OSU Oregon State UNIVERSITY

CORVALLIS
ENHANCING COMMUNITY LIVABILITY

MEMORANDUM

TO: Neighborhood Planning Workgroup

FROM: Eric Adams, Project Manager

CC: Kevin Young, Planning Division Manager, City of Corvallis

DATE: September 17, 2012

SUBJECT: Collaboration Corvallis – Excerpts from 2011 University Housing & Dining Services Campus Housing Study

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Oregon State University Housing & Dining Services completed a Campus Housing Study in August, 2011. Among the goals articulated for the study were the following:

- Understand growth "trigger points" for new residence halls (determine when to build – anticipate demand or wait until demand is present).
- Have a more long-term view of student housing on campus.
- Understand how to get students to desire to live on campus.
- Explore alternate housing options that would meet the needs of upper class students.
- Provide a better palette of housing options to support student migration after the first year.
- Focus on neighborhood impacts; both future growth and current implications are important.
- Focus on what is in the best interest of students, and then what is best for OSU and the City of Corvallis.
- Coordinate with the campus master plan.
- OSU and the City of Corvallis would like to develop a shared understanding about housing needs and strategies.
- The City of Corvallis would like OSU to house as many students on campus as possible.
- Create a partnership with the City of Corvallis and private developers to ensure the success of housing.
- Explore the concept of working with the private sector and expanding student housing beyond campus boundaries (downtown, etc.).

Attached to this memorandum are excerpts from the study that may provide useful information for the Neighborhood Planning Workgroup in making recommendations concerning student housing on campus. Included are:

- the executive summary of the full report;
- background information on the process and data used to formulate recommendations; and
- a study of the off-campus housing market conducted by Brailsford & Dunlavey.

Please note that student enrollment projections used for the housing study included the period between 2011 and 2024, and may not be entirely consistent with the information presented to the Neighborhood Planning Workgroup in June. Oregon University System projections for enrollment as of 2017 (including "distance learners") were 27,954 students and 28,619 students, respectively. It is not clear what percentage of the total enrollment projections used in the housing study are distance learners. Figures presented by OSU Enrollment Management in June projected 4,648 distance learners enrolled at the Corvallis campus by 2017.

Portions of the report that have been omitted include:

- detailed tables of enrollment projection data (due to formatting constraints);
- an analysis of the current housing and dining facilities on campus, recommended maintenance and upgrades, and timeline projections for new facilities; and
- several appendices with backup data on program "visioning" surveys, facilities summaries, and alternate student capture rate strategies.

It was the project manager's determination that this information was not pertinent to the Neighborhood Planning Workgroup's ongoing discussions, and would not provide any additional value towards making recommendations than what has been included.

Key Excerpts
University Housing & Dining Services
Campus Housing Study
Oregon State University
Corvallis, Oregon
August 2011

prepared by Mahlum

Executive Summary

INTRODUCTION AND PROCESS

In March of 2011 Mahlum began work with Oregon State University (OSU), University Housing and Dining Services (UHDS) and the City of Corvallis to craft a campus housing study that would accommodate projected increases in student enrollment and address the following key objectives, as established by the project steering committee:

1) Create a schedule identifying "trigger points" for construction of new student housing driven by growth.

2) Determine the type, or style, of housing most appropriate for each new proposed project.

3) Identify opportunity sites for future housing on the OSU Corvallis campus.

In addition to addressing these growth-related objectives, the housing study also provides:

:: An abbreviated assessment of existing housing facilities and observations associated with their potential modernization

:: Recommendations associated with establishing equity among shared amenities in existing residence halls

:: A preliminary assessment regarding the impact of increased bed capacity in housing on existing dining facilities

MARKET STUDY AND SURVEY

As part of the planning process, Mahlum engaged Brailsford & Dunlavey to conduct student and staff focus sessions, a demographic analysis of the OSU population, an off-campus market study and a student survey against which all campus housing assumptions and approaches could be evaluated. Brailsford & Dunlavey evaluated 82 rental properties and received 769 student survey responses (5.1%). A student housing demand model was developed based on this survey and market analysis. This report can be found in Appendix E.

PROJECT VISION

Mahlum began the planning process by conducting a "visioning session" that included UHDS staff and representatives from the City of Corvallis. The primary purpose of this visioning session was to identify key objectives associated with the campus housing study and to establish planning parameters that would both guide subsequent plan studies and facilitate the selection of a preferred plan approach. During this visioning session numerous objectives were identified. Some core objectives considered during the analysis phase of this study include the following:

:: Accommodate projected increases in student enrollment

:: Accommodate an increase in the percentage of new freshmen housed on campus (increased capture rate).

:: Identify growth “trigger points” that indicate when new residence halls should be constructed

:: Maintain current strategy of not having a freshmen live-on requirement

:: Ensure business sustainability for OSU’s housing system (maintain a very high occupancy rate)

:: Have a long-term view of student housing on campus

:: Understand how to get students to desire to live on campus

:: Provide equity between new and existing residence halls

:: Provide housing options that support student “migration” within on-campus housing

:: Provide flexible housing that would accommodate new freshman or upper-division students

:: Coordinate with the campus-wide master plan regarding opportunity sites for future housing

In addition to these central goals, representatives from the City of Corvallis expressed the desire for OSU to house as many students on campus as possible.

CAMPUS PLANNING

In parallel with this visioning session, an outline providing overall description of housing holdings, sector populations, status of existing dining facilities and circulation considerations was drafted. This outline, together with content developed during the visioning phase of work, served as a foundation for subsequent planning discussions.

FACILITY ASSESSMENT

The Mahlum team also participated in a walk-through assessment of existing housing facilities, to establish the relative condition of each building and identify the need for associated modernizations, if any. During this effort, the assessment team observed that existing residence halls generally appear to be in good condition, primarily due to a well-planned deferred maintenance program developed and implemented by UHDS.

Having said this, it was also noted that nine of thirteen, existing residence halls managed by UHDS will have served the campus for approximately 65 years by 2024. Two others in this age category, Weatherford and West, have already received major renovations.

PLANNING ANALYSIS

Enrollment projections were obtained through the Oregon State University Office of Enrollment Management. These projections, updated by the Oregon University System (OUS) in May 2011, were used as a basis for growth related planning.

Enrollment directly associated with INTO programs was not included in OUS projections, but was accounted for separately by the INTO programs and has been included in this document.

As mentioned previously, the primary focus of this housing study was to develop an approach that would accommodate projected increases in student enrollment. With specific regard to this objective, a series of planning scenarios were used to explore the impact of both enrollment and capture rate increases on capital construction. During these explorations, the steering committee determined that aggressive capture rate increases generate a demand for new residence hall facilities that exceeds available, owner-financed, construction capital. This financial reality, combined with a desire to develop a planning approach that would minimize risk associated with higher vacancy rates, drove the steering committee toward a more conservative planning approach.

The preferred planning approach, as identified by the steering committee, represents a proposed increase in capture rate for new freshman of 0.75% per year and a proposed increase in capture rate for other freshman, sophomores and juniors of 0.10% per year. Within the horizon identified for this plan (2024), this translates into an increase of new freshmen participation from approximately 80% to 88% and upper division participation from approximately 6% to 7%.

"Trigger points" identifying construction of new residence halls were also influenced by direction from the steering committee, allowing the accrual of approximately 300 beds under capacity prior to bringing a new residence online. This allowance would further ensure high rates of occupancy in newly constructed housing wherever possible.

PLANNING CONCEPTS

The planning team identified several opportunity sites associated with the construction of future residence halls. These opportunity sites were specifically selected for their immediate proximity to existing housing facilities and their associated ability to reinforce student communities already established by the four primary housing districts. These districts include those created by residence halls found in Sectors B, G, and D, and also by cooperative housing found in Sector D.

It was widely recognized that several of the opportunity sites have been previously identified as potential locations for other campus functions. However, given limited availability of sites needed to accommodate even the most conservative approaches to growth (such as that selected by the steering committee), it was generally agreed that the sites should still be proposed as prime locations for housing.

R E COMMENDAT I O N S

GROWTH

Based on the preferred planning approach, this study identifies need for two additional residence halls beyond those currently being designed and/or constructed. These pre-existing projects are the International Living Learning Center (ILLC), scheduled to open in 2011, and the New Student Residence One (NSR1), scheduled to open in 2014.

Planning and design for NSR1, comprised primarily of apartment-style units, began prior to the completion of this campus housing study.

Updated enrollment projections, categorized by student division, suggest that NSR1 will require a significant increase in upper-division participation in order to avoid excess bed capacities projected through the Fall of 2015.

The housing demand model developed by Brailsford & Dunlavey suggests that increased upper-division participation may be achievable, assuming rental rates are at, or near, market rental rates.

Projected increases in both enrollment and capture rate indicate that a subsequent hall, New Student Residence Two (NSR2), will not need to come on line until Fall2021. Based on projections categorized by student level, this residence hall will primarily serve new incoming freshmen and should therefore be a suite-style or perhaps mixed unit hybrid.

Projected increases in enrollment and capture rate indicate that a third new hall, New Student Residence Three (NSR3), may be required within the horizon of this planning document, Fall of 2024. Similar to NSR2, projections categorized by student level, suggest this residence hall will primarily serve new incoming freshmen and should therefore be a suite-style or perhaps mixed unit hybrid.

It should be noted that NSR3 is necessitated by an unusual jump in enrollment projected for the year 2024; a projection that should be revisited and confirmed as that date approaches.

It is important to understand that increased bed capacity will also exert pressure on dining facilities that serve students living in residence halls. Based on service capacities provided by UHDS, it appears that current food service facilities may be sufficient to accommodate new housing facilities through the construction of NSR2 on, or around, 2021. This allowance presumes that NSR1 will be constructed as apartment-style units and that NSR2 would be located in Sector D, served by McNary Dining Center. NSR3 will likely require modification or expansion of existing food service facilities to accommodate the student population it houses.

MODERNIZATION

Although the majority of residence halls are well-maintained and in generally good condition, primarily due to the rigorous deferred maintenance plan managed by UHDS, nine of 13 residence halls will have served the campus for approximately 65 years by 2024.

With regard to this, it is reasonable to believe that many of these buildings' major systems will, around this time, be approaching the end of their serviceable life and failing. When potential seismic upgrades are added to this consideration, it suggests that a long-term plan for major upgrades be made, with the first projects commencing around, or immediately following the horizon line of this planning document (2024).

If UHDS undertakes this major upgrade plan, we further recommend that Sackett Hall be considered as a strong candidate for re-purposing as a living/learning center, due to the significant amount of ground floor common area that could easily be converted into academic space. With its high ceilings, central location and historic features, a fully renovated Sackett Hall live/learn center could be a very attractive option for undergraduate students.

While not as old, Bloss and Finley Halls also stand out as candidates for upgrades. Extensive modernization of Bloss may be particularly effective, as the suite style housing offered by this building is typically more attractive than traditional-style residence halls to upper division students.

The cooperative houses are in need of modernization due to daily wear-and-tear. In addition, these facilities are not entirely well-suited for such large occupancies.

Finally, Orchard Court will likely need ongoing maintenance, due to the quality of construction, but it is our understanding from UHDS staff that the facility is in high demand and well liked. With regard to this, current plans for ongoing maintenance may serve this community well for some years to come.

EQUITY

Equity and programmatic assessment focused on 'decompression' strategies designed to improve common space and shared residence hall amenity. The intention of this effort would be to raise the desirability of existing facilities by bringing their social interaction spaces into closer alignment with newer, more desirable housing alternatives.

The Mahlum team believes that Bloss, Finley, Poling and Cauthorn Halls offer up significant opportunity for improvement of shared residence hall amenities.

While it appears that "decompression" will have a small impact on overall UHDS capacity, the benefit of this approach should be weighed against the cost of associated modernization and overall impact of capacity reduction on revenue.

THE MARKET

The report produced by Brailsford & Dunlavey suggests significant market demand exists for housing intended to serve upper-division students.

This housing demand, combined with the limited availability of real estate suitable for large scale development in the Corvallis market, particularly near campus, suggest that opportunity exists for University owned upper-division housing.

In order to benefit from this opportunity, a number of hurdles must be cleared. Two of the primary challenges facing University-developed apartment-style housing are:

:: Availability of construction capital

:: Ability to construct inexpensive housing that can be rented at rates attractive to students.

The University has two basic alternatives associated with access to funding for construction projects. The first option relies mainly on the OUS system for capital resources. The second option involves forging public/private partnerships to access additional capital reserves for construction of these projects. This report suggests that OSU explore public/private partnership options in greater detail to determine whether this approach may be an acceptable way to address housing needs at upper-division levels.

With regard to attractive rental rates, the Brailsford & Dunlavey report identifies "more cost effective" housing as the number one reason students consider living off campus. This report suggests that OSU explore construction alternatives specifically directed toward cost reductions intended to facilitate reduced rental rates.

S I T E S

As previously stated in this summary, the planning team identified several opportunity sites associated with the construction of future residence halls.

This report recognizes that site availability, particularly near the campus core, remains at a premium, with many potential candidates and functions vying for the same building locations. Having said this, student housing makes a significant contribution to the vibrancy of campus and the individual development of both incoming and returning students. Providing a central location for housing facilitates its role in both of these areas.

With regard to site availability this report suggests the following:

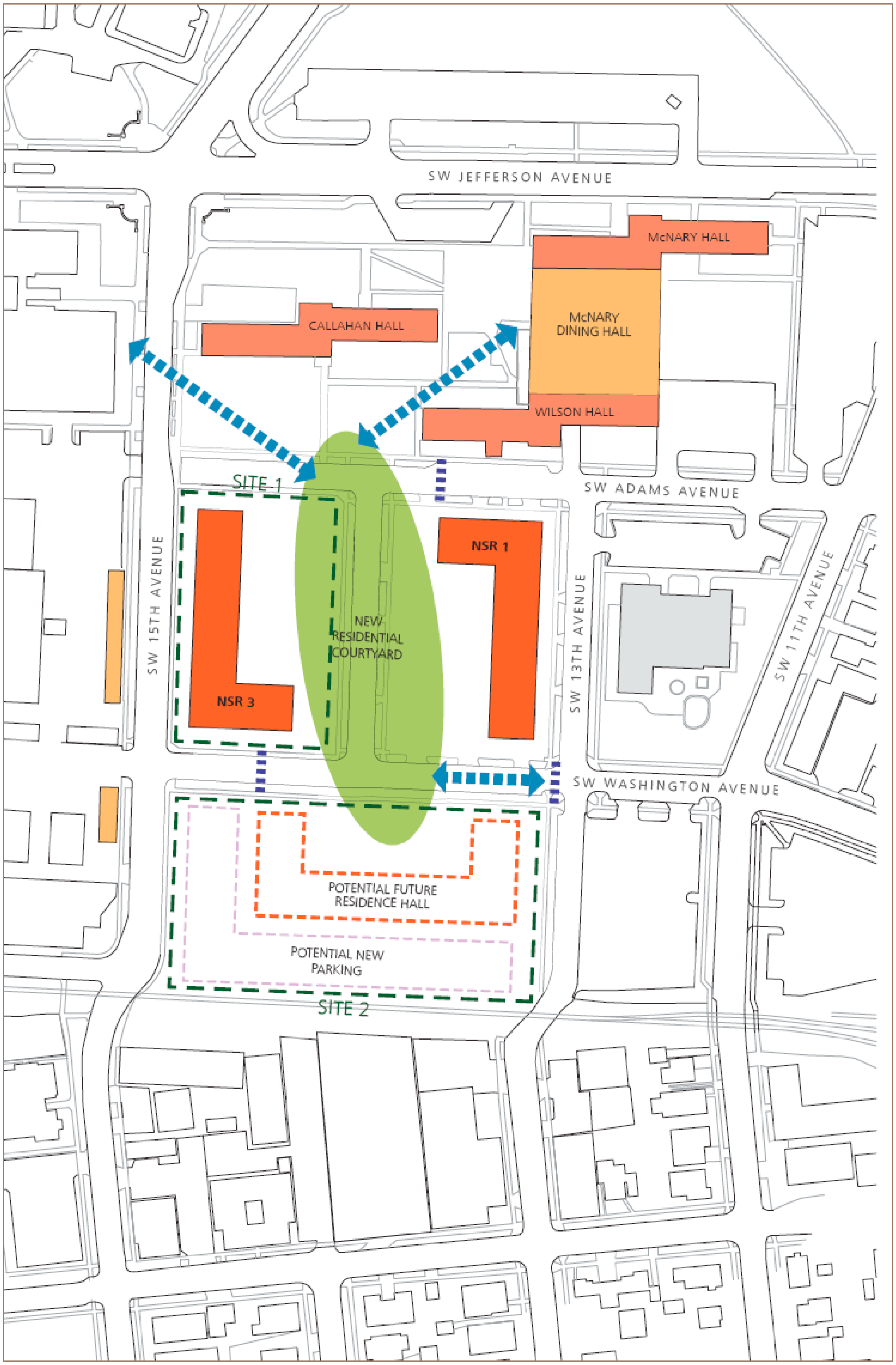
:: Preserve as many core campus sites as possible for housing associated directly with first year freshmen, freshmen and sophomores. These housing types would primarily be comprised of traditional residence halls and suite-style housing geared specifically toward attracting and retaining students during their early university experience.

:: Locate apartment style housing in locations other than prime core campus sites (this housing could be very appropriately located outside the 10 minute walking circle identified on page 6 of this document).

:: Open discussions between UHDS and other campus planning groups to explore the role of housing in campus life and student development. Work with these groups to identify and agree upon appropriate building sites for future housing expansion as needed to accommodate increasing enrollment and growth.

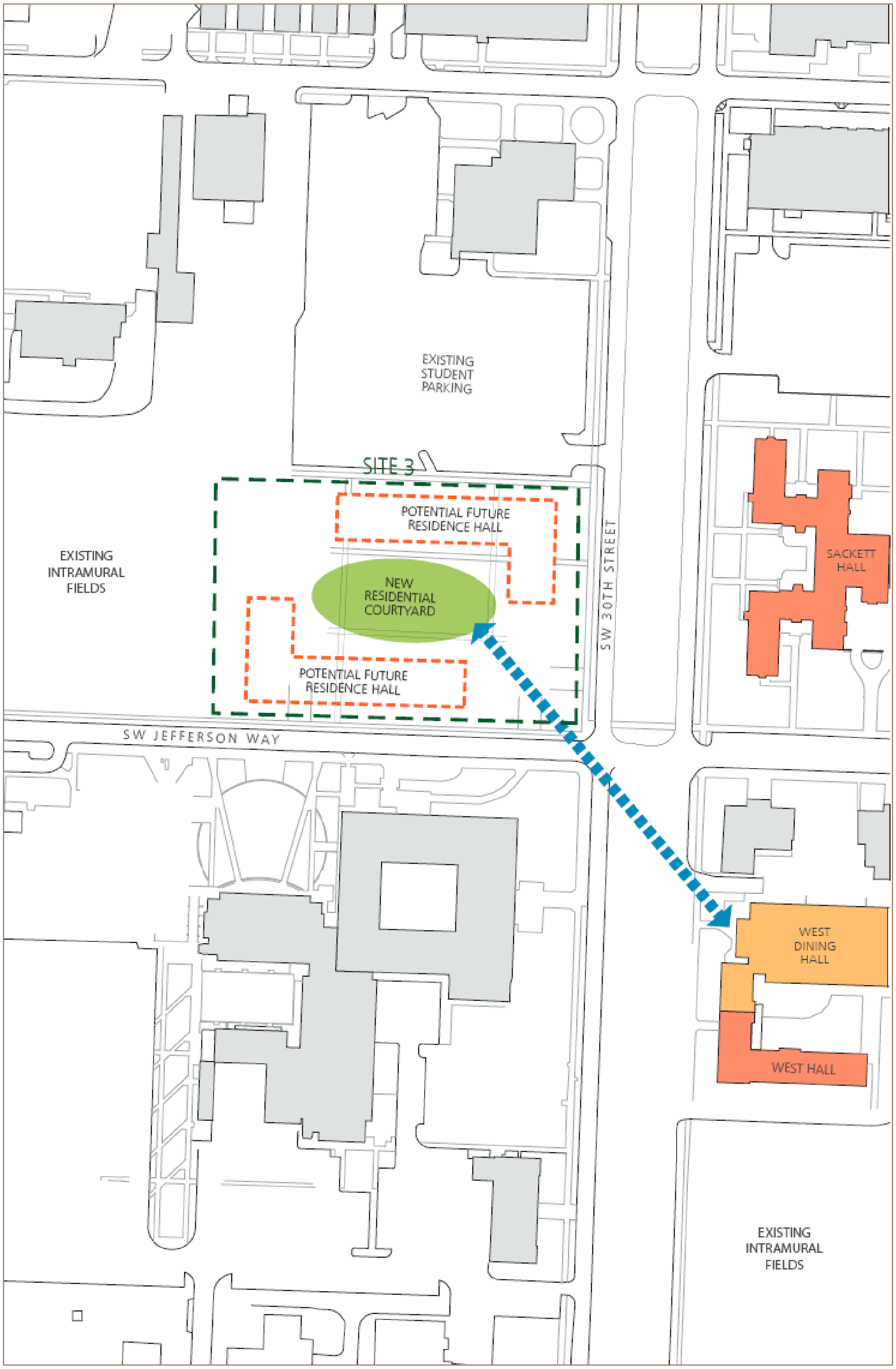
OSU CORVALLIS CAMPUS: SITE ANALYSIS

Not To Scale



Sector D: Site Development Concept

Not to Scale



Sector B/C: Site Development Concept

Not to Scale

Excerpts from Full Report

PLANNING PARAMETERS

ENROLLMENT AND RETENTION

:: Use a planning horizon of Fall 2024

:: Use current headcount projections from OSU's Office of Enrollment Management, which are derived from the OUS projections

:: A portion of the students in the INTO program are not included in the OSU/OUS headcounts; use projected headcounts provided by the INTO program for these students

:: There is a desire to increase retention if possible, but at a minimum plan to maintain the current percentage of students retained

MODERNIZATION

:: Modernization of existing housing stock is both an operational issue and an equity issue; there is a desire to get all buildings on a level playing field

:: Allocate a certain amount of funds per building to address equity issues

:: The current eight-year plan is to get all buildings safe, and upgrade windows, roofs, and infrastructure

:: Consider decompression to add student amenities to certain buildings

:: Use tiered costs per square foot for varying levels of Modernization

FACTS

GENERAL

:: Approximately 75% of current housing stock is occupied by first-year freshman

:: Cost is the number one factor for students not returning to on-campus housing at OSU

:: Corvallis has a 0% vacancy rate in the fall and doesn't have the capacity to house more students; the private sector is beginning to respond to the development need, but isn't providing options in the short-term

:: The GEM is successful because it feels like it is off campus and doesn't require a meal plan; it has "hip" factor and is designed to house upper class students

:: INTO consists of three programs: Pathways – program allows students to come into OSU as a sophomore; Academic English – turns into Pathways; General English – students come for a 4 or 10 week program only. All Pathways and Academic English students are required to live on campus.

:: Greek community housing is typically not ideal for freshmen; freshman also may not do well in suites

:: Maintenance is not included in the scope of the study

:: Seismic upgrade of other existing housing facilities (approximately half of inventory) should be considered in the plan

WHAT STUDENTS GAIN WHEN THEY LIVE OFF CAMPUS

:: Adulthood (not being taken care of)

:: No policy restrictions (behavior, drinking and dining autonomy)

:: Lower cost (even without cost of dining plan)

:: Perception of freedom

:: Choice of roommate

WHAT STUDENTS LOSE WHEN THEY LIVE OFF CAMPUS

:: Convenience (meals cooked for them, cleaning)

:: Time/proximity (commute, parking, need for a car)

:: Sense of community and connectedness

:: Academic support (access to library, other student peers)

:: Access to programming

OTHER RESIDENTIAL MODELS

:: Residential college

:: More specific integration with areas of study (engineering, business, etc.)

:: Private off-campus apartments (developer) with an OSU connection (IT support, grocery, advisors, etc.)

IMPACTS TO ON-CAMPUS HOUSING COSTS

:: As a state agency, it is typically more expensive to build (union wages, etc.)

:: Upkeep of older facilities is more expensive

:: Programmatic/service decisions, such as having dining halls open during non-profitable hours and the type of dining program requires high overhead (multiple cash stations instead of one point of sale)

:: Infrastructure to support housing, such as a higher staffing level for buildings (instead of one property manager for an apartment complex)

:: The age of the population requires more "care" (typically 18-19 year olds)

:: OSU currently has a freshman level of service basically "across the board" in all housing options

STUDENT SURVEY & MARKET STUDY

A student survey (which included student and staff focus group meetings, impromptu "intercept meetings" and an online student survey) was executed along with a comprehensive off-campus market study to quantify student desires and market demand for any increase in on-campus student housing. Findings include:

:: While student satisfaction was generally high, there were differing views of desirability of individual residence halls

:: Strong enrollment growth, combined with minimal off-campus development, has contributed to a less than 1% vacancy rate and has caused a 10-20% escalation rate in off-campus housing

:: Despite on-campus rates being between 35-45% higher than off-campus housing, lack of vacant or available land for private development near campus still presents opportunities for OSU to expand their housing inventory

:: Potential demand exists for up to 2,085 additional beds by fall 2019

:: An additional increased demand of 1,308 beds could be realized if OSU-UHDS pursues a freshman live-on requirement

Oregon State University

Student Housing Market Study

Final Report

Prepared By:
Brailsford & Dunlavey

August 2011

BRAILSFORD & DUNLAVEY

INTRODUCTION

In March 2010, Mahlum Architects ("Mahlum") engaged Brailsford & Dunlavey ("B&D") to conduct a student housing market study to support Mahlum with the greater student housing master plan for Oregon State University ("OSU"). The purpose of this study is to quantify housing demand for the campus and interest in amenities to accommodate the growing needs of housing at the University.

CURRENT SITUATION

From fall 2006 to 2010, total enrollment at OSU grew 23% from 19,362 to 23,761 students, outpacing the total enrollment growth rate among all Oregon University System ("OUS") institutions (20%) during the same period. Much of the growth over the last several years stemmed from non-resident enrollment, California residents in particular. During the financial crisis, California began to cap enrollment at four-year state institutions in order to help balance its budget. This constraint positively affected colleges and universities in the surrounding states and OSU was no exception.

Robust enrollment growth often results in additional capital projects. Housing is typically on the forefront of these capital projects, expanding proportionally with enrollment growth. Over the last several years, OSU has renovated or added additional housing to its portfolio; however, the net gain in beds was nominal when compared to total enrollment growth. This limited expansion in on-campus housing has resulted in a greater reliance on the off-campus housing market.

SCOPE OF WORK

The scope of work for this project included both qualitative and quantitative analyses of market demand for organizational housing. B&D initiated the study by meeting with University administrators and reviewing relevant OSU materials. The methodologies employed in this study included the following:

- ***Student and staff focus groups*** to gain qualitative information regarding on- and off-campus housing options;
- A ***demographic analysis*** of the OSU student population;
- An ***off-campus market analysis*** to assess the competitive environment for potential on-campus housing, with consideration of off-campus housing occupancy rates, facility conditions, amenities, and pricing;
- A ***student survey*** completed by approximately 800 OSU students to define demographic characteristics of target markets, quantify overall demand through the housing demand model, and identify price sensitivity, selection criteria, preferred amenities, and current living conditions; and,
- A ***student housing demand model*** to project demand for housing based on data collected from the electronic survey and our target market analysis.

FINDINGS AND RECOMMENDATIONS

B&D's research and analysis demonstrate that demand exists for additional on-campus housing at OSU. The most notable findings are described below:

Focus Groups

Among focus group and intercept interview participants, students were satisfied with their experience at OSU. Their respective academic programs received high levels of satisfaction. However, participants provided differing reviews on on-campus housing, where residence halls such as the Gem, Weatherford, West, Co-ops and Hasell were among the most desired on campus and Finley and Polling were the least desired on campus.

While students believed on-campus housing rates were expensive, the greater concern was over value. Both on-campus and off-campus residents were looking for housing that offered amenities, services, and convenience. Participants indicated that single occupancy unit types, lower bed to bath ratios, and parking passes would help attract / retain students on campus.

Off-campus Analysis

Over the last five years, the housing market had a net gain of 303 units, while OSU enrolled an additional 4,399 additional students. Strong enrollment growth with minimal development has caused vacancy rates to reach nearly 0% by the middle of the academic year. Due to the limited availability of housing, the average rate escalation for fall 2011 ranged from 10% to 20%. Without the additional housing, it is very likely that rates will continue to escalate well above the historical average of 3% per year through the near term.

Despite the need for housing, the 2010 Corvallis Land Development Information Report revealed that development of housing on vacant lots around campus would not be enough to make a significant impact to the current vacancy rate. Land available for large-scale development was along the City's edge, approximately one to two miles away from campus.

Therefore, while most on-campus housing rates were found to be 35% to 45% more expensive than the average off-campus rate, the near 0% vacancy of the Corvallis market presents opportunities for both OSU and the City to work together to meet the demand projections outlined in this report. Collectively building to demand can assist in increasing the vacancy percentage of the market and consequently help manage rate escalation.

Survey Analysis

Data from the off-campus and demographic analysis showed that around 20% of students live in on-campus housing. However, when students were asked to indicate where they intend to live next year, only 12% of respondents stated that they would live on campus. Further analysis revealed that the top five reasons why respondents would chose to live in a residence other than a residence hall were more cost effective (67%), access to my own kitchen (55%), more living space (55%), more privacy (52%), and fewer rules and regulations (34%). Among on-campus respondents in particular, better unit amenities (36%) ranked within their top five reasons. Fewer rules and regulations were slightly less important for this group.

As OSU moves forward with improvements to housing, it should remain cognizant of survey findings. The data suggested that students were seeking housing that provided greater level of independence, as represented by their top five desired physical features: in-room wireless Internet access (49%), in-unit full kitchen (45%), private bathroom (40%), convenient location (39%), and private bedroom (38%).

Student Housing Demand

Based on the target market and enrollment assumptions identified in the Market Analysis, B&D identified a maximum potential demand for approximately 2,085 additional beds by fall 2019. Developing to the demand ceiling would require OSU to increase its housing portfolio by 43%. If OSU pursues a freshman live-on requirement, housing demand would increase by an additional 1,308 beds, equating to a total housing demand of 3,393 beds by fall 2019. The demand model identified a surplus of traditional and semi-suite- beds on campus and a deficit of apartment-, full-suite-, and cooperative-style housing.

Figure 1.1 Maximum Potential Housing Demand for fall 2019

Unit Type	Occupancy	Freshman	Sophomore	Junior	Senior	Grad / Prof	Total Demand	Existing Beds	Surplus / (Deficit)
Cooperative	Double	172	124	25	22	25	369	212	(157)
Traditional	Single	248	42	51	58	41	440	203	(237)
Traditional	Double	812	582	152	96	98	1,739	2,875	1,136
Semi-suite	Single	98	84	25	30	61	298	93	(205)
Semi-suite	Double	150	117	99	60	20	446	802	356
Full-suite	Single	147	0	52	58	20	278	133	(145)
Full-suite	Double	294	210	77	120	21	723	74	(649)
Efficiency	Single	392	62	76	87	21	638	206	(432)
1-Bed	Single	297	64	26	58	80	526	41	(485)
2-Bed w/ 1-Bath	Single	294	143	183	178	0	799	146	(653)
2-Bed w/ 2-Bath	Single	49	63	25	90	20	247	18	(229)
4-Bed w/ 2-Bath	Single	147	15	174	85	0	422	36	(386)
	Total	3,102	1,507	965	944	406	6,924	4,839	(2,085)

Notes:
Orchard Court Apartments - Two-bedroom were assumed as 2-bed / 1-bath unit and three-bedroom bedcount was pushed into existing 4-bed unit count
75% of Cooperative demand is shifted to Traditional double occupancy demand

NEXT STEPS

Based on the market analysis, it is clear that demand exists for additional housing at OSU. B&D's analysis demonstrates that there is sufficient demand within the Corvallis campus for housing an additional 2,085 beds by fall 2019. The next steps will be as follows:

- Evaluate the various impacts that live-on requirements could have on housing demand, operating, and long-term planning.
- Conduct a detailed financial analysis to assess the operational impact from the developing housing to meet student demand.

FOCUS GROUP SUMMARY

Objective

The purpose of the focus group and intercept interviews was to engage a variety of individuals in dynamic conversation about organizational housing facilities at OSU. Mahlum and B&D focused on understanding ways that housing facilities can be implemented to positively impact student life on campus. The focus groups are intended to yield qualitative data for the researchers, while identifying sensitivities and previously unconsidered issues surrounding current and potential new housing projects at OSU.

Methodology

OSU organized focus groups to obtain a diverse mix of feedback from a wide range of students and staff. Twenty-one individuals participated in four separate focus groups on March 30, March 31, and April 1, 2011 and over twenty individuals participated in random intercept interviews at various locations on campus.

Focus Group Participants:

- Group 1: Off-campus students
- Group 2: On-campus residents - upperclassmen
- Group 3: On-campus residents - freshmen
- Group 4: Housing and Residential Life Staff

A moderator from Mahlum and B&D led each of the focus group sessions and guided the conversation to address housing issues. The moderator presented a series of open-ended questions and permitted individuals to discuss tangential issues and engage in dynamic dialogue. The moderator, while predisposed to obtaining answers to the questions asked, also paid close attention to participant-generated issues raised during the discussion.

Summary of Findings

Why did you choose to attend OSU? Has the University met your expectations?

Based on focus group participant responses, it appears that OSU has a strong enrollment demand function. The consensus among participants was that OSU's academic programs, cost of attendance, campus architecture, and robust alumni connections were the primary reasons for attending OSU. Students stated that OSU was one of their top choice, next to the University of Oregon, the University of Washington, Washington State University, and the University of Idaho.

In terms of meeting expectations, students were satisfied with their overall experience as OSU. Academic programs such as business and social sciences received the highest marks among students. However, they believed the academic advising related to class and major selection could be improved.

How would you describe your current living conditions (on-campus residents)? What is working / not working?

Focus group participants shared that they enjoyed their time in on-campus housing. The community generation and proximity to campus amenities were stated to be the greatest advantages for living on campus. Residents who have lived in current OSU provided living-learning communities asked for this program to be expanded to other residence halls.

Current and former on-campus residents shared that some residence halls are beginning to show their age. While some of the residence halls are perceived as nice and well maintained, many believed there is a gap in value for the price paid to live on campus.

What are the reputations of the residence halls?

Students shared the following regarding the current residence halls found on campus:

- Finley Hall – Finley was perceived to house mostly football and ROTC students. Current and former residents shared that the facility could be improved by power washing the exterior of the building.
- Halsell Hall – Halsell was a favorite among participants, as students liked its lower density units and private bedrooms.
- West Hall – West was perceived as a residence with primarily international students.
- Weatherford Hall – Students admired Weatherford for its architecture and iconic value to the campus. The presence of the business related living-learning community has built a reputation of this facility as a residence for business majors.
- Sackett Hall – Sackett was perceived to be filled with mainly athletes.
- Cooperative Houses – Students liked that self-governing aspect of these houses. Several students asked that OSU provide additional cooperative houses.
- The GEM – The GEM was very popular among OSU students. Although it is one of the most expense housing on- and off-campus, the facility has a very long waiting list.

How would you describe your current living conditions (off-campus residents)? What is working / not working?

Off-campus respondents were generally happy with their respective housing units. However, participants shared that their facility was older and did not provide many amenities.

Participants indicated that it was highly desirable to live close to campus and most shared that they will be willing to pay a premium to live closer to campus. The lack of amenities and community found off campus appears to be the driver to wanting to live close to campus.

Recently, the availability of housing off campus has become an issue. Students knew at least a handful of their classmates who were forced to find housing in nearby cities such as Salem. Several students shared that if one's housing is not determined by early spring, it becomes very difficult to find housing rental housing for the following academic year.

If you are renting housing off-campus, how much is your individual share of monthly rent?

Most off-campus students stated that they lived in a multi-family housing unit. These units ranged from duplex style housing to a large-scale 50-unit+ facility. The average rental rate among focus group participants were $300 to $450 per month per person (excluding utilities). The large price variance between on-campus and off-campus housing rates have many students choosing to move off campus.

What would you like to see in a new or improved OSU-provided housing?

Students shared a variety of preferences and features for new housing at OSU. The following bullets outline student comments:

- Increase the number of single occupancy unit types available to students,
- Reduce the bed to bathroom ratio to increase student's privacy ,
- Junior and senior students desired community spaces within their respective housing types,
- Housing for sophomores, juniors, and seniors should provide social spaces such as lounges or common areas to increase community,
- Introduce sustainability features for new housing, and
- Utilize parking spaces as an incentive for students to stay / live on campus.

MARKET ANALYSIS

OFF-CAMPUS ANALYSIS

Objective

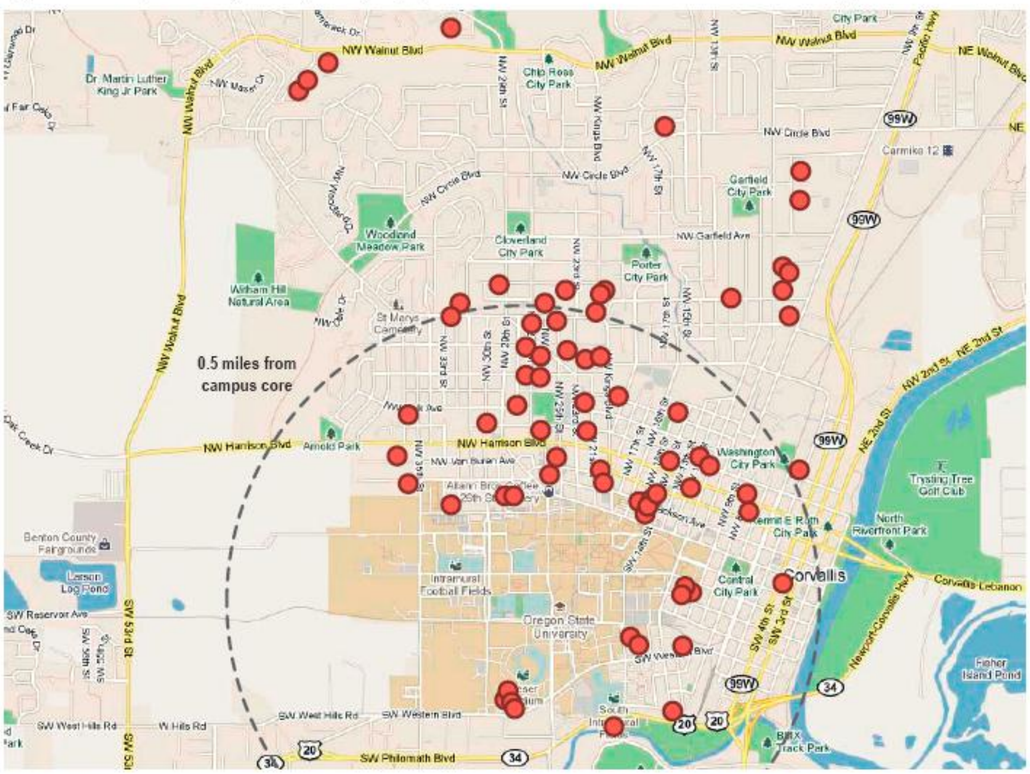
The off-campus housing analysis serves as a mechanism to identify characteristics of the rental housing market available to students. An understanding of the market allows for a comparison of the off-campus costs and the housing supply at OSU. This information provides insight into the types of amenities and rental rates that would be competitive in this particular market.

Methodology

B&D conducted an analysis of the off-campus rental market to quantitatively evaluate the options available to OSU students. Components of this research included a tour of the neighboring communities, interviews with leasing agents, property tours, phone and Internet research, and conversations with local planning officials. B&D surveyed 82 rental properties, where all rental rates are based on information provided by property managers and information available from various real estate websites during May 2010.

A full report of the data collected can be found in **Exhibit A** of this report.

Figure 2A.1: Map of Surveyed Properties (10 properties are located outside of the view of this map)



Market Overview

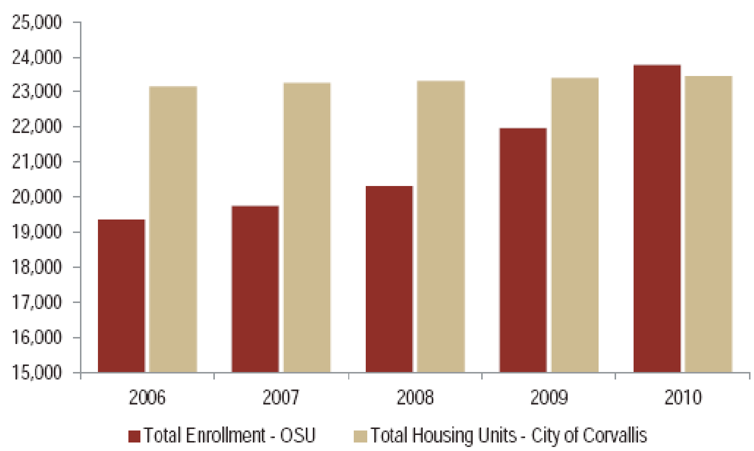
Economic Environment

OSU is located in the City of Corvallis, Oregon, approximately 45 miles north of Eugene and 80 miles south of Portland. From 2006 to 2010, the city experienced little growth: resident population grew from 53,900 to 54,462 residents (1% growth) and housing units grew from 23,147 to 23,450 units (1.3% growth).

According to the 2010 Corvallis Land Development Information Report and conversations with Planning Division Manager, the City is projected to grow at an average rate of 1% per year through 2020, with an estimated 2015 population of approximately 57,240 people. Despite the City's sustained growth projections at 1% per year (from 2010 to 2015), OSU's growth is projected to increase approximately 2.6% per year (from 2010 to 2015)[1].

From fall 2006 to fall 2010, OSU's total enrollment grew 23% or 4,399 students compared to 1.3% growth in total housing units in the Corvallis market (303 additional units). OSU's recent surge in enrollment has applied significant pressure on the local off-campus rental market, resulting in limited or no availability in rental units. According to the City, the average rental vacancy during the academic year was less than 2%.

Figure 2A.2: Housing Units and OSU Enrollment Change from 2006 to 2010



Future housing developments of significant scale are not likely due to the shortage of vacant land in the city and around its perimeter. Sizable acreage is approximately one to two miles from campus, creating a competitive disadvantage for new development that relies on the student renters. In addition, empty lots close to campus are smaller and function primarily for single

[1] The Oregon University System projects OSU enrollment to increase from 23,761 in fall 2010 to 26,989 by fall 2015, an average annual increase of approximately 2.6% per year.

family or low-density housing units. These factors constrain the off-campus rental market from accommodating future student demand derived from enrollment growth.

Unit Rate Analysis

The large student base of OSU fuels the diversity of housing options and price points available in the market. B&D's research of the 82 off-campus properties found that the average monthly housing rate per person was $500, $518, $328, $361, $393, and $288 for studio-, one-, two-, three-, four-, and five-bedroom units, respectively.

Comparison of B&D off-campus research to survey findings revealed that housing rates between the two analyses were comparable with the exception of two- and five-bedroom unit types. Survey results revealed that the average student living in a two-bedroom unit paid $82 per month more than the off-campus finding and the average student living in a five-bedroom unit paid $125 per month more than the off-campus finding.

Figure 2A.3: Rental Rate Range by Unit Type (monthly rent per person – excludes utility fees)

Housing Type	B&D Research Average	B&D Survey Average	Variance ($)	Variance (%)
Studio / Efficiency	$500	$424	$76	18%
One-bedroom	$518	$531	($13)	-2%
Two-bedroom	$328	$410	($82)	-20%
Three-bedroom	$361	$366	($5)	-1%
Four-bedroom	$393	$389	$4	1%
Five-bedroom	$288	$413	($125)	-30%

Conversations with local City officials found that rate escalation next year ranged from 10% to 20% and in some cases 50% from the year before. This is a significant spike when compared to historical average rate escalation of approximately 3% per year. The extremely low vacancy percentage coupled with strong enrollment growth at OSU has spurred this large spike in rental rate escalation. A healthy housing market with stable rate escalation averages 7% to 10% rental vacancies.

Apartment Amenities Analysis

The rental housing market in Corvallis is student focused when it comes to marketing and leasing, but the market does not provide the state-of-the-art amenities found in many mature markets with large state institutions. Typical student focused amenities are swimming pools, large community centers, fitness centers, lounge spaces, and other luxury amenities. Aside from the properties along the periphery of Corvallis, most did not provide amenities of any sort.

Water, sewer, and gas were the most common utilities included in student's housing rates and the typical lease agreement was either month-to-month or on a calendar year.

Housing Rate Comparison (On versus Off Campus)

Analysis of the current on-campus housing rate and the market's average off-campus housing rate revealed that all on-campus rates with the exception of cooperative housing were more expensive than the average off-campus housing rate. In most housing markets with average vacancy rates (7% to 10%), students can readily find a less expensive housing substitute in the off campus market. However, given the limited availability of housing both on and off campus, OSU students are forced to find housing further away from Corvallis.

Figure 2A.4: Comparison of On-campus Housing Rates to Off-campus Housing Rates

Average Rates	Current Housing Rates	Variance ($)	Variance (%)
Off-campus	$5,976		
On-campus			
Traditional	$8,066	$2,090	35%
Semi-suite	$8,771	$2,795	47%
Full-suite	$8,649	$2,673	45%
Apartment	-	-	-
Cooperative	$3,003	($2,973)	-50%

Notes:
Off-campus rates include $100 monthly utilities fee and assumes 12 months

MARKET ANALYSIS

DEMOGRAPHIC ANALYSIS

Objective

The analysis completed for this study incorporated a review of key demographic indicators provided by OSU's Office of Institutional Research and Oregon University System ("OUS"). The variables integral to this analysis were student enrollment segmented by enrollment classification, residency, and age.

Methodology

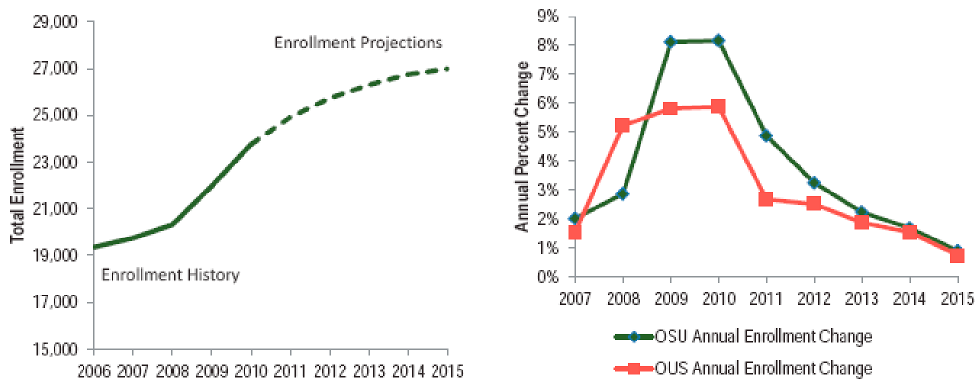
Data from fall 2006 to 2010 were used to identify near-term shifts that occurred in OSU's enrollment. Significant changes among the studied demographic subgroups provided insight into short-term changes that could influence the outcome for housing demand.

Summary of Findings

Overview

OSU's fall 2010 total enrollment was 23,761 students. Undergraduates represented 82% of total enrollment at 19,558 students and graduates represented 18% of total enrollment at 4,203 students. From fall 2006 to 2010, total enrollment at OSU grew 23% from 19,362 to 23,761 students, outpacing total enrollment growth among all OUS institutions whose enrollment grew 20% over the same period. OUS forecasts OSU to grow by an additional 3,228 students or 14%. This projection again outpaces the aggregate OUS projections by approximately 4%. The University's strong historical and forecasted enrollment figures should positively impact OSU's housing operation through the near future.

Figure 2B.1: Change in Total Enrollment at OSU and OUS



Further analysis revealed that the majority of growth within the enrollment classification subgroup (freshman, sophomore, junior, senior, masters, doctoral, and etc.) outpaced the growth observed among all OUS institutions. Balanced enrollment growth between freshman, sophomore, junior, and senior classifications will be important as OSU pursues improvements to its housing system, as the Demand Analysis subsection of the Market Analysis revealed significant demand derived from the sophomore to senior classifications.

Figure 2B.2: Change in Enrollment by Classification

	Oregon State University						Oregon University System					
Academic Year (fall)	2006	2007	2008	2009	2010	Variance (2006-2010)	2006	2007	2008	2009	2010	Variance (2006-2010)
Total Enrollment	19,362	19,753	20,320	21,969	23,761	23%	81,002	82,249	86,546	91,580	96,960	20%
Freshman	4,080	4,240	4,376	4,621	5,002	23%	14,451	N/P	16,157	16,222	16,481	14%
Sophomore	3,126	3,218	3,319	3,681	3,880	24%	11,477	N/P	12,607	13,880	14,317	25%
Junior	3,448	3,418	3,571	3,910	4,206	22%	14,639	N/P	15,371	16,391	17,978	23%
Senior	4,542	4,639	4,641	4,927	5,378	18%	19,076	N/P	19,690	21,265	22,873	20%
Postbaccalaureate Nongraduate	325	344	359	427	517	59%	2,070	N/P	2,381	2,891	3,029	46%
Nonadmit Undergraduate	308	369	407	501	576	87%	3,908	N/P	4,816	4,794	5,703	46%
Master's	1,415	1,436	1,492	1,567	1,729	22%	8,110	N/P	8,386	8,912	9,215	14%
Doctural	1,137	1,105	1,099	1,150	1,230	8%	2,777	N/P	2,678	2,828	2,991	8%
First Professional	532	531	552	574	584	10%	1,074	N/P	1,091	1,132	1,116	4%
Other Graduate	449	453	504	611	659	47%	3,420	N/P	3,369	3,265	3,257	-5%

The noticeably strong growth among the nonresident population is another indicator for on-campus housing needs as this subgroup typically arrives with an inherent need for housing provided by the institution or the community.

Figure 2B.3: Change in Enrollment by Residency

	Oregon State University						Oregon University System					
Academic Year (fall)	2006	2007	2008	2009	2010	Variance (2006-2010)	2006	2007	2008	2009	2010	Variance (2006-2010)
Total Enrollment	19,362	19,753	20,320	21,969	23,761	23%	81,002	82,249	86,546	91,580	96,960	20%
Undergraduate												
Resident	13,909	N/P	14,203	14,958	15,539	12%	55,622	N/P	57,817	60,565	63,144	14%
Nonresident	1,919	N/P	2,470	3,111	4,019	109%	9,999	N/P	13,205	14,878	17,237	72%
Graduate												
Resident	3,000	N/P	3,046	3,199	3,006	0%	12,910	N/P	13,000	13,396	13,169	2%
Nonresident	534	N/P	601	701	1,197	124%	2,471	N/P	2,524	2,741	3,410	38%

Continued growth among the under 25 years of age subgroup should help sustain housing demand through the near future as national data suggests that these students are the most likely to choose to live in on-campus housing.

Figure 2B.4: Change in Enrollment by Age Group

	Oregon State University						Oregon University System					
Academic Year (fall)	2006	2007	2008	2009	2010	Variance (2006-2010)	2006	2007	2008	2009	2010	Variance (2006-2010)
Total Enrollment	19,362	19,753	20,320	21,969	23,761	23%	81,002	82,249	86,546	91,580	96,960	20%
Undergraduate												
Under 25	13,744	N/P	14,355	15,394	16,470	20%	50,166	N/P	54,183	56,751	60,021	20%
25 and over	2,084	N/P	2,318	2,675	3,088	48%	15,455	N/P	16,839	18,692	20,360	32%
Graduate												
Under 25	872	N/P	928	971	1,136	30%	2,821	N/P	2,829	2,959	3,175	13%
25 and over	2,662	N/P	2,719	2,929	3,067	15%	12,560	N/P	12,695	13,178	13,404	7%

MARKET ANALYSIS

SURVEY ANALYSIS

Objective

B&D developed a web-based survey to quantitatively test student demand for on-campus housing. Survey questions were designed to assess current and future habits and preferences related to housing. Response options were structured to maximize information about desirable facility characteristics and overall preferences for new housing. Specific responses were sorted by various demographic characteristics to further analyze demand patterns and identify discrepancies in results.

Methodology

From May 20 through June 12, 2011, OSU students were surveyed via an on-line link distributed to their campus e-mail. Approximately 15,000 individuals were given an opportunity to indicate their level of interest for a specific range of housing options. During that time, 769 of the surveyed population completed the survey, which represented a survey participation percentage of 5.1% and a margin of error of +/-3.6% based on a 95% confidence level. Projections were sorted by various demographic characteristics to make refinements in demand results.

A full report of the data collected can be found in **Exhibit B** of this report.

Student Respondent Analysis

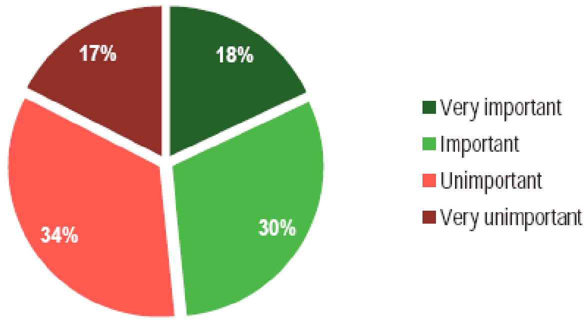
Demographics

Comparison of the survey respondent demographic to the University's student demographic identified minimal variances between the two populations. The only demographic subgroup with a variance of 10% or higher were male (-12.4% variance) and female (12.4% variance) respondents.

Current Living

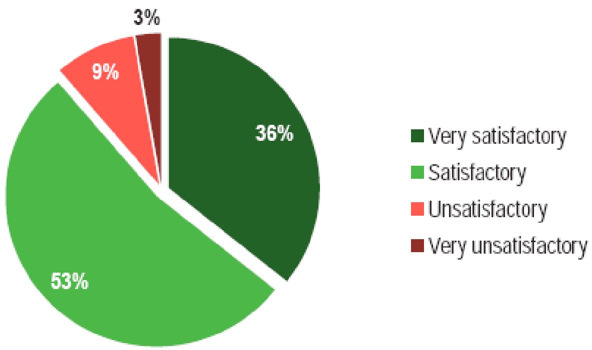
Among all survey respondents, 48% indicated that the availability of on-campus housing was very important or important in their decision to attend OSU. Traditional students (students who are less than 25 years of age, single, enrolled full time, and have not transferred into the institution) showed the highest degree of importance with 64% of students agreeing that it was very important or important. In addition, 58% of international students believed the availability of housing was very important or important, compared to only 29% of transfer students.

Figure 2C.1 How important was the availability of on-campus housing in your decision to attend OSU? (All Respondents, n=768)



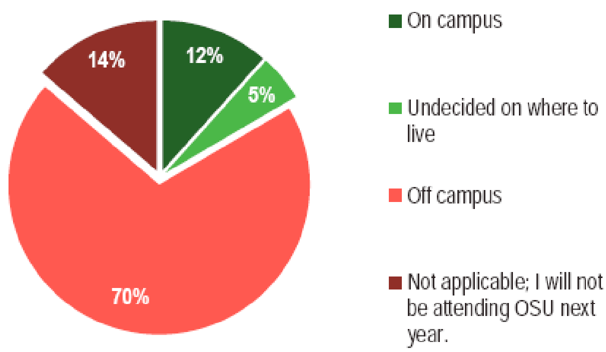
While survey respondents expressed high importance for the availability of housing, the overwhelming majority (89%) indicated their current living condition was very satisfactory or satisfactory. However, unlike the aggregate survey population, 78% of on-campus respondents believed their current living condition was very satisfactory or satisfactory.

Figure 2C.2 How would you describe your current living conditions? (All Respondents, n=768)



Although survey respondents believed in the importance of the availability of housing and agreed that their current living condition was overwhelmingly very satisfactory or satisfactory, only 12% of respondents indicated that they plan to live on campus next year. Approximately seventy percent (70%) of respondents shared that they intend to live off campus, 14% will not be attending OSU next year, and 5% were undecided on where to live.

Figure 2C.3 Where do you plan to live next year?
(All Respondents, n=768)



The top five reasons for considering off-campus housing were; more cost effective (67%), access to my own kitchen (55%), more living space (55%), more privacy (52%), and fewer rules and regulations (34%). Among on-campus respondents considering off campus housing, better living unit amenities (36%) was more important than fewer rules and regulations (27%).

Figure 2C.4 If considering living off campus next year, what are the top five reasons why would you prefer to do so?
(All Respondents, n=574)

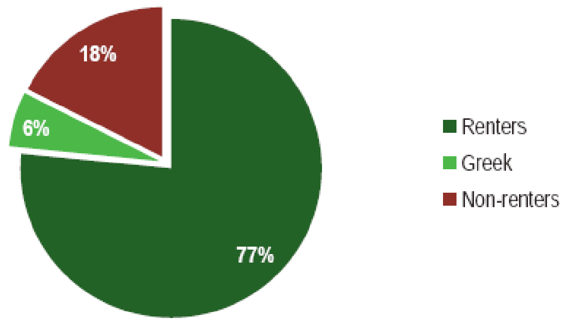
Reasons for Considering the Off-campus Market	All Respondents n=574	On-campus n=101	Off-campus n=471
More cost effective	67%	76%	66%
Access to my own kitchen	55%	53%	56%
More living space	55%	60%	54%
More privacy	52%	50%	52%
Fewer rules and regulations	34%	27%	35%
To live in a quieter environment	29%	23%	30%
To have a pet	25%	7%	29%
No meal plan requirement	24%	24%	24%
Better living unit amenities	22%	36%	19%
Ability to live with or near family or partner	18%	5%	21%
Ability to live with or near friends	16%	24%	15%
More convenient laundry facilities	12%	9%	13%
Other (please specify)	9%	10%	9%
More convenient parking or public transportation	9%	6%	9%
To live in Greek housing	6%	9%	6%
More convenient location	5%	4%	5%
Better physical condition of the building	5%	12%	3%
I am ineligible to live in OSU's student housing.	5%	0%	6%
Better Internet access	3%	4%	3%
Better maintenance and housekeeping services	3%	8%	2%
My preferred on-campus living accommodation may not be available	2%	1%	3%
Better security/safety	2%	2%	2%
Better building management and staffing	2%	5%	1%
I may not be attending OSU next year.	2%	2%	2%
Better accessibility for persons with disabilities	1%	0%	1%

First Tier
Second Tier
Third Tier

Off-campus Living

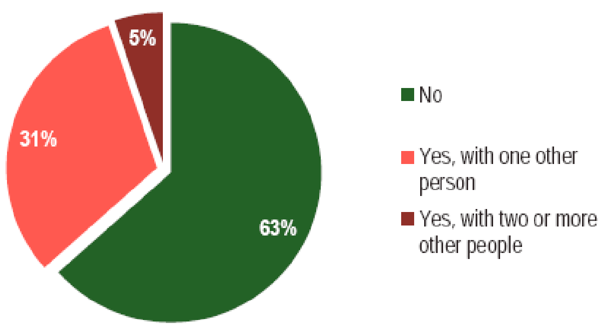
Survey results showed that 77% of off-campus residents were renting an apartment / condominium, house, or individual room. The remaining students were non-renters living in an apartment / condominium or house that was owned by a family member, or spouse / partner (18%) and respondents who lived in a Greek house off campus (6%).

Figure 2C.5 Where do you currently live off campus?
(Off-campus Respondents, n=576)



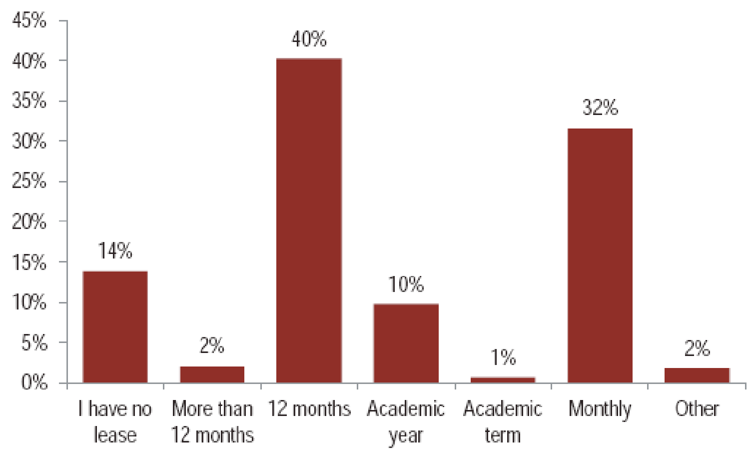
The analysis found that 69% of off-campus respondents lived alone, with other OSU roommate(s), with other non-OSU roommate(s), or with both OSU and non-OSU roommate(s). The remaining 31% resided with their parent(s), relatives, spouse / partner, or child(ren). In addition, the survey results revealed that over one-third (36%) of off-campus respondents were sharing a bedroom with one or more people.

Figure 2C.6 Do you share a bedroom?
(Off-campus Respondents, n=577)



Survey analysis identified that approximately 40% of renters agreed to a 12-month lease, 32% of renters agreed to a month-to-month lease, with the remainder held in various lease terms.

Figure 2C.7 How long is your lease?
(Off-campus Renting Respondents, n=440)



The weighted average rental rate among renting respondents was $424 per month per person and the weighted average utility fee was $83 per month per person, raising the average monthly housing expense to $507. Further analysis of monthly housing expense revealed that the bottom 25% of renters paid $404 per person and the upper 75% of renters paid $611 per person. Figure 2C.8 shows extrapolated data by housing unit type. Individuals in a 3-bedroom unit paid the least at $446 in total housing cost per month per person.

Figure 2C.8 What is your personal share of monthly rent/housing costs including utilities?

Average Monthly Housing Expense (w/Utilities)	25%	Average	75%
Average Off-campus Renter	$404	**$507**	$611
One bedroom	$545	**$630**	$717
Two bedroom	$399	**$493**	$586
Three bedroom	$374	**$446**	$518
Four bedroom	$404	**$470**	$536
Five or more bedrooms	$402	**$479**	$556

Preferred Living

A series of questions were asked regarding the importance of specific factors as OSU considers improvements to on-campus housing. Survey results found that:

- 98% of students believed keeping housing costs affordable was very important or important,
- 90% of students believed that improving the physical condition of existing housing was very important or important,
- 86% of students believed that providing modern and attractive living environment to

students was very important or important,

- 83% of students believed that improving amenities of existing campus housing was very important or important, and
- 41% of students believed that increasing the student residential population on campus was very important or important.

Students showed interest in a convenient living environment. The demand for in-room wireless Internet access, in-unit full kitchen, private bathroom, and convenient location supports this finding. Figure 2C.9 expands the survey results to various demographic subgroups to reveal their subtle differences. The top five physical features are highlighted in blue. This analysis shows that freshman and sophomore respondents preferred full-sized beds and convenient laundry facilities in the building to private (single) bedrooms, respectively. In addition, the survey found that among juniors, on-site parking was desired more than convenient location.

Figure 2C.9 Top Five Physical Features Most Important for New Housing

Top Five Physical Features	All Respondents n=758	Freshman n=97	Sophomore n=129	Junior n=162	Senior n=194	Grad & Others n=175
In-room wireless Internet access	49.2%	44.3%	54.3%	45.7%	54.1%	45.7%
In-unit full kitchen	45.3%	32.0%	40.3%	45.7%	47.4%	53.7%
Private bathroom	39.7%	39.2%	37.2%	36.4%	38.7%	46.3%
Convenient location	39.2%	41.2%	45.7%	31.5%	40.2%	39.4%
Private (single) bedroom	38.3%	29.9%	26.4%	37.0%	40.7%	50.3%
On-site parking	30.6%	24.7%	36.4%	34.6%	30.9%	25.7%
Convenient laundry facilities in the building	28.1%	16.5%	38.0%	29.0%	30.4%	23.4%
Washer and dryer in the living unit	26.0%	28.9%	18.6%	23.5%	28.9%	29.1%
Individual temperature controls in living units	21.9%	23.7%	16.3%	24.7%	23.7%	20.6%
Full-sized beds	19.4%	32.0%	20.2%	21.0%	16.5%	13.7%
Storage space	17.3%	19.6%	18.6%	17.9%	15.0%	17.1%
Environmentally-friendly design and operation	17.3%	19.6%	17.1%	16.1%	14.4%	20.0%
Quiet study area in the building	15.7%	10.3%	17.8%	16.7%	17.0%	14.9%
In-unit kitchenette	14.4%	15.5%	17.8%	13.6%	13.4%	13.1%
Living room	13.6%	13.4%	12.4%	17.9%	13.4%	10.9%
Convenient on-campus dining options	12.1%	17.5%	10.9%	13.6%	15.0%	5.7%
Fully furnished living unit	11.4%	13.4%	10.9%	12.4%	9.8%	11.4%
Controlled/secured access to the building	10.0%	9.3%	7.8%	9.3%	10.8%	11.4%
Fitness or recreation area(s) in or near the housing facility	8.2%	11.3%	14.7%	8.0%	7.7%	2.3%
Social lounge/TV room in the building	6.3%	9.3%	10.1%	8.0%	4.6%	2.3%
Computer lab in the housing facility/complex	6.2%	9.3%	8.5%	4.9%	4.6%	5.7%
Other (please specify)	6.1%	7.2%	4.7%	5.6%	7.2%	5.7%
Convenient access to public transportation	3.8%	2.1%	2.3%	4.3%	1.6%	8.0%
Classrooms/academic facilities in the building	0.8%	2.1%	0.8%	1.2%	0.5%	0.0%

First Tier
Second Tier
Third Tier

DEMAND BASED PROGRAMMING

Objective

B&D developed a detailed model to project the specific level of demand for on-campus housing at OSU. The model derives demand from electronic survey responses, as well as current enrollment figures provided by the Office of Institutional Research.

Methodology

By utilizing unit types (traditional vs. suite vs. apartment) demonstrated in the electronic survey, B&D's student housing demand model projected demand onto enrollment projects provided by the Oregon University System through academic year 2019/20

Survey respondents were asked to express their preferred unit type. Following their decision, respondents were shown a per person monthly price point that was associated with their preferred housing facility. Respondents had the option of selecting their preferred unit type or the option of indicating that they would prefer to live off campus.

To project realistic demand, B&D developed a filtered target market for students consisting of survey respondents who would likely be interested in leasing OSU housing. Focus group and survey data, as well as B&D's professional judgment, were used to develop the criteria.

Proposed Facility Types and Estimated Monthly Rental Rates per Person

A. Unit A – Cooperative (double occupancy):
   Estimated Rent: $330 - $350
B. Unit B – Traditional (single and double occupancy):
   Estimated Rent: $990 - $1,035 (single) and $765 - $800 (double)
C. Unit C – Semi-suite (single and double occupancy):
   Estimated Rent: $1,010 - $1,060 (single) and $785 - $825 (double)
D. Unit D – Full-suite (single and double occupancy):
   Estimated Rent: $1,025 - $1,085 (single) and $800 - $840 (double)
E. Unit E – Efficiency Apartment (single occupancy):
   Estimated Rent: $1,225 - $1,285
F. Unit F – One-bed / One-bath Apartment (single occupancy):
   Estimated Rent: $1,225 - $1,285
G. Unit G – Two-bed / One-bath Apartment (single occupancy)
   Estimated Rent: $1,265 - $1,325
H. Unit H – Two-bed / Two-bath Apartment (single occupancy)
   Estimated Rent: $1,185 - $1,245
I. Unit I – Four-bed / Two-bath Apartment (single occupancy)
   Estimated Rent: $1,065 - $1,125

Enrollment Assumptions

To remain consistent with the Oregon University System, the Project Team applied the same enrollment growth scenario that has the campus growing to 28,336 students by fall 2019. This estimate was applied throughout the demand model projections.

Definition of Target Markets

To project realistic demand for OSU housing, B&D developed a filtered target market for students consisting of survey respondents who would likely be interested in leasing on-campus units.

The on-campus filtered target market was defined by including respondents who met all of the following criteria:
1) Enrolled full-time;
2) Living on-campus; and
3) Would live in the proposed project if all preferences were met.

The off-campus filtered target market was defined by including respondents who met all of the following criteria:
1) Enrolled full-time;
2) Renting off-campus (paying $400 or more in personal monthly housing expense);
3) Living alone, with other OSU roommates, other non-OSU roommates, or both; and
4) Would live in the proposed project if all preferences were met;

Respondents not meeting the aforementioned criteria were removed from demand projections.

Summary of Findings

After applying the determined target market filters to the survey responses, additional demand exists for 1,193 beds in fall 2010. Furthermore, additional demand is projected to increase to 2,085 beds by fall 2019, a delta of 892 beds over 10 years. OSU's current captures approximately 20% of its student population. B&D's demand projections forecast a maximum potential demand equivalent to approximately 27% of its student population.

The demand model identified current demand surplus of 1,195 traditional-style beds and 245 semi-suite-style beds. However, the current demand deficits were evident among cooperative residence halls (111 beds)[2], full-suites (668 beds), and apartments (1,855 beds).

Based on the demand findings, near term improvements to on-campus housing should focus on providing unit types that provide students with the greater level of independence. Providing full-

[2] A 75% reduction of Cooperative residence hall housing demand was applied to the model. While there was strong demand for this housing type, the long-term financial viability of building to the maximum demand this housing type may not align with operational realities of the institution.

suite and apartment-style housing can help alleviate the current strain on the off-campus market that has near zero vacancy.

Figure 2D.1 Maximum Potential Housing Demand for fall 2010

Unit Type	Occupancy	Freshman	Sophomore	Junior	Senior	Grad / Prof	Total Demand	Existing Beds	Surplus / (Deficit)
Cooperative	Double	151	108	22	19	22	323	212	(111)
Traditional	Single	217	37	45	51	36	385	203	(182)
Traditional	Double	710	509	111	84	85	1,498	2,875	1,377
Semi-suite	Single	86	74	22	26	53	260	93	(167)
Semi-suite	Double	131	102	86	53	17	390	802	412
Full-suite	Single	129	0	46	51	17	243	133	(110)
Full-suite	Double	257	184	67	105	18	632	74	(558)
Efficiency	Single	343	54	66	76	18	558	206	(352)
1-Bed	Single	260	56	23	51	70	460	41	(419)
2-Bed w/ 1-Bath	Single	257	125	160	156	0	699	146	(553)
2-Bed w/ 2-Bath	Single	43	55	22	79	17	216	18	(198)
4-Bed w/ 2-Bath	Single	129	14	152	74	0	369	36	(333)
	Total	**2,713**	**1,317**	**822**	**825**	**355**	**6,032**	**4,839**	**(1,193)**

Notes:
Orchard Court Apartments - Two-bedroom were assumed as 2-bed / 1-bath unit and three-bedroom bedcount was pushed into existing 4-bed unit count
75% of Cooperative demand is shifted to Traditional double occupancy demand

Figure 2D.2 Maximum Potential Housing Demand for fall 2019

Unit Type	Occupancy	Freshman	Sophomore	Junior	Senior	Grad / Prof	Total Demand	Existing Beds	Surplus / (Deficit)
Cooperative	Double	172	124	25	22	25	369	212	(157)
Traditional	Single	248	42	51	58	41	440	203	(237)
Traditional	Double	812	582	152	96	98	1,739	2,875	1,136
Semi-suite	Single	98	84	25	30	61	298	93	(205)
Semi-suite	Double	150	117	99	60	20	446	802	356
Full-suite	Single	147	0	52	58	20	278	133	(145)
Full-suite	Double	294	210	77	120	21	723	74	(649)
Efficiency	Single	392	62	76	87	21	638	206	(432)
1-Bed	Single	297	64	26	58	80	526	41	(485)
2-Bed w/ 1-Bath	Single	294	143	183	178	0	799	146	(653)
2-Bed w/ 2-Bath	Single	49	63	25	90	20	247	18	(229)
4-Bed w/ 2-Bath	Single	147	15	174	85	0	422	36	(386)
	Total	**3,102**	**1,507**	**965**	**944**	**406**	**6,924**	**4,839**	**(2,085)**

Notes:
Orchard Court Apartments - Two-bedroom were assumed as 2-bed / 1-bath unit and three-bedroom bedcount was pushed into existing 4-bed unit count
75% of Cooperative demand is shifted to Traditional double occupancy demand