EAST TENNESSEE STATE UNIVERSITY

HOUSING MARKET & DEMAND 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 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

Project Status
ETSU HOUSING & MARKET ASSESSMENT

100% Complete
In progress
MIND THE GAPS
The gap analysis results are synthesized into four “Chapters” that articulate the attributes that the Plan must achieve:

- Scale of Development & Location
- Priority Order of Market Segments
- Outcome Drivers & Programming
- Financial Performance

Strategic Asset Value 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)
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.
Cost and permanent residence are more important to ETSU students than the campus experience.
Factors Influencing Housing Decision

- Total cost of rent and utilities: 70%
- Proximity to classes: 42%
- Availability of a private bathroom: 20%
- Availability of a private (single) bedroom: 19%
- Ability to choose my own roommate(s): 19%
- Physical building features I desire: 15%
- Availability of a kitchen: 13%
- Less restrictive rules and supervision: 11%
- Proximity to work: 10%
- Safety and security features: 9%

Cost is a **predominant** factor in where ETSU students choose to live.
What should ETSU prioritize when making housing improvements?

- **Affordability**: 74%
- Bathroom modernization: 26%
- Common space amenities: 17%
- Keeping halls open over breaks: 16%
- Attract prospective students: 16%
- Improving dining programs: 10%
- Less restrictive policies: 8%
- Improving maintenance services: 6%
- More/better LLC’s: 6%
- I do not know: 3%
- Other: 2%
Factors in Housing Choice

S T U D E N T  P R O F I L E

Student perception of current living arrangement’s cost effectiveness

On-Campus Residents

- 62%

Off-Campus Residents

- 94%

- 53% Student-Oriented Apartment
- 31% Other Apartment
- 15% House / Townhome
Off-Campus Market Analysis

Average annualized cost of housing
(Uutilities and deposits accounted for)

Buccaneer Ridge is competitively priced when viewed on an annual basis
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)

- Other Off-Campus: $448
- Other Halls: $451
- Student Oriented: $548
- Governors: $571
- Centennial: $659
- Buccaneer Ridge: $729
## Off-Campus Market Analysis

**ETSU OFF-CAMPUS MARKET**

### Student-Oriented Amenities

<table>
<thead>
<tr>
<th>Property</th>
<th>Monarch 815</th>
<th>University Edge</th>
<th>Upper Class Suites GP</th>
<th>Evergreen Terrace</th>
<th>Student Quarters</th>
<th>Buccaneer Ridge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pool</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Dishwasher</td>
<td>x</td>
<td></td>
<td></td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>In-Unit Washer &amp; Dryer</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>All-inclusive utilities</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Pet Friendly</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Private Patio/Deck</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Internet Included</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Furnished Available</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Grills/Outdoor Space</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Business Center</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Walk-in Closets</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Shuttle to Campus</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>On-Site Mgmt/Maintenance</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Basketball Court</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Volley Ball Court</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Individual Lease</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Flexible / Academic Lease</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Roommate Matching</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>21 year-olds can have alcohol</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Ability to Stay over breaks</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>On-Site Fitness Center</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Living On Campus</th>
<th>Living Off Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acclimated Me To ETSU</td>
<td>91%</td>
<td>64%</td>
</tr>
<tr>
<td>Felt Connected to Campus</td>
<td>79%</td>
<td>43%</td>
</tr>
<tr>
<td>Provided Sense of Community</td>
<td>70%</td>
<td>58%</td>
</tr>
<tr>
<td>Academic Performance</td>
<td>79%</td>
<td>79%</td>
</tr>
<tr>
<td>Led to New Friendships</td>
<td>76%</td>
<td>69%</td>
</tr>
<tr>
<td>Exposed me to Diversity</td>
<td>73%</td>
<td>63%</td>
</tr>
<tr>
<td>Enhanced Overall Experience</td>
<td>75%</td>
<td>74%</td>
</tr>
</tbody>
</table>

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

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
Based on pure market demand, ETSU currently has an oversupply of 387 beds.
Impact of exemption policy on Freshman Capture Rate

<table>
<thead>
<tr>
<th>Distance (mi)</th>
<th># of New Residents</th>
<th>Current</th>
<th>45 mi</th>
<th>30 mi</th>
<th>15 mi</th>
<th>Within 15 mi (All)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>215</td>
<td>74%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>275</td>
<td>71%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45</td>
<td>462</td>
<td>59%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>749</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

# of New Residents

- Current: 215
- 45 mi: 275
- 30 mi: 462
- 15 mi: 749
- Within 15 mi (All): 749
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

- No effect on decision to attend
- Decreased desire, but would still attend
- Would NOT Attend
- Increased desire to attend
- Unsure

<table>
<thead>
<tr>
<th>Distance</th>
<th>No effect</th>
<th>Decreased desire</th>
<th>Would NOT attend</th>
<th>Increased desire</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beyond 45 mi</td>
<td>57%</td>
<td>28%</td>
<td>8%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Beyond 30 mi</td>
<td>55%</td>
<td>29%</td>
<td>8%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Beyond 15 mi</td>
<td>53%</td>
<td>30%</td>
<td>10%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Within 15 mi</td>
<td>30%</td>
<td>33%</td>
<td>22%</td>
<td>11%</td>
<td>4%</td>
</tr>
</tbody>
</table>
Meal Plan’s Impact

ETSU HOUSING EXPERIENCE

Meal Plan requirement’s impact on housing decision of freshmen

- **Increased** desire to live on campus (13%)
- **Decreased** desire to live on campus (37%)
- **No Impact** (48%)

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

- Private bedroom: 54%
- Affordability: 52%
- The requirement of a meal plan: 51%
- Private kitchen: 49%
- Private bathroom: 45%
- Fewer rules / to have more freedom: 42%
- Parking: 34%
- Full control of my roommate selection: 31%
- Room types on campus: 18%
- Maintenance of on-campus facilities: 17%
- Proximity to restaurants, entertainment, and...: 11%
- Proximity to work: 8%
- Quality of on-campus facilities: 8%
- Other: 6%
- Safety/security: 6%

Student responses indicate that ETSU’s meal plan policy adds occupancy risk for the housing system.
Students in community housing feel more engaged than those in apartments.
### Current Pure Market Demand

**ETSU HOUSING & MARKET ASSESSMENT**

2016-2017 Pure Market Demand by Unit Type

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

49% of freshmen would prefer apartment housing on campus
Most effective improvements to ETSU (select up to two responses)

- Additional things to do on campus: 42%
- More nightlife opportunities near campus: 29%
- Outdoor leisure space: 27%
- More diverse dining facilities: 19%
- More retail / dining opportunities near campus: 19%
- Outdoor recreation spaces: 18%
- Extended hours of operation for existing facilities: 16%
- Student experience doesn't need to be improved: 6%

Chosen improvement's impact on time spent on campus:

- Significant Increase: 53%
- Slight Increase: 34%
- No Impact: 13%

Two-thirds of students spend less than half of their weekends around campus.
Students coming to ETSU for its healthcare related programs are an attractive target market for Housing
Top Improvements to the ETSU Greek Experience

- Building a new Greek village with stand-alone residential buildings (56%)
- Providing more space for Greek chapter meetings & events (18%)
- By improving current Greek on-campus housing (10%)
- Providing Greek tailgating space for ETSU Athletic events (10%)
Would you be interested in living in an on-campus Greek village?

- Yes: 78%
- No: 16%
- I don't know: 6%

How much would you be willing to pay?

- AT LEAST $3,500 / semester: 68%
- I would not be willing to pay more than I currently pay: 32%
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
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House the Pre-Health LLC in a contemporary building

Continue investing in campus life amenities!
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- Create student-centric “places” at the campus edge
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)**

- Computer/printer lab: 53%
- Outdoor socialization spaces: 39%
- Fitness or recreation area(s): 34%
- Smaller study rooms on each floor: 10%
- One large community room: 8%
- Smaller community lounges/rooms on each floor: 5%
- Classrooms/academic facilities in the building: 2%
Non-Buccaneer Ridge Preferences

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

- Computer/printer labs: 51%
- Fitness or recreation area(s): 40%
- Outdoor socialization spaces: 33%
- Kitchen on my floor: 31%
- Smaller study rooms on each floor: 14%
- Smaller community lounges/rooms on each floor: 9%
- One large community room: 5%
- Classrooms/academic facilities in the building: 3%
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  - Explore a Greek Village concept to catalyze campus transformation
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Students in community housing feel more engaged than those in apartments.
Recommendations

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  - Create student-centric “places” at the campus edge
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

- Program
- Deferred Maintenance
- Siting

- Rental Rates
- Other Revenues
- Expenses
- Debt Service

- Development Strategy
- Delivery Method
- Desired Quality

- Prioritization
- Duration
- Revenue Impact

Concept

Operations

Structuring

Phasing

East Tennessee State University
THANK YOU!