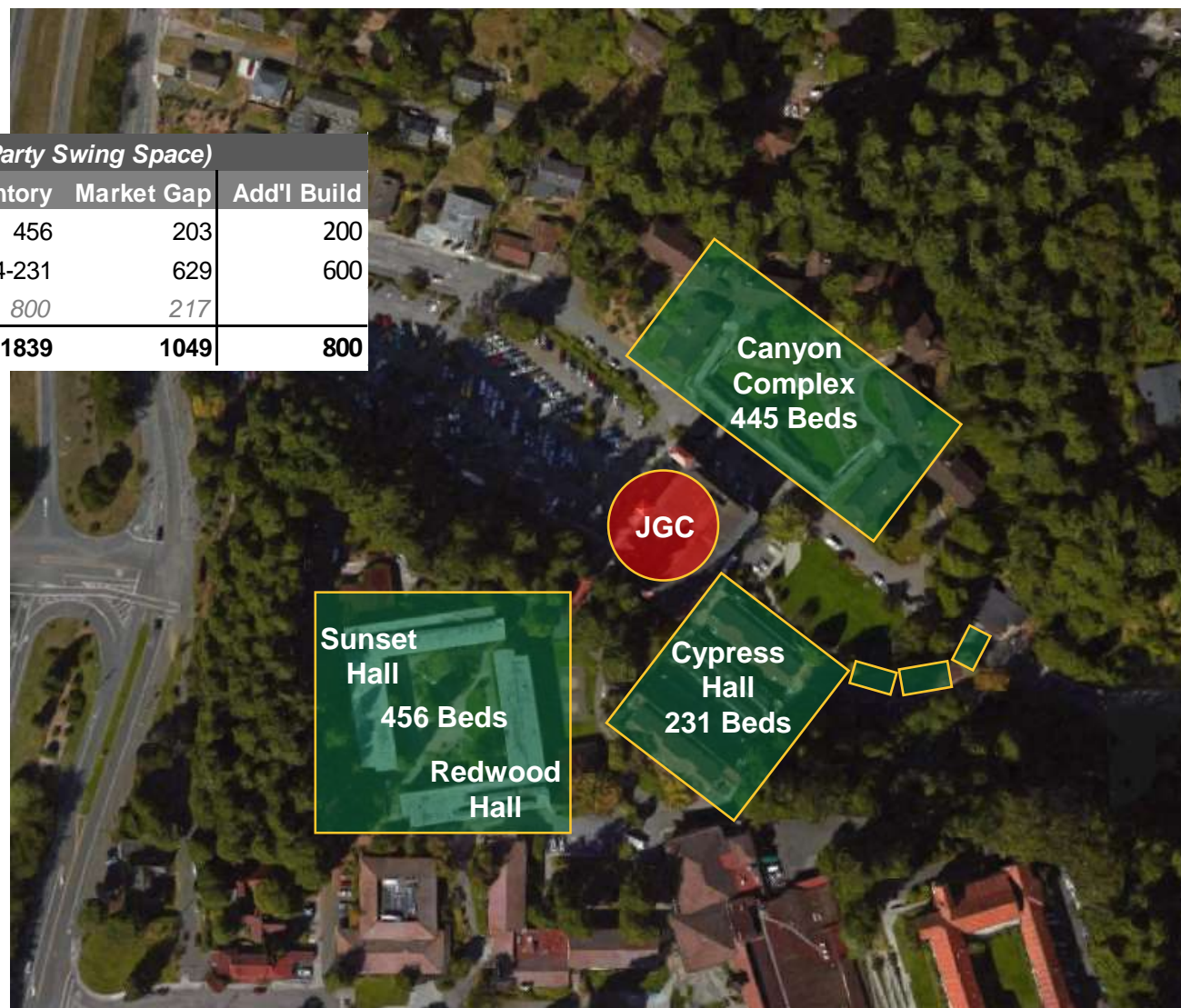
MARKET RESPONSE USING 3RD PARTY SWING SPACE

Concept 1 - Market Response (3rd Party Swing Space)				
Unit Type	Demand	Inventory	Market Gap	Add'l Build
Traditional	659	456	203	200
Suite	1212	814-231	629	600
<i>Apartment</i>	<i>1017</i>	<i>800</i>	<i>217</i>	
Subtotal	2888	1839	1049	800

Step 1: Master Lease 250 beds from The Village, vacate Cypress

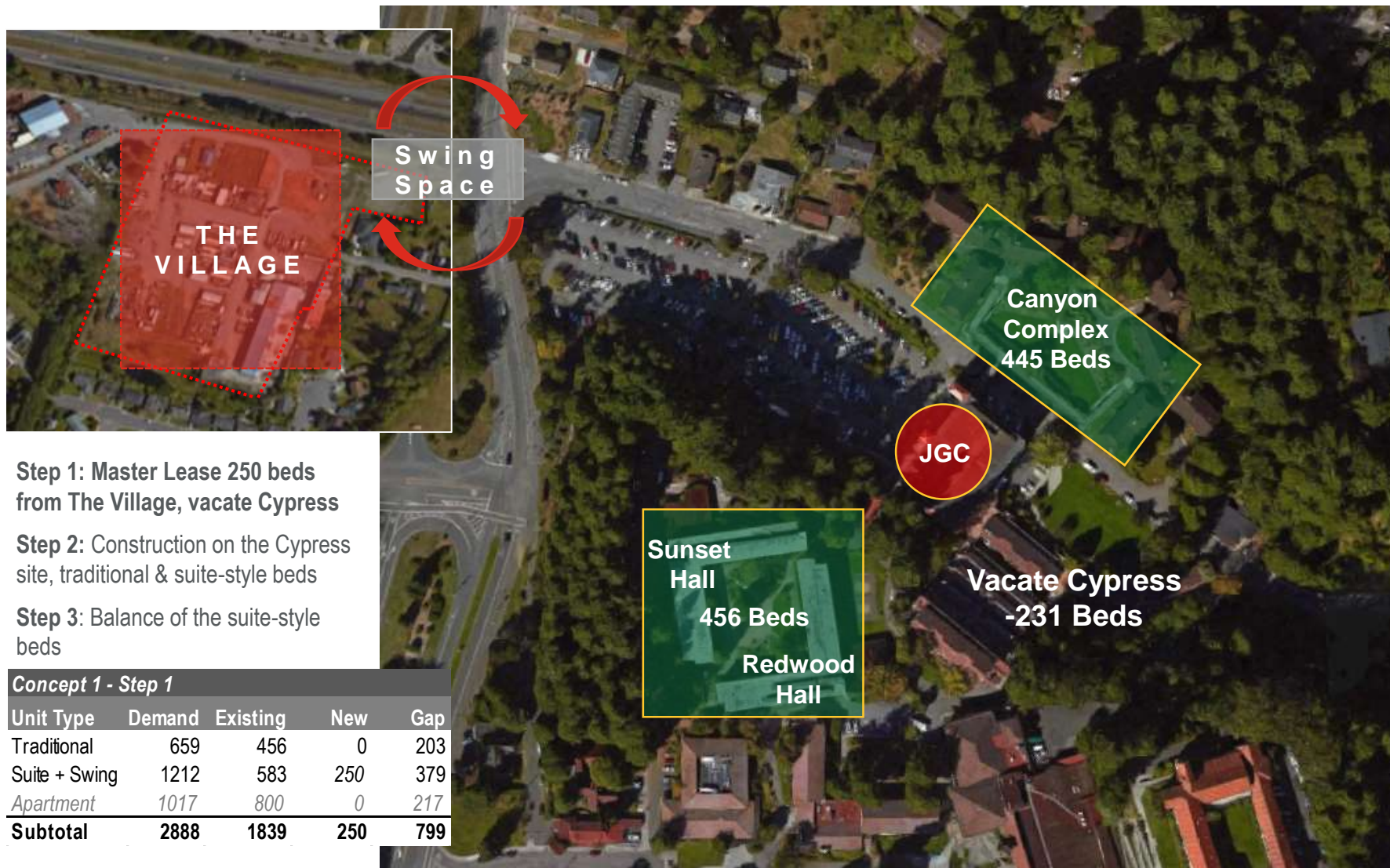
Step 2: Construction on the Cypress site, traditional & suite-style beds

Step 3: Balance of the suite-style beds



CONCEPT 2

MARKET RESPONSE USING 3RD PARTY SWING SPACE



CONCEPT 1

MARKET RESPONSE USING 3RD PARTY SWING SPACE



Step 1: Master Lease 250 beds from The Village, vacate Cypress

Step 2: Construction on the Cypress site, traditional & suite-style beds

Step 3: Balance of the suite-style beds

Concept 1 - Step 2

Unit Type	Demand	Existing	New	Gap
Traditional	659	456	200	3
Suite	1212	583	200	429
Apartment	1017	800	0	217
Subtotal	2888	1839	400	649



CONCEPT 1

MARKET RESPONSE USING 3RD PARTY SWING SPACE



Step 1: Master Lease 250 beds from The Village, vacate Cypress

Step 2: Construction on the Cypress site, traditional & suite-style

Step 3: Balance of the suite-style beds.

Concept 1 - Step 3

Unit Type	Demand	Existing	New	Gap
Traditional	659	456	200	3
Suite	1212	583	625	4
Apartment	1017	800	0	217
Subtotal	2888	1839	825	224



CONCEPT 2

2-YR LIVE-ON USING 3RD PARTY SWING SPACE

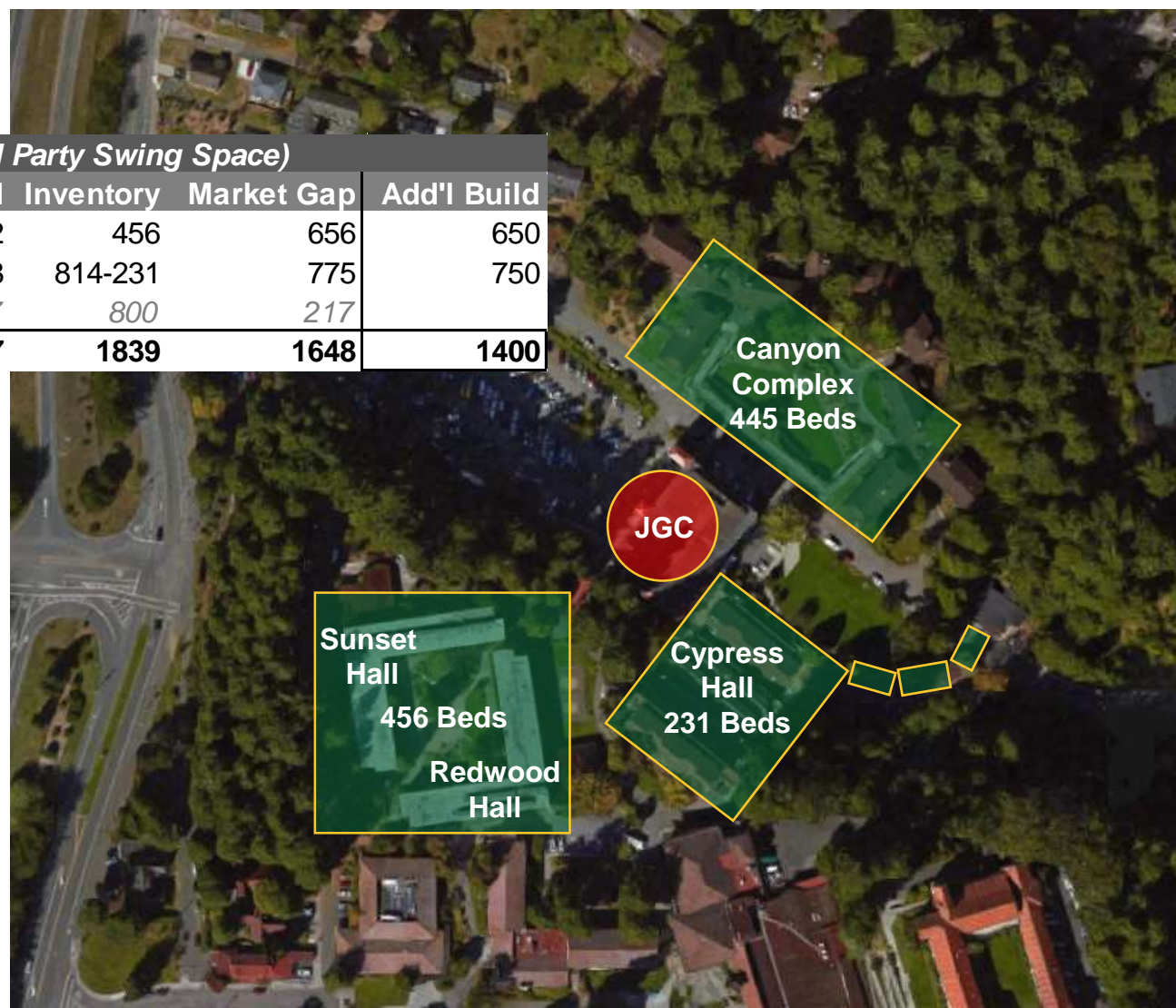
Concept 2 - 2 Yr Live On (3rd Party Swing Space)

Unit Type	Demand	Inventory	Market Gap	Add'l Build
Traditional (1st Yr)	1112	456	656	650
Suites (2nd Yr)	1358	814-231	775	750
<i>Apartment</i>	<i>1017</i>	<i>800</i>	<i>217</i>	
Subtotal	3487	1839	1648	1400

Step 1: Master Lease all 800 beds from The Village, vacate Cypress

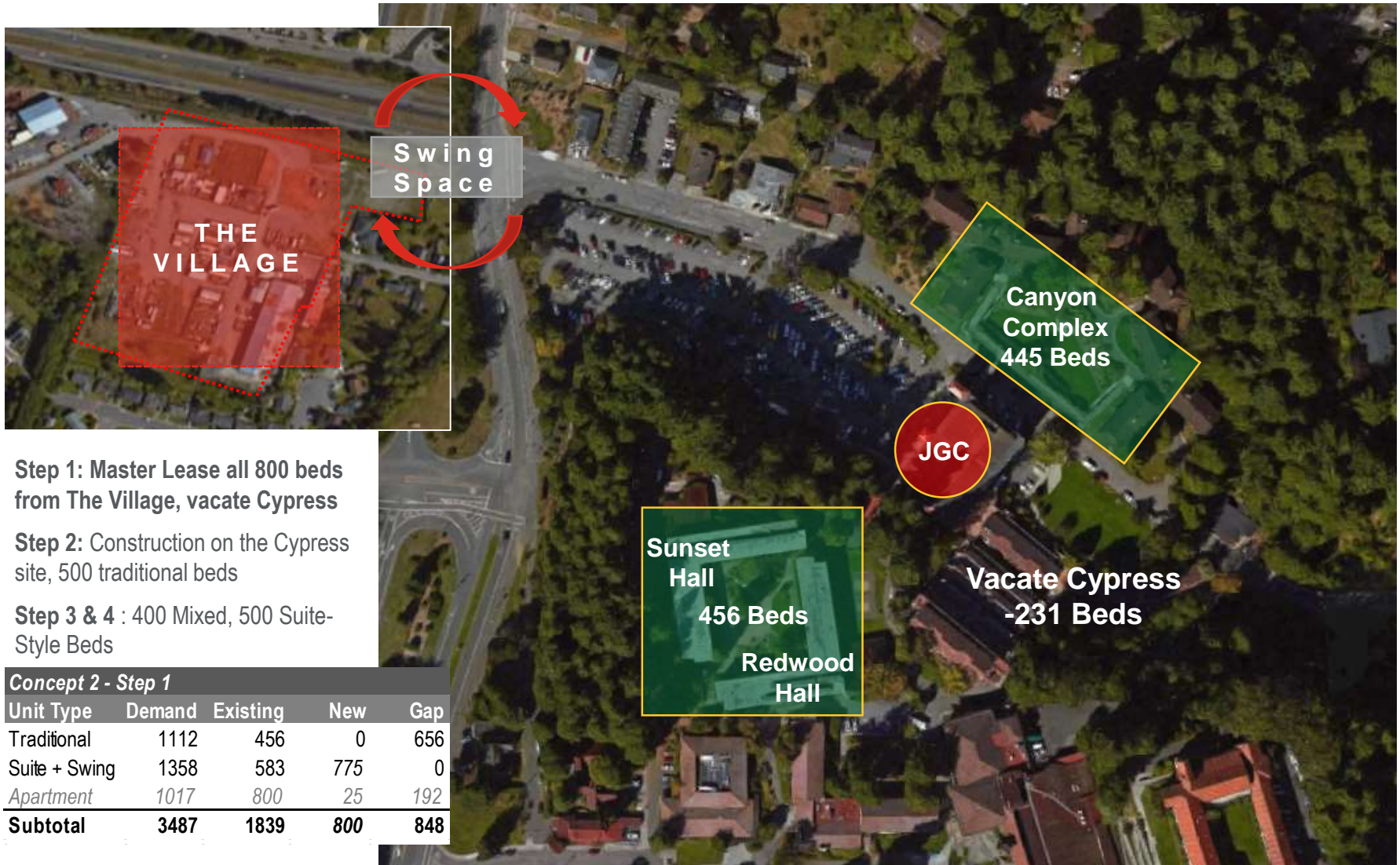
Step 2: Construction on the Cypress site, 500 traditional beds

Step 3 & 4 : 400 Mixed, 500 Suite-Style Beds



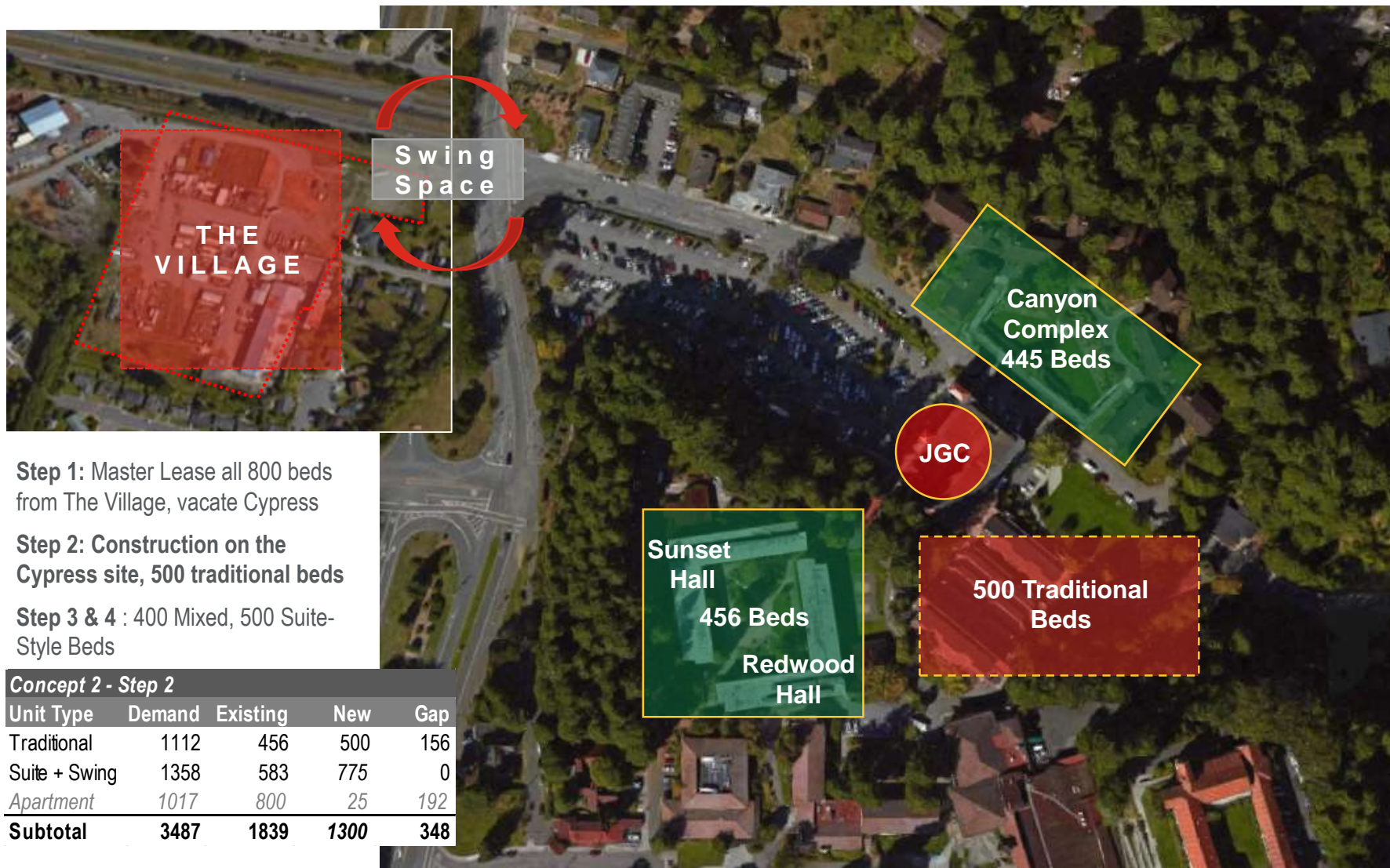
CONCEPT 2

2-YR LIVE-ON USING 3RD PARTY SWING SPACE



CONCEPT 2

2-YR LIVE-ON USING 3RD PARTY SWING SPACE



CONCEPT 2

2-YR LIVE-ON USING 3RD PARTY SWING SPACE



Step 4

500 Suite-style Beds
Elsewhere

Step 1: Master Lease all 800 beds from The Village, vacate Cypress

Step 2: Construction on the Cypress site, 500 traditional beds

Step 3 & 4 : 400 Mixed, 500 Suite-Style Beds

Concept 2 - Steps 3 & 4

Unit Type	Demand	Existing	New	Gap
Traditional	1112	456	650	6
Suite	1358	583	750	25
Apartment	1017	800	0	217
Subtotal	3487	1839	1400	248



CONCEPT 3

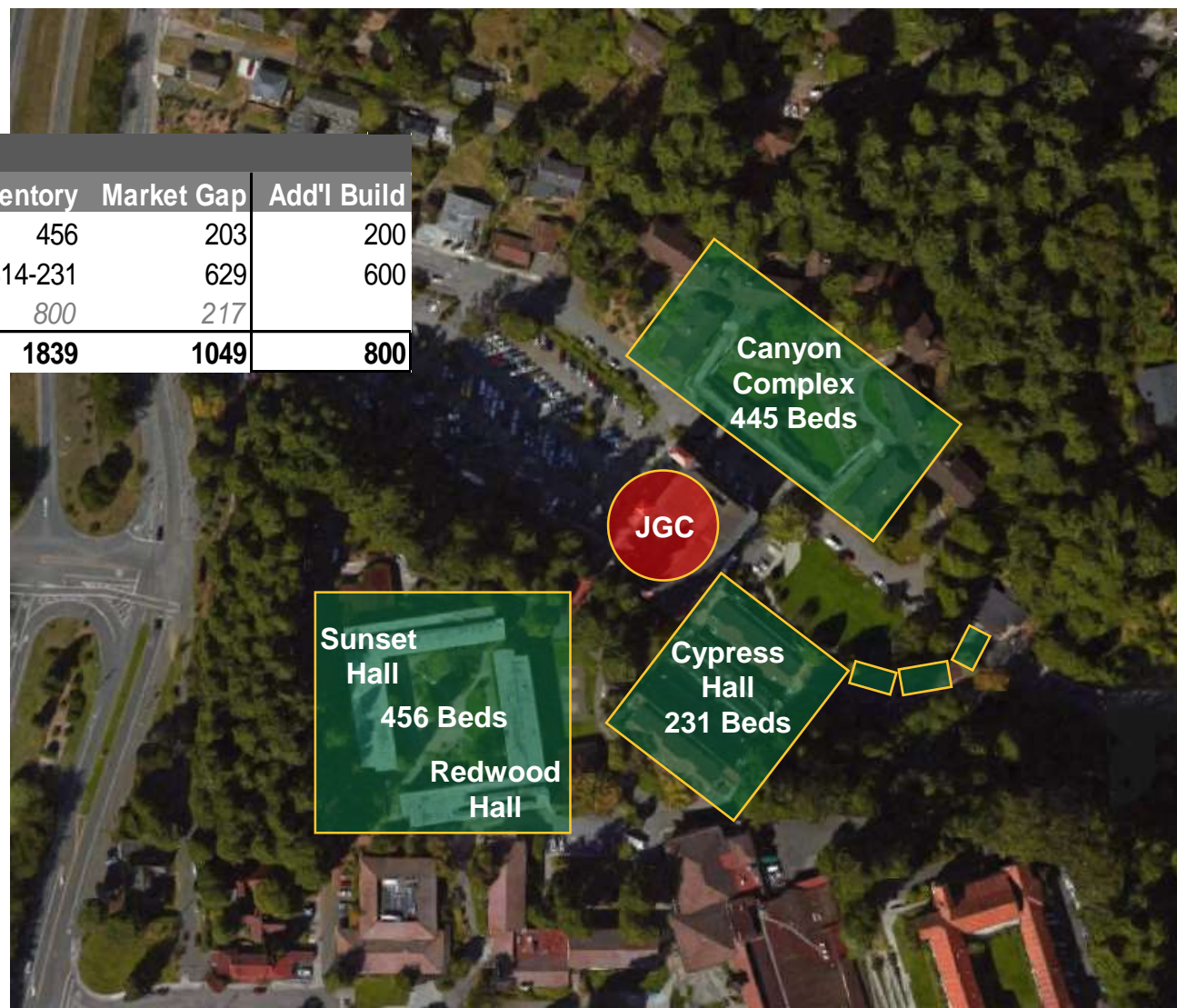
MARKET RESPONSE WITHOUT 3RD PARTY SWING SPACE

Concept 3 - Market Response

Unit Type	Demand	Inventory	Market Gap	Add'l Build
Traditional	659	456	203	200
Suite	1212	814-231	629	600
Apartment	1017	800	217	
Subtotal	2888	1839	1049	800

Step 1: Construction of New Facility (200 traditional + 200 suite-style) on parking lot site

Step 2: Construction on the Cypress site, 400 suite-style beds



CONCEPT 3

MARKET RESPONSE WITHOUT 3RD PARTY SWING SPACE



Step 1: Construction of New Facility (200 traditional + 200 suite-style) on parking lot site

Step 2: Construction on the Cypress site, 400 suite-style beds

Concept 3 - Step 1

Unit Type	Demand	Existing	New	Gap
Traditional	659	456	200	3
Suite	1212	583	200	429
Apartment	1017	800	0	217
Subtotal	2888	1839	400	649

CONCEPT 3

MARKET RESPONSE WITHOUT 3RD PARTY SWING SPACE

Step 1: Construction of New Facility (200 traditional + 200 suite-style) on parking lot site

Step 2: Construction on the Cypress site, 400 suite-style beds

Concept 3 - Step 2

Unit Type	Demand	Existing	New	Gap
Traditional	659	456	200	3
Suite	1212	583	600	29
Apartment	1017	800	0	217
Subtotal	2888	1839	800	249



CONCEPT 4

2-YR LIVE-ON WITHOUT 3RD PARTY SWING SPACE

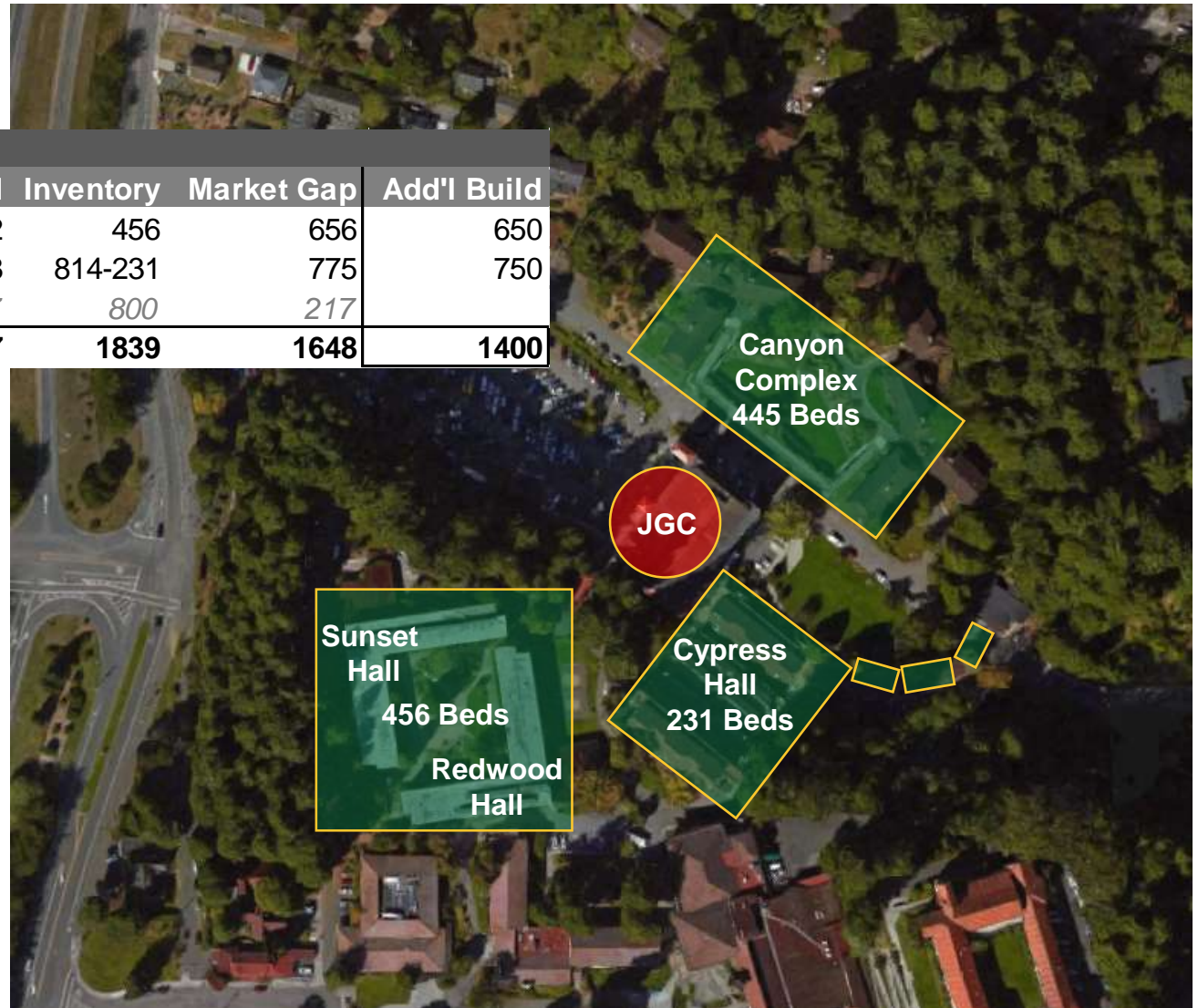
Concept 4 - 2 Yr Live On

Unit Type	Demand	Inventory	Market Gap	Add'l Build
Traditional (1st Yr)	1112	456	656	650
Suites (2nd Yr)	1358	814-231	775	750
<i>Apartment</i>	<i>1017</i>	<i>800</i>	<i>217</i>	
Subtotal	3487	1839	1648	1400

Step 1: Construct 500 traditional beds at parking lot, vacate Cypress

Step 2: Construct 500 beds, leveraging Cypress site

Step 3: 400 Suite-Style elsewhere



CONCEPT 4

2-YR LIVE-ON WITHOUT 3RD PARTY SWING SPACE



Step 1: Construct 500 traditional beds at parking lot, vacate Cypress

Step 2: Construct 500 beds, leveraging Cypress site

Step 3: 400 Suite-Style elsewhere

Concept 4 - Step 1

Unit Type	Demand	Existing	New	Gap
Traditional	1112	456	500	156
Suite	1358	583	0	775
Apartment	1017	800	0	217
Subtotal	3487	1839	500	1148

CONCEPT 4

2-YR LIVE-ON WITHOUT 3RD PARTY SWING SPACE

Step 1: Construct 500 traditional beds at parking lot, vacate Cypress

Step 2: Construct 500 beds, leveraging Cypress site

Step 3: 400 Suite-Style elsewhere

Concept 4 - Step 2

Unit Type	Demand	Existing	New	Gap
Traditional	1112	456	650	6
Suite	1358	583	350	425
Apartment	1017	800	0	217
Subtotal	3487	1839	1000	648



CONCEPT 4

2-YR LIVE-ON WITHOUT 3RD PARTY SWING SPACE



Step 3

400 Suite-style Beds
Elsewhere

Step 1: Construct 500 traditional beds at parking lot, vacate Cypress

Step 2: Construct 500 beds, leveraging Cypress site

Step 3: 400 Suite-Style elsewhere

Concept 4 - Step 3

Unit Type	Demand	Existing	New	Gap
Traditional	1112	456	650	6
Suite	1358	583	750	25
Apartment	1017	800	0	217
Subtotal	3487	1839	1400	248





PROGRAMMATIC CONCEPTS

OVERVIEW

3RD PARTY SWING SPACE

MARKET RESPONSE

<i>Concept 1 - Market Response (3rd Party Swing Space)</i>				
Unit Type	Demand	Inventory	Market Gap	Add'l Build
Traditional	659	456	203	200
Suite	1212	814-231	629	600
<i>Apartment</i>	<i>1017</i>	<i>800</i>	<i>217</i>	
Subtotal	2888	1839	1049	800

LIVE-ON REQUIREMENT

<i>Concept 2 - 2 Yr Live On (3rd Party Swing Space)</i>				
Unit Type	Demand	Inventory	Market Gap	Add'l Build
Traditional (1st Yr)	1112	456	656	650
Suites (2nd Yr)	1358	814-231	775	750
<i>Apartment</i>	<i>1017</i>	<i>800</i>	<i>217</i>	
Subtotal	3487	1839	1648	1400

NO 3RD PARTY SWING SPACE

<i>Concept 3 - Market Response</i>				
Unit Type	Demand	Inventory	Market Gap	Add'l Build
Traditional	659	456	203	200
Suite	1212	814-231	629	600
<i>Apartment</i>	<i>1017</i>	<i>800</i>	<i>217</i>	
Subtotal	2888	1839	1049	800

<i>Concept 4 - 2 Yr Live On</i>				
Unit Type	Demand	Inventory	Market Gap	Add'l Build
Traditional (1st Yr)	1112	456	656	650
Suites (2nd Yr)	1358	814-231	775	750
<i>Apartment</i>	<i>1017</i>	<i>800</i>	<i>217</i>	
Subtotal	3487	1839	1648	1400