



Mixed-use campus housing presents a new model and new opportunities for developers in today's economy.

Building the Student Housing Village

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UNTIL RECENTLY, DECADES OF rising enrollments had forced colleges and universities to rely on privately owned, off-campus apartment buildings to accommodate the overflow from institutional dorms. But now that colleges and universities are competing for the diminishing pool of echo boomers and coping with the current down economy, they are striving to offer more comprehensive housing programs to attract students. At the same time, the high price of land and construction is making it increasingly difficult for institutions to buy new property or to develop sites they already own.

Under current economic conditions, projects that can be bonded based on anticipated revenues (i.e., bonds will be repaid from housing fees paid by students) are still viable and are more likely to be undertaken than academic buildings for which there are no anticipated revenues. Developers experienced in creating

mixed-use developments have opportunities to team up with institutions of higher education to build new forms of student housing.

Today's students seek more independence, less oversight, and less structure. Many expect that living conditions on campus will reflect conditions at home, where they often have had their own bedroom, bathroom, television, and computer. They also are looking for food service options, quiet study facilities, and convenient entertainment and retail outlets. Some institutions have responded by building apartments and suites with a wide array of amenities, but there can be significant downsides. Students who have the same level of privacy at college as they enjoyed at home may have little motivation to leave their rooms except to attend classes, making it difficult for them to connect with the college experience, build new friendships, and develop a new sense of com-

The University of California at San Diego built a new 12-acre (5-ha) campus for Eleanor Roosevelt College, one of its residential colleges. The complex includes residence halls for first-year students, apartments for second-year students, dining and meeting facilities, academic offices, and computer labs. The four-story residence buildings face each other across a large central green, with a great hall at one end for gatherings and a dining hall/café at the other.

munity. University housing administrators report that students who live alone—even those who specifically request their own rooms—are more likely to leave on-campus housing and even drop out of school altogether.

First-year students in particular are making difficult emotional, social, and intellectual transitions. Neurobiology research shows that young adults' "executive" brain functions—planning, setting priorities, organizing, and weighing consequences—are still immature,

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New housing at California State University at Northridge is based on the cluster concept. Each of the three buildings has four clusters, with 34 students per floor, each with a lounge/living room and a student room. Student activity spaces and classroom/multipurpose spaces face a plaza, creating a semipublic social space (left). At California State University at Chico, a mixed-use residence hall brings students from surrounding residences and academic buildings through a public plaza (bottom left) to the dining facility and student activity centers.



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nicul support spaces. In addition, some villages include apartments for graduate students or for a faculty member who serves as house master. Open spaces may include playfields for intramural sports or opportunities for casual recreation. Informal spaces—nooks, alcoves, wide stair landings, seat walls, and indoor and outdoor seating—can provide places for interaction and group activities.

One of the largest contemporary mixed-use campus housing villages is at the University of California at San Diego. The university's fifth residential college, Eleanor Roosevelt College (ERC), had long lacked a home of its own on campus, having been housed within the university's residence halls for its first 15 years. Designed by Somerville, Massachusetts-based Moshe Safdie and Associates with San Diego, California-based Safdie/Rabines Architects, the 12-acre (4.8-ha) development of 23 buildings opened in 2003 in the eastern quadrant of UC San Diego's north campus. ERC's residential facilities accommodate about 1,350 students in five residence halls for first-year students and six apartment complexes for second-year students. The four-story residential buildings face each other across a large central green, with a great hall for gatherings at one end and a dining hall/café at the other. Both first- and second-year students live in groups of 11, sharing a roof deck or patio, a kitchen, a bathroom, and a living room/lounge. Proximity to staff offices allows students easy access to their academic advisers, while meeting facilities and computer labs on the ground floors help integrate the academic and residential programs. Although many of the buildings are physically connected, the temperate San Diego climate also encourages a mix of students, faculty, and visitors along the college's walkways.

On a smaller scale, California State University at Northridge has broken ground on a new

which means they need more structure to succeed at college. Parents, townspeople, and administrators also prefer a degree of structure and oversight of students, to ensure student safety and to better facilitate positive town/gown relations.

To meet these goals, colleges and universities are increasingly drawing inspiration from a model derived from the medieval monastery: the residential college system in which student housing includes dining facilities, academic spaces, and recreational amenities, thereby creating a living/learning environment. Oxford and Cambridge universities in England as well as Harvard and Yale universities, the University of California at Santa Cruz, and the California Institute of Technology in the United States all use this system.

Residential colleges are specifically designed to integrate academic and social activity, a significant change from the legacy of the 1960s and 1970s, when campus planning tended to geographically separate housing, dining, and academic functions, creating a more scattered experience for students. Residential colleges also work to break down the scale of a large institution in an effort to provide students with a sense of community.

Mixed-use campus housing villages draw on these concepts of scale and needs fulfillment. They generally start with a shared double room: a cluster of six to ten double rooms arranged around shared spaces such as bathrooms, living rooms, or study rooms. Several of these clusters are grouped together (roughly 25 to 40 students), supervised by a resident assistant, with a shared larger lounge/kitchen or other common spaces that provide places for social interaction, group activities, academic support, and informal programs. Four or five of these extended clusters are amalgamated into a house of 100 to 120 students—small enough so individuals can easily get to know one another, but a large enough pool to foster friendships.

Four or six such residential houses are grouped around a central gathering space—a plaza or courtyard—to create a village. The ground floors of these residences ideally offer a mix of services to both encourage residents to stay within the village and to attract others from the larger campus community. These uses can include a café or dining hall; classrooms; a convenience store; student recreational, entertainment, and meeting spaces; residential life administrative offices; and tech-

housing village that also organizes students in clusters around a living room, with the goal of creating a sense of security and community for first-year students. Located on a 2.8-acre (1.13-ha) site adjacent to an existing student apartment complex, the new village will include three structures: two four-story residential buildings housing a total of 400 students and connected to a 6,000-square-foot (557-sq-m) community center that contains a recreation room, a multipurpose room, a classroom, administrative offices, storage, and a reception/security desk. Students will be clustered in groups of 32, with a resident assistant assigned to each group. Clusters will be stacked vertically, accessed by an elevator or stairs, and each will include a 700-square-foot (65-sq-m) living/meeting room and a study room. Every pair of bedrooms will share a bathroom. The residences will not include kitchens; instead, residents will be required to sign up for a meal plan to encourage them to use the dining halls in the existing complex and elsewhere on the campus. Card keys will provide secure access to the new village via a central courtyard. Designed by AC Martin Inc. of Los Angeles, the project is scheduled to be completed in the summer of 2009.

Campus mixed-use housing villages can be hubs of activity not only for residents, but also for the larger campus community. On a 1.7-acre (0.6-ha) site at California State University at Chico, the first new housing under construction in 25 years—Sutter Hall—will include a five-story structure accommodating 226 residents along with a 625-person dining center on the first floor, which will serve the whole campus. A late-night, carryout facility will be available after dining hall hours. The new building and an adjacent residential tower will define a courtyard placed along a well-used campus pedestrian route to help keep the space active. First-year students will share double-occupancy rooms in clusters of 37 occupants, with a resident assistant assigned to each. Clusters will be organized horizontally on six independent floors, each with its own lounge and study room. Two professional/faculty-in-residence apartments will be located in the building as well. A two-story wing will contain offices, recreation space, and other program areas. Com-



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The University of California at Berkeley added infill student housing to 1960s-era high-rise dormitory towers, making the complex more compatible with the height of the neighborhood's residential buildings. New courtyards were created (above), and an existing dining hall was converted into a student services space that includes a recreation room, meeting rooms, study rooms, and student mailboxes. Franklin & Marshall College in Lancaster, Pennsylvania, leased land to private developer Campus Apartments to construct College Row, a three-building mixed-use complex with first-floor retail and 117 units of student housing on the upper floors (left).

pletion of the complex, also designed by AC Martin, is scheduled for 2010.

Mixed-use campus housing environments can also be created with infill housing that links existing, more traditional housing to the amenities of a village. At the University of California at Berkeley, new student housing for 884 students is combined with 1960s-era high-rise dormitory towers to form a housing village. The original towers, dubbed Units 1 and 2, had been constructed at the south edge of campus, facing away from the street without connections to sidewalks and lacking any nearby open space. To address these issues, San Francisco-based EHDD Architecture designed three new residence halls and one

new dormitory that connect to the towers and provide a public face on the street, making the complex more compatible with the height of the neighborhood's residential buildings. Completed in 2005, the new buildings, totaling 267,500 square feet (24,805 sq m), were built above an existing dining hall, which was converted into an 80,000-square-foot (7,432-sq-m) student services space that includes a recreation room, meeting rooms, study rooms, offices, and student mailboxes. New courtyards encourage interaction and students now use university dining facilities located a half-block away.

The Eleanor Roosevelt College, as a project of the University of California system,

was funded using a mix of state funding. But in many states, including California, institutions must finance student housing projects via bonds that are paid off over time through housing revenues. Cuts in public funding, increasing under current conditions, have encouraged universities and colleges to turn to for-profit developers to achieve these types of mixed-use facilities. Private developers have the opportunity to offer expertise and efficiencies in the financing, design, and construction of contemporary housing and take over these tasks that lie outside of the core mission of universities or colleges.

There is a variety of models for private developers' participation in student residence projects. The most common approach is for the university or college to establish a non-profit organization that leases land from the university, issues tax-exempt bonds to finance the project, and contracts with a developer to construct housing and, in some cases, manage it. The foundation pays off the bonds with revenues from rental income.

For example, Troy University, a public university in Troy, Alabama, used this method to create Trojan Village, a four-building, 194,000-square-foot (18,023-sq-m) student housing complex for 524 students on the west edge of campus. The Troy University Foundation formed a limited liability corporation that owns the facility and leases it to the university's housing office. The strategy meant that the project did not have to follow state bid laws, allowing the foundation and the developer more choice in selecting its building contractor. Ambling University Development Group of Valdosta, Georgia, was the developer. The resulting 164 units include two- and four-bedroom suites, each with a shared living room, kitchenette, and bathroom. Designed by Niles Bolton Associates of Atlanta, Georgia, and opened in 2007, the \$25 million complex comprises computer facilities, a fitness center, and a convenience store open to all students on campus.

In other cases, the private developer may provide financing. Franklin & Marshall College in Lancaster, Pennsylvania, leased land to Philadelphia-based developer Campus Apartments to build College Row, a three-building mixed-use complex across the street from the campus. Designed by Boston-based Elkus Manfredi Architects, the \$30 million College Row

includes 50,000 square feet (4,645 sq m) of first-floor retail space and 150,000 square feet (13,935 sq m) of housing on the upper floors, with 117 units for about 400 junior and senior students. The developer maintains ownership of the complex, which opened in fall 2007.

Developers creating on-campus housing need to tailor the buildings to the particular needs of students, which differ from those of typical tenants. Building systems should incorporate high-speed Internet access and be flexible to accommodate future technologies. Builders can prepare for current and upcoming technologies by incorporating "accessible pathways": empty conduits that can accommodate wire or fiber cable. Even wireless technologies need space in the buildings for transmitters and other equipment that is, in turn, connected to cables coming from public or private providers.

Because of the demographic and economic pressures shaping the student housing sector, a new wave of campus housing construction is on its way. Student enrollments generally rise during economic downturns, as those who have difficulty finding employment decide to upgrade their skills and marketability. This can translate into increased demand for student housing. Mixed-use development housing is more appealing to upper-division and returning students who do not wish to live in campus dormitories.

The mixed-use campus housing village—grouping residential, retail, food service, and educational uses in a series of on-campus buildings—is one that addresses the contemporary needs of the higher education housing sector. Private developers with experience in building apartment buildings and mixed-use projects can find opportunities to share their expertise with institutions of higher learning to create student residences for the upcoming generation. **UL**

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Outsourcing University Student Housing

NOT SURPRISINGLY, the current economic recession is behind the recent surge in enrollment at higher education institutions. For one, layoffs are forcing professionals to reevaluate their future, and many opt to go back to school to pursue a new career or gain an additional degree. Similarly, recent college graduates and job seekers are pursuing postgraduate degrees as a means to increase their value to potential employers, gain a competitive edge, and weather the economic downturn.

Enrollment increases inevitably cause ripple effects within schools, driving up demand for services and amenities such as student housing. This is especially true for colleges and universities located in urban areas, which have above-market-rate prices and generally unfriendly leasing policies for students.

Though student housing has historically been considered a guaranteed amenity, urban colleges and universities face challenges while striving to maintain and/or expand their student housing portfolio. Urban areas are congested, and identifying where and how to develop new facilities or cost-effectively renovate existing ones can be difficult. Furthermore, institutions have access to fewer capital resources as a result of budget constraints, restricted credit markets, and dwindling endowments.

Many investors view student housing as a relatively sound investment opportunity because the demand for these facilities remains steady, and higher education is generally resistant to economic recession. As such, investors are quick to leverage the market opportunity, particularly within urban environments. These underlying market trends are creating significant opportunities for partnerships between real estate firms and academic institutions.

More colleges and universities are relying on the expertise of real estate firms and outsourcing services as a cost-effective and beneficial alternative to the development

and management of student housing. These services may include some or all of the following:

▷ **Advisory and development services.** Real estate firms can provide many services that enable colleges and universities and owners of student housing to plan, market, develop, finance, and maximize the potential of these facilities.

▷ **Property management.** The operations and management of student housing residences are among the most frequently outsourced housing functions. This includes a wide range of tasks, such as building operations, maintenance and repair, provision of utilities, insurance and accounting, marketing, and leasing.

▷ **Residence life services.** One of the most compelling property management offerings provided today is the development and management of residence life programs. Real estate firms' on-site management teams can implement the residence life component of student housing facilities, including hiring, training, and managing residence life staff, as well as establishing programs designed to support and enhance the college experience.

More colleges and universities are realizing the financial and operational benefits of outsourced student housing. First, the relative promise of safe accommodations in urban areas can be a powerful marketing tool in reaching current and prospective students and their parents. With experience managing the security of a variety of other commercial and multihousing buildings in urban areas, real estate firms offer expertise in safety and security of a facility.

Institutions are also taking different approaches to expanding their student housing portfolio. Many are partnering with developers to manage the entire construction process—from zoning to permitting to construction and beyond. Others are consulting real estate firms on adapting older commercial or residential buildings into student housing. Seeking a flexible and cost-effective alternative, other institutions are entering into master leases with privately owned buildings, once again leveraging the expertise of a real estate firm to identify facilities and negotiate lease terms.

In addition, outsourcing student housing can help facilitate and execute additional revenue-generators. U.S. Equities Realty, for

example, a Chicago-based real estate firm that provides student housing services, manages the daily operations at the Buckingham, a 456-bed residence in Chicago that houses students from Columbia College Chicago during the academic year. The Buckingham also has a summer leasing program that offers students, interns, professionals, and others the opportunity to reside at the facility for a short-term period.

University Center, at 725,000 square feet (67,354 sq m), is the nation's largest multi-institutional student complex. Since 2003, U.S. Equities has served as property manager for the 1,700-bed, 18-story facility that is owned by a nonprofit partnership made up of



U.S. EQUITIES REALTY

Columbia College Chicago, DePaul University, and Roosevelt University. It houses students from these three member institutions, saving each institution a substantial amount of time, money, and coordination.

Located in downtown Chicago, the building serves as an effective marketing and retention tool for students. The facility includes 31,000 square feet (2,880 sq m) of street-level retail space, a fitness center with a yoga/dance studio, a multimedia room, music practice rooms, recreation/game rooms, a computer lab, laundry facilities, a dining center, a 15,000-square-foot (1,393-sq-m) conference center, and a 20,000-square-foot (1,858-sq-m) landscaped garden terrace.

In addition to managing the physical structure and operations, U.S. Equities manages University Center's residence life program, which includes oversight of more than 40 resident advisers. Recent residence life initiatives have also included programs dedicated to environ-

mental sustainability, health and wellness, and community service.

Besides marketing and operating University Center's conference center, U.S. Equities has established the following revenue-generating initiatives:

▷ Opening the dining center amenity to non-University Center residents who attend any one of the three member schools (i.e., students who live in a nearby student housing residence that lacks a dining center or a commuting student with a class in the area).

▷ Creating an outside catering business that provides services to nearby institutions and businesses.

▷ Transforming two student studios into fully



The 18-story University Center, located in downtown Chicago, is the nation's largest multi-institutional student complex with 1,700 beds. It houses students from Columbia College Chicago, DePaul University, and Roosevelt University, and includes street-level retail space, a fitness center, and a dining center.

furnished guest suites, which are used by students' guests, as well as by conference coordinators, business travelers, and educational professionals.

Outsourced student housing is redefining urban college/university development and management, and more colleges are tapping into the expertise of real estate firms. As the overall market continues its decline, student housing remains a viable option for real estate firms, investors, and university administrators alike. **U**

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