



EAST TENNESSEE STATE UNIVERSITY

HOUSING MARKET & DEMAND ASSESSMENT

Agenda

ETSU HOUSING & MARKET ASSESSMENT

- ◆ ETSU Vision for Housing
- ◆ Key Findings
 - *Student demographics*
 - *Off-campus market*
 - *Satisfaction / Engagement*
 - *Student Demand*
 - *Freshman Live-On Policy Analysis*
- ◆ Recommendations
- ◆ Next Steps



Project Status

ETSU HOUSING & MARKET ASSESSMENT

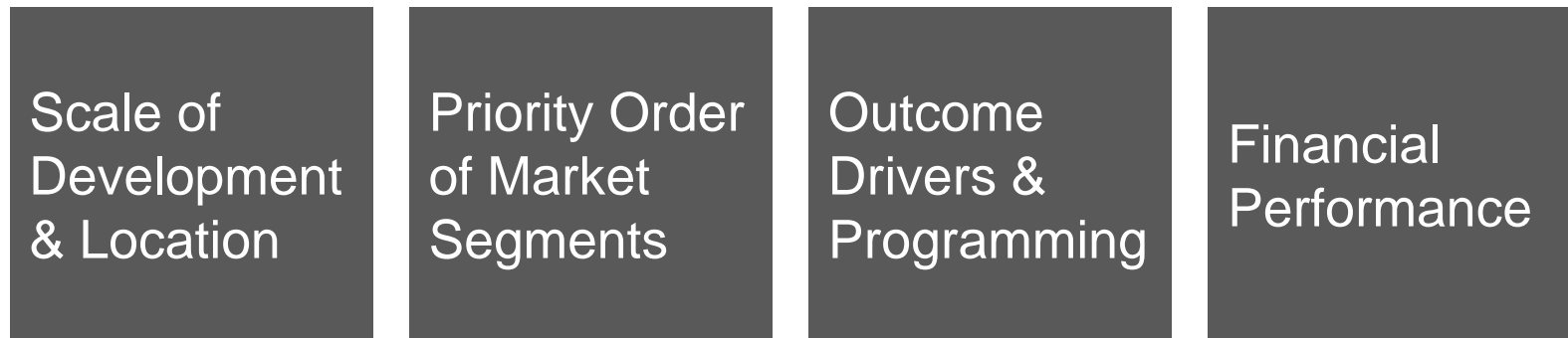
- ◆ Project Kick-Off
 - *Strategic Asset Value Work Session*
 - *Student Focus Groups*
 - *Tour of Existing Facilities*
 - *Administrator Interviews*
 - *Affirmation of Strategic Drivers*
 - *Self-Guided Off-Campus tour*
 - ◆ Off-Campus Market Analysis
 - ◆ Campus-Wide Student Survey
 - *704 Respondents*
 - *3.7% Margin of Error with a 95% Confidence Level*
 - ◆ Housing Demand Analysis
 - ◆ Strategic Considerations
 - ◆ Final Documentation
-
- 100% Complete
- In progress

The SAV Concept

CREATING A NARRATIVE

MIND THE GAPS

The gap analysis results are synthesized into four “Chapters” that articulate the attributes that the Plan must achieve:



Strategic Asset Value Story



What's the Vision?

SAV STORY

- ◆ The housing system must be positioned to enhance the ETSU experience and meet enrollment growth
 - Housing will compliment initiatives for providing a dynamic campus experience
- ◆ First-time freshmen represent the primary target market
 - Will be served in units conducive to maximizing exposure to academic and social resources
- ◆ Housing must serve as a recruitment asset against cross-applicant institutions
 - Should help ETSU expand its traditional service area without compromising its commitment to serving the region
- ◆ New projects must be financially self-sufficient
 - ETSU is willing to explore alternative financing structures (P3)

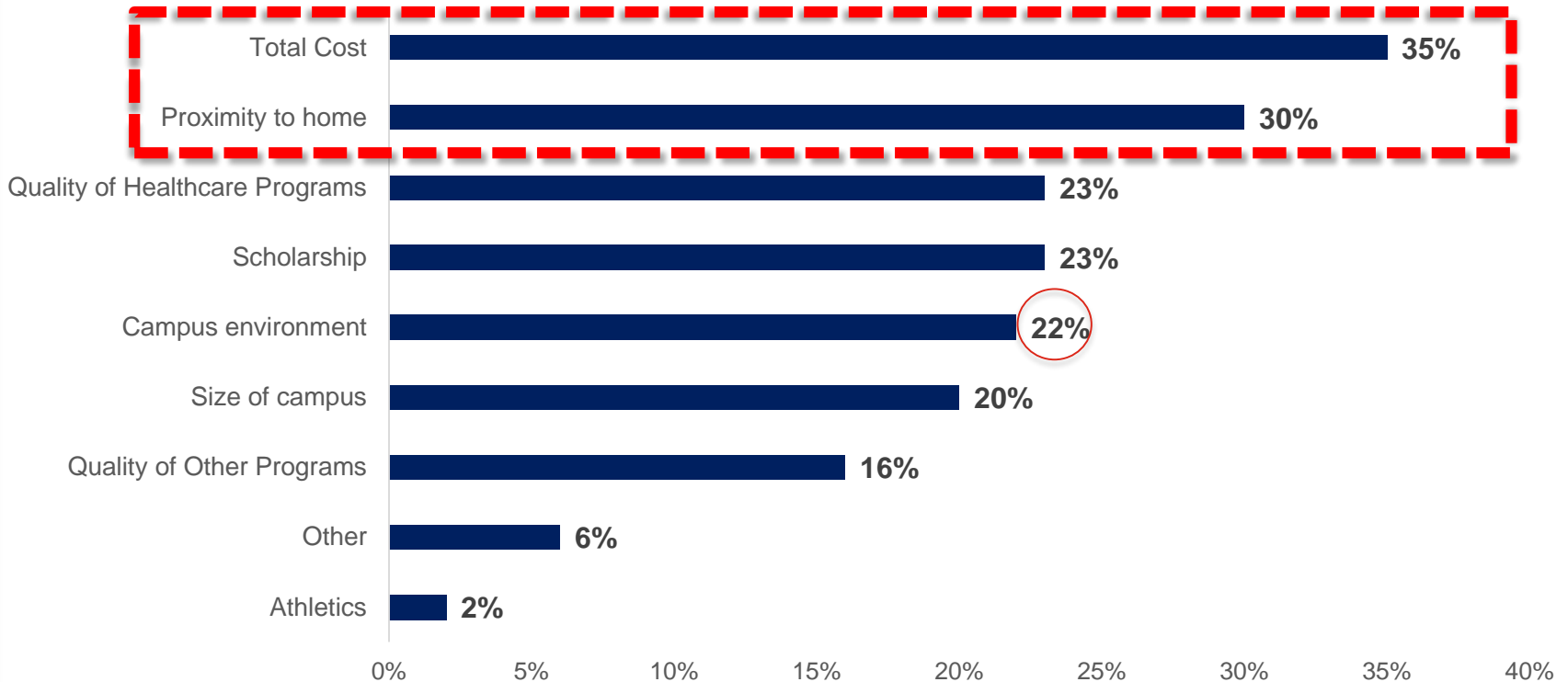
What's the Story?

ETSU HOUSING & MARKET ASSESSMENT

- ◆ ETSU's current campus population is highly cost sensitive
- ◆ The off-campus market offers proximity, affordability, and a high level of independence for residents
- ◆ ETSU has fully met student demand for housing
 - Current over-supply of 387 beds
- ◆ A freshman live-on requirement would have added 275 campus residents under a typical policy
- ◆ Freshmen in non-apartment units are more highly engaged
- ◆ Achieving housing vision is tied to comprehensive campus transformation

Reasons for Selecting ETSU

STUDENT PROFILE

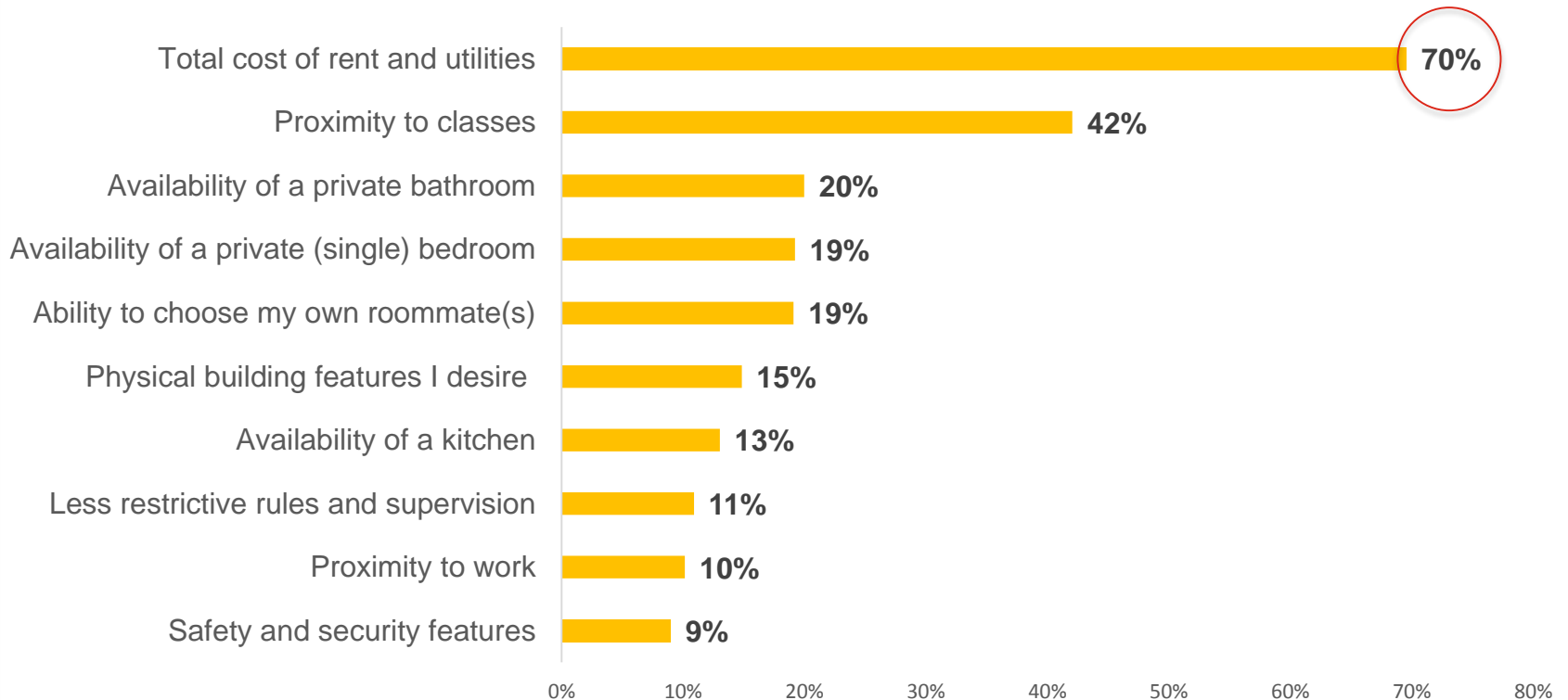


Cost and permanent residence are more important to ETSU students than the campus experience

Factors in Housing Choice

STUDENT PROFILE

Factors Influencing Housing Decision

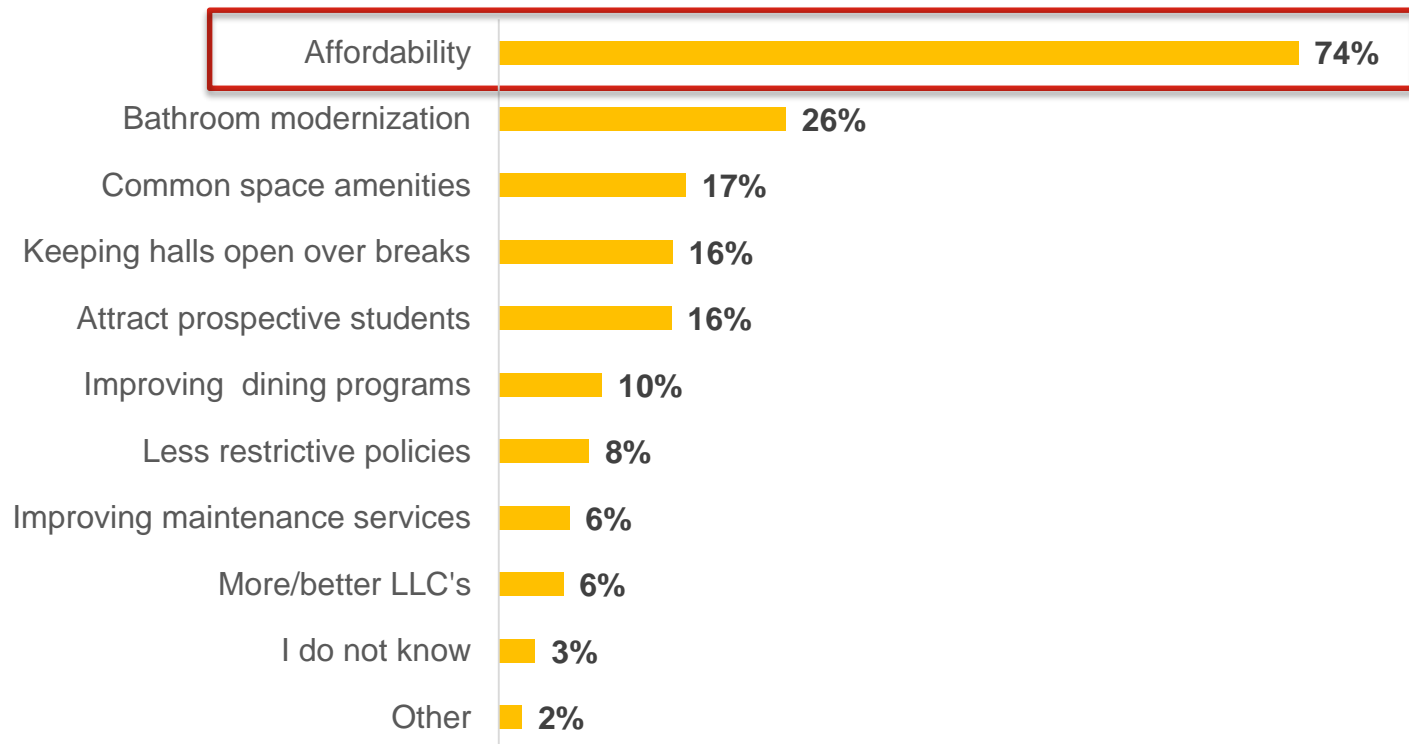


Cost is a predominant factor in where ETSU students choose to live

Desired Improvements

ETSU HOUSING & MARKET ASSESSMENT

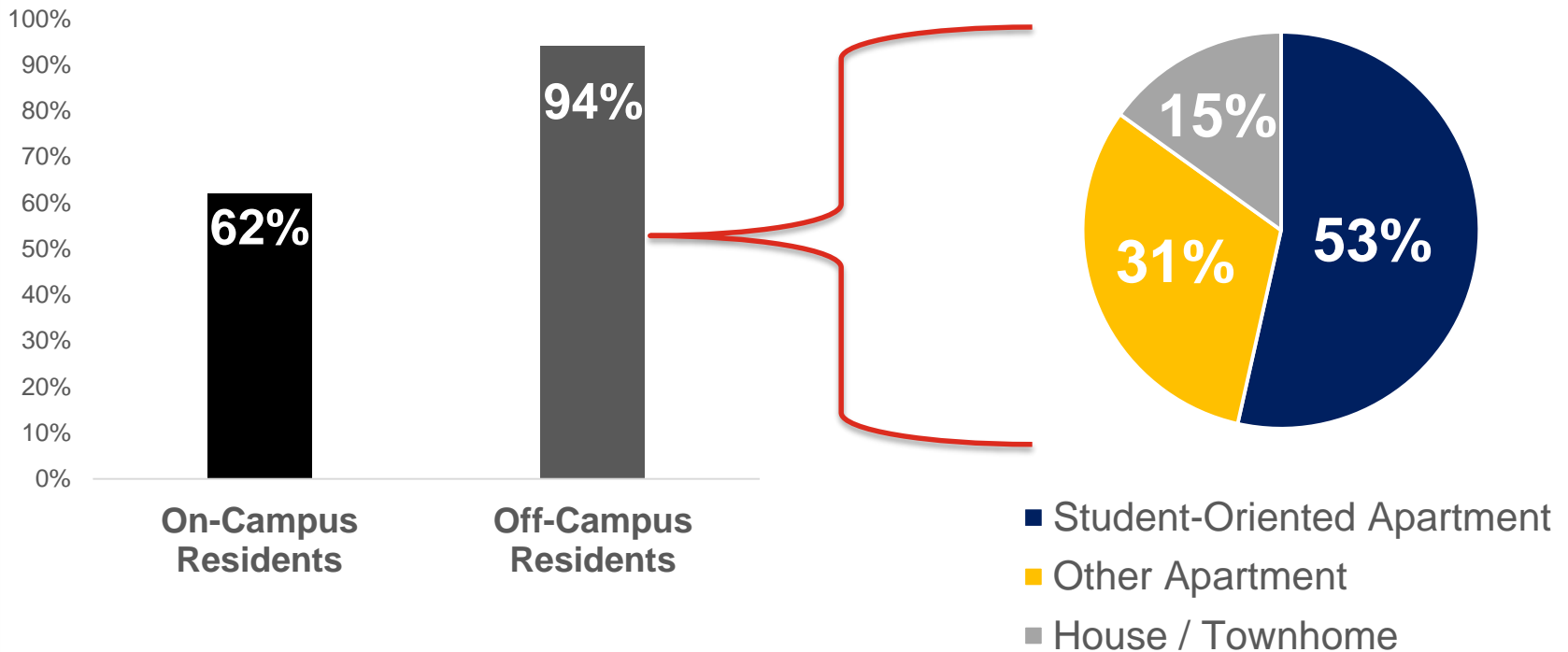
What should ETSU prioritize when making housing improvements?



Factors in Housing Choice

STUDENT PROFILE

Student perception of current living arrangement's cost effectiveness

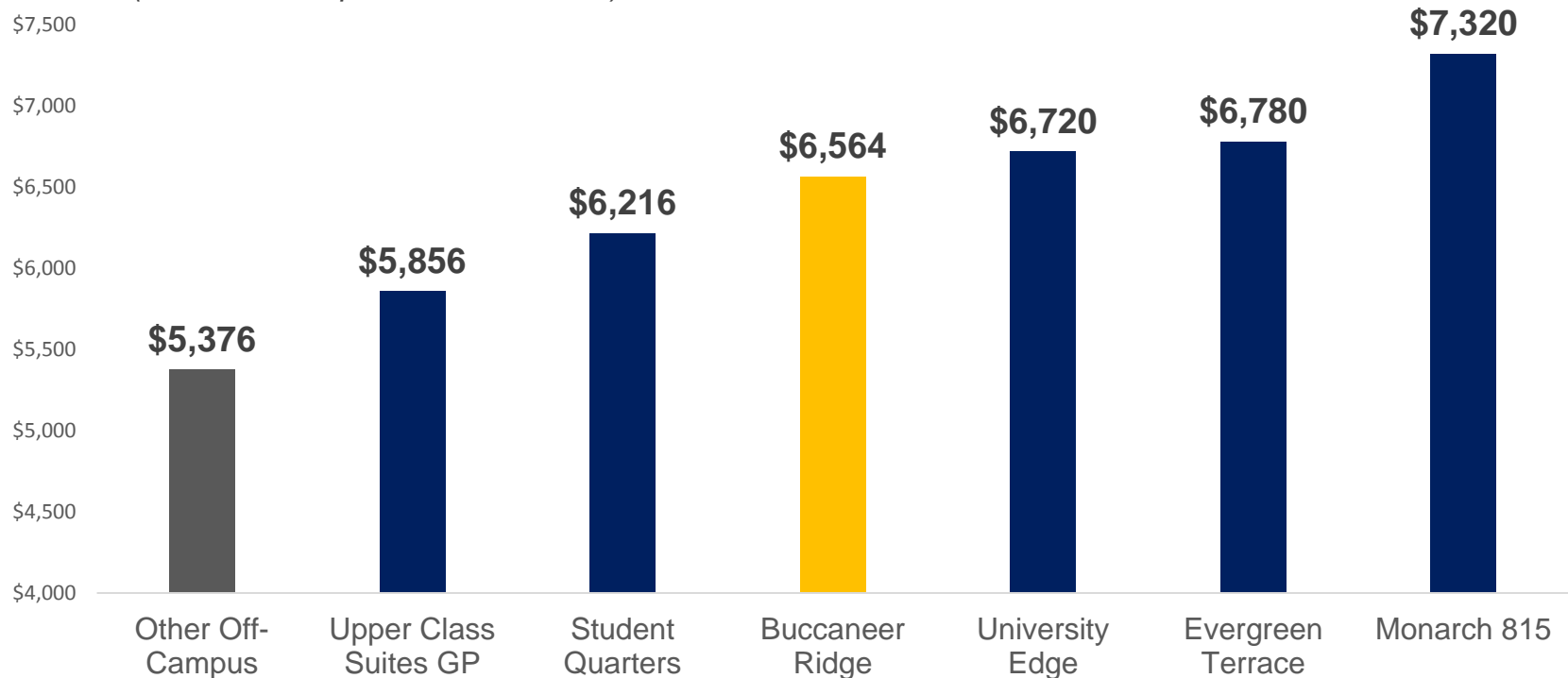


Off-Campus Market Analysis

ETSU OFF-CAMPUS MARKET

Average annualized cost of housing

(Utilities and deposits accounted for)



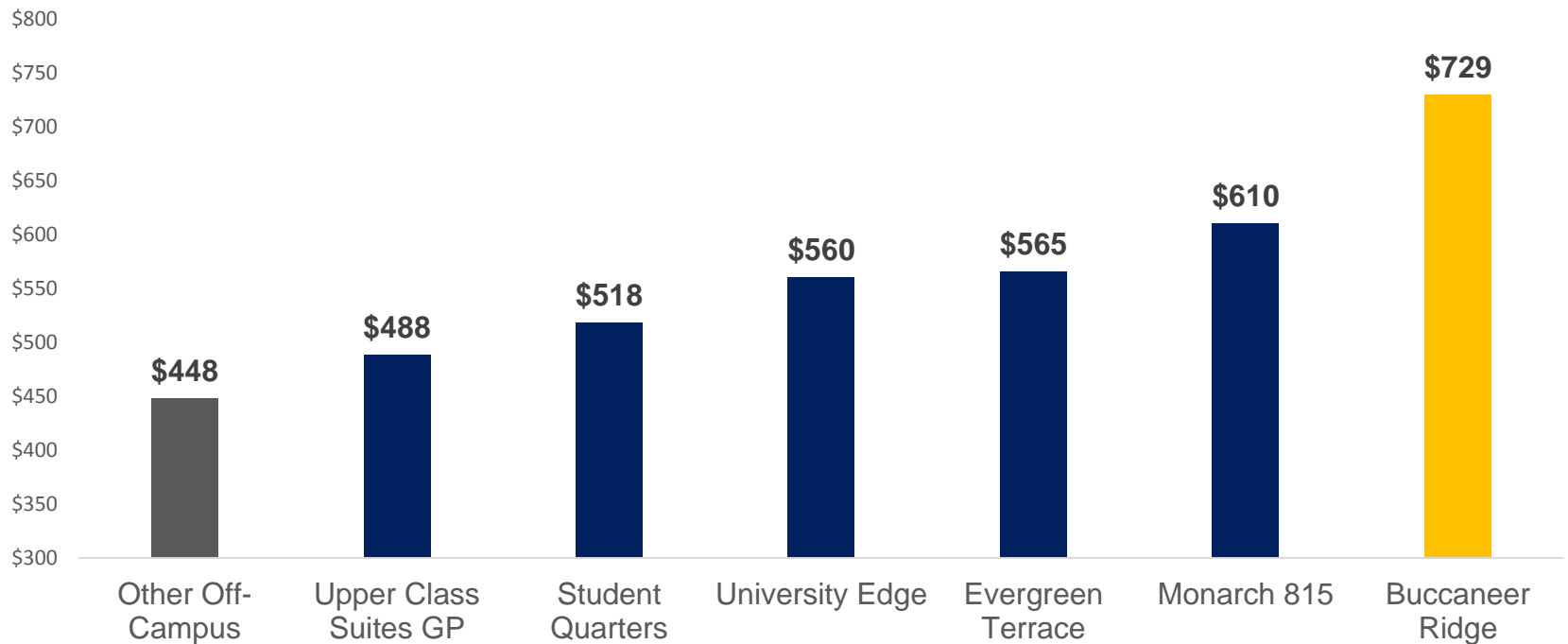
Buccaneer Ridge is competitively priced when viewed on an annual basis

Student Perception of Cost

ETSU OFF-CAMPUS MARKET

Average monthly cost of housing

(Utilities and deposits accounted for)

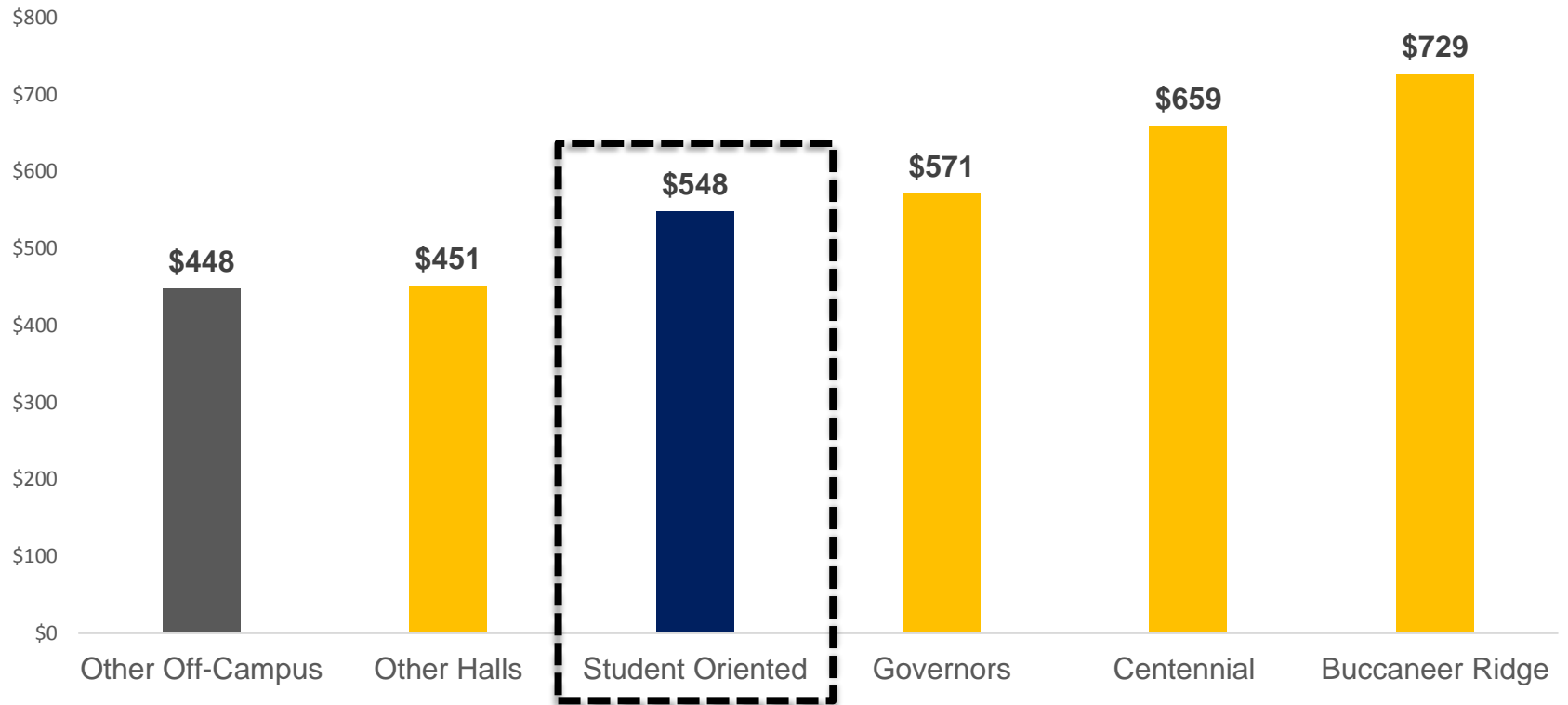


Buccaneer Ridge becomes more expensive when compared on a 9-month basis

Campus vs Off-Campus Rates

ETSU HOUSING & MARKET ASSESSMENT

Average monthly cost of housing (Utilities and deposits accounted for)



Off-Campus Market Analysis

ETSU OFF-CAMPUS MARKET

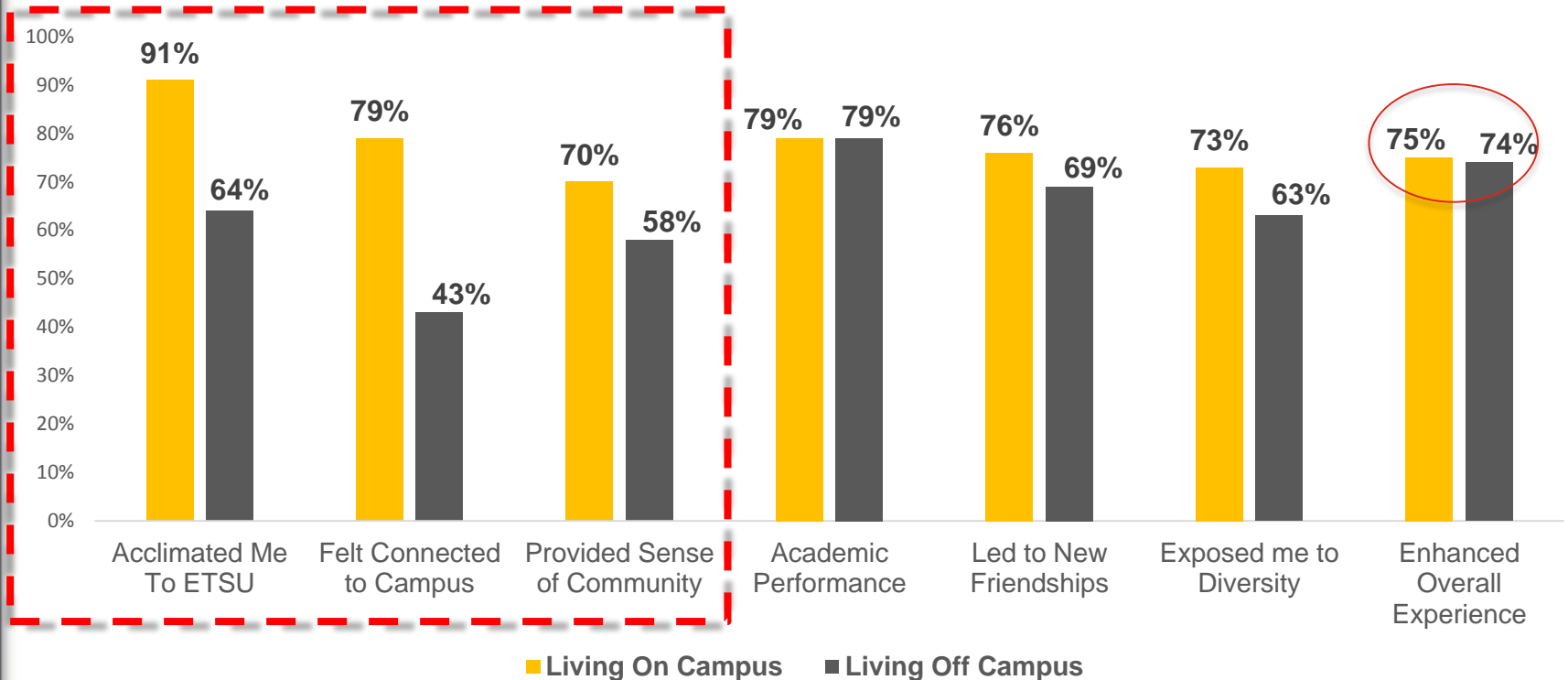
Student-Oriented Amenities	Monarch 815	University Edge	Upper Class Suites GP	Evergreen Terrace	Student Quarters	Buccaneer Ridge
Pool	X	X		X	X	X
Dishwasher	X			X	X	X
In-Unit Washer & Dryer	X	X	X		X	X
All-inclusive utilities	X				X	X
Pet Friendly	X	X		X	X	
Private Patio/Deck	X		X	X	X	X
Internet Included	X	X	X	X		X
Furnished Available	X	X	X		X	X
Grills/Outdoor Space	X	X		X	X	X
Business Center	X	X			X	X
Walk-in Closets	X	X	X		X	
Shuttle to Campus		X	X		X	X
On-Site Mgmt/Maintenance		X		X		X
Basketball Court						X
Volley Ball Court	X			X	X	X
Individual Lease			X		X	X
Flexible / Academic Lease						X
Roommate Matching	X	X			X	X
21 year-olds can have alcohol	X	X	X	X	X	
Ability to Stay over breaks	X	X	X	X	X	
On-Site Fitness Center	X	X		X	X	
Total	16	14	9	11	17	16

- Identified **5** student-oriented properties out of **25** analyzed
- Average distance from campus = **0.54** miles
- Utility payment range: **\$0 – \$35** per month
- Policies more attractive to older students

Student Engagement

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Those who agree their current living arrangement benefits them in the following ways

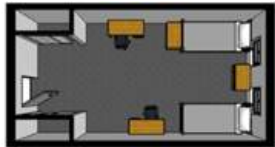


Students on campus feel more engaged than their off-campus peers

Demand-Based Programming

SURVEY TESTED UNITS AND RATES

Pod



Singles = \$3,621 - \$3,970
Doubles = \$2,897 - \$3,202

Semi-Suite



Singles = \$3,943 - \$4,358
Doubles = \$3,155 - \$3,487

Apartment (4-BR)



Singles = \$4,635 - \$5,123

Studio



Singles = \$5,150 - \$5,693
Doubles = \$3,708 - \$4,099

COMMUNITY ORIENTED



STUDENT INDEPENDENCE

Hotel



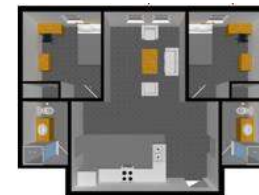
Singles = \$4,104 - \$4,536
Doubles = \$3,283 - \$3,629

Full-Suite



Singles = \$4,426 - \$4,892
Doubles = \$3,541 - \$3,914

Apartment (2-BR)



Singles = \$5,022 - \$5,550
Doubles = \$3,616 - \$3,996

Demand Methodology

STUDENT DEMAND

Target Market Definition

- ◆ Full-time
- ◆ Main campus only (No Online)
- ◆ Age 17-24
- ◆ Single, no dependents
- ◆ Living on campus or paying at least \$500 monthly rent off campus

Occupancy Coverage Ratio

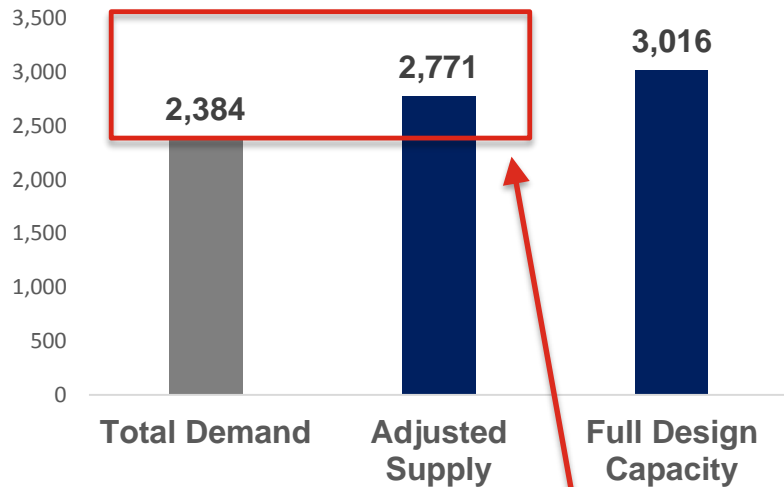
- ◆ Freshman = 1.00
- ◆ Sophomore = 1.10
- ◆ Junior = 1.25
- ◆ Senior = 1.35
- ◆ Graduate = 1.50

Example: 150 beds of demand are required to build 100 beds of supply

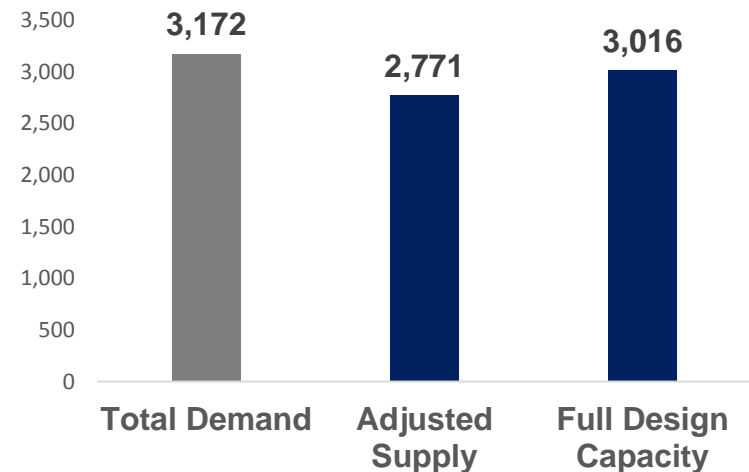
Supply / Demand Reconciliation

ETSU HOUSING & MARKET ASSESSMENT

2016-2017 Housing Supply vs. Demand



Housing Supply vs. Demand at **18,000** total enrollment

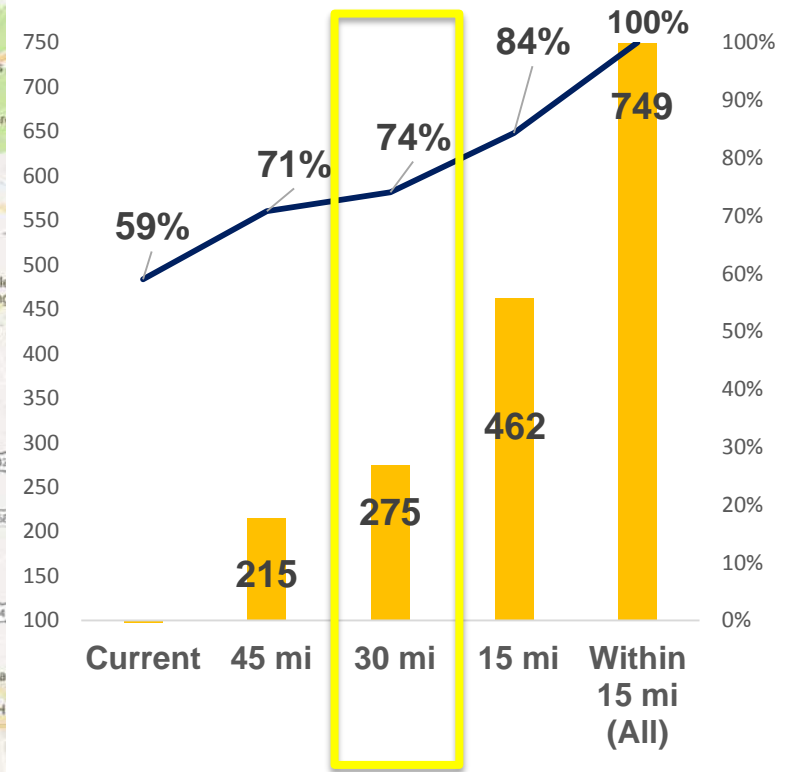
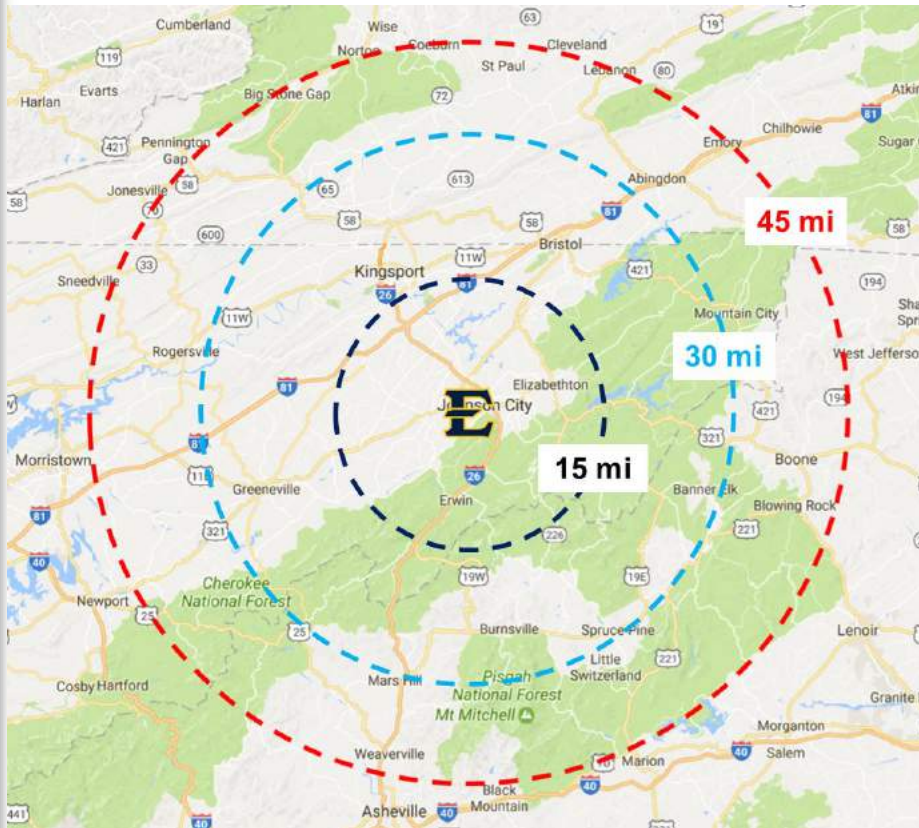


Based on pure market demand, ETSU currently has an oversupply of 387 beds

Freshman Live-On Requirement

ETSU HOUSING & MARKET ASSESSMENT

Impact of exemption policy on Freshman Capture Rate

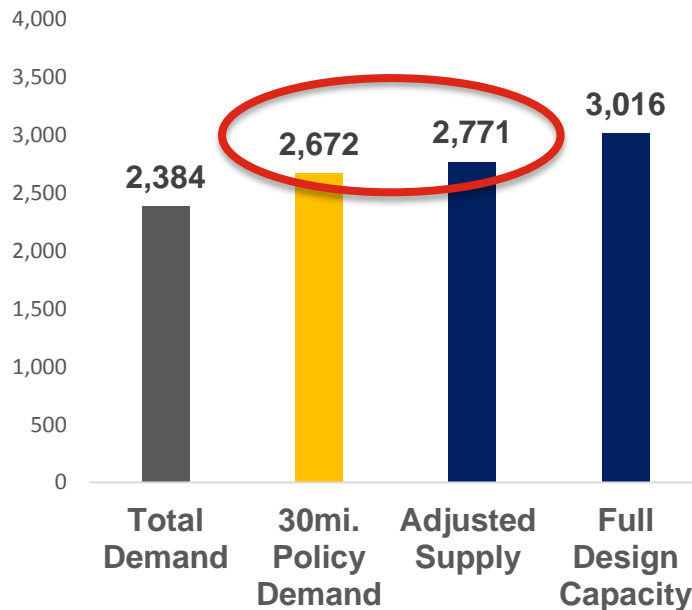


of New Residents

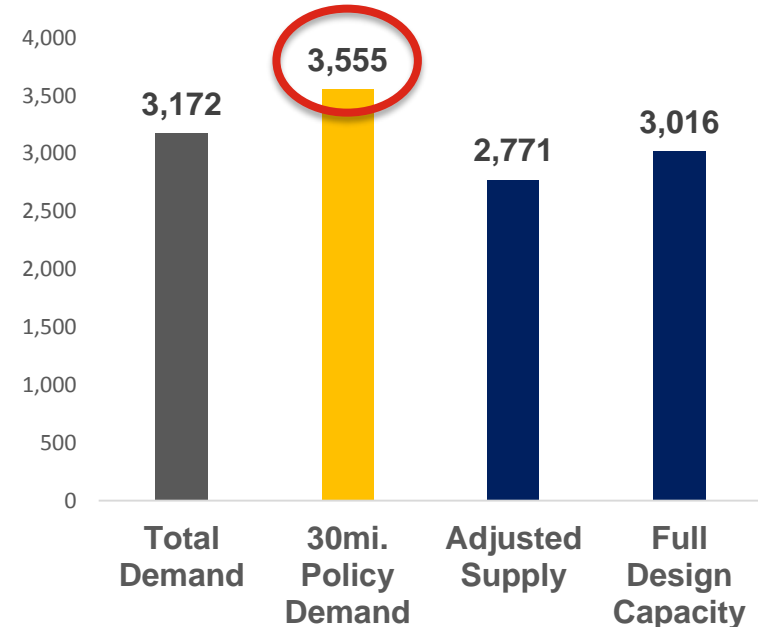
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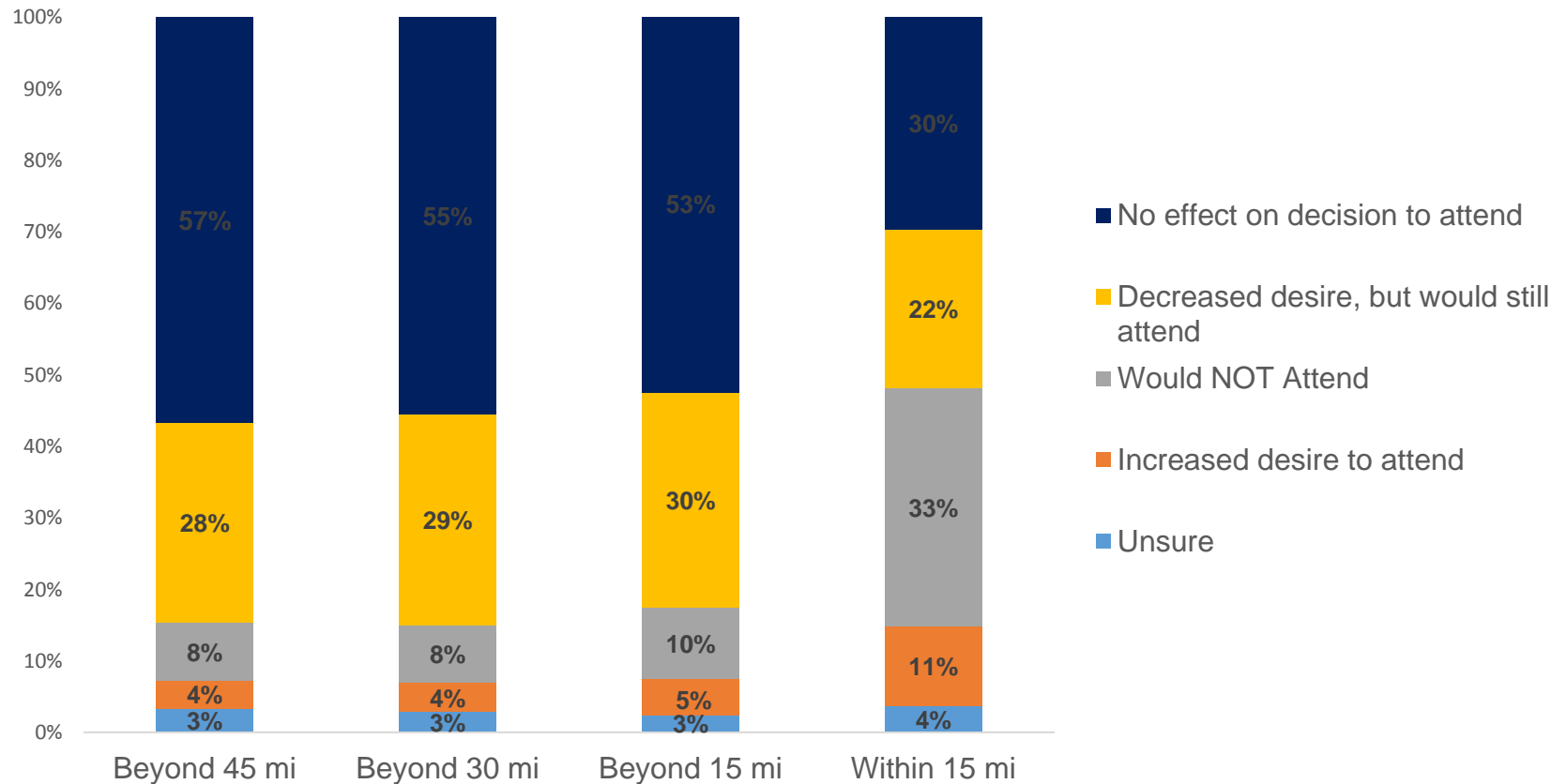


Assuming enrollment projections are met, a standard freshman live-on policy is essential to reaching strategic goals

Freshman Live-on Requirement

CAPTURE RATE SENSITIVITY

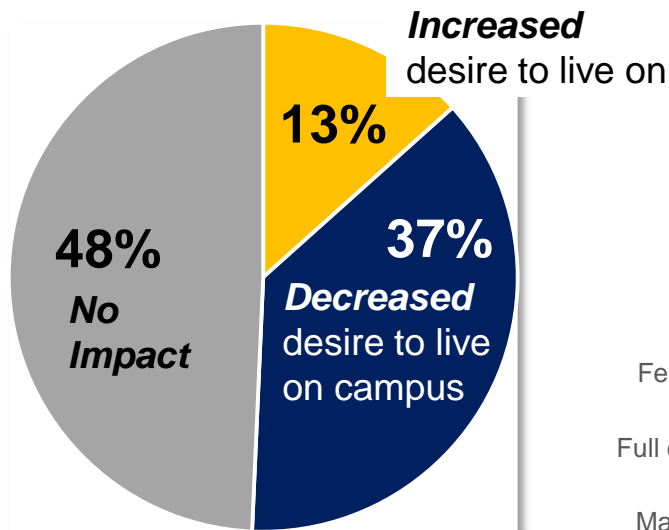
Freshman attitude towards live-on requirement by permanent residence



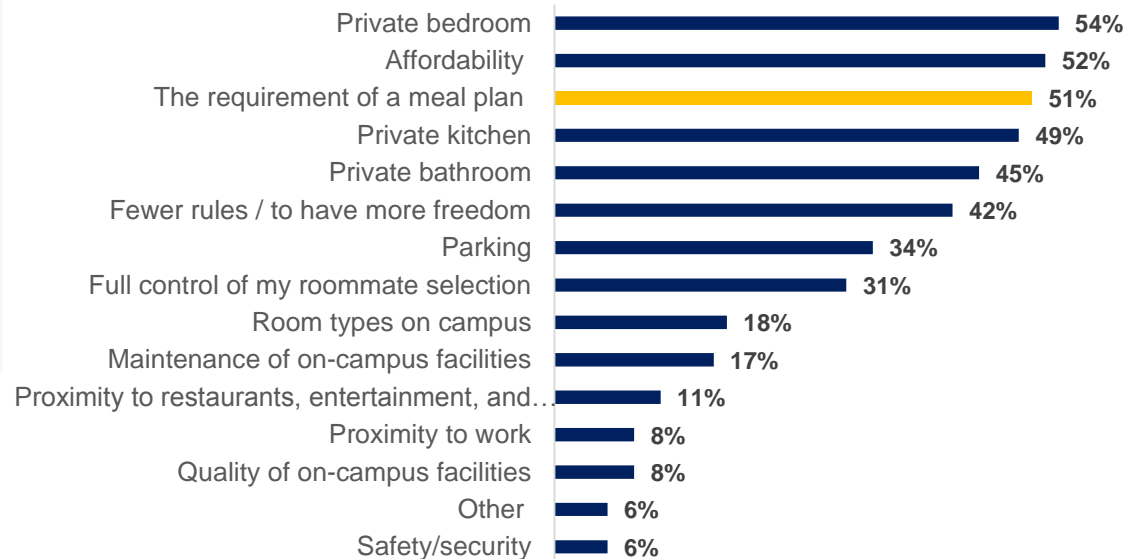
Meal Plan's Impact

ETSU HOUSING EXPERIENCE

Meal Plan requirement's impact on housing decision of freshmen



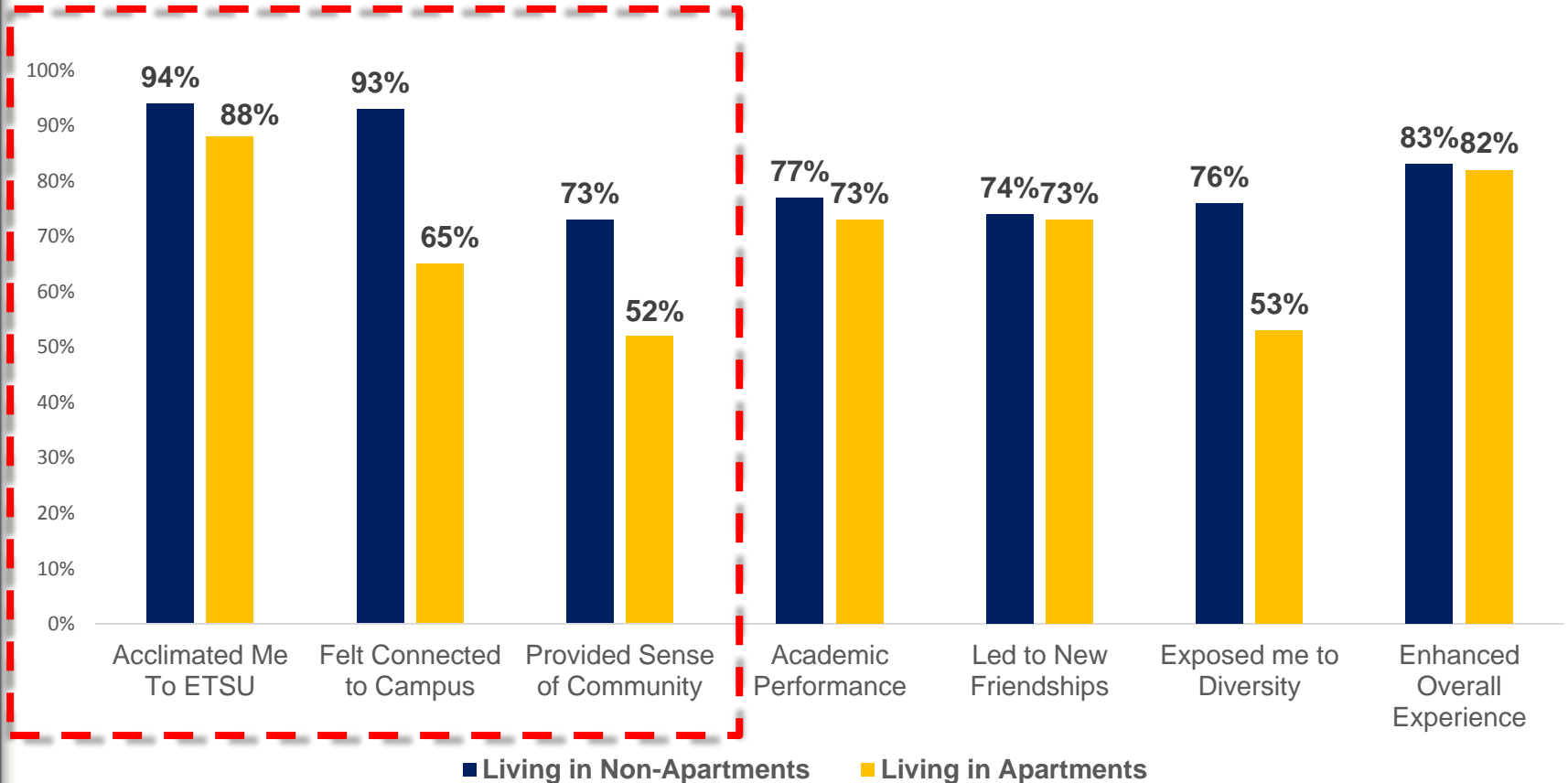
FTF Reasons for living off campus *next* year
(select all that apply)



Student responses indicate that ETSU's meal plan policy adds occupancy risk for the housing system

Engagement By Unit-Type

ETSU HOUSING & MARKET ASSESSMENT



Students in community housing feel more engaged than those in apartments

Current Pure Market Demand

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2016-2017 Pure Market Demand by Unit Type

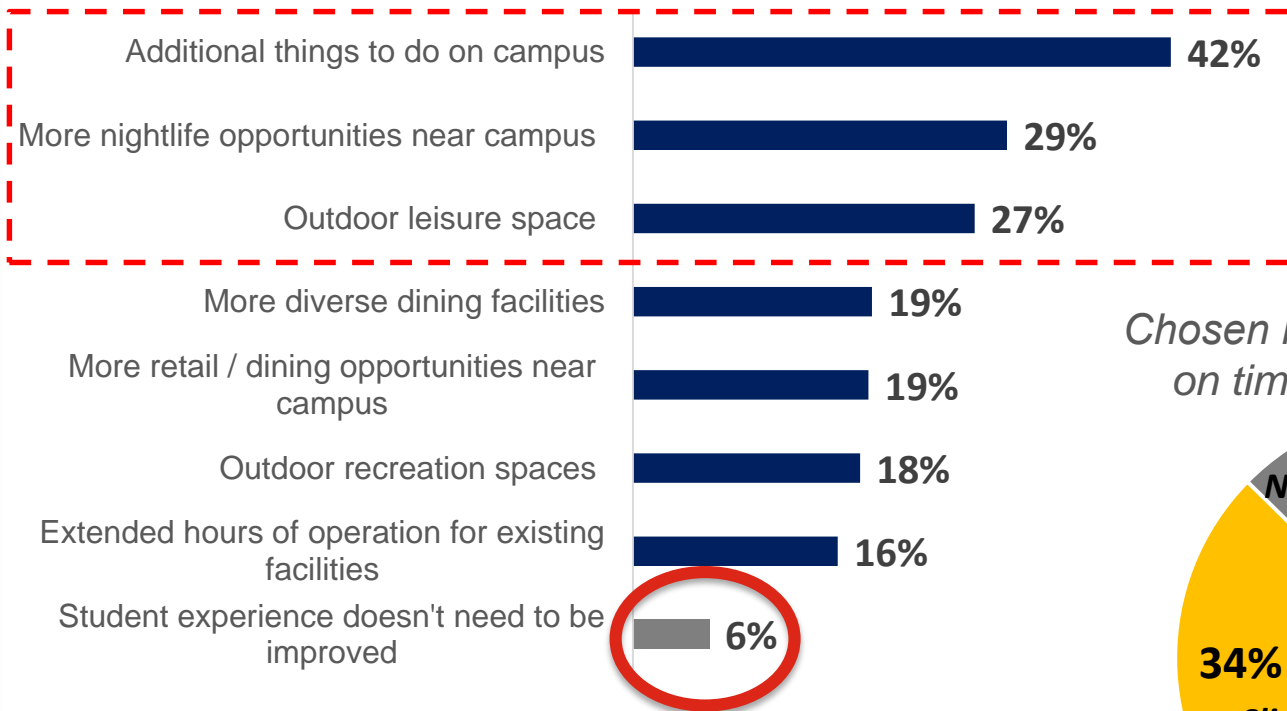
Classification	Traditional/Pod	Hotel Style	Semi Suite	Full Suite	Efficiency Apartment	2 BR Apartment	4 BR Apartment	Total
Freshman	211	109	77	150	121	294	103	1,065
Sophomore	107	83	46	59	129	177	110	711
Junior	79	21	21	38	72	58	45	333
Senior / Other	33	8	8	26	65	47	51	239
Graduate / Other	17	3	0	0	9	3	3	35
Total Demand	447	224	151	273	397	579	312	2,384
Existing Supply	772	551	126	371	547	555	94	3,016
Net Demand (Surplus/(Deficit))	325	327	(25)	98	150	(24)	(218)	632

49% of freshmen would prefer apartment housing on campus

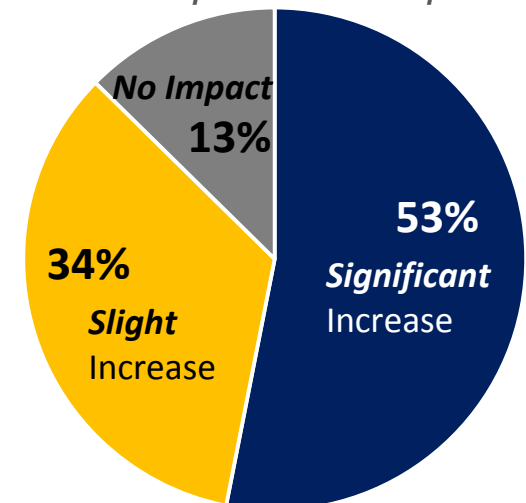
Campus Improvements

CAMPUS LIFE

Most effective improvements to ETSU (select up to two responses)



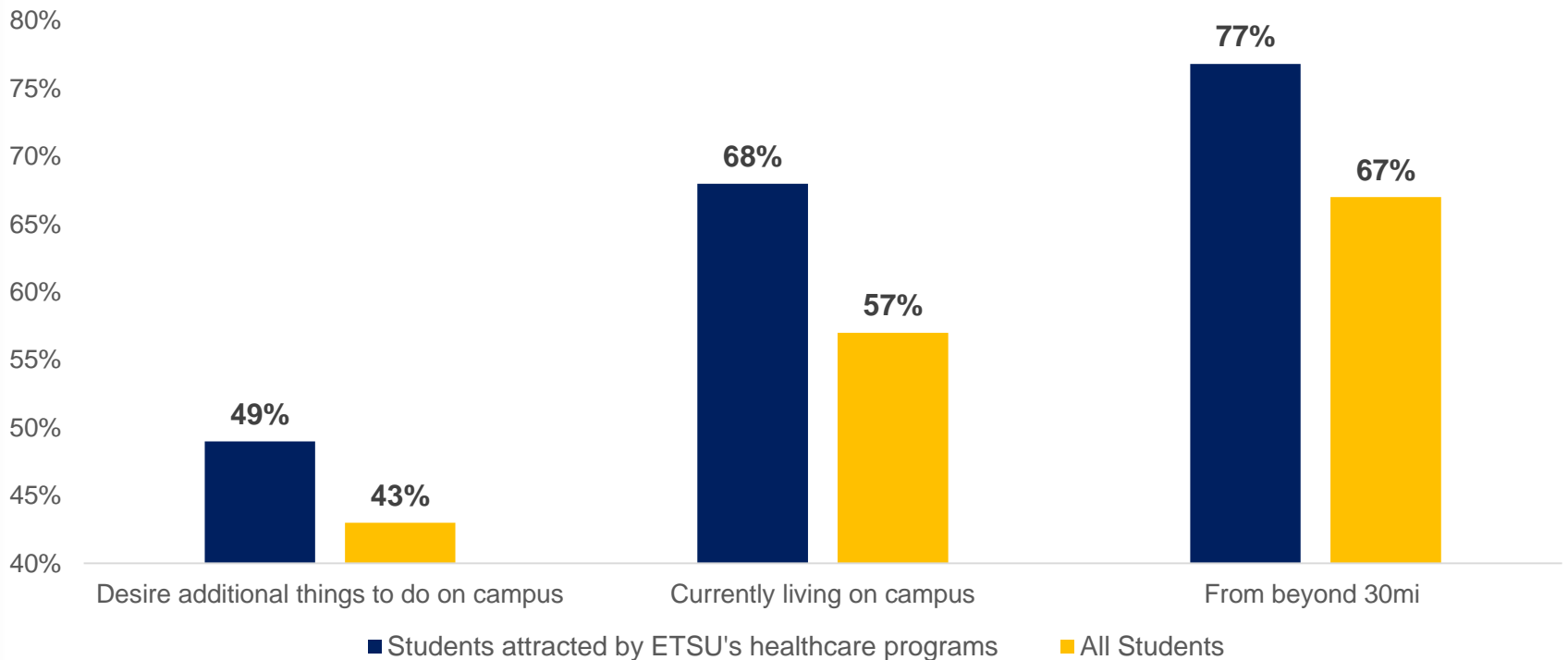
Chosen improvement's impact on time spent on campus



Two-thirds of students spend ***less than half*** of their weekends around campus

Healthcare Programs & Recruitment

ETSU STUDENTS

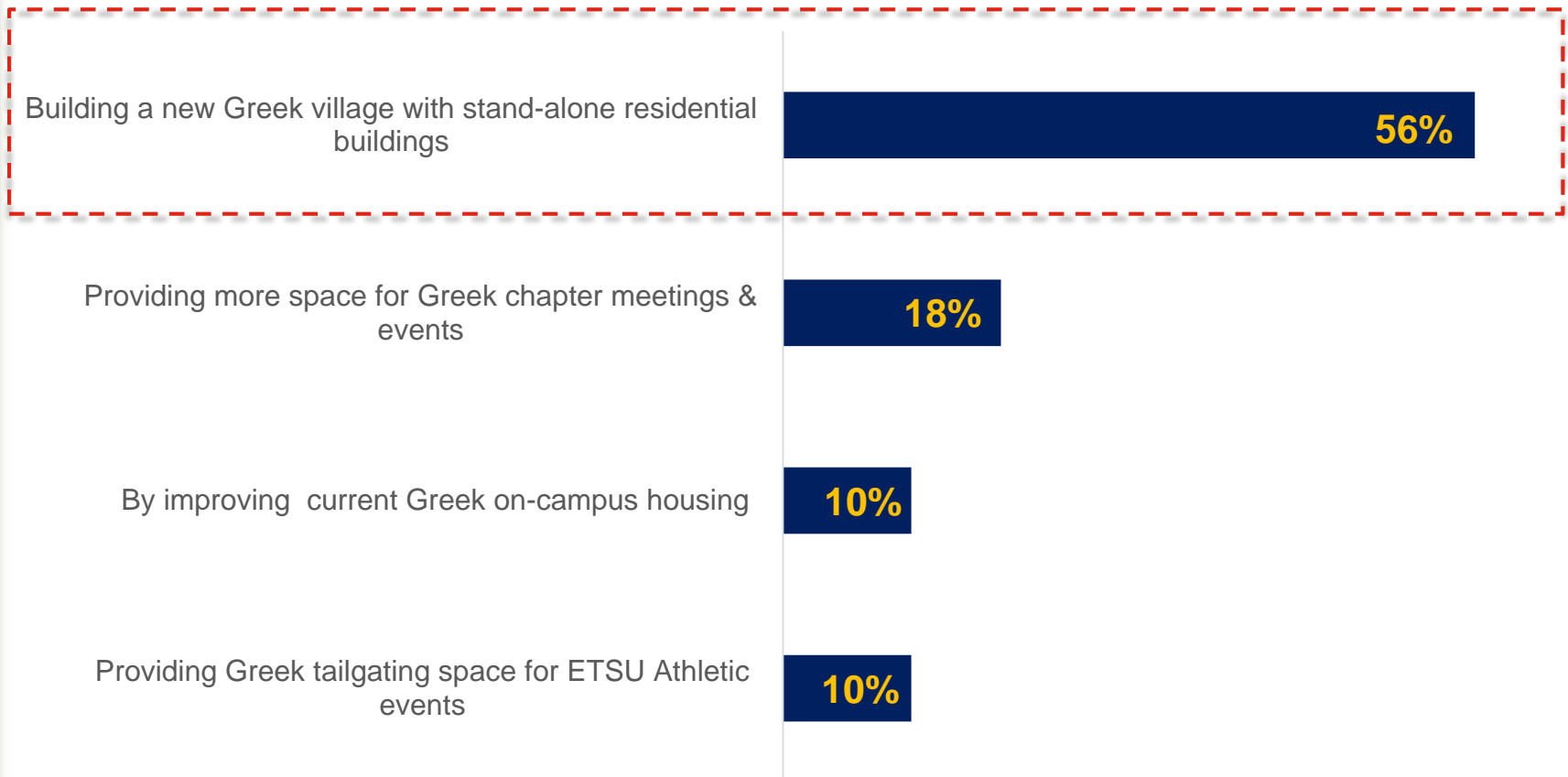


Students coming to ETSU for its healthcare related programs are an attractive target market for Housing

On-campus Greek Village

CAMPUS LIFE

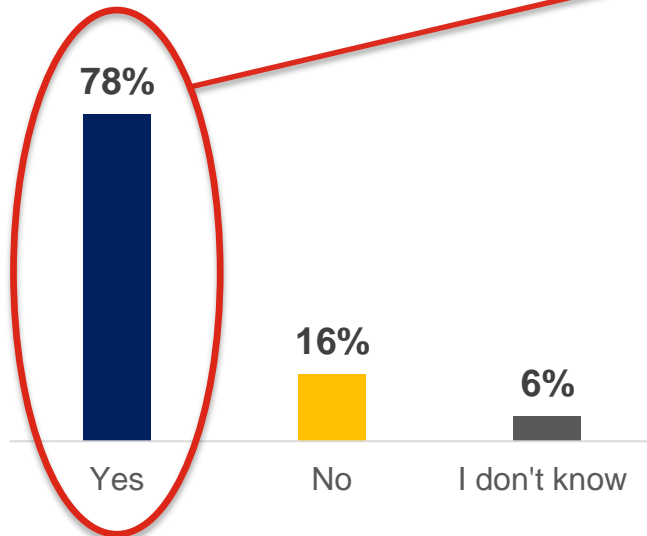
Top Improvements to the ETSU Greek Experience



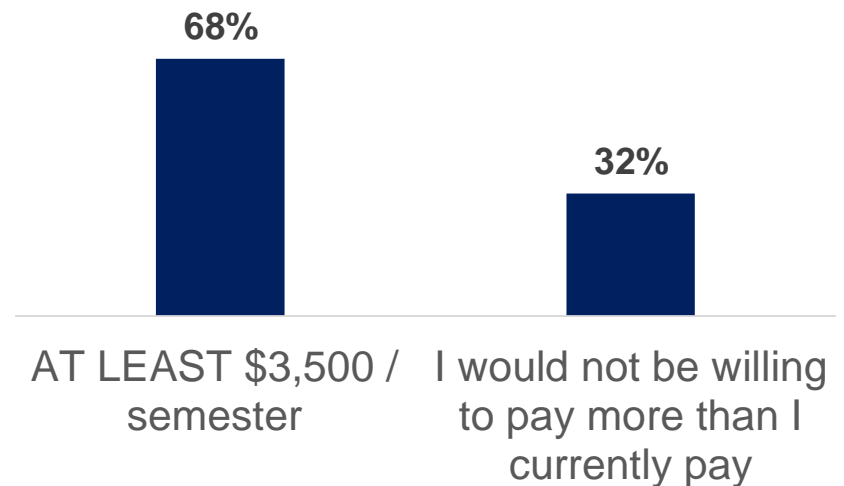
On-campus Greek Village

CAMPUS LIFE

Would you be interested in living in an on-campus Greek village?



How much would you be willing to pay?





RECOMMENDATIONS



Recommendations

ETSU HOUSING & MARKET ASSESSMENT

- ◆ Do not add net new inventory to the system
 - Focus on strengthening Housing's financial position
- ◆ Make targeted, cost efficient improvements in existing halls
 - Must continue to differentiate Buc Ridge from the off-campus market
- ◆ Consider incorporating first-time freshman live-on policy
 - Students with permanent residence within 30 miles should be exempt
- ◆ Gradually transition freshmen students from apartments
 - Consider expanding / requiring LLC's for freshmen in Buc Ridge
- ◆ House the Pre-Health LLC in a contemporary building
- ◆ Continue investing in campus life amenities!
 - Explore a Greek Village concept to catalyze campus transformation
 - Create student-centric "places" at the campus edge

Recommendations

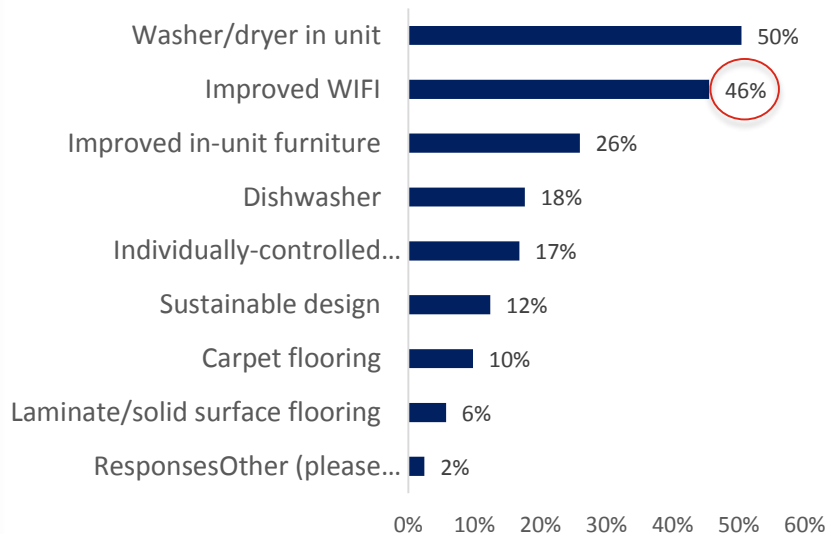
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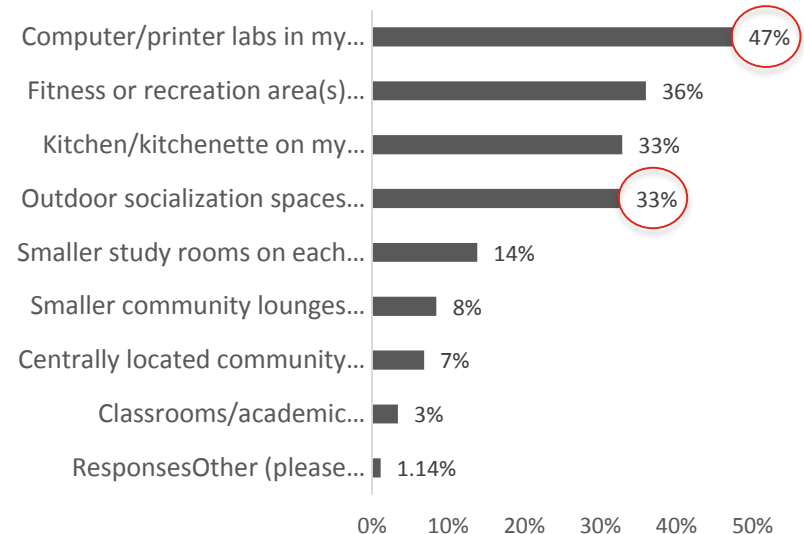
Desired Improvements

ETSU HOUSING & MARKET ASSESSMENT

Top In-Unit Improvements



Top Building Improvements

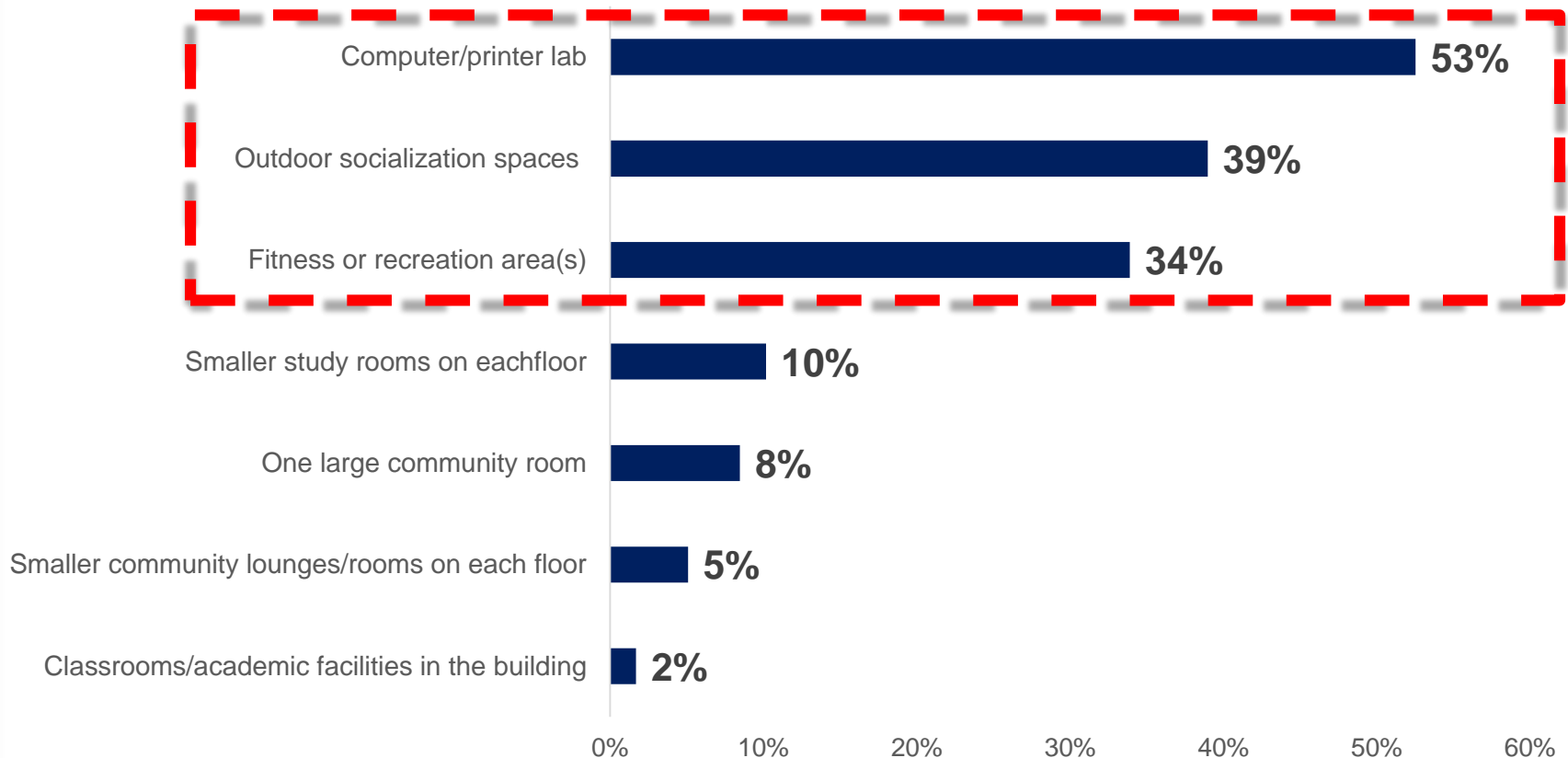


There are opportunities to address students top concerns at relatively low capital cost

Buccaneer Ridge Preferences

IMPROVING EXISTING HALLS

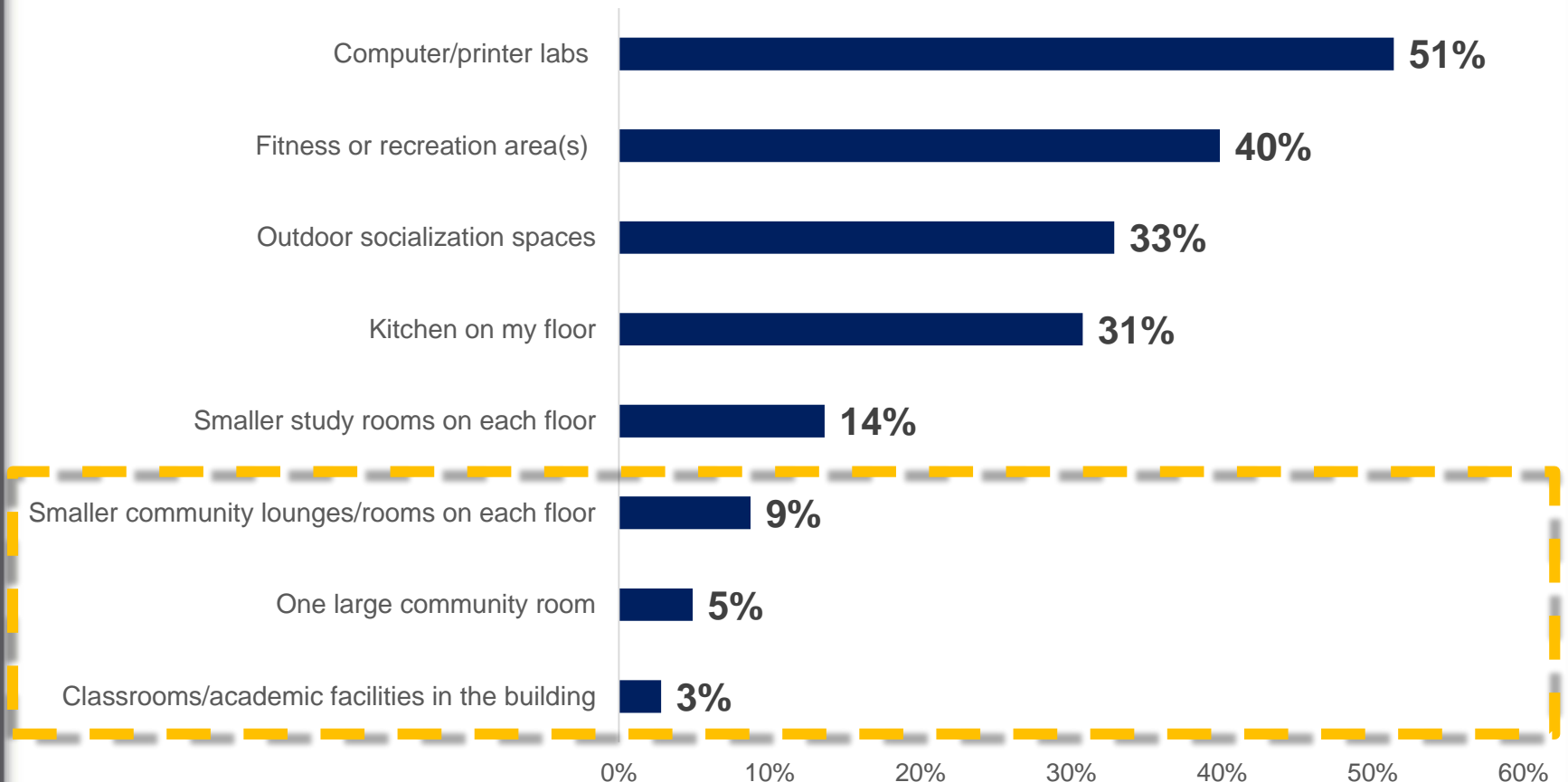
Buccaneer Ridge Resident's preferred amenities (select up to two responses)



Non-Buccaneer Ridge Preferences

IMPROVING EXISTING HALLS

Preferred amenities for residents of other halls (select up to two responses)



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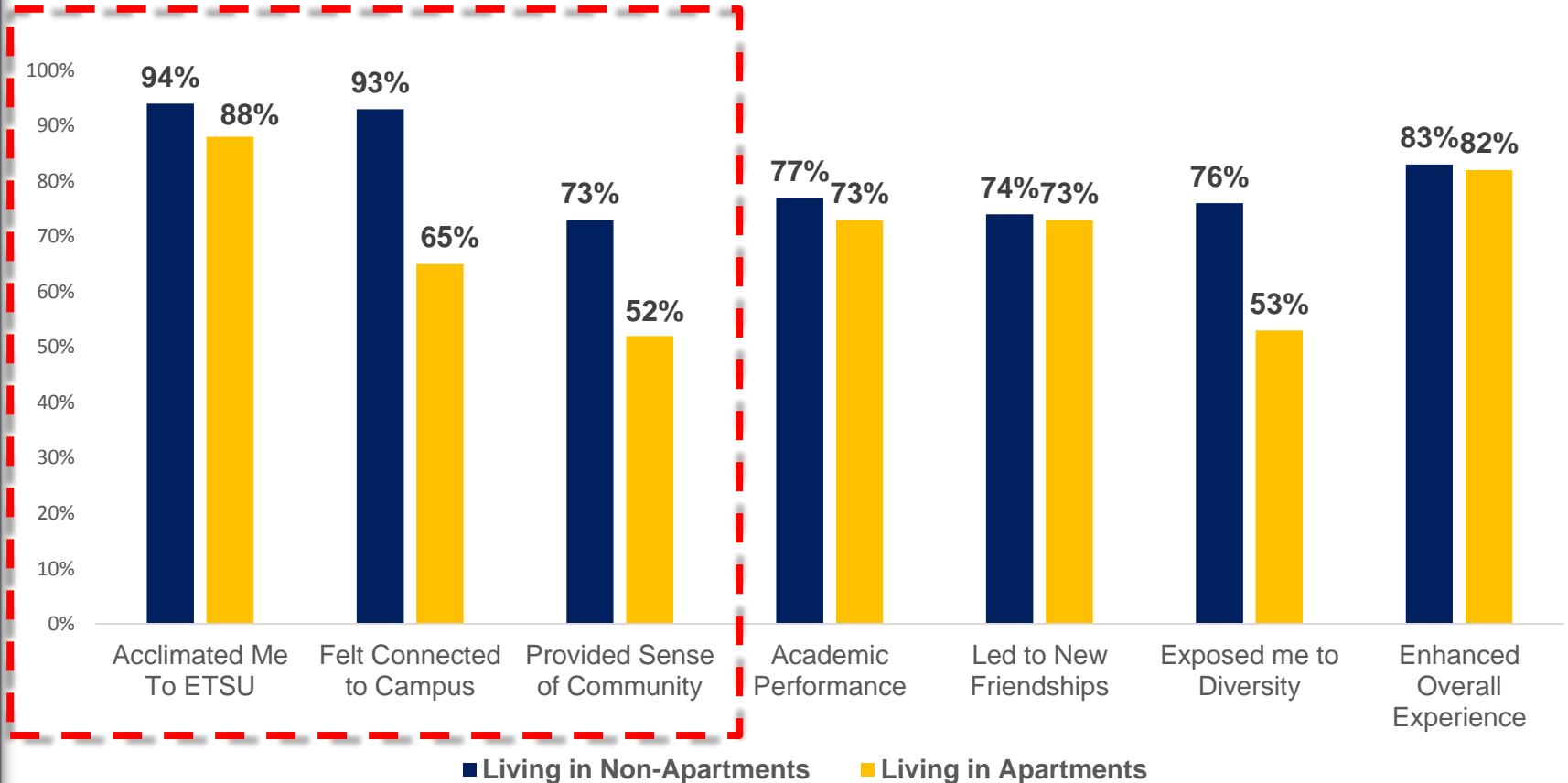
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Key Next Steps

ETSU HOUSING & MARKET ASSESSMENT

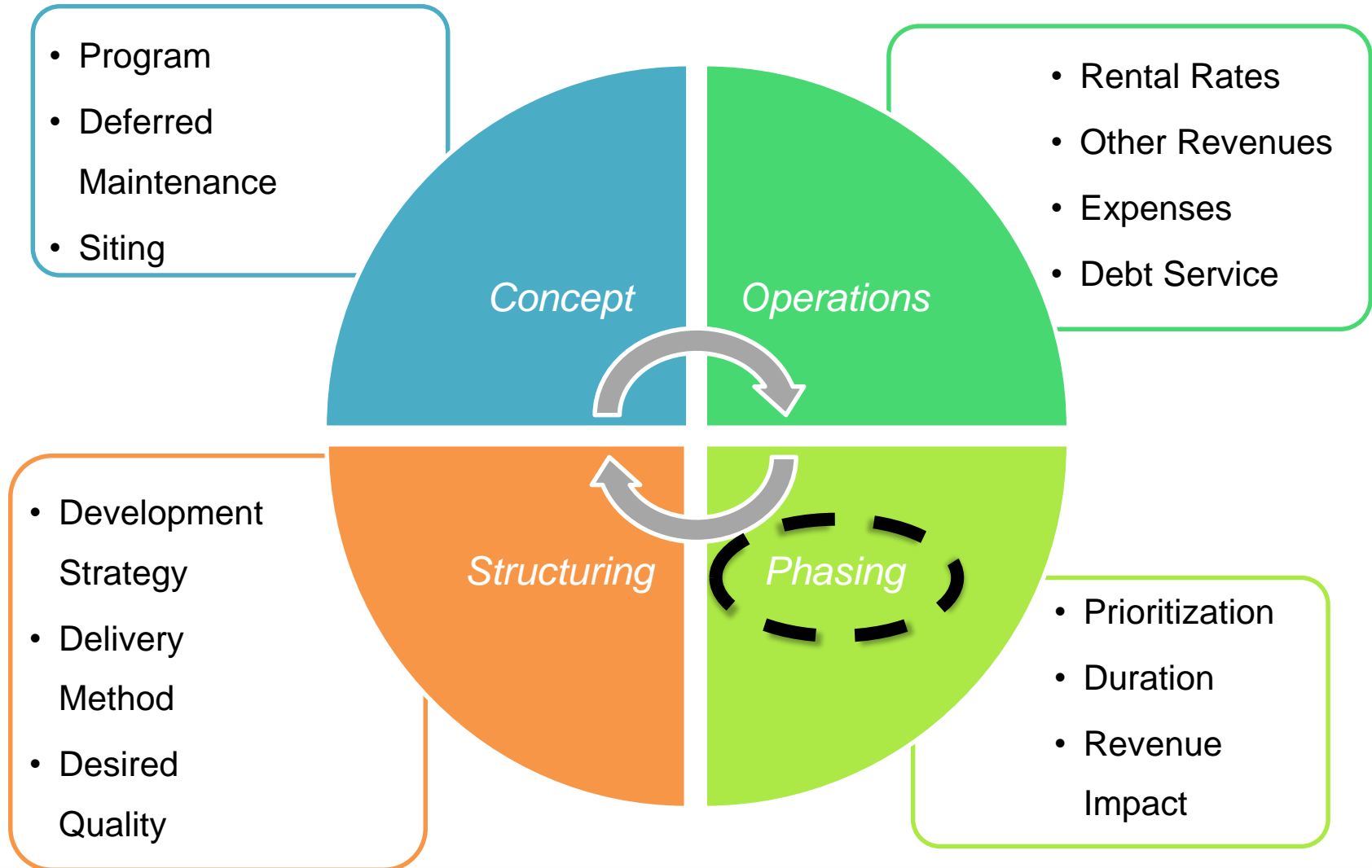
- ◆ Housing Financial Analysis & Capital Project Implementation Plan
- ◆ Public-Private Partnership (P3) Value For Money Analysis
- ◆ Greek Village Master Planning
- ◆ Campus Edge / Lifestyle District Opportunity Assessment

FINANCIAL ANALYSIS OVERVIEW

ITEMS FOR FURTHER ANALYSIS

- ◆ **PURPOSE:** *Determine the optimal renovation and/or replacement approach, both financially and strategically.*
- ◆ **APPROACH:** *Synthesis of project concept, operations, phasing, and structuring variables through an iterative financial modeling process.*
- ◆ **BENEFIT:** *B&D brings a national perspective of operation norms and considers complex future scenarios informed by industry experience*

FINANCIAL ANALYSIS OVERVIEW





THANK YOU!

