Prior UNCW / B&D Partnerships

- Student Housing Strategic Plan (2001)
- Student Housing Market Analysis (2005)
- Privatized Student Housing Financial Analysis (2008)

B&D Clients in North Carolina
What’s the Vision?

UNCW HOUSING MASTER PLAN UPDATE

Executive Committee:
- Sharon Boyd (Assoc. VC for Business Services)
- Peter Groenendyk (HRL Director)
- Andy Mauk (Interim Assoc. Provost for Institutional Planning & Research)
- Marcio Moreno (Director of Admissions & Enrollment Management)
- Mark Morgan (Assoc. VC for Facilities)
- Sara Thorndike (Assoc. VC for Finance)
- Brian Victor (Assoc. VC for Student Affairs)
- Mike Walker (Dean of Students)
- Michael Wilhelm (Assoc. VC for International Programs)

Administrator Engagement:
- Chancellor Jose V. Sartarelli
- Marilyn Sheerer, Provost
- Vice Chancellor Pat Leonard, Student Affairs
- Vice Chancellor Rick Whitfield, Business Affairs

Student Focus Groups:
- Freshman campus residents
- Non-freshman campus residents
- SGA and resident assistants
- Greek students
- International students
- Commuter students
- Transfer students
Strategic Priorities

**UNCW HOUSING MASTER PLAN**

- **Increase the supply of campus housing to support UNCW’s enrollment goals**
  - Current housing deficit = 995 beds
  - The largest deficit is for “community-style” beds

- **Comprehensively elevate the residential experience**
  - Remove or substantially reinvest in obsolete / vision misaligned halls from the inventory
  - Reclaim common areas and improve outdoor spaces

- **Maximize impact by creating functional communities**
  - Consider “village” concepts to deepen connections to campus and peers

- **Identify funding strategy that reconciles housing vision with UNCW’s financial realities**
  - Leverage the strength of Housing’s financial position
  - Understand impact of delivery structures on master plan implementation
Housing Supply Overview

CURRENT HOUSING INVENTORY

<table>
<thead>
<tr>
<th>Hall</th>
<th>Year Built</th>
<th>Revenue Beds</th>
<th>Class</th>
<th>Style</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cornerstone Hall</td>
<td>2003</td>
<td>255</td>
<td>freshman</td>
<td>Traditional</td>
</tr>
<tr>
<td>Honors House</td>
<td>1998</td>
<td>96</td>
<td>freshman</td>
<td>Traditional</td>
</tr>
<tr>
<td>Innovation House</td>
<td>1998</td>
<td>96</td>
<td>freshman</td>
<td>Traditional</td>
</tr>
<tr>
<td>Galloway Hall</td>
<td>1971</td>
<td>378</td>
<td>freshman</td>
<td>Traditional</td>
</tr>
<tr>
<td>Belk Hall</td>
<td>1976</td>
<td>180</td>
<td>freshman</td>
<td>Semi-Suite</td>
</tr>
<tr>
<td>Graham-Hewlett</td>
<td>1979</td>
<td>374</td>
<td>freshman</td>
<td>Semi-Suite</td>
</tr>
<tr>
<td>University Apartments</td>
<td>1980</td>
<td>388</td>
<td>all</td>
<td>Apartment</td>
</tr>
<tr>
<td>University Suites</td>
<td>1989</td>
<td>393</td>
<td>all</td>
<td>Pod-Style</td>
</tr>
<tr>
<td>Schwartz Hall</td>
<td>1985</td>
<td>150</td>
<td>freshman</td>
<td>Pod-Style</td>
</tr>
<tr>
<td>Seahawk Crossing</td>
<td>2009</td>
<td>632</td>
<td>non-freshman</td>
<td>Apartment</td>
</tr>
<tr>
<td>Seahawk Landing</td>
<td>2007</td>
<td>594</td>
<td>non-freshman</td>
<td>Apartment</td>
</tr>
<tr>
<td>Seahawk Village</td>
<td>2006</td>
<td>510</td>
<td>non-freshman</td>
<td>Apartment</td>
</tr>
<tr>
<td>Total Revenue Beds</td>
<td>4,064</td>
<td>4,064</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RA Beds</td>
<td>81</td>
<td>81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Beds at UNCW</td>
<td>4,145</td>
<td>4,145</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

RA Beds

HRL Avg. Occ.

100.8%

Why did you decide to attend UNCW? (2 responses allowed)

- Quality of academics: 34%
- Campus environment: 34%
- Size of campus: 12%
- Affordability: 8%
- Proximity to home: 5%
- Scholarship: 3%
- Other (please specify): 2%
- I do not know: 1%
- UNCW Athletics: 1%
- Quality housing: 0%

Additional housing infrastructure is required to meet demand from incoming students.
## 2016-2017 Housing Demand

<table>
<thead>
<tr>
<th>Traditional / Pod</th>
<th>Semi-Suite</th>
<th>Full-Suite</th>
<th>Apartments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Demand</td>
<td>2,486</td>
<td>371</td>
<td>291</td>
<td>1,911</td>
</tr>
<tr>
<td>Existing Supply</td>
<td>1,366</td>
<td>554</td>
<td>0</td>
<td>2,144</td>
</tr>
<tr>
<td><strong>Net Demand</strong></td>
<td><strong>1,120</strong></td>
<td><strong>-183</strong></td>
<td><strong>291</strong></td>
<td><strong>-233</strong></td>
</tr>
</tbody>
</table>

## 2026-2027 Housing Demand*

<table>
<thead>
<tr>
<th>Traditional / Pod</th>
<th>Semi-Suite</th>
<th>Full-Suite</th>
<th>Apartments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Demand</td>
<td>3,147</td>
<td>516</td>
<td>405</td>
<td>2,659</td>
</tr>
<tr>
<td>Existing Supply</td>
<td>1,366</td>
<td>554</td>
<td>0</td>
<td>2,144</td>
</tr>
<tr>
<td><strong>Net Demand</strong></td>
<td><strong>1,781</strong></td>
<td><strong>-38</strong></td>
<td><strong>405</strong></td>
<td><strong>515</strong></td>
</tr>
</tbody>
</table>

*Assuming enrollment projections listed in the 2016-2021 Strategic Plan (June 2016)
“Very Satisfied” with current housing situation

<table>
<thead>
<tr>
<th></th>
<th>Freshman Resident Engagement By Hall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Connected me to campus community</td>
</tr>
<tr>
<td>Off Campus</td>
<td>89%</td>
</tr>
<tr>
<td>University Suites</td>
<td>59%</td>
</tr>
<tr>
<td>Cornerstone Hall</td>
<td>58%</td>
</tr>
<tr>
<td>Innovation House</td>
<td>55%</td>
</tr>
<tr>
<td>Graham-Hewlett Hall</td>
<td>53%</td>
</tr>
<tr>
<td>Honors House</td>
<td>49%</td>
</tr>
<tr>
<td>Schwartz Hall</td>
<td>47%</td>
</tr>
<tr>
<td>University Apartments</td>
<td>45%</td>
</tr>
<tr>
<td>Belk Hall</td>
<td>41%</td>
</tr>
<tr>
<td>Galloway Hall</td>
<td>13%</td>
</tr>
</tbody>
</table>

Galloway and University Apartments are substantially misaligned with UNCW vision
Students living in Zone 1 reported the highest levels of satisfaction and engagement.
Phase I (Delivery in 2020 and 2021)
- Approximately 1,430 new beds
  - 1,000 pod-style
  - 430 suite-style beds
  - “Freshman Village” creation
  - Projected capital cost* = $108.7 million

Phase II (Delivery in 2022-2026)
- Approximately 1,200 new beds
  - 350 pod-style beds
  - 850 apartment beds
  - Unit-types delivered according to demonstrated market demand
  - Projected capital cost* = $123.1 million

*Assumes the following, based on local market conditions and B&D’s national database:
- Construction Cost = $210 / GSF
- Total Project Cost = $280 / GSF
- Annual Inflation = 3%
- SF Per Bed = 225-375, depending on unit-type
## New Construction Outlook

### New Construction Financial Performance

### Assumptions

<table>
<thead>
<tr>
<th>Construction</th>
<th>Pod</th>
<th>Double</th>
<th>361</th>
<th>$280</th>
<th>$25,041,205</th>
</tr>
</thead>
</table>

### Revenues

- **Rental Rate (today's $)**: $3,222
- **Occupancy**: 95.00%
- **Student / RA Ratio**: 33 to 1
- **Annual Escalation**: 3%

### Operating Expenses

- **Expenses / SF (today's $)**: $9
- **Reserves / Bed (today's $)**: $225
- **Annual Escalation**: 3%

### Debt

- **Percentage Debt**: 100%
- **Rate**: 4.50%
- **Term**: 30

### Annual DCR

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Beds</strong></td>
<td>361</td>
<td>361</td>
<td>361</td>
<td>361</td>
<td>361</td>
<td>361</td>
<td>361</td>
<td>361</td>
</tr>
<tr>
<td><strong>Debt Coverage Ratio</strong></td>
<td>1.18</td>
<td>1.22</td>
<td>1.25</td>
<td>1.29</td>
<td>1.32</td>
<td>1.36</td>
<td>1.40</td>
<td>1.44</td>
</tr>
<tr>
<td><strong>Annual Cash Flow</strong></td>
<td>$196,564</td>
<td>$244,476</td>
<td>$295,651</td>
<td>$349,933</td>
<td>$404,275</td>
<td>$460,490</td>
<td>$519,805</td>
<td>$580,900</td>
</tr>
<tr>
<td><strong>Cumulative Cash Flow</strong></td>
<td>$196,564</td>
<td>$441,040</td>
<td>$736,691</td>
<td>$1,086,623</td>
<td>$1,490,898</td>
<td>$1,951,389</td>
<td>$2,471,194</td>
<td>$3,052,094</td>
</tr>
</tbody>
</table>


- **Total Beds**: 361
- **Debt Coverage Ratio**: 1.18 - 1.44
- **Annual Cash Flow**: $196,564 - $3,052,094
- **Cumulative Cash Flow**: $196,564 - $3,052,094
Next Steps
UNCW HOUSING MASTER PLAN UPDATE

- Identify sites / preliminary development concepts
  - Ensure integration with Campus Master Plan
- Evaluate renovation vs. new construction alternatives (Galloway, University Apartments)
- Refine a 10-year implementation strategy for all capital projects
- Evaluate the financial impact of self-development vs. the range of public-private partnership models
  - Self-develop / UNCW Corp / National 501c3 / Equity
DISCUSSION