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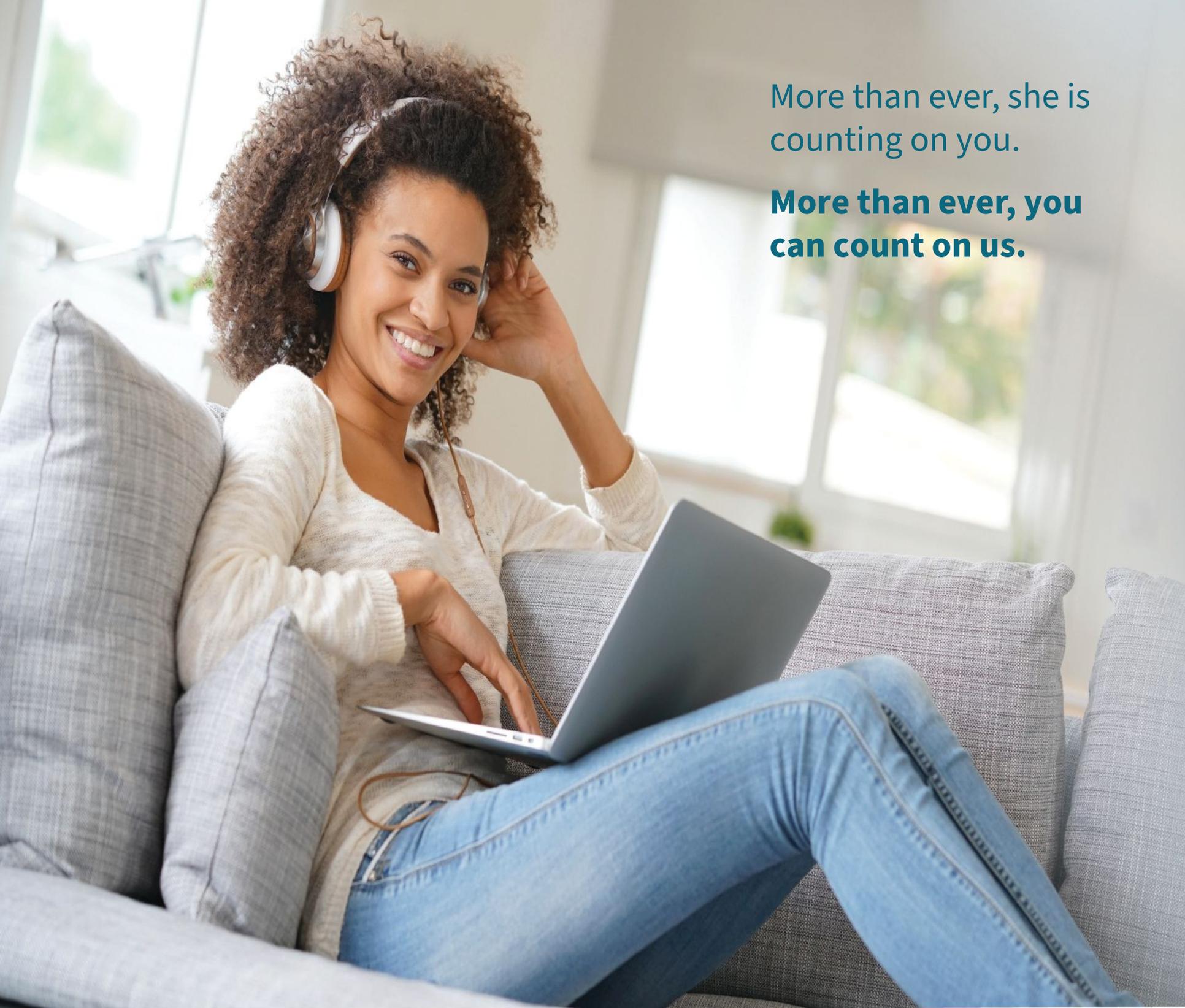
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FROM THE PUBLISHER

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July/August 2021

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Back to Normal?

The new academic year is underway and the industry is ready to exhale and for things to get back to normal. But is that going to happen?

Just when circumstances seem to be getting better a new variant is introduced into the equation (pardon the pun). In-person classes/remote. Mask/no mask.

It's exhausting but it's today's reality.

This issue covers a wide range of topics — development trends and new deliveries, our annual salary survey, interiors and furniture trends — and is a good read.

Sorry this edition is reaching you a little later than it should. Between InterFace Student Housing, The Goldbook and a myriad of other challenges it's been a busy summer.

Speaking of InterFace Student Housing, thank you to all of our speakers, sponsors, exhibitors and attendees for making the conference such a success and great experience. The content and panel sessions were of extremely high-quality and the networking in the exhibit hall and networking lounges was certainly robust (as well as in the JW Marriot lobby bar).

It was uplifting to see everyone and gather the industry back together in person, and we feel fortunate that we were able to hold the event when we did. Huge thanks again to the industry for its support, and to our speakers, sponsors, exhibitors and attendees. Please "Save the Dates" of May 4-6, 2022 for next year's conference.

Hope you enjoy this issue and here's to what we all hope will be a more normal fall.



Richard Kelley,
Publisher

Rich Kelley

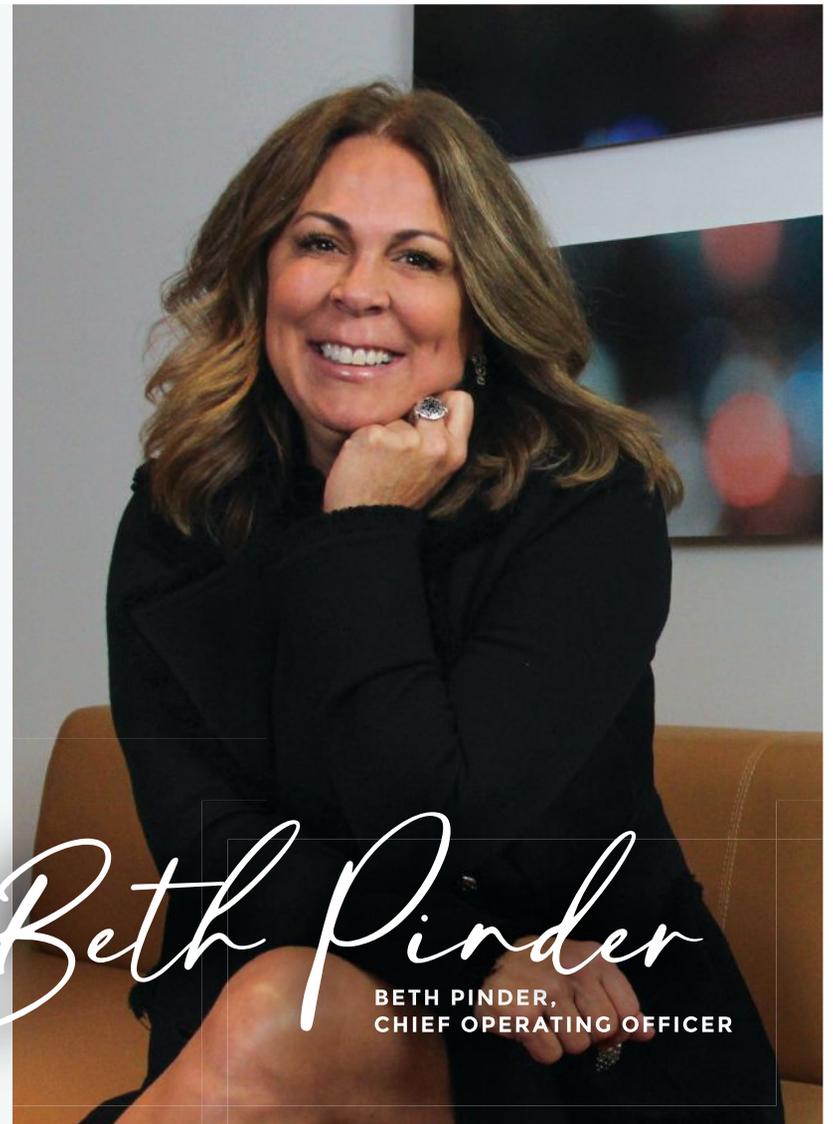


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Beth Pinder

BETH PINDER,
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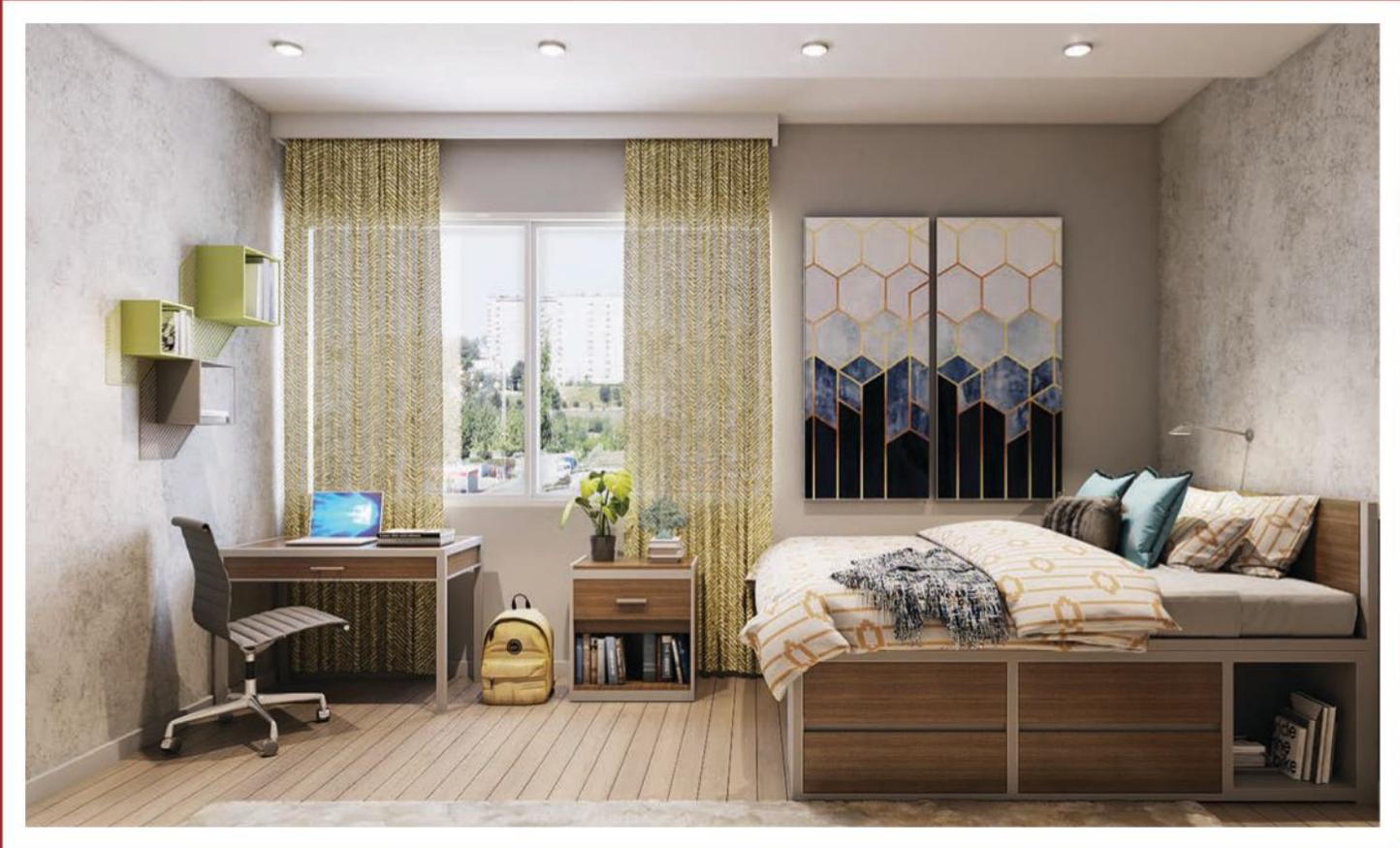
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University Partners has been awarded management of The Carlton House, a 446-bed student housing development located near the Texas Tech University campus in Lubbock.

ROVR SCORE HIRES TAYLOR GUNN, WHITNEY KIDD AS SENIOR VICE PRESIDENTS

Memphis, Tenn. — ROVR Score has hired Taylor Gunn and Whitney Kidd as senior vice presidents. Gunn most recently served as director of real estate research at Ryan, a global tax services and software provider where she helped launch the company's U.S.-based CRE research platform. Prior to Ryan, she oversaw research and analytics efforts for CA Ventures' student housing division. Prior to joining ROVR Score, Kidd led a team focused on RealPage's student, military and urban markets. She joined RealPage from the On-Site acquisition, where she served as an industry principal.



Taylor Gunn



Whitney Kidd

CREI SELLS STUDENT HOUSING PROPERTY NEAR THE UNIVERSITY OF KENTUCKY

Lexington, Ky. — Capstone Real Estate Investments (CREI) has sold The Preserve Lexington, a student housing community located near the University of Kentucky campus in Lexington. The property was originally acquired by CREI in June 2020 and underwent significant renovations. The buyer, terms of the transaction and details on the property were undisclosed.

GANTRY ARRANGES \$32.5 MILLION REFINANCING FOR STUDENT HOUSING COMMUNITY NEAR SEATTLE

Lynnwood, Wash. — Gantry has arranged a \$32.5 million refinancing for Triton Court, a student housing community located adjacent to Edmonds College in Lynnwood, roughly 17

miles north of Seattle. The property offers 220 beds alongside 13,000 square feet of retail and 15,000 square feet of office space. The newly built community is a public-private partnership between an undisclosed private developer who built and owns the complex and the Housing and Residence Life Office of Edmonds College who manages the project. Mike Wood and Alex Saunders of Gantry worked with the borrower, a privately-held limited liability company, to structure the funding. The loan was placed with a debt fund and carries a fixed interest rate with payments on an interest-only basis for the 10-year loan term.

PHOENIX AWARDED MANAGEMENT OF FOUR STUDENT HOUSING COMMUNITIES NEAR GEORGIA COLLEGE

Milledgeville, Ga. — Phoenix Management Group has been awarded the management of four student housing communities located near the Georgia College & State University campus in Milledgeville. Assignments include The Haven, Campus Edge, Prospect 519 and Prospect North, all of which offer three- and four-bedroom units. The owner of the properties was undisclosed.

NICHOLAS PORTER OF GSA LAUNCHES STUDENT HOUSING OPERATING COMPANY YUGO

Denver, Colo. — Nicholas Porter of Global Student Accommodation Group (GSA) has launched Yugo, a Denver-based company focused on student housing operations. The company was created through the merging of three international operating brands under GSA's umbrella — The Student Housing Company, Nexo Residencias and Uninest Student Residents — along with



Nicholas Porter

the U.S. operations of UComm. Yugo's global portfolio will encompass 95 properties across nine countries, with 45,000 beds across more than 75 cities. In the U.S., Yugo's 29 communities span 19 states in cities such as Philadelphia; Columbia, Missouri; Minneapolis; and Seattle.

LANDMARK PROPERTIES ACQUIRES 349-BED COMMUNITY NEAR CLEMSON UNIVERSITY

Clemson, S.C. — Landmark Properties has acquired Campus View Apartments, a 349-bed student housing community located near the Clemson University campus in South Carolina. The property offers two-, three-, and four-bedroom fully furnished units. Shared amenities include an outdoor courtyard, clubhouse, bistro, resort-style swimming pool and fitness center.

UNIVERSITY PARTNERS AWARDED MANAGEMENT OF 446-BED COMMUNITY NEAR TEXAS TECH

Lubbock, Texas — University Partners has been awarded management of The Carlton House — a 446-bed student housing development located near the Texas Tech University campus in Lubbock — by Treemont Partners, with the assistance of consulting group Chambers Real Estate Advisors. The community is scheduled for completion in August 2022 and will offer a mix of studio, one-, two-, three- and four-bedroom units with bed-to-bath parity. Shared amenities will include a two-story fitness center, swimming pool, cabanas, business center, private study rooms and a courtyard with a live music stage and bar/lounge.

GREYSTAR HIRES JEFF CANGEMI AS MANAGING DIRECTOR OF UNIVERSITY PARTNERSHIPS

Charleston, S.C. — Greystar has hired Jeff Cangemi as managing director of university partnerships. In his new role, Cangemi will work with the Charleston, South Carolina-based company's university partnerships team to expand its platform on the East Coast. Cangemi will report to Julie Skolnicki, senior managing director of university partnerships. Prior to joining Greystar, Cangemi held leadership roles with Star America Infrastructure Partners, Balfour Beatty and Lendlease.

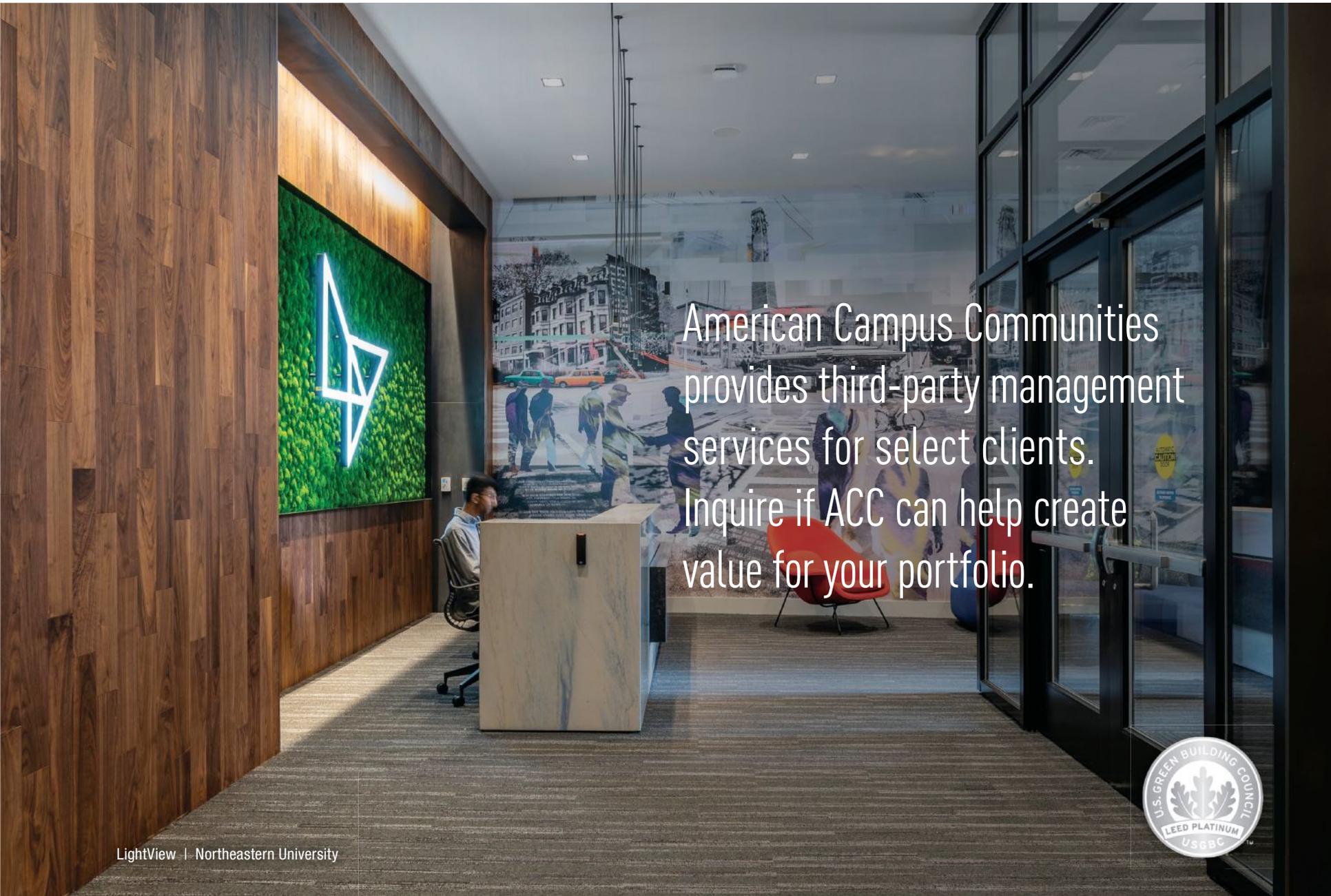


Jeff Cangemi

CA STUDENT LIVING APPOINTS ERNIE FREEDMAN TO BOARD OF DIRECTORS

Chicago — CA Student Living has appointed Ernie Freedman, executive vice president and chief financial officer of Invitation Homes, to its board of directors. Prior to joining Invitation Homes, Freedman served as executive vice president and chief financial officer of Apartment Investment and Management Co.; and as chief financial officer of HEI Hotels and Resorts, among other commercial real estate positions.

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Owned and
Managed
Beds
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NEWS IN BRIEF

CREI ACQUIRES STUDENT HOUSING COMMUNITY NEAR OKLAHOMA STATE UNIVERSITY

Stillwater, Okla. — Capstone Real Estate Investments (CREI) has acquired Stillwater Flats, a community serving students attending Oklahoma State University in Stillwater. Completed in 2009, the property is located three blocks from the university's Boone Pickens Stadium and offers a mix of one-, two- and four-bedroom fully furnished units. Shared amenities include a private parking garage, swimming pool and sundeck. The new ownership plans to convert the units into condominiums, which will be available for purchase through a partnership with Keller Williams Realty Local.

CUSHMAN & WAKEFIELD ARRANGES SALE OF 528-BED STUDENT HOUSING COMMUNITY IN BIRMINGHAM

Birmingham, Ala. — Cushman & Wakefield has arranged the sale of The Alden, a 528-bed student housing community located in Birmingham. Travis Prince, Shawn Lubic, Victoria Marks, Jimmy Adams, Craig Hey and Andrew Brown of Cushman & Wakefield brokered the disposition from Saban to Two Waters Capital Management for an undisclosed price. The property is set to undergo renovations under the new ownership including upgrades to unit interiors, the clubhouse, amenities and other common areas. The community will also be converted from student housing to conventional multifamily units.

CORE SPACES ACQUIRES 822-BED COMMUNITY NEAR NORTH CAROLINA STATE UNIVERSITY

Raleigh, N.C. — Core Spaces has acquired Stanhope Student Apartments, an 822-bed community serving students attending North Carolina State University in Raleigh. The property offers a mix of studio, one-, two-,



Capstone Real Estate Investments (CREI) has acquired Stillwater Flats, a community serving students attending Oklahoma State University in Stillwater.

three- and four-bedroom, fully furnished units. Shared amenities include a resort-style swimming pool; movie theater room; cyber cafe; art studio and drafting room; study lounges; a two-story fitness center; fire pit and grilling area; spray tanning; a stand-up tanning bed; game room; and ground level retail occupied by CVS/pharmacy, Smoothie King, Penn Station Subs, Cha House and Mulan Ice Cream & Milk Tea. The seller was an affiliate of developer Kane Realty and Val Valentine of Valentine Properties. Geoff Loftin and Jim Anthony of APG brokered the transaction.

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MJW INVESTMENTS HIRES DUSTIN YOUNG AS VICE PRESIDENT OF ASSET MANAGEMENT

Santa Monica, Calif. — MJW Investments has hired Dustin Young as Vice President of Asset Management. In his new role Young will lead the Santa Monica-based company's asset management initiatives, maximizing operational and financial performance while driving NOI and value within MJW's portfolio. Prior to joining the company, Young served as a director at Cityview.

APTITUDE DEVELOPMENT SELLS 300-BED COMMUNITY NEAR SYRACUSE UNIVERSITY

Syracuse, N.Y. — Aptitude Development has sold The Marshall, a 300-bed student housing community, to Syracuse University. The property offers a mix of studio, one-, two- and four-bedroom units with bed-to-bath parity. Shared amenities include a 24-hour fitness center, resident lounge and cafe, and private study rooms. The community opened in 2018 and features retail space leased to Five Guys and Kung Fu Tea.

THE NATION'S TOP DEVELOPER AND CONTRACTOR OF STUDENT HOUSING INCREASES PORTFOLIO UNDER CONSTRUCTION TO \$3.5 BILLION

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\$3.5 BILLION
IN ASSETS UNDER
CONSTRUCTION



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CONSTRUCTION



\$7.6 BILLION
IN ASSETS UNDER
MANAGEMENT
INCLUDING OVER
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NEWS IN BRIEF



GMH and CBRE have acquired SOVA Student Living, an 816-bed student housing community serving students attending Kennesaw State University in Marietta, Georgia.

GMH COMMUNITIES, CBRE ANNOUNCE STRATEGIC JOINT VENTURE FOR STUDENT HOUSING INVESTMENT

Marietta, Ga. — GMH Communities and a fund sponsored by CBRE Global Investors have entered into a joint venture to acquire core and value-add student housing communities in select markets across the U.S. As the joint venture's first investment, GMH and CBRE have acquired SOVA Student Living, an 816-bed student housing community serving students attending Kennesaw State University in Marietta, Georgia. The property was delivered in 2019 and offers a mix of one-, two-, three- and four-bedroom fully furnished units with bed-to-bath parity.

COCM AWARDED MANAGEMENT OF 572-BED COMMUNITY NEAR JOHNS HOPKINS UNIVERSITY

Baltimore, Md. — Capstone On-Campus Management (COCM) has been awarded management of 929 Apartments, a 572-bed student housing community near Johns Hopkins University in Baltimore. The 20-story high-rise is located adjacent to the Johns Hopkins University Medical Campus and offers a mix of studio, one-, two-, three- and four-bedroom units. Shared amenities include a fitness center, rooftop garden, conference room and meeting and group study space. The community is owned by East Baltimore Development Inc.

VERSITY INVESTMENTS ACQUIRES 429-BED COMMUNITY NEAR THE UNIVERSITY OF NEVADA FOR \$59 MILLION

Reno, Nev. — Varsity Investments has acquired Wolf Run, a 429-bed student housing community serving students attending the University of Nevada, Reno, for \$59 million. The property consists of 17 one-, two- and three-story residential buildings alongside a two-story clubhouse and leasing office. The seller in the transaction was undisclosed.

CA STUDENT LIVING AWARDED MANAGEMENT OF 248-BED DEVELOPMENT NEAR THE UNIVERSITY OF TEXAS

Austin, Texas — CA Student Living has been awarded management of Noble 2500, a 248-bed community serving students attending the University of Texas at Austin. The property is being developed by WGC Partners and is expected to open in fall 2022. Located six blocks from the University of Texas campus, the community will offer a mix of studio through four-bedroom fully furnished units. Communal amenities are set to include a seventh-floor sky lounge, cafe, outdoor aqua lounge, state-of-the-art fitness center, parking, swimming pool, and both group and private study areas.

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NEWS IN BRIEF

BEN ROELKE, IAN WALKER JOIN NEWMARK'S STUDENT HOUSING GROUP



Ian Walker



Ben Roelke

Austin, Texas — Newmark has hired Ben Roelke as executive managing director and Ian Walker as senior managing director of the firm's student housing debt and structured finance group. Roelke and Walker will be based in Newmark's Dallas office and will partner with Ryan Lang, vice chairman and head of student housing, as well as Trent Houchin, Jack Brett and Ben Harkrider. Roelke and Walker join Newmark from CBRE, where they most recently worked as executive vice president

and vice president, respectively. In their new roles Roelke and Walker will specialize in the placement of debt and structured finance for student housing and multifamily properties across the U.S.

BERKADIA SECURES \$8.9 MILLION ACQUISITION FINANCING FOR 141-UNIT COMMUNITY NEAR INDIANA UNIVERSITY SOUTHEAST

New Albany, Ind. — Berkadia has secured \$8.9 million in acquisition financing for a 141-unit student housing property located near the Indiana University Southeast campus in New Albany. Jason Brown and Sam Orman of Berkadia secured the three-year bridge loan through Old National Bank on behalf of the borrower, Zidan Management Group. Located at 4100 Prestwick Square, The Annex of New Albany offers a mix of studio, one-, two- and three-bedroom units. Shared amenities at the property include a clubhouse, resident lounge, 24-hour fitness center and laundry facilities.

COASTAL RIDGE AWARDED MANAGEMENT OF 3,078-BED PORTFOLIO NEAR VIRGINIA TECH

Blacksburg, Va. — Coastal Ridge Real Estate has been awarded management of a 3,078-bed portfolio serving students attending Virginia Tech University in Blacksburg. The properties, which are owned by San Francisco-based Reliant Group, include Collegiate Suites & Hunters Ridge, Maple Ridge Townhomes and Terrace View Apartments. The communities offer one- to four-bedroom units with shared amenities including clubhouses, fitness centers, coffee bars, game rooms, full-size basketball courts, picnic areas and swimming pools.

MULTIVERSITY HOUSING PARTNERS ACQUIRES TWO COMMUNITIES NEAR INDIANA UNIVERSITY

Bloomington, Ind. — MultiVersity Housing Partners has acquired two student housing communities near the Indiana University campus in Bloomington for an

undisclosed price. Acquisitions include 10 North and The Crest. Both properties were built in 2014 and offer studio, one- and two-bedroom units alongside two retail parcels occupied by a bank and a bakery. The new ownership will be adding on-site office and leasing areas, study spaces, private fitness rooms and a dog wash station as part of property improvements.

HOMESTEAD U, COLUMBUS PACIFIC ACQUIRE THREE PROPERTIES IN TEXAS, SOUTH CAROLINA

College Station, Texas and Charleston, S.C. — Homestead U and Columbus Pacific have acquired three student housing properties located in Texas and South Carolina. Acquisitions include 2818 and Parkway Place, two sister communities totaling 1,124 beds near the Texas A&M University campus in College Station; and SkyGarden, a recently built 309-bed community serving students attending the College of Charleston in South Carolina. The new ownership plans to invest \$5 million to renovate interiors and amenity spaces, and rebrand both 2818 and Parkway Place as The Cottages. The seller and terms of the transaction were undisclosed. Ryan Lang, Jack Brett and Ben Harkrider of Newmark brokered the transaction.

ACC PROMOTES JENNIFER BEESE TO PRESIDENT, COO

Austin, Texas — American Campus Communities has promoted Jennifer Beese to the position of president and chief operating officer. Beese joined the company in 1999 and most recently served as executive vice president and COO. In her new role, Beese will report directly to CEO Bill Bayless and will provide executive oversight of day-to-day business operations; advance the company's portfolio and asset management functions; and focus on furthering the firm's operating platform while continuing to oversee marketing, leasing, property operations, functional support services, human resources, corporate administration and company culture.



Jennifer Beese

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LANDMARK'S WES ROGERS TALKS ABOUT STUDENT HOUSING'S INSTITUTIONALIZATION FOLLOWING BLACKSTONE DEAL

Athens, Ga. and New York City — In late August, Landmark Properties announced a joint venture partnership with New York-based Blackstone Real Estate Income Trust. The partnership will recapitalize and acquire eight student housing properties totaling 5,416 beds at the outset. The deal is valued at \$784 million and brings Landmark's portfolio to 79 student housing communities.

Wes Rogers, president and CEO of Landmark, says that Blackstone wasn't the only institutional investor to inquire about teaming up with Landmark, nor is it the only JV partnership potentially happening in the industry (reportedly student housing owner The Scion Group and Brookfield Asset Management are in advanced talks to form a joint venture targeting \$1 billion in student housing acquisitions).

Rogers says that many global firms began reaching out to Landmark in late fall 2020 once the student housing industry had shown its resilience to the COVID-19 pandemic.

"Everyone was saying the same thing: they were impressed at how well student housing held up during COVID-19," says Rogers. "They were all surprised that we collected more than 98 percent of rents and how quickly everything was bouncing back. We were able to grow rents during COVID-19, and now we're actually having our best preleasing year ever. We're 97 percent preleased with rent growth on a 51,000-bed portfolio, which is about 2 percentage points ahead of where we hoped we were going to be."

In addition to the Blackstone arrangement, Landmark is wrapping up a very busy development cycle for this academic year. The firm delivered eight projects representing \$1.2 billion of construction in August, which Rogers says is a record for any student housing developer.

"And everything was on time and on budget," says Rogers. "It's really a phenomenal feat. We are going to be bonusing a lot of people."

Student Housing Business caught up recently with Rogers about the Blackstone partnership and its implications for the student housing sector moving forward. The following are his edited responses:

Student Housing Business: In the press release you stated that this deal "validates the strength of student housing." How has student housing evolved from when you started Landmark Properties in May 2004 to where you stand today?

Rogers: The student housing industry has certainly evolved dramatically. It was more of a mom-and-pop, fragmented, non-institutional business when we started. Then we started seeing more niche, private equity firms in the space like Harrison Street Real Estate Capital and Kayne Anderson. Those firms started to institutionalize the student housing world. And then in 2014 and 2015 Landmark started partnering with the larger sovereign wealth funds so ADIA, CPPIB and GIC have been in the student housing space for probably six or seven years now. Blackstone did participate in the EdR take-private deal but it was a last-minute call. Blackstone was probably being somewhat cautious on the space. Student housing is not really seen from Blackstone's perspective as a super high-growth segment. But now with Blackstone [and Brookfield entering the space with The Scion Group], as well as KKR, TPG Real Estate Partners and Starwood Capital, we've seen a lot of the very large institutional investors take a real keen interest in student housing given the resilience of its cash flow streams during the pandemic.

SHB: Landmark started getting inbound calls last fall from institutional investors — why did Landmark choose Blackstone versus another potential partner?

Rogers: I'm going to give a lot of credit to Tim Bradley at TSB Capital; he's our go-to guy. We have some relationships at Blackstone and so there were some discussions in late fall. We knew some people at Starwood too so we had some discussions with them. Those were the first two groups that we really started to have a pronounced interest in, and Bradley was involved in those discussions. At first I wasn't sure if it was going to make sense. I had historically thought of both Blackstone and Starwood as being more opportunity fund investors with closed-end funds, which is not really what we were looking for. Our business plan is to continue to grow and accumulate assets under management, so we don't really want to sell anything. We want to develop our projects and roll them into stable, perpetual life vehicles so that we never have to sell them. And then we can just collect cash flow, investment management fees, property management fees and own the assets for the long run. Blackstone invested in this through BREIT, which is an open-ended vehicle. The business plan is really to own these assets for forever, so that was what really attracted us to the Blackstone structure.

SHB: What exactly does the Landmark-Blackstone joint venture entail, and what is the ownership structure?

Rogers: The first wave of deals is eight properties, seven of which we already own, so it's a recapitalization of those at a higher price. The other property is a third-party acquisition. We're in discussions about doing both additional recapitalizations as well as acquisitions of third-party assets. I cannot disclose the specific percentage [of the ownership arrangement], but I can tell you that Blackstone is the majority owner.

SHB: What are some attributes of the types of properties that are attractive to the Landmark-Blackstone joint venture moving forward?

Rogers: We look at the markets first and foremost. There are over 7,000 colleges and universities in the United States, and only about 175 or so make sense to invest in, and we are generally focused on an even smaller subset of that. We focus generally on publicly chartered state institutions with enrollments of 15,000 or more and a select few number of private universities that have significant off-campus demand. We want universities that have very stable enrollment or demand for enrollment over a long period of time. We want to buy well-located, high-quality assets that we are confident will have stable income streams over long periods of time.

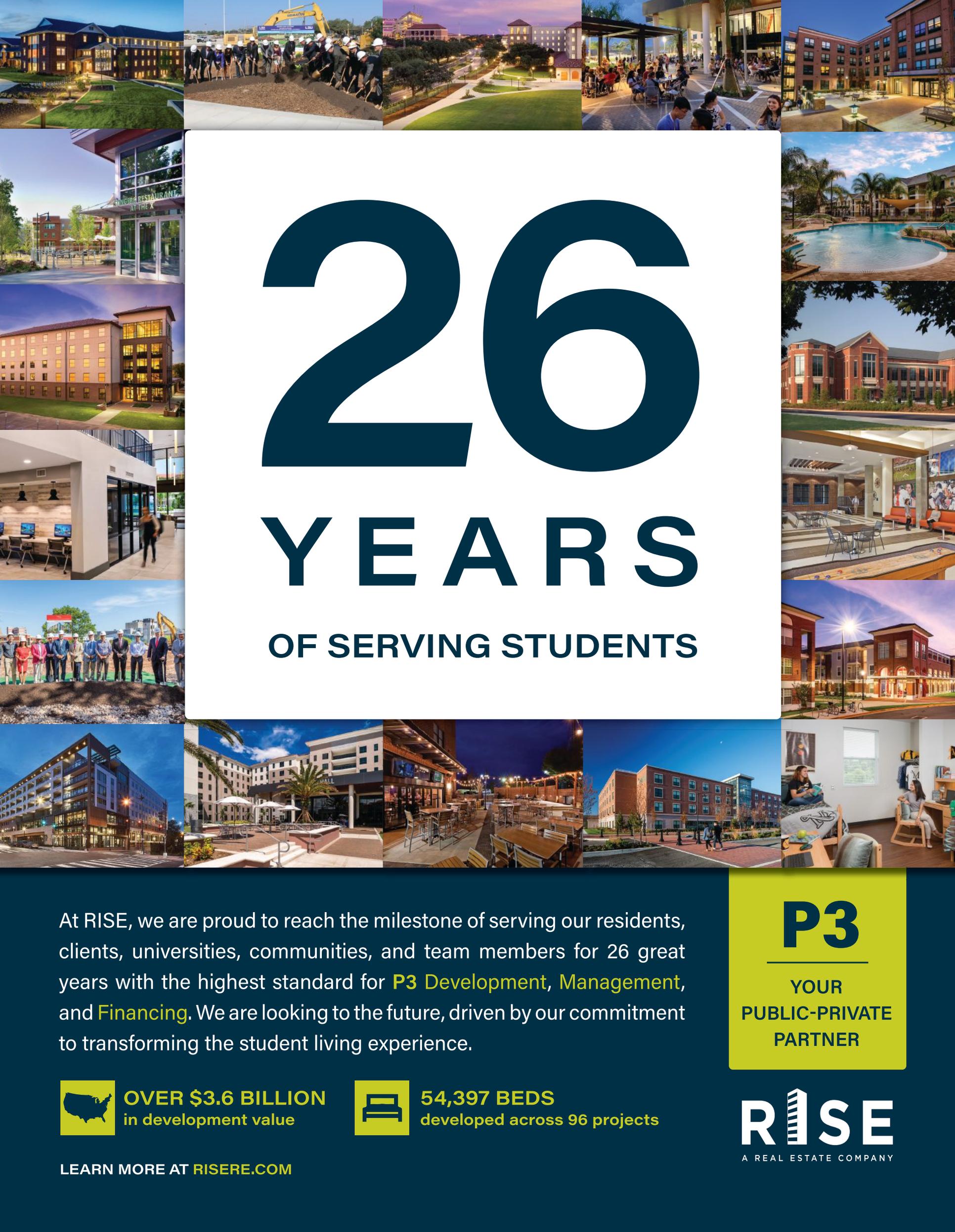
SHB: Is there anything else about the Blackstone deal that isn't out there in the media yet that you'd like our readers to know?

Rogers: We are looking to invest significantly with Blackstone. American Campus Communities is working on a joint venture where it will also be a minority owner and bring in a large institutional investor. Core Spaces has joint ventures with a couple sovereign wealth funds and it is going to be acquisitive. TPG with Cardinal Group Cos. is another partnership. There are a lot of groups out there that are actively looking to invest in student housing. In general, we're all targeting similar-type schools and similar-type properties. We'll see cap rates continue to compress for well-located, high-quality assets in the right markets.

— By John Nelson and Rich Kelley



Wes Rogers



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CAMPUS UPDATE



The Henry offers shared amenities including a resort-style swimming pool near the University of Tampa campus in Florida.

University of Tampa

JOINT VENTURE OPENS 537-BED COMMUNITY NEAR THE UNIVERSITY OF TAMPA

Tampa, Fla. — A joint venture between Development Ventures Group, In-Town Group and Halstatt Real Estate Partners has completed development of The Henry, a 537-bed student housing community located near

the University of Tampa campus. The 23-story property offers 188 fully-furnished apartments alongside shared amenities including a resort-style swimming pool, amenity deck, grab-and-go market, shuttle services to and from campus, private and group study rooms, a fitness center, club-room and 1,800 square feet of ground floor retail and restaurant space. The project's development team included Moss Construction and Niles Bolton Associates.

Sacramento State University

SACRAMENTO STATE UNIVERSITY, GREYSTAR OPEN 1,100-BED RESIDENCE HALL

Sacramento, Calif. — A public-private partnership between Sacramento State University and Greystar has opened Hornet Commons, a 1,100-bed residence hall on the university's campus in Sacramento. The community offers apartment-style, fully furnished units for upper-division and graduate students. Shared amenities include a swimming pool, fitness center, volleyball and bocce ball courts, retail space leased to Einstein Bros. Bagels, fire pits, a clubhouse and yoga lawn. "We are excited to welcome Sacramento State's students to Hornet Commons," says Julie Skolnicki, senior managing director of Greystar University Partnerships. "This project was conceived with the lofty goals of supporting academic outcomes, strengthening the sense of community, and providing a long-term partnership. This vision has never been more significant as we welcome students back to Sacramento State and support the campus mission of transforming lives by preparing students for leadership, service, and success."

Appalachian State University

RISE, APPALACHIAN STATE OPEN 640-BED RESIDENCE HALL ON THE UNIVERSITY'S CAMPUS IN BOONE

Boone, N.C. — A public-private partnership between RISE: A Real Estate Co. and Appalachian State University has opened a 640-bed residence hall named Laurel Creek Hall. The property represents Phase II of development in a \$200 million multi-phase project currently underway on the university's campus in Boone. The project's development team included Niles Bolton Associates, Choate Construction, Stanley D. Lindsey and Associates, RBC Capital Markets and Beyond Owners Group. RISE closed on financing for Phase III of the project in December 2020 and will deliver 753 beds and a 700-space parking garage to the university in fall 2022.

University of Arkansas

JOINT VENTURE COMPLETES 202-UNIT STUDENT HOUSING COMMUNITY NEAR THE UNIVERSITY OF ARKANSAS

Fayetteville, Ark. — The Aspen Fayetteville, a 202-unit student housing community located less than one mile from the University of Arkansas campus, has opened in Fayetteville. Aspen Heights developed and will manage the property, which is owned by an entity affiliated with Platform Ventures. The community offers a mix of two-, three- and four-bedroom units that are fully furnished by Gus* Design Group. Shared amenities include an indoor and outdoor fitness center, resort-style swimming pool, hot tub, lounge and study rooms, a fire pit and grilling station.

Georgia Institute of Technology

LINCOLN VENTURES, ELV ASSOCIATES BREAK GROUND ON 564-BED COMMUNITY NEAR GEORGIA TECH

Atlanta — A joint venture between Lincoln Ventures and ELV Associates has broken ground on 859 Spring Street NW, a 565-bed student housing community located near the Georgia Tech campus in Atlanta. The project's design-build team includes general contractor JE Dunn and architecture and interior design firm Niles Bolton. "We are excited to bring our product and design expertise to Tech Square, one of the most energizing technology, academic and employment hubs in the nation," says David Kanne, CEO of Lincoln Ventures. Further details on the project have not been announced.

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CAMPUS UPDATE

*University of Nevada,
Reno*

JOINT VENTURE BREAKS GROUND ON 755-BED HIGH-RISE STUDENT HOUSING COMMUNITY

Reno, Nev. — A joint venture between Canyon Partners Real Estate, GMH Communities and CRG has broken ground on Academy at Reno, a 755-bed student housing development located within a Qualified Opportunity Zone near the University of Nevada, Reno campus. The property will be the first high-rise student housing development in the Reno area, according to the joint venture. The partnership has secured a \$75.2 million senior construction loan from Citizens and Nevada State Bank, and Canyon plans to contribute \$36.2 million in equity for the development. The community will be located at the intersection of North Virginia Street and 15th Street, directly across from the university's main entrance, and will offer one- to five-bedroom units. The project's design-build team includes Humphreys & Partners Architects, interior designer HPA Design Group and general contractor Clayco. The 12-story development is targeting LEED Silver certification and is set for delivery prior to the start of the 2023-2024 academic year.

University of Edinburgh
**CA VENTURES
COMPLETES 225-BED
COMMUNITY NEAR
THE UNIVERSITY OF
EDINBURGH**

Edinburgh, Scotland — CA Ventures has completed the development of Silk Mill, a 225-bed student housing community located pedestrian to Edinburgh Napier University and the University of Edinburgh in Scotland. The property will be managed by CA's in-house purpose-built student housing management company, Novel Student. The five-story property offers shared amenities including a reception area, breakfast bar, karaoke room, gym, digital gaming center, bar area, private dining space, lounge, study spaces and an outdoor courtyard.

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- Yvonne Tomesek, Sr Property Manager, Peak Campus

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Consulted on senior acquisition financing for The Lux & The Lofts, two student housing properties totaling 106 units and 281 beds near Cornell University in Ithaca, New York. This transaction continued the firm's successful relationship with Harrison Street.

HARRISON STREET



Consulted on pre-TCO, permanent fixed acquisition financing for a two-property student housing portfolio totaling 138 units and 604 beds near Florida State University in Tallahassee, Florida. This transaction continued the firm's successful relationship with Salmanson Capital.

Salmanson CAPITAL, LLC



Consulted on senior acquisition financing for The Verge Orlando, a 312-unit, 930-bed student housing property near the University of Central Florida. This transaction continued the firm's successful relationships with Coastal Ridge Real Estate and Junson Capital.



CAMPUS UPDATE

Texas A&M University

MEDISTAR TOPS OUT 19-STORY STUDENT HOUSING TOWER AT TEXAS A&M INNOVATION PLAZA CAMPUS

Houston — Medistar Corp. and partner Healthcare Trust of America have topped out construction of Life Tower, a 714-bed student housing building that is part of the new three-tower Texas A&M Innovation Plaza campus in Houston. The project is transit-connected and is situated adjacent to the Texas Medical Center. CIM Group provided \$135.8 million in construction financing for the 19-story, 483-unit student housing building. The Carlton Group secured the loan on behalf of the borrower. Completion of the student housing tower is slated for summer 2022, enabling medical, nursing and engineering students to move in prior to the fall 2022 academic semester.

Lynn University

CAPSTONE DEVELOPMENT, LYNN UNIVERSITY BREAK GROUND ON \$40.5 MILLION RESIDENCE HALL

Boca Raton, Fla. — A public-private partnership between Lynn University and Capstone Development Partners has broken ground on a \$40.5 million residence hall development on the university's campus in Boca Raton. The 342-bed property will offer studio, two- and four-bedroom, affordable units with living areas and kitchens. Shared amenities will include a community kitchen, television lounge, flexible workspace, multipurpose room and study lounges. The project is scheduled for delivery in fall 2022. The design-build team for the development includes Design Collective, Donahue Architecture and Design, and Gerrits Construction. Brailsford & Dunlavey is serving as an advisor to the university during the project. Capstone Management Partners will provide asset management, facility maintenance and custodial services in partnership with the university. The development is being financed through non-recourse, tax-exempt bonds. Capstone worked with Citi to help coordinate the financing, and Provident Resources Group is the nonprofit owner.

Georgia Institute of Technology

CORE SPACES BREAKS GROUND ON HUB ATLANTA DEVELOPMENT

Atlanta — Core Spaces has broken ground on Hub Atlanta, a student housing community located near the Georgia Institute of Technology campus in Atlanta's Midtown neighborhood. The community will provide housing for approximately 800 students in summer 2023. The property will stand 19 stories high, offering studio through six-bedroom units alongside 5,600 square feet of ground floor retail space. Amenities will include a fitness center, study lounge, co-working spaces, pool deck with hot tub, dog park and a library. Bicycle parking and electric vehicle charging stations will be available in the community's four-story garage space. The project team includes Juneau Construction Co.

University of Cincinnati

TRINITAS RECEIVES APPROVAL FOR \$500 MILLION MIXED-USE PROJECT

Cincinnati — Trinitas Ventures has received approval for the development of The District at Clifton Heights, a \$500 million mixed-use project near the University of Cincinnati campus in Ohio. The development will be completed in two phases. The \$315 million Phase I of the project will include The Deacon, an existing 1,029-bed student housing community; The Hub at Cincinnati, a 1,112-bed student housing development featuring 2,300 square feet of commercial space; a 175-room hotel with 22,000 square feet of retail space; a new Delta Delta Delta sorority house; and a 169-space public parking garage. The first phase of the project is scheduled for completion in October 2024. Phase II — set to total approximately \$185 million in development costs — will consist of 45,000 square feet of commercial space; 170 seniors housing units with a private parking garage; 350 multi-family units; and a public parking garage.

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QUESTION OF THE MONTH

After the recent ‘Name, Image & Likeness’ ruling, is your organization considering working with college athletes to structure any kinds of marketing partnerships? If yes, how is it going so far and how do you think these relationships might be beneficial? And if not, why not?



Wybenga

GMH Communities is excited about this new ruling and is definitely interested in exploring the burgeoning partnership opportunities. The NIL ruling allows us to leverage relationships with student-athletes to garner more visibility, relevancy and brand awareness through a new evolution of campaigns that highlight their experience while living in our communities around the country. While we haven't made any commitments yet, these partnerships are a natural fit as many college athletes already reside with us. And when done right we believe the relationship would be mutually beneficial in growing both parties' credibility and brand recognition.

—Justin Wybenga, Vice President of Asset Services for GMH Communities



Dinwiddie

We're excited about the opportunities that the recent Name, Image & Likeness ruling is affording our communities and NCAA athletes in the markets we serve. Over the past few years we have engaged influencers across the country to help us market our communities in an authentic manner and we see promise in adding collegiate athletes to our influencer ranks going forward. The biggest obstacles here involve coordinating with the university's NCAA compliance personnel to ensure that partnerships with athletes are not in conflict with current NCAA guidance.

—Rob Dinwiddie, Executive Vice President, Landmark Properties



Rabold

We're always looking at new methods of marketing, including this recent NIL ruling. We haven't deployed it anywhere as we're continuing to conduct more due diligence in the way of cost parameters, ROI, unknown liabilities, etc. It appears that the majority of the marketing efforts surrounding the new NIL ruling are within social media, which is a medium that we have perennially found difficult to measure in regards to ROI. Due to the uncertainties surrounding the new ruling and the inherent ambiguity, we're likely to tiptoe into this avenue of marketing, if at all.

—John Rabold, Chief Revenue Officer, Granite Student Living



Brown

Yes, we will be taking full advantage of this new ruling! Our strategy will vary by market but overall I think this is a great opportunity to partner with various athletes that align with our mission and values. The shift in marketing to Gen Z has given birth to a new customer that embraces authentic brands, people and experiences. By partnering with athletes that have academic and social aspirations in addition to their athletic achievements, we'll be able to support causes and passions that our prospects and residents connect with in our campaigns.

—Lindsay Brown, SVP of Leasing & Marketing, Campus Advantage



Wilkinson

The recent NIL ruling is exciting for the athletes and the clients with whom they choose to work. We have been watching it evolve as we know many of our clients' student properties could be interested in aligning themselves with athletes on their campus. Currently, none of our clients have yet entertained engaging with any college athletes, but this is a very new channel to everyone. We will want to review the cost/reward analysis where it makes sense to engage. At the end of the day, any alignment would need to result in lead and lease generation that can be attributed to this new opportunity. There's definitely going to be movement in this space.

—Billy Wilkinson, Chief Executive Officer, Threshold



Sundling

Athletes, while different in some ways, are similar to hyper-local influencers in that they are well connected with much of the student body via social media, events and personal relationships. Cardinal will leverage these connections in a multitude of ways, from building brand awareness to driving leases directly from these partnerships. We plan to be creative in the scope and messaging of these partnerships. Early on it will be challenging to do at-scale, as contacting the athletes is a fragmented ecosystem of marketplaces, agents and direct messages. However we expect the marketplace to smooth itself out relatively quickly with the amount of money to be made.

—Ryan Sundling, Senior Marketing Manager, Cardinal Group Management



Nix

With Gen Zers demanding authenticity, a NIL partnership would work best if the athlete lived in one of our communities and could speak or represent our community from first hand experience. Campus Life & Style has not yet pursued a NIL partnership, however, we have sourced many influencers with varying results. If your goal is to build brand awareness, then these partnerships can work if you pick the right student to be the face of your community. If your NIL athlete or student influencer is peddling other products or not living in your community, the ROI will fall flat.

—Jessica Nix, Senior Vice President, Campus Life & Style



Beese

We are following this development closely and are exploring opportunities through our sports marketing contacts and our micro-influencer framework that will allow us to 'plug in' the right talent that fits our brand and our community identity in a particular market. It's not a one size fits all approach, but a localized tactic that should fit in with a wholistic digital social campaign strategy. As always, authenticity is key.

—Jennifer Beese, President & COO, American Campus Communities



Little

Fountain Residential Partners is working with two student athletes at Docksider, our lakefront mixed-use development in Clemson, South Carolina. Myles Murphy is a defensive end who is projected to be a first round draft pick in the NFL. Valerie Cagle is a phenom softball pitcher who is a probable Olympic starter. Both student athletes will work with our management team over the next year with personal appearances and regular social media posts. The cost/benefit analysis cannot be determined until later in the lease-up, but we are confident they will be accretive and are excited to have them both join the Docksider team!

—Brent Little, President & CEO, Fountain Residential Partners

Want to contribute to next issue's Question of the Month? Email Managing Editor Katie Sloan at ksloan@francemediainc.com



Myles Murphy has entered into an NIL partnership with Fountain Residential Partners for its Docksider mixed-use development in Clemson, South Carolina.

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Expanding Efforts

Peak Campus, the nation's second largest third-party student housing management firm, has changed its name to PeakMade Real Estate to reflect the company's expansion to development and other real estate sectors. SHB speaks with CEO Bob Clark and COO Casey Petersen to learn about the move.

Interview by Richard Kelley and Randall Shearin

PeakMade Real Estate, the newly branded parent company of Peak Campus, is a reflection of the company's expansion beyond student housing management. Peak expanded into development a number of years ago, developing over 17,000 beds. Since the company is the second-largest third-party student housing manager, its efforts have been somewhat overshadowed. Now, as the company prepares to move into other asset classes with its capabilities, a new name seems fitting. SHB recently interviewed Bob Clark, CEO and Casey Petersen, COO, to hear more about PeakMade's plans.

SHB: Peak Campus changed its name recently to PeakMade Real Estate. Can you tell our readers a little bit about the name change and the meaning behind it? What does it signify?

Clark: In January 2011 Peak Campus was formed. Over the years, as our company has grown, and as our reputation has grown, we've become much more institutionally focused in terms of our platform and our level of sophistication. We've had partners and relationships seek our expertise for some of their projects outside student housing, specifically conventional multifamily projects. We have been excited about exploring that opportunity, and our platform was positioned to be able to take on those assignments. It has evolved into one of the growth strategies for the company. As we ventured down that path and as we talked to prospective conventional multifamily clients, the name Peak Campus was confusing to them. We embarked on a process to rebrand ourselves, whereby we could capture not only the strength of our name and our reputation as Peak Campus, but also give us the ability to add verticals as our company continues to evolve. That's where PeakMade came from, and we're excited about the future of the brand.

Petersen: At the end of the day we did not necessarily want to tie ourselves to one certain vertical. We're all really proud of the reputation and status that the Peak name had in the student housing industry, and we felt like that had cache to it. It's very difficult to call yourself just Peak, though. Try going to the U.S. Patent and Trademark Office and see how many companies are named Peak, and how many have

something to do with real estate — there are a lot of them. PeakMade was a way for us to pay homage to the Peak reputation, platform and culture that we had built, while having the ability to go in other directions as well. To that end, in terms of verticals, we've been working on another strategy for the company where we're continuing to expand our platform. We've launched a single-family build-to-rent strategy, where we will be developing build-to-rent communities around the country, and that vertical will be part of the PeakMade family.

SHB: Are you looking for those opportunities in your existing markets or where you're managing traditional multifamily? Or markets where you are active with student housing?

Clark: Obviously there are some markets that we know very well because we've developed student housing projects in those markets. There are some advantages in those markets because we know the community, the trades, the zoning office, etc. But that's not a prerequisite to where we will only look for build-to-rent projects. We're looking for opportunities in markets that we think have all the elements of good real estate — those with high barriers to entry, high employment rates and solid population growth. Those are the types of characteristics that we would want to be part of a market.

SHB: What's the inspiration for entering the build-to-rent (BTR) sector?

Clark: We think it's an extension to some extent of what we already do. We have a development company, and I couldn't be more proud of what



BOB CLARK
CEO,
PeakMade Real
Estate



CASEY PETERSEN
COO,
PeakMade Real
Estate

they've accomplished over the years. With 35 projects, and over 17,000 beds, they've mastered the ability to find premier sites in strong markets and deliver excellent projects. We've had quite a bit of success as a development company. Developing a build-to-rent community is well within their means, capabilities and experience. Not every customer in our student segment will be a customer for our build-to-rent product, but some of them will. We certainly understand what makes them tick, and how to develop projects that are attractive to that customer.

SHB: You mentioned your development arm. Can you give us an update on what your development team is doing right now? Can you also touch on the relationship synergistically within the overall PeakMade family and how that fits in with Blue Vista?

Clark: The strategy with our development company is to develop two to three projects a year. We're not looking to be the biggest developer in the student housing space; we're looking to develop high quality projects in high barrier to entry markets. We've sized ourselves and we set a strategy in our business plan so that we do two to three projects a year. As I mentioned, we've developed over 35 projects, over 17,000 beds, and have quite a bit of experience there. Our development company and management company are vertically integrated with Blue Vista. They are the strategic partner for our development program. We are the manager for assets that Blue Vista acquires. That vertical integration has been in existence since our inception back in 2011.

SHB: It appears to be continuing in perpetuity.

Clark: Absolutely. As we look at the build-to-rent strategy, we've hired an additional resource to do that. We don't want our interest there to distract from our commitment to student housing at all. We still plan on developing two to three ground-up student housing deliveries per year

SHB: Where do you see the student housing industry now with COVID cases trending upwards as the academic year begins? Where do you feel the space is in general?

Petersen: The InterFace Student Housing conference was a perfect bellwether where the industry is performance-wise. The talk that you heard from everyone at the conference is consistent with what we've been seeing in our platform. This has been a great year for us in terms of performance. Early on it was scary, because the leasing curve was slower to ramp up. Everything that we would normally get early in the season — the September, October, November, December timeframe — was not there by any stretch of the imagination. As soon as students came back for the spring semester — particularly when you got to late February, early March — it was like the floodgates opened for leasing. We've had a really compressed leasing timeline and been focused on making sure that we are pacing with the markets the way that we need to. The industry is outperforming last year, to be sure, but we're also outpacing 2019. It has been a nice turnaround. We have been able to get the vast majority of our projects to a place where they're outperforming their markets. That is attributable to the resilience of the sector, in terms of being able to weather all sorts of different economies and weird environments.

SHB: It seems like this fall has been good in a lot of markets for occupancy. While some companies did not seem as concerned about rental rates this year as in the past, they did seem to want to make sure that occupancy was high. How did the season end up on a rental rate basis?

Clark: It's been pretty consistent with what our business plans were. We had a range from about 1.5 percent to 4.5 percent for each of our assets. It turned out well. We were lucky, I think, because the industry didn't panic in the winter when the leasing velocity wasn't there. Managers didn't drop pricing. Everyone realized that wasn't necessarily going to move the needle for any of us; everyone took a wait-and-see approach. When velocity really took off in the spring, we had to be responsive to what the market conditions were, but it didn't require us to do anything overly drastic to be able to compete. In certain markets there were already supply and demand imbalances where you had to get more aggressive than you did elsewhere. But that's the case every year, pandemic notwithstanding.

SHB: What do you expect things to be like this fall?

Petersen: Regarding the Delta variant, we haven't seen any real wholesale changes to how universities are approaching fall. We hear about some vaccine mandates, but nothing that says this is how we're changing operations because of the Delta variant. We just wrapped up move-in and it went very well. We learned many valuable lessons during the pandemic, one of which is that we've always had this thought process that we need to make move-in this over-the-top experience — a big event with entertainment and champagne for the parents. What we learned last year is that students really just want to have a clean apartment and want to get moved in as quickly and as efficiently as possible. It's almost better if you remove all the bells and whistles and the unnecessary clutter of move-in day and just make it a streamlined process. That experience leaves residents happier than they were when we went over the top. We call it 'express move-in' internally. We've decided that is what we're going to do across the board because it is making a better impression. When our residents' first experience is arriving at a clean, well-maintained, well-appointed apartment, that gets us a lot further than putting up balloons around the leasing office. We will have plenty of time to create 'wow' experiences for them after move-in day.

SHB: That is one lesson learned. What is a lesson you learned from the past 18 months that you are going to keep doing? What other examples could you point to from either a leasing and marketing standpoint or a management/operations standpoint that you were forced into because of COVID and the pandemic, but now you look back and say, 'ok, I think this is the way for us to do this?'

STUDENT HOUSING BUSINESS

Send your news items to
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COVID-19 and Student Housing

President and CEO, Frederick W. Pierce, studies the effects of COVID-19 on the Student Housing Industry.

PierceEducationProperties.com



THE SHB INTERVIEW



AVAILABLE



TSB Realty has been exclusively engaged to sell **ON50**, a 165-unit, 444-bed student housing property located near the University of South Florida campus in Tampa, Florida.



AVAILABLE



TSB Realty has been exclusively engaged to sell **The Next at ODU**, a 307-unit, 913-bed student housing property located near the Old Dominion University campus in Norfolk, Virginia.



SOLD



TSB Realty is proud to announce the successful closing of **Inspire on 22nd**, a 129-unit, 439-bed student housing high-rise located in the popular West Campus neighborhood near the University of Texas in Austin, Texas.

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Clark: One of the lessons that that was confirmed to us over the past 18 months is that people matter most. Even preceding the pandemic, we had a vision and intention to create a culture that people want to be part of. This focus allowed us to get through the last 18 months, and to come out a better organization than when we went in. It has been an extremely difficult time for our employees. Working in and being part of a culture like ours has really reinforced the value they have to our company and our business. I'm really proud of that mindset; I'm really proud of the fact that we continue to invest in it and be intentional about it. It's yielded the results that we wanted. There will always be turnover. In a lot of positions, however, we've experienced less turnover over the past 18 months than we have previously. Part of that is due to the pandemic, I'm sure, but part of it is also focusing how we behaved corporately over the course of the last 18 months.

Petersen: I knew you were going to get all philosophical, Bob; I am going to get more granular. Student housing has always been on the bleeding edge of using digital means to market to students and we were already increasing our digital focus and dialing back on traditional outreach marketing pre-COVID. As an industry, the pandemic certainly pushed us even further there. We've realized that the industry has been spending a lot of money and time over the years doing a lot of physical on-campus marketing, which is very labor intensive and not targeted at all. One of the biggest shifts that we've made coming out of this is that we're allocating a lot more of our resources towards digital marketing because we can actually reach our target market much more efficiently, and, frankly, more effectively.

SHB: What are you hearing from your folks in the field so far about your end user, the student? Have they changed in the last year based on the pandemic and online learning? Are you seeing or sensing more of a desire to live off-campus?

Clark: There was the whole business model of student housing based around the idea that students want to have the on-campus experience and then move into an off-campus environment. The pandemic has created a desire from students to no longer want to live in a quad on-campus dorm scenario. There has been a push of students off-campus, even with universities having changed their on-campus housing requirements. What's interesting for us is that students are coming to us first now, before even trying to live on-campus. These new students don't know what a normal student housing cycle looks like. We're going to be really interested to see how the leasing curve is going to change across the country. Also, I think we've learned as a sector, that the distance learning model really doesn't work. Students don't want it. It's wrought with all kinds of complications and difficulty. There's never been a time in the sector's history where there's been more certainty as it relates to the value of a college education or the desire to participate in-person versus online.

SHB: What about international students? Are you seeing them being replaced by another group cohort? Are you even having much displacement in your portfolio?

Petersen: We have a number of markets that serve more international students, like Syracuse and Champaign, Seattle and Gainesville, and a handful of others. In those, we've actually seen demand from international students return — not to 100 percent of what it was but return materially whereby we haven't seen a significant impact to our leasing. That's the good news. In other markets where we had a much smaller component of international students — because that's a smaller component of the overall student enrollment — we haven't seen those return as quickly. We expect it to level up next year, but we're likely not going to see that happen this year. Luckily for us, students are less willing to live on-campus so there's that extra demand that's coming from students who would otherwise live in the dorms and on-campus housing stock. We have been able to backfill those beds where we were more reliant on international student demand in the past.

SHB: How are you finding areas for growth other than just raising rates

or occupancy? There's been a lot of talk about ancillary revenue growth on the bi-weekly industry operations calls.

Clark: The main blocking and tackling that we do on an annual basis is to just take a close look at each individual unit. We price each individual unit based on what its value proposition is. That is location-based pricing and amenity-based pricing. We have to factor in what the proximity to certain amenities is. That's been a way for us to push outside organic growth. Generally speaking, operators are quick to waive fees. As a matter of course, it's a way to entice people to make a leasing decision. More often than not, we find that we can hang on to those fees. They are really not going to drive the decision-making process. Those are two ways we are able to push growth. My personal opinion is that I don't think that you get above-market rent because you have over-the-top amenities. I think you get people to make a leasing decision on the basis of the product that you're offering. New developments that are shiny and have a really nice amenity package are going to lease up well. Whether or not that's going to allow them to grow rates over time is another story. When you have a terrible resident experience, you're just not going to get rent growth period. We obviously want to have nice amenities and we want to be competitive in our marketplaces. But we focus a lot more on the customer experience, and try to make sure that the move-in process goes the way it's supposed to go. It's really important to us that the units themselves are clean and well maintained because that's the real reason why people stay. Part of that is also because they like the people in the office and the maintenance team takes care of their requests quickly. They aren't going to stay just because there's a CrossFit gym on the first floor. Regarding rates, if we can get really, really good momentum on a renewal front, it allows us to push rents above our targets later on in the year because our business is a momentum business. If you've got good momentum, you can ride that into pushing rents later in the season.

Petersen: Momentum is the best way to grow rents. The momentum starts at move-in, with the resident experi-

ence from day one and every day thereafter. We've seen it time and again when you know you're priced right at the beginning of the season and you catch that wave, then the

result is always sizably better than the alternative.

SHB: We've heard a lot about a centralized leasing model, where direc-

tion comes from corporate and the property-level agents don't have as much discretion as in the past. What is your stance on this model?



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Clark: We're not pursuing a centralized leasing approach. I firmly believe that the sales process is a localized effort. Nobody can sell College Station better than someone that is in College Station and can show a prospective resident the units, talk about the community, the lifestyle, the amenities, so on and so forth. That's difficult to do from thousands of miles away. We're going to have some companies discuss it and consider it, and I'll certainly watch and see whether it works and learn from either their mistakes or successes. My personal opinion is that we're not buying goods from Amazon. When you're leasing an apartment, it's just like buying a home — you're buying something that is a very personal decision. It's hard for me to rationalize in my head that you can buy something where you put your head at night for 365 days with someone who is across the country with a headset attached to their head. That doesn't create a great customer experience.

SHB: Another way we've heard operators boost revenue is through cutting expenses. In particular, many have said they are cutting some COVID-unfriendly items like coffee bars and pizza parties. Has Peak moved in that direction? If you did, or didn't, how do you continue to try to create a sense of community at the properties?

Petersen: When we were in the thick of the pandemic we cut out anything that was unsafe. That included all food-related events and really any events where we were getting people together in a confined space. Those all went away, not because we wanted to cut costs, but because we wanted to keep people safe. As we've been allowed by local ordinance, we've reopened things as safely as we possibly could. If our expectation is to be able to grow rents, and create value at our projects, then not offer the products and the services that come along with that, we're going to have a really hard time to connect those dots. Regarding events, we've had to go to smaller group activities — it was less of a pool party and more small, intimate events where we can

get residents together virtually or in open spaces that were more conducive to the current environment. What we do know is that our residents want that sense of community and building community is a team effort. We're empowering our maintenance teams, who are really creating those relationships with the residents as well. If we can create a community, that's going to create the stickiness long-term for residents that continue to stay with us for the rest of their college careers.

SHB: Management is changing; we are seeing a lot of owners who used to rely on third-party managers entering the space. Is the landscape changing? How do you see the management field evolving overall in student housing?

Clark: Yes, you're correct, it is changing. Over the past several years we've seen more owners bring management in-house, whether they have scale or not. The landscape has changed the universe of third-party management. Third-party opportunities are fewer than they once were. Our approach has always been, and that will continue to be, one where we collaborate with our clients. We have a high-touch, boutique approach to the relationships that we have with our clients. We strive to be flexible, because we certainly understand there's not a one size fits all equation to how to approach and manage a particular asset in any particular market.

SHB: You work with a lot of different student housing owners. What changes have you noticed in terms of what the owner demands of their manager? Is it more institutional reporting, or do they just want you to get the most occupancy and the highest rents?

Petersen: That hasn't changed. When you look over the past 12 months, our owners have been really focused on what was going to happen for fall 2021. They've been focused on students coming back. That's where all the questions are coming from. It's been a roller coaster ride for leasing. They've been focused on making sure that we are keeping pace with the markets and keeping pace with occupancy. They want to make sure we don't miss the boat in this compressed leasing season. There hasn't been any change in terms of reporting or any other requirements; they still have the same high expectations for what we're going to produce. We work with the largest institutional owners down to smaller regional developers. We run the full gamut in terms of different partners. We've always produced institutional quality reporting. The only other observation from our partners and clients we are seeing is that they have seemed really hungry to do deals. We're hearing more from clients — even those who have been on the sidelines for a while. We're seeing more and more groups come out of the woodwork and look for product. We offer a report of active listings, called 'Market Eye,' on a regular basis, and that is really where that idea came from. There just seems to be an incredible amount of demand for more product right now.

SHB: Labor has to be a big issue for you right now. How hard is it to hire people? What are you doing to retain people?

Clark: We've seen property manager roles probably be more stable than historical norms. We've seen a big challenge in maintenance and leasing rolls beyond the historical norm. Labor is a headline in every business across the country. I don't think student housing or PeakMade is immune from some of those challenges. We believe that the best way to combat a tough labor market is to create a culture and environment that people aspire to be part of. We will remain focused on our 'people matter most' mindset and continue creating a culture that people love to be part of. That's going to make a difference for 1,000 people across the country. It's not going to stop everyone from making a change, but it will make a difference on the margin. In the long-term, our people-focused culture gives us the ability to attract employees as we need to.

Petersen: The real challenge in the industry has been attracting maintenance and leasing team members. There's not something that you can point to and say this will work across the board for us to backfill difficult positions. I went out for pizza last weekend with my family, and when we walked in, there was a sign on the door that said, 'now hiring managers — \$10,000, signing



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bonus.' The level of desperation that some businesses, particularly service industries, are in to get positions filled is hard to comprehend. The best way to combat a challenging labor market is to rewind the clock 10 years and to have worked hard to build a culture that people want to be a part of. If you're waking up today and saying to yourself, 'oh, wow, I really need to focus on culture,' you're going to be fighting an uphill battle when you're trying to compete in today's environment.

SHB: Switching gears, have you been on the phone negotiating with any quarterbacks or running backs from Power 5 football programs to represent your properties? What's this brave new world of college athletes being able to provide endorsements going to be like?

Petersen: We have started having a couple of conversations with some local celebrities, if you will. It's the wild west. One of the first guys directed us to his girlfriend, who is going to be acting as his agent, which I thought was hilarious. Our first few forays were like that, so we've decided we're going to wait and see how it matures. It's similar to social media influencers; there are a lot of student housing managers who put a lot of stock and invest a lot in utilizing social media influencers as a way to market properties. That works in certain applications, but in some cases I don't think that the investment is worth what it actually returns. Regarding college athletes, we are going to take an opportunistic look at where we maybe already have people living with us and kind of leverage that, but we're not going to be participating, at least in the short term.

SHB: As we conduct this interview, we are in the middle turn, so not a time

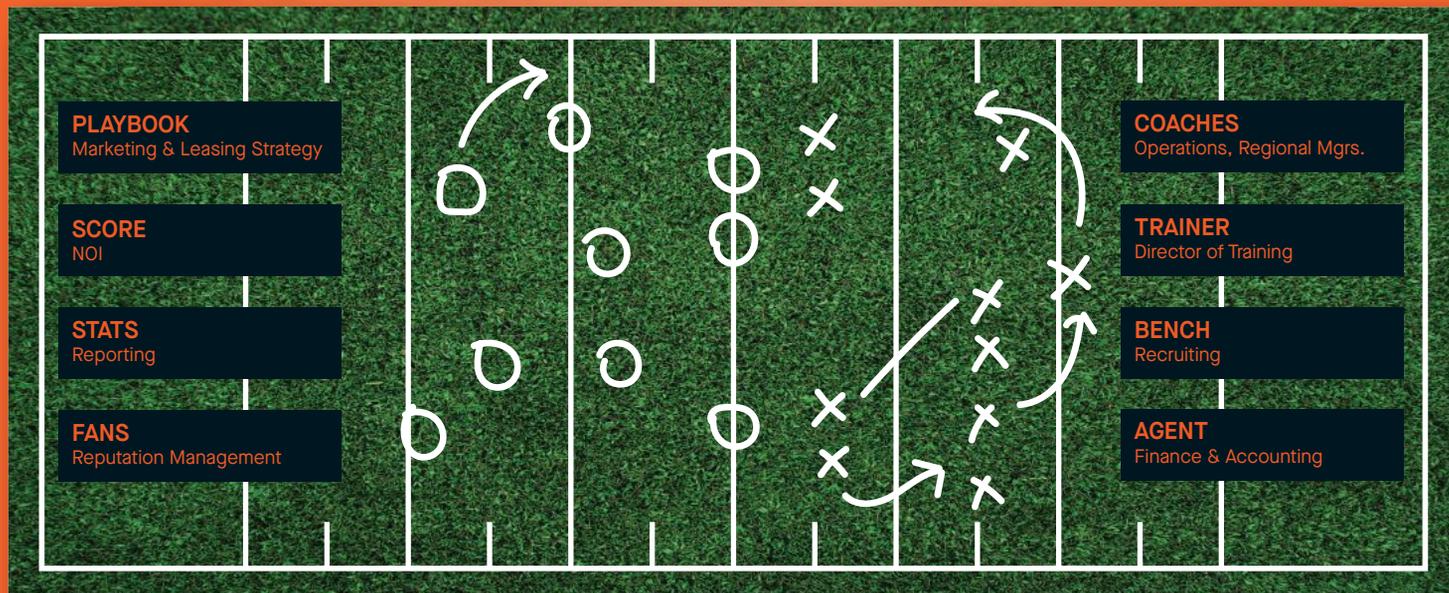
when you can really take off work. Once you get a chance this fall, what are you going to do to relax and look back upon a very successful leasing season and turn?

Clark: I have a very simple life. I'll play golf, and I'll spend time with my family. Well, maybe I should spend time with my family and then golf. That order probably should have been reversed. But those are the two areas where I find peace.

Petersen: Well, I took my vacation already. One of the coolest perks at Peak is that we award all team members who reach the 10-year service mark with an all expenses paid trip of their choosing. Although I was three years late, earlier this summer I took a trip across the country in a rented RV with my wife, my five-year-old and my eight-year-old. We traveled to Glacier National Park and Yellowstone, spending 11 days on the road. It was a trip filled with memories that will last a lifetime. It was great to recharge the batteries. That's my idea of a good time — relaxing with family. **SHB**

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Campus Innovator

At the University of Illinois at Chicago, Vice Chancellor J. Rex Tolliver is squarely focused on providing the best student experience possible.

Interview by Randall Shearin

The University of Illinois at Chicago (UIC) garnered a lot of attention in conjunction with this year's *SHB* Innovator Awards. UIC's new Academic and Residential Complex (ARC), built in a public-private partnership, won three on-campus awards: Best Architecture Design (with developer American Campus Communities and architect Solomon Cordwell Buenz); Best Implementation of Mixed-use (with ACC); and Best New Development (with ACC). *Student Housing Business* reached out to Vice Chancellor for Student Affairs J. Rex Tolliver at UIC to learn more about the ARC, as well as what other plans the university has. What *SHB* learned is that this is just the beginning for this urban campus in the heart of Chicago.

SHB: Can you give our readers an overview of UIC's campus and student housing?

Tolliver: UIC is situated on a little over 300 acres just west of downtown Chicago. The campus is within walking distance of companies like Boeing, Motorola, McDonalds, Uber, Walgreens and Bank of America to name a few. I tell people it's like an urban oasis. It is a campus in a large metropolitan city. However it is a traditional campus, with quads and lots of green space, and, of course, our residence halls and so forth. We have a little over 33,000 students. We are the second largest university in the state of Illinois, but the largest and only public research university in the city of Chicago. We have a mix of styles in terms of our residential accommodations on campus — traditional residence halls and apartment-style residences. They are mixed in three different quadrants — what we call the East Campus, the South Campus, and the West Campus. The West Campus is primarily where our medical students reside. We have about 3,500 beds on campus, which represents about 10 percent of the of the campus population. The vast majority of students living on-campus are first year students. Approximately 25 percent are a mix of upperclassmen, graduate, and professional.

SHB: Is there an on-campus living requirement?

Tolliver: We do not have a live-on requirement. One of the unique aspects of UIC and being in the city is that a lot of our students are commut-

ing from home. They have a free CTA pass that allows them to get back to their neighborhoods. Many of them are taking Metra; a number of our students live at home. Many are from lower socioeconomic backgrounds, and most do not choose on-campus housing since it is an additional cost. That's why we've never implemented that type of requirement.

SHB: You've been at UIC for six years. Can you tell us about what's been accomplished since you've been there?

Tolliver: I have been with the University of Arizona, Louisiana State University (LSU) and Idaho State University in the past — all very different campuses than UIC. People have always considered UIC a commuter campus. I have tried to dispel that notion over the past six years. The reality is at every institution most of the students are commuting to campus. UIC is no different in that regard. In terms of beds on campus, yes you could say we have fewer when compared to the student population. We have the benefit of a strong public transportation system. Over the last few years we have made significant investments to improve the on-campus experience. Along with adding new programs, updating the campus infrastructure has been a major priority. Prior to my arrival, UIC hadn't broken ground on a new building in over 15 years. We have now completed two, with two more under construction. We've tried to make our campus feel more like a home away from home. We want this to be a place where our students are not just coming to class and returning to their neighborhoods. We want this to be their new neighborhood. Our efforts have made the campus more convenient and amenable to students, but I wouldn't say it's because we're trying to shake the notion of a commuter campus. It's because all students deserve a rich student experience, regardless of their background and a commute.



J. REX TOLLIVER
Vice Chancellor
for Student Affairs,
University of Illinois
at Chicago

SHB: There are also off-campus housing options in the area, for students who opt for those.

Tolliver: Yes, but they are limited. In terms of student housing at UIC, we don't have the same kind of off-campus competition that we did at Arizona or LSU, or the same type that our sister institutions like Urbana-Champaign has. We have housing that is just off-campus. However, because we are in Chicago, a three-bedroom apartment just across from campus can rent for up to \$7,000 per month, because it's in the middle of the city. Competition here is not the same. Most of our off-campus housing is in traditional row houses that have been converted, but we don't have larger off-campus student housing developments nearby.

SHB: One of the investments you've made is UIC's new Academic and Residential Complex. Can you tell our readers a bit about how that project was conceived and built?

Tolliver: We are in our third year of students living in the Academic and Residential Complex. When I arrived at UIC in 2015, one of the goals that the chancellor had was enhancing the on-campus experience. One of the ways he wanted to do that was by adding more modern housing to the East Campus. We had not built a new residence hall in nearly 40 years. When I arrived, I chaired the committee to review how we were going to build a new housing project. Ultimately, we decided to do it through a public-private partnership, which I had some experience doing at a previous institution. Our immediate goals were to put a team together to work out what this housing could look like and what we wanted it to accomplish. While we were working through the process, though, we were also in dire need of academic space because of the rapid growth of the institution over the past decade. While we needed housing, we also needed to add an academic building. We were talking about tearing down a classroom building and replacing it with a new one. Instead, we decided to add the academic component to the housing mix in order to create a more focused living-learning community. We also purchased a Starbucks franchise. In doing so, we partnered with the college of business to create paid internships

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that enabled the students to get real work experience by operating the franchise. The ARC has become a hub of student life and student engagement, as well as a co-curricular experience that benefits students.

SHB: Can you talk about the development process of the Academic and Residential Complex?

Tolliver: We issued an RFP and ultimately selected American Campus Communities as our development partner. They have been an excellent partner. In developing the project, I told them when we signed the contract, there were only two things I expected: for the project to be completed early and under budget! They were able to achieve both of those requirements. In addition, we're very proud of the project. Because it is new, the price points are a little bit higher for students than some of our other buildings on campus. However our occupancy rates demonstrate that students value what the building offers. It is



A living room at one of the university's South Campus residence halls.

the leader in our on-campus stock as the preference for where students want to live. As of last week, we stand at 98 percent occupancy in the ARC. We're very pleased with that performance, although it is on

the higher end of the cost range. We also realize what students value in terms of making their experience the best. That's something that campuses need to be aware of — you need to be smart, because you don't

want students to have to stretch to live, but you want to make sure that you're developing residential communities that are offering the services that students want. That's what we were able to create with American Campus Communities. The building is just over 200,000 square feet.

SHB: Now that you have the ARC up and running and performing well, what are some future goals for student housing at UIC?

Tolliver: I am a bit of a non-traditional student affairs professional; my background is in finance and real estate. Our goal is to completely transform the East Campus by replacing all of our old housing stock there with new and modern housing. Our next project slated to move forward is called the Ignite Center. It is going to allow us to expand the student center by another 75,000 square feet, while adding another 400 or so beds to the campus. We have already taken a building offline that we're going to raze. The plans are to build a new complex at that site. On our South Campus, the buildings are relatively new, most were completed in the past 20 years. Once we are done with the East Campus, we will move to the West Campus and start replacing that stock as well.

SHB: What is your timeline for the Ignite Center?

Tolliver: But for the pandemic, perhaps we would be close to finishing the building. We're planning to use a P3 to complete this project as well. We are focused on completing the RFP and getting it out on the street this fall. We hope to have a contract in place with the developer in the spring and raze the existing building by next summer.

SHB: We haven't touched on student life yet. What goals do you have there?

Tolliver: First, let me say one additional thing about our approach. We really strive for housing and residence life to work together. At some institutions, I think they have gotten this wrong and decoupled housing and residence life. I am a firm believer in a connected, ho-

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listic approach to the student living experience with housing and residence life being all one unit working together for the benefit of students. At UIC, we are working to create more defined living-learning communities within our housing communities. We're proposing the possibility of creating a new living-learning community with the college of business that would bring residential, administrative and academic areas for a single college under one roof. Our efforts extend beyond housing as well. We have restructured our approach to student engagement. We have created more intentional programming for students that deepen their connection to campus — partnering with faculty and staff to create a more integrated network to support students. We are also focused on our internship program, where we are offering our students who are in majors that may not receive paid internships the opportunity to receive funding for unpaid internships. We are also in the process of developing a Center for Student Health and Wellbeing that will align these areas to better assist students in living well-balanced lives. Not only are we investing in our physical infrastructure, but also our intellectual infrastructure. We recognize that it's not just good to have a nice place to live — you need to have constructive experiences that help students outside the walls of the residence halls and classrooms.

SHB: What are the challenges posed by UIC's urban location when it comes to housing and residence life?

Tolliver: Our biggest challenge is that our location in the city causes everything to be expensive. From the students' standpoint, however, there is so much they can do off our campus. In many cases they can do activities for free, so that makes it challenging for us to develop and craft programs for students to be engaged on campus, when there's so much that they can do by just hopping on the train. Like any urban setting, we have the challenge of being in the city and dealing with issues related to safety and so forth that are really beyond our control. One of our other challenges is trying to have greater engagement from our faculty and staff, because they're also commuting to the campus. Although there are unique challenges to our urban environment, it is something that we have overcome over the past five years. It does take a lot more work and intentionality to do the things in an urban environment.

SHB: What are some of the long-term goals of the university?

Tolliver: Over the past decade we have been the fastest growing university in the state of Illinois, and we are continuing to grow this world class institution. We are working to get enrollment somewhere around 35,000 students. I've talked about student housing and student engagement, but we are also working to expand our health-care network. We have one of the largest medical



An overview of the UIC campus.



Solomon Cordwell Buenz, the University of Illinois-Chicago and American Campus Communities took home *SHB* Innovator Awards for Best Architecture/Design, Best Implementation of Mixed-Use/Live-Learn and Best New Development for the UIC Academic & Residential Complex development.

schools in the country. We'll continue to build upon that platform by expanding our footprint into the communities we serve. We're partnering with communities on the West Side and the South Side and creating new hubs in those communities to deliver services closer to residents. Over the last year and a half we have acquired John Marshall Law School, so now we have the only public law school in the city of Chicago. We've continued to look at how we can position the institution to be of better service to Chicago and Illinois, and really the world.

SHB: What does your role at UIC encompass?

Tolliver: I'm the vice chancellor of student affairs. I like to tell people I'm the chief student advocate on the campus. I have responsibility from

everything from the dean of students office to counseling, to campus housing, student engagement, as well as a significant portion of our real estate portfolio. I provide leadership to a lot of areas, all the way to our childcare center. It's a mix of functions that really touches every aspect of campus life.

SHB: That is an interesting role. Can you start from the beginning and give us your career background?

Tolliver: Like many people, I never, never thought I would be working in higher education. I went to college at Louisiana State University. As a first-generation college student, I didn't know much about anything. I majored in finance, and I lived in the residence halls. I was a desk assistant,

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I was an RA, I was a senior resident assistant, and then I worked in the office of the dean of students. I was in student government and I was an officer in the residence hall

association. I was a very involved student. I got an internship in the office of the vice chancellor for student affairs in their business office. I worked there from my junior year

through my senior year. At the end of that time, we had an interim vice chancellor for student affairs by the name of Arthur Goulas who convinced me to stay until they could

hire someone permanent. We hired a chief student affairs officer from the University of Texas, San Antonio, Dr. Bobby Nell Hernandez-Walker. She started the spring of my senior year. I thought I was going to go to work for the FDIC. She sat me down in her office and had a conversation with me. She said she didn't want to stop me from interviewing for jobs, but when I thought I had a job that I wanted, to talk to her first. Eventually, she convinced me to stay and work for her. She offered me a little bit more money than the FDIC was offering. That started my career in student affairs and higher education. I've split my time between student affairs and finance and administrative services. I've been the chief business officer for the division of student affairs at LSU and Idaho State. I've also been the associate director and then executive director of auxiliary services in finance administrative services at LSU. I ran all the self-operated business enterprises at the University of Arizona before being recruited to UIC by Dr. Barbara Henley to be the associate vice chancellor for campus auxiliary services. Six months after I arrived, she decided to retire and I was named the interim. And as they say, the rest is history.

SHB: What are your general thoughts on the future of student housing?

Tolliver: We must continue to look at student housing as more than just a place to live. It has to be a place where students can feel that they are members of a community that helps them develop holistically and positions them for their future. I also think it's important for us, as university administrators, to recognize that when we're trying to develop the best housing, we may not always have the most expertise on campus. It's okay to rely on individuals who have this experience who can partner with us to ensure that we're getting the best for our students and getting it at the best value. At the end of the day, it's how we serve students to the best of our ability that is going to have the most impact. Always remember that this work isn't really about us and us being in control — it's about the service we're delivering to students. **SHB**



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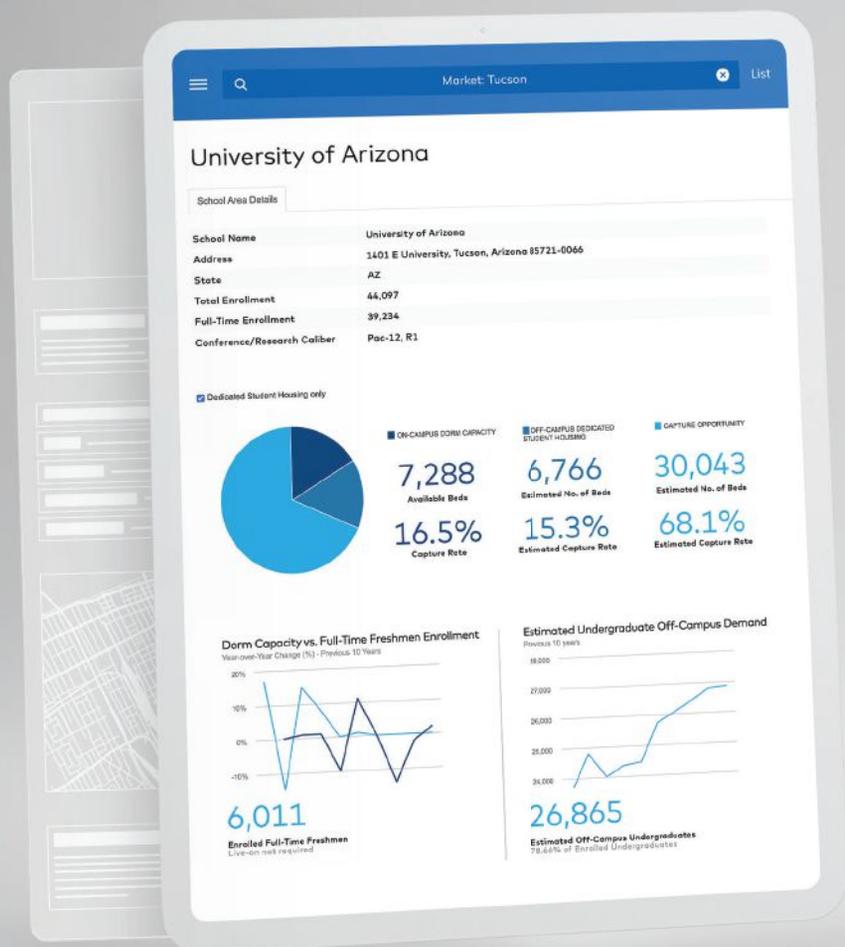
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New Name, Same Faces

With \$1 billion in assets, Versity Investments plans on growing its student housing portfolio larger in the near future.

By Randall Shearin

While the Versity name may be new to the industry, the people behind it are not. Versity is the rebrand of NB Private Capital, which itself was formed in 2018 after splitting from Nelson Brothers Professional Real Estate. Formed by Brian Nelson, Blake Wettengel and Tanya Muro, NB Private Capital started with many of the established assets from Nelson Brothers and grew to more than \$1 billion in real estate holdings. The use of “NB” was to help investors, vendors and the industry with continuity of the nomenclature, says Nelson. In 2021, the time came to change the company name to reflect the firm’s large-scale focus and institutional volume.

“We changed to Versity Investments at the New Year, right as we reached the \$1 billion mark in assets,” says Nelson. “We feel it is our graduated name. We also feel the name better describes our focus on student housing investments.”

Today, Nelson serves as president of Versity, while Wettengel serves as CEO and Muro as COO.

Unlike many institutional student housing firms, Versity focuses on smaller private capital investors to raise funds, which are then used to acquire student housing assets. The company

raises money in funds through broker-dealers, then acquires assets through Delaware Statutory Trusts (DSTs) and other uncommon investment vehicles.

“Investors today are looking for cash flows as well as good tax shelters,” says Nelson. “There are not many income-producing vehicles that can tell the same story as stabilized student



BRIAN NELSON
President,
Versity

housing.”

While NB Private Capital had about \$400 million in assets when it was created, the entity has since doubled in volume through acquisitions. The company ranked 25th on *SHB*’s Top 25 Owners ranking in 2020, with about 8,900 owned beds in its portfolio.



Versity owns The Element near Sacramento State University in Sacramento, California.



Versity has made the move to acquire at larger universities. Pictured is Plaza on Broadway near the University of Colorado in Boulder.

“When we separated from Nelson Brothers we retained most of the stabilized portfolio that focused on cash flow, versus the development side of the equation,” says Nelson. “Most of our busi-

ness is focused on Class A, stabilized properties with consistent income and cash flow.”

Nelson says that 80 percent of Versity’s portfolio consists of assets that are in university

markets with high barriers to entry. About 15 percent of the portfolio are value-add investments where the company focuses on finding older, well-located student housing properties and renovating them.

“We have a model where we buy and renovate Class C properties or older Class B properties and really modernize them to today’s standards,” says Nelson. “By year two, they are usually stabilized, and by year three, we will sell them. There is a lot of opportunity in the market for this asset class in the student housing industry. It’s a smaller part of our business, but an important part.”

Because of Varsity’s history in development with Nelson Brothers, it has also retained a development focus. About 5 percent of the company’s portfolio is land to be used for future development.

“We will only develop if the location is across the street from a growing university and the location is irreplaceable,” says Nelson. “For us, the project has to be a homerun right down the middle of the field or it is not worth it.”

Nelson Brothers’ holdings were heavily concentrated in the Mountain West region with numerous properties near Brigham Young University in Provo, Utah; BYU-Idaho in Rexburg, Idaho; the University of Nevada-Reno; and the University of Colorado.

Over the past two years, Varsity has shifted to balance its portfolio by acquiring properties at Power 5 conference universities. Varsity now owns properties near universities like Notre Dame, Ole Miss, Purdue, West Virginia University and the University of Texas at Austin.

“While we like our investments at smaller universities — where there are higher barriers to entry — we like the safety of Power 5 schools,” says Nelson. “We know they are going to be strong investments. Enrollments are strong, and they are going to expand enrollments to make up for lost revenue during COVID, which will help off-campus housing.”

Varsity is continuing to acquire properties in strong university markets with high barriers to entry. Varsity looks for properties that would thrive even if there is a run of new development in the market, says Nelson. Location is the key to that.

“We look for those properties that have a physical barrier to entry,



As part of Varsity’s shift to acquiring at Power 5 universities, the company acquired Grant Street Station in Lafayette, Indiana, near Purdue University.

whether that is a mountain range in Utah or a freeway in Austin, Texas,” says Nelson. “Properties with the better location and better reputation are better equipped to survive new development. In addition, having properties where students can walk to campus creates a better living experience for them.”

Nelson believes that inflation will continue to drive construction costs up, hindering new development in stronger markets. That is moving Varsity to acquire newer, class A properties as well as older, existing infill value-add properties that are walkable to campus and updating them through renovations.

“Inflation is going to drive labor and materials costs up in many markets,” he says. “New projects to a student housing market two or three years from now may be coming in at a price point that is higher than what Class A rents are right now. Our properties may not have all the amenities, but they will likely be 30 to 40 percent less in rent.”

Varsity has traditionally had third-party managers operate its properties.

“Every market is so unique; there are idiosyncrasies that you need to know to be able to successfully operate,” says Nelson. “There are also different timelines in every market; some lease in December and others don’t lease until August. That local market knowledge is usually addressed best by hiring a strong regional management company.”

While it likes third-party management, Varsity has recently formed its own management entity called Book & Ladder to handle properties

it has clustered in certain markets. The company, headed by a team of student housing veterans, will manage about 20 percent of Varsity’s portfolio.

“Book & Ladder is designed to help us maintain top talent at three specific properties where the market is extremely competitive,” says Nel-

son. “These properties are located in smaller markets in the Western U.S. that we are more familiar with than a lot of third-party management companies. For us, it is like having a backup plan in case a third-party management company doesn’t work for one of our properties.” **SHB**

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Preference Versus Price

Health, comfort and affordability have become the biggest priorities for student housing developers and their residents.

By Nellie Day

Like many things in life, today's student housing communities are leasing based off two different factors. When cost isn't a major (or at least not the biggest) issue, many students are choosing a property based on whether it fits their needs. Does it offer privacy? Are there top-notch amenities? Will they be exposed to different programs, events and experiences?

The other selling point is price. In this instance, determining whether a student housing facility is right for them comes down to one question: can they afford it?

Student loan debt in 2021 encompasses about 45 million borrowers who owe \$1.7 trillion, making these loans the second highest consumer debt category behind mortgages. The idea of simply taking out more loans to fund housing, food, books, incidentals and, in some cases, lifestyle, isn't met with the same level of acceptance as it might have been 20 years ago.

Then you have a pandemic to account for. On the one hand, COVID-19 has brought fears surrounding debt repayment and income stability to the forefront, supporting the idea that maybe price should be the priority when choosing a living situation. But it brought another type of fear as well. The fear of catching the virus. Becoming sick. Being out of work or off school. Passing it onto others. This particular worry has led some to rationalize the extra costs associated with, say, a private room or larger living quarters.

Whatever the priority, Jared Hutter, principal and co-founder at Aptitude Development in Elmwood Park, New Jersey, believes it's the

student housing operator's job to figure out what makes their property stand out and then strategically market it to students.

"New dorms and housing options — whether they are on- or off-campus — should be used by schools as a marketing tool when they are recruiting students and selling the school to prospects," he says.



CHRISTINE RICHARDS
President of Management,
Core Spaces



Core Spaces' OLiv Tempe offers luxury apartments outfitted with modern, custom-designed furniture. The community, which is near Arizona State University in Tempe, features practical amenities based on what students actually use. This includes a clubroom, executive business area, and indoor-outdoor community workspaces.

"Twenty years ago students didn't give much thought into housing when they were looking at prospective universities. Today, we have seen high school students touring our buildings to get a handle on what their options may be if they attend the school."

To Bunk or Not to Bunk

One of the biggest decisions student housing operators and students have had to make since the pandemic was whether they would double up on room occupancy. Christine Richards, president of management at Core Spaces in Austin, Texas, says the move back to single occupancy was certainly influenced by the pandemic, though it's also a byproduct of cyclical trends.

"Trends change and cycle," she notes. "We were at all privates in 2010, and then by 2020 — with the change to Gen Z — the value play of double occupancy became important. Shift to the pandemic, and we're back to single occupancy. I don't believe anything in this space is long-term. We shift as the demands and demographic shifts."

Trends may be transient, but much of the industry's existing inventory was built to accommodate either single or double occupancies. Today's developers have learned from this and integrated flexibility into their latest design plans so operators can adjust to tomorrow's preferences. But a lot of existing supply, is kind of set in stone. Sometimes literally.

"It is going to be hard for anyone to repurpose old dorms into something that is desirable amongst today's students," Hutter says. "Students today want more privacy, their own bathrooms and the best Wi-Fi. The old dorms were made out of cinder block, and in many cases it is cost prohibitive to repurpose these."

Of course Raoul Amescua, vice president of development for the Michaels Organization in Camden, New Jersey, notes that single occupancy can easily be achieved in existing buildings. Whether it's financially feasible is another matter.

"Existing facilities will just remove beds and other FF&E (furniture, fixtures and equipment) to make rooms single occupancy until there's enough market demand to re-



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densify the rooms back to a higher occupancy per room, which allows them to offer more affordable bed rates for student residents," he says. "Single-occupancy bathrooms will only work in markets and projects where rents are high enough to cover the increased construction costs. The project also needs to have enough GBA (gross building area) to still achieve needed bed counts and yields for a financially feasible project."

Some institutions are relying on public-private partnerships (P3s) to finance new on-campus housing developments. This is a trend that Arent Fox, a Washington, D.C.-based law firm that represents educational institutions, investors and underwriters in educational financing transactions, sees continuing as colleges deal with construction cost increases, labor shortages and an impending enrollment decline tied to a low birth rate during the Great Recession. The firm notes there was a 9 percent drop in birth rates at that time, which will translate into declining admissions by about 2025.



The University of Chicago debuted its new 1,302-bed residential hall and dining hall, Woodlawn Commons, in fall 2020.

Capstone Development Partners is a few weeks away from delivering Fusion on First, a mixed-use project for Arizona State University at its downtown Phoenix campus. The public-private partnership development will include 532

single-occupancy bedrooms for upper-class students and nearly 75,000 square feet of highly specialized academic space.

"There is very little 'amenity' space in the former sense of the word," says William Davis, chief

development officer for Birmingham, Alabama-based Capstone. "Instead, you can go downstairs and rehearse for an upcoming musical performance, create a new textile pattern in the fashion space or tinker in the maker space."

Other recent P3 ventures include Greystar's \$450 million, 668-bed Academic Village at the University of California at Hastings in San Francisco's Tenderloin District; and a new \$134 million complex at the University of Massachusetts Dartmouth, which brought 1,120 beds and a 38,000-square-foot, 800-student capacity dining hall to the campus. The Hastings project is scheduled to open for fall 2022 classes. The Dartmouth project opened in fall 2020.

P3 projects are clearly still getting done, though the pandemic has presented a situation where some of these investments may seem risky to certain universities. That's because the closures associated with COVID-19 caused some schools to fall below their planned occupancy for P3-backed housing, which means a project may not hit the financial performance benchmarks set by the lender. P3s can also make it difficult for universities to make unilateral decisions regarding closures or housing refunds.

Naturally, the single-occupancy trend extends beyond on-campus housing options. Off-campus developers like Aptitude are following the same trends as on-campus developers.

"The Marshall Birmingham is on the forefront of off-campus housing trends, given that we were able to design this project with a much higher percentage of lower-occupancy units," Hutter notes. "We designed this prior to the pandemic and did our homework to truly understand the demand in the market. Coming out of the pandemic, our aggressive mix of lower-occupancy units should pay off well for the property."

The 409-unit Marshall Birmingham will feature 10,000 square feet of amenity space, including fitness facilities, resident lounges, breakout areas, open-air social space, courtyards and a pool with views of the University of Alabama at Birmingham (UAB). Despite the lower bed-count, the Marshall Birmingham will accommodate some of UAB's housing needs when it

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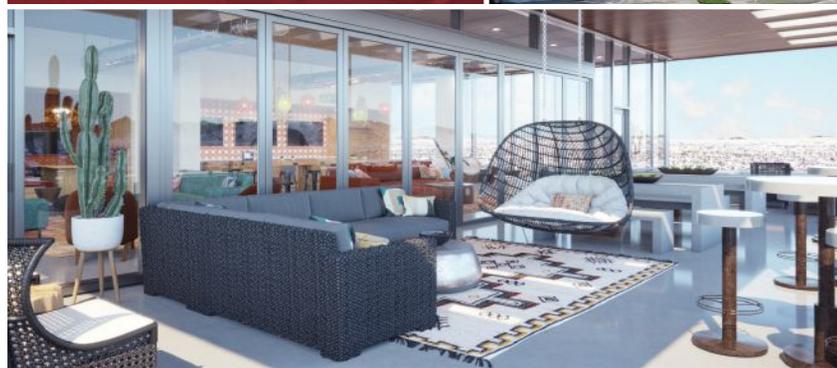
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NEW DEVELOPMENT

opens in fall 2022. The university has seen enrollment increase by 30 percent since 2009.

Tempering Student Housing Costs

More space, privacy and amenities represent one strategy student housing developers are taking to appeal to today's college crowd. The



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other school of thought is to make housing more economical.

"We don't think double-occupancy bedrooms are going away," Davis says. "This is especially true in lower-division housing, as we think they remain important for freshman and sophomore housing, programming and for a lower price point. Affordability continues to be a major focus."

David Pierce, principal at Parallel in Austin, Texas, believes the solution to providing more economical options doesn't necessarily need to involve bare-bones buildings — though that's certainly a strategy some developers take. Instead, developers can provide a mix of occupancies and unit types in a density-rich environment.

Parallel's 558-bed Torre apartments near the University of Texas at Austin feature 15 levels of residential units. These configurations range from double occupancy bedrooms with shared bathrooms to private studios and traditional one-bedroom to six-bedroom floor plans with bed-bath parity in both two-story townhomes and flats. Torre offers common rooftop spaces with a pool, hot tub and grills; study and social media content facilities; package and delivery amenity space; lounges with kombucha, coffee and snacks; a locally curated art package for the property; 24-hour security controls; and a health and wellness package organized by management.

"The lesson with Torre is that in dense, competitive Tier 1 markets it's important to provide options and to understand that our residents are diverse economically and culturally," Pierce says. "You need to provide pricing and configurations to include that diversity while providing common amenities that are world class and rival the best hospitality concepts in similar markets, and to nurture the residents' desire to succeed academically and socially."



LOREN KING
CEO and Co-Founder,
Trinitas

Loren King, CEO and co-founder of Trinitas in Lafayette, Indiana, also believes diversity, diversification and density can lead to a winning formula when trying to attract students from all backgrounds and price points. That is, if you let the market dictate where the project would do best and what design would be most efficient.

"Our design preferences do not lead the process," he explains. "Our assessment of the local market, its supply and demand characteristics, the student demographics and related factors drive our approach to site selection and project design."

This has led Trinitas to develop large, traditional-looking projects like the 530-bed, 20-story Atmosphere, which serves Arizona State University in Tempe, as well as low-rise, cottage-style housing like The One, which serves the University of Michigan in Ann Arbor. Atmosphere emphasizes urban amenities like a pool, fitness center and open-air sky-deck, while The One is set on 32 acres with 9.8 acres of dedicated wooded conservation area and green space.

"We designed Atlas in Bloomington, Indiana, to be mixed residential," King continues. "It offers cottage-style units, townhomes and flats in a mid-rise building. So, not only do we offer different unit plans, but we offer different living experiences and price points within a single property, broadening the appeal of the property within the market."

Another way to create savings, Amescua asserts, is through green building.

"Sustainable design features like solar, as well as water saving and energy conservation systems that residents can actually see and point to can be a big driver for student housing moving forward," he says. "This is



DAVID PIERCE
Principal,
Parallel

in addition to enhanced programming for outdoor spaces.”

The Michaels Organization put this tactic to good use when developing the Green at West Village, a 3,300-bed, P3 project at the University of California, Davis. The complex is the largest net-zero energy housing project in the U.S., with photovoltaic solar canopies over surface parking, optimal building orientation and efficient MEP (mechanical, electrical and plumbing) systems, among other sustainable features. Green at West Village also includes indoor and outdoor community spaces, recreation fields, and a community building with a fitness center, multipurpose room and student support services.

Interest in lower-priced housing is so great that Amescua has also seen growing interest from universities in expanding their residential base beyond those who work and attend school on campus.

“Certain universities are proposing housing projects that



Parallel's Torre near the University of Texas at Austin features amenities including common rooftop spaces with a pool, hot tub and grills; study and social media content facilities; lounges with kombucha, coffee and snacks; and a locally curated art package for the property

would offer housing not only for students, faculty and staff, but for the greater community as well,” he adds. “This could include affordable, workforce and market-rate housing.”

Amescua cites California State University, Monterey Bay in Sea-

side, as one school exploring this option. He notes Michaels Student Living, the development arm of the Michaels Organization, is shortlisted for this project.

There is no clear winner when it comes to whether it's better to focus on cost or the overall student

experience. Preferences and priorities change, and each resident is different. The best student housing developers, Davis believes, are the ones who can take all these considerations into account and still come up with a project that pencils.

“We are seeing unit types evolve to satisfy both cost and personal space objectives,” he says. “Should you be able to strike the balance between affordability and privacy, we do see that trend continuing. Can you do it by creating more efficient, private bedrooms? Or by minimizing the out-of-unit amenity spaces? Or by more creative construction typologies?”

Those will be the questions to answer as the industry emerges from a year and a half of uncertainty and begins to chart a new normal. Students and their parents will look to student housing operators and developers for a smart and well-rounded housing experience...that does not break the bank. **SHB**

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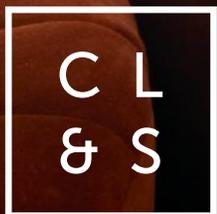
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TRAVEL GUIDE

Supply and Demand in Healthy Balance

New deliveries and preleasing activity outperform expectations as students return for fall semester.

By John Nelson

There are 11 university markets set to add 1,000 or more student housing beds this year, according to data from RealPage. The Richardson, Texas-based research firm tracks new construction, rental rates and leasing activity in 175 core university markets for its student housing data.

Overall, RealPage reports that approximately 42,000 new purpose-built student housing beds will deliver in 2021, which falls into the firm's normal supply growth range of 40,000 to 50,000 beds annually. Carl Whitaker, senior manager of market analytics at RealPage, says that figure is an encouraging sign given the uncertainty and disruptions of the past year from the COVID-19 pandemic.

"That 42,000-bed number was about what we hoped to see," says Whitaker. "The pandemic was so sudden that developers that were looking to build in 2021 had gotten just far enough down the planning process that they went ahead and proceeded as if it was a normal year."

In Walker & Dunlop's annual year-end student housing report (2020), the Bethesda, Maryland-based firm found that 38,036 student housing beds will come on-line in 2021, which is a 27 percent decrease from 2020.

For both 2020 and 2021, the Southeastern United States is dominating in terms of new student housing deliveries. Of the 42,299 beds delivered across 85 individual properties in 2020, about 38 percent of the beds were at or near colleges in the Southeast, according to Walker & Dunlop research. The next closest region was the Southwest with 16 percent of all beds delivered.

Thirty-eight percent of all beds in the 2021 development pipeline are in the Southeast as well. RealPage tracks that four of the top 11 markets for new supply growth are in the Southeast, the most of any region.

Walker & Dunlop Managing Director Christopher Epp says that the Southeast traditionally leads the pack in terms of supply growth for many reasons, chief among them that student housing is a legacy business in the region.

"Purpose-built student housing as we know it today was born out of the Southeast," says Epp. "Markets like Tallahassee, Athens, Tus-

University	Beds Delivering
University of Texas at Austin	2,173
Georgia State University	2,066
University of Illinois - Urbana-Champaign	1,730
University of Arizona	1,560
St. Edward's University	1,535
Arizona State University	1,356
University of Arkansas	1,334
Georgia Institute of Technology	1,316
Rochester Institute of Technology	1,281
University at Buffalo - State University of New York	1,230
Appalachian State University	1,014

Source: RealPage

caloosa and Columbia housed the very beginnings of student housing 25 years ago, and for one reason or another, a lot of developers have continued to focus on those markets."

There tend to be fewer barriers to entry in terms of land availability and zoning in the Southeast, and Epp says that a lot of schools in the region are mandated to grow their enrollments while universities in other regions have an enrollment cap. He also says the since the Southeast's top markets have deep roots in student housing, students have come to expect premier living conditions while they're in school.

"The residents know what to expect as it relates to student housing, and they are always looking for the newest and greatest thing," says Epp. "The kids always pick up the new shiny penny on the ground and lease the new product."

On the flip side, the West Coast is a laggard in terms of supply growth for 2020 and 2021. Beds delivered in 2020 make up 11 percent of all new beds delivered, and those schools are set to comprise 12 percent of all new U.S. beds this year, according to RealPage.

Geography and land availability/costs are headwinds for development on the West

Coast. Additionally, Epp says part of the reason is that student housing isn't as established a real estate property class in the Western U.S. as it is in the Southeast.

"There are some newer projects that have been built and the acceptance of those is kind of in its infancy," says Epp. "The students are like, 'Oh wow, that looks cool, but is it an office building? Or did they mean to put this in Las Vegas but they put it in Laramie, Wyoming?' There is student housing near campus in some markets, but those are only student housing by default."

Of the top 11 university markets in terms of new supply, only two markets are adding more than 2,000 beds this year, according to RealPage. This is University of Texas at Austin (2,173 beds) and Georgia State University (GSU) (2,066 beds). Interestingly, both Austin and downtown Atlanta have another school in the top 11 of this list: Saint Edward's University (No. 5 at 1,535 beds) and Georgia Tech (No. 8 at 1,316 beds).

Whitaker says this clustering effect isn't entirely new to the student housing sector, citing Florida State University (FSU) and Florida A&M University (both in Tallahassee) as having a similar dynamic in previous years.



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NEW DELIVERIES

“What typically happens is a majority of students living in a newly delivered property are going to attend either one of those universities, and it’s not necessarily a 50-50 split,” says Whitaker. “We have seen that historically where a property will get delivered and is technically closer to one campus but because there is a much bigger campus nearby, it does end up being a split of students who live there across both universities. That’s what we’ll see in these instances.”

New and recently delivered properties in Austin and Atlanta include Moontower and Waterloo in Austin — both by Lincoln Ventures — and Aspen Heights Atlanta near GSU in the city’s Summerhill district, the 741-bed Reflection by The Atlantic Cos., The Metropolitan at Atlanta and Theory Interlock in Atlanta’s West Midtown district.

FSU was highlighted in Walker & Dunlop’s report as being the No. 2 most desirable market for 2021 by survey takers among Power Five schools. The respondents also chose FSU the most when asked for their bottom three student housing markets.

“FSU is one of those just very polarizing markets, depending on who you are and your location, asset quality and pricing structure,” says Epp. “It bears out in the results that there are the haves and have nots. There are companies that

are thriving at FSU because they are in the right location, they built it for the right basis and they have the right rent structure. And then there are companies that are on the opposite end of the spectrum.”

No Slowdown in Demand

According to RealPage data, July preleasing at the core 175 universities hit 86.7 percent, which is the first time a month’s preleasing activity surpassed pre-COVID-19 levels (July 2019 saw preleasing at 85.6 percent). Additionally, from June to July 2021 preleasing jumped 9.9 percent, the largest monthly jump recorded this late in the year in several years.

Whitaker says that students were reluctant to lease units in the early part of the year because universities weren’t committing to opening fully for in-person classes. Once schools began announcing a more or less normal year this past spring, preleasing began to pick up exponentially.

“By April and May, we started to see that fall 2021 number really increase in terms of preleasing activity,” says Whitaker. “A lot of what we’re seeing now is just some of that hesitation that was there previously has washed away and now is leading to more leasing activity.”

Rent growth also hit its highest rate in July, according to RealPage. Effective asking rents

were up 2.1 percent annually in July and also surpassed the July 2019 rate. Once again the abundance of caution from student renters in 2020 and early 2021 helped boost property performances for developers and landlords, especially for properties one mile or farther away from campus.

“The one-mile-plus properties command about \$180 cheaper rent per month than to live right next to campus, and even if this is a ‘normal’ school year, some students still feel better about going ahead and saving the additional money because they aren’t sure what the semester could look like,” says Whitaker. “When schools began announcing their fall plans is when students began to shop around more. Because of the increase in traffic, this gave operators a little bit more ability to push rents.”

Whitaker expects pedestrian assets to bounce back in terms of leasing and rent growth in future years as students oscillate between off-campus and on-campus housing.

Storm Clouds Ahead?

The past two months has seen the rise and rapid spread of the Delta variant of COVID-19, which the Centers of Disease Control and Prevention (CDC) says represents nearly 99 percent of all new COVID-19 cases. The latest chapter in the pandemic has caused some schools such as

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University of Texas at San Antonio to pivot to remote learning for the first part of fall semester.

Whitaker doesn't expect the last several months of preleasing to be undone by an uncertain August, at least not industrywide.

"If we do see any shifts, it is going to be very school-specific, whether it is a university system or an individual campus," says Whitaker. "That's where you might see some of those numbers start to moderate. Some schools that are on an earlier calendar are already underway."

One area where student housing professionals are keenly aware of COVID-19's lasting impact is the relative shortage of international students in U.S. colleges at the moment, which lessens overall demand for student housing as about 6 percent of U.S. college students in 2019 came from abroad.

Four colleges have more than 15,000 foreign exchange students in their 2020 enrollment, according to data from the Student and Exchange Visitor Program (SEVP). These include Northeastern University in Boston, New York University and Columbia University in New York City and the University of Southern California. In 2019, all four schools had international student enrollment exceeding 18,000 students.

According to data from SEVP, which is part of the U.S. Immigration and Customs Enforcement (ICE), international enrollment was down

nearly 18 percent annually in 2020, and new international student enrollment was down 72 percent compared to 2019.

"Foreign enrollment is a conundrum," says Epp. "Student housing supply will be impacted by the same forces as other real estate sectors, but our demand issues will be a little bit different because of our somewhat dependence on foreign enrollment."

Construction costs are also impacting the development pipeline for student housing. The Producer Price Index (PPI) for construction materials and components has risen more than 20 percent over the past 12 months, according to the Bureau of Labor Statistics.

Whitaker says those prices have started to normalize somewhat compared to the spring and summer when prices for lumber and steel were up dramatically. However, he notes developers aren't out of the woods yet.

"What developers are experiencing now is probably more delays along the supply chain as opposed to concern with significantly rising construction costs," says Whitaker. "Construction costs are not necessarily as much of an influencing decision beyond 2021 as they would have been had input prices continued to increase as quickly as they were."

Whether it's construction costs or general uncertainty with the scope of the Delta variant

outbreak, student housing professionals are expecting 2022 to be the first full year where the pandemic will severely limit the supply hitting the market.

The Walker & Dunlop report's survey takers are bearish about the volume of student housing deliveries for the next few years. About half of respondents chose 70,000 to 100,000 beds would be delivered from 2021 to 2023. Walker & Dunlop notes that the three-year historical average for student housing deliveries is traditionally around 130,000 beds.

Epp says that a less-than-robust pipeline should theoretically help boost the performance of existing product, including higher rents and occupancy rates. From an investor's perspective, Epp says the health of the market and its performance amid the pandemic last year should help attract plenty of investors for the foreseeable future.

"We knew student housing was recession-proof, but we didn't know it was going to be pandemic-proof," says Epp. "Collections were high and kids moved back to their universities and into their properties. Because investors are seeing kids move back to their campuses for the second year in a row, I really do think it will be a boon for investors for the foreseeable future."

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Function Over Fashion

Color schemes and accent pillows come and go, but the pandemic has taught operators that a focus on function is what's really important when you boil down design priorities.

By Nellie Day

The COVID-19 pandemic changed the ways schools operate, how classes were taught, and how students learned and socialized in 2020. Though hospitalizations and deaths are waning thanks to a vaccine, life still hasn't returned to normal for anyone, including students away at college.

Interior design may seem like a lower priority in the wake of such a health crisis, but these professionals would argue the exact opposite — that it's more important than ever. That's because leasing, retention, and making students and parents feel safe and secure as they return to their college experiences is more important than ever.

The pandemic shifted higher education from in-person classes to online learning in 2020. This gave students and parents an entire year to reassess whether going away to school was the right decision going forward. This has been compounded by a focus on increasing education costs, as well as many colleges announcing that the 2021 to 2022 school year would emphasize hybrid learning, with lots of classes remaining online as the Delta variant took hold.

The cumulative result of all this was a 4 percent decrease in undergraduate enrollment in 2021, per the National Student Clearinghouse Research Center. Freshman enrollment for the fall 2021 semester start sank by 13 percent when compared to 2020 numbers. Speaking of 2020, colleges and universities experienced revenue losses in the hundreds of millions of dollars as about half a million college students chose to sit that academic year out entirely.



JOSH KASSING
Vice President of
Design Development,
Mary Cook Associates

Enter student housing design and its role in keeping capacity as high as possible.

"In reality, the interior design approach for a project is just as much a part of the sales, marketing and leasing budgets as it is anything else," says Josh Kassing, vice president of design

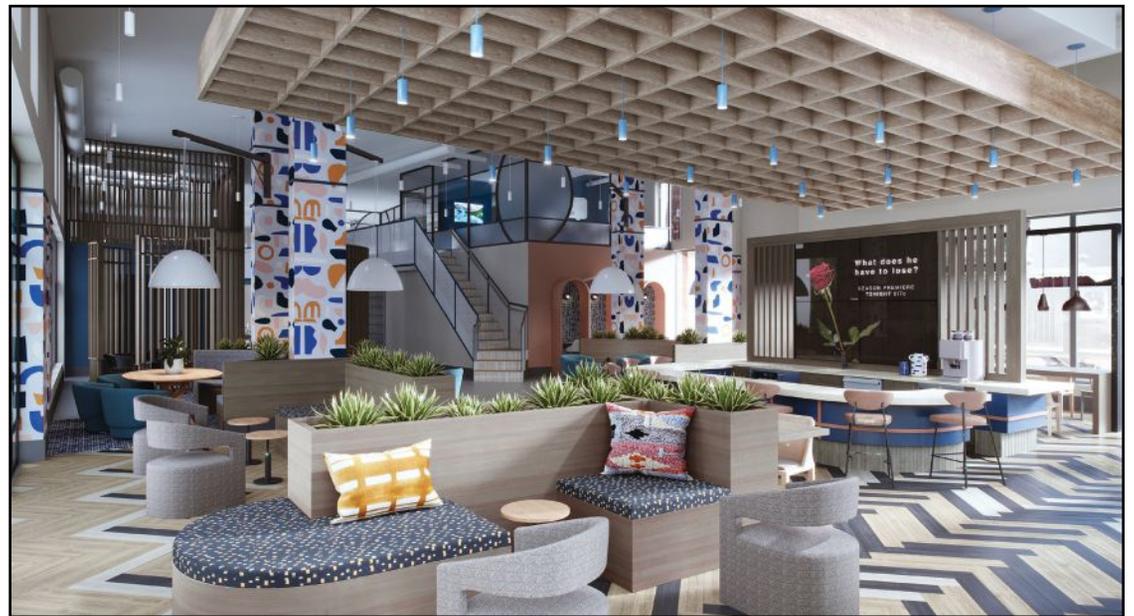


Image courtesy of Mary Cook Associates

Mary Cook Associates revamped Canvas, an 856-bed luxury off-campus student housing development at Arizona State University in Tempe, after it was purchased by Toll Brothers Campus Living. The firm focused on integrating technology and amenities that would provide plenty of opportunities for socializing, including a mezzanine with collaborative spaces and flexible spaces that can be utilized at all hours. Canvas opened for the 2021 to 2022 school year.

development for Mary Cook Associates in Chicago. "Good interior design can quite literally allow the project to sell itself, meaning less sales staff, less square footage required for leasing and management and fewer hours spent on locking in leases. In contrast, bad interior design can mean the opposite — more sales staff, longer hours and slower lease-up."

The Big Question Now: Does it Work?

Kassing argues that a space's programming is the biggest priority of student housing design. He says it was before the pandemic as well, but many may have lost sight of that in favor of flashier bells and whistles.

"I will tell you right now, an accent wall is not going to save your property," he continues. "Good interior design evaluates a property at every level — from programming and volumes, to spatial adjacencies to finishes and furniture. The aesthetic is irrelevant if the program of a space doesn't function or doesn't respond to the users' needs and wants."

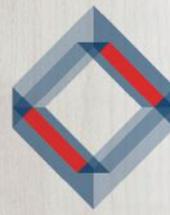
He advises student housing owners to focus, particularly, on those needs and wants.

"It doesn't matter how pretty a theater is if students need additional study space," Kassing adds. "New furniture that costs \$100,000 doesn't fix the fact that there is no on-site fitness center. My biggest advice is to avoid the 'lipstick on a pig' approach to renovations, and understand that interior design is more than aesthetics."

Emily Hiott, lead designer at SouthPark Interiors in Charlotte, North Carolina, has seen how purpose-designed gathering spaces can impact leasing and retention. She points to the 102-unit Stadium Apartments in Fort Collins, Colorado, which sits one block west of Colorado State University's football stadium, as a prime example. The 388-bed complex recently underwent a renovation on its common areas.

"Previously, this property's amenity areas consisted of large, open, unprogrammed spaces," Hiott notes. "Placing an emphasis on space planning, we completely reprogrammed these areas to create multi-functional spaces that could easily be private, but also used for community events as needed."

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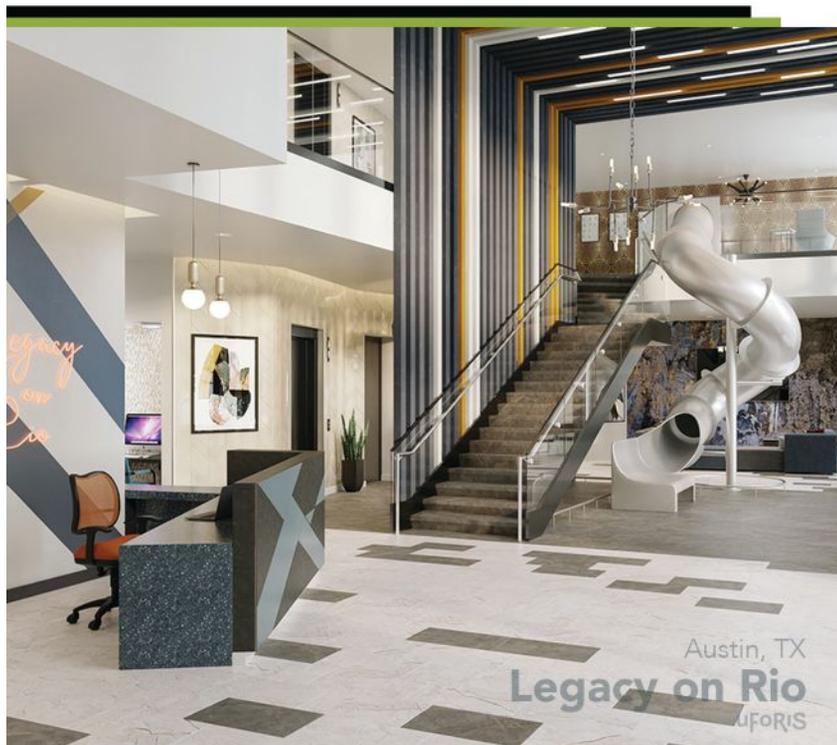
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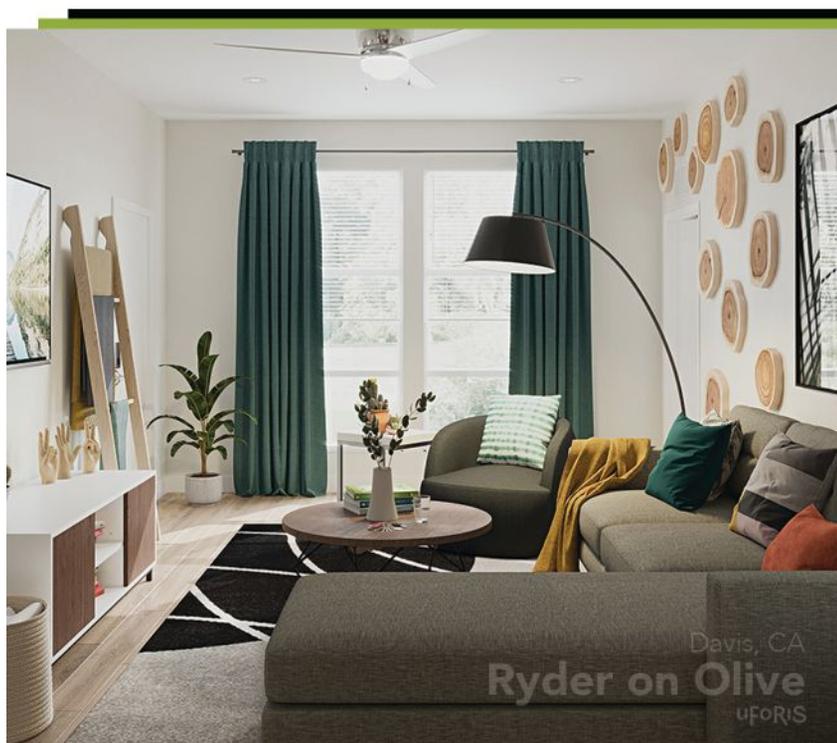
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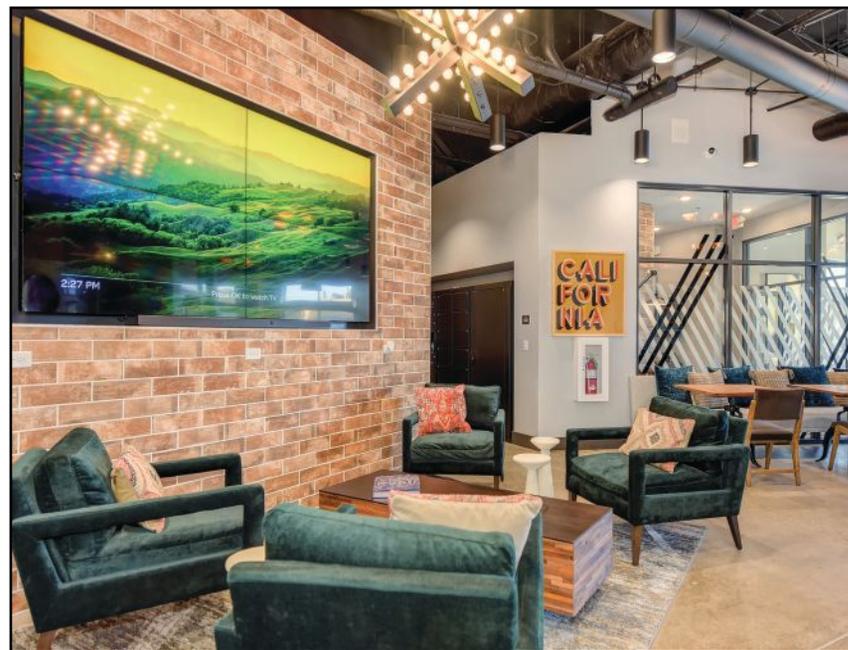


Image courtesy of SouthPark Interiors

SouthPark Interiors emphasized the California lifestyle when it designed Academy 65 near California State University, Sacramento, which opened in fall 2019. The community features an outdoor amenity deck, bar and grill area, hot tub, fire pit, game room, entertainment lounge and a study lounge on each floor.

rently boasts an outdoor patio with a wet bar, gas grills, fire pits and lounge-style sun decks; a 24-hour fitness center; clubhouse with a fire-place; study lounges; game room; coffee and snack bar; rooftop patio with mountain views; dining zone; and a heated pool with hot tubs.

“Stadium Apartments is a great example of a renovation that led to leasing numbers skyrocketing at the property,” Hiott adds.

The renovation also included the incorporation of earth tones, geometric patterns, and unique nods to the local skiing and snowboarding culture.

“Incorporating plants and greenery — known as biophilic design — and looking more in depth at landscape design helps balance interior and exterior areas, creating cohesiveness through the property,” Hiott continues. “This also enhances outdoor amenities as we have seen these areas become more important than ever in the last year.”

What the renovation didn’t include was a focus on single-use spaces. Hiott notes this trend has been waning, particularly since the pandemic. This includes giant pool decks that are only dedicated to the pool, as well as single-use spaces when you can add flexibility through multi-functional rooms.

“It’s about more realized space at the pool area, including more landscaping and separately programmed areas for outdoor activities, lounge areas and more,” she says. “This gives both staff and residents who want to spend time outdoors that living space for activities and events. And when you create multi-functional rooms, areas can be utilized in different ways by staff and residents.”

An Education in Branding

When purpose meets preference, the design of a student housing community can leave a lasting impression on its residents. Some may argue that’s all fine and well, but what does that matter after they’ve done their four years? Kassing would argue matters a lot, at least for operators who service more than just the student housing space.

“Toll Brothers Campus Living exemplifies not the latest design trends, but the forever design trends as it relates to student housing,” he explains. “They understand that in today’s world, an allegiance to a housing brand begins at the collegiate level. Students who have a positive experience at a Toll Brothers Campus Living property will be inclined to pursue a



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Toll Brothers Apartment Living market-rate unit upon graduation, and a Toll Brothers City Living townhome as a young professional and, ultimately, a Toll Brothers single-family home as they grow their family.”

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“It’s not just about a college apartment,” Kassing continues. “It’s about establishing a level of trust and dedication to a company and brand that cares about its customers, and that transcends any ‘latest trend.’ In fact, it establishes a trend of its own.”

In this current market, many student housing and multifamily owners are diversifying. This increases the odds that a college student could easily transition into an urban apartment, starter home and beyond. Student housing developer Landmark Properties, for example, recently announced its expansion into the build-to-rent market.

The Athens, Georgia-headquartered company noted the current demographic trends, as well as its integrated, scalable platform made this a natural expansion opportunity.

“As millennials move into the stage where they wish to move out of apartments, single-family houses for rent have become an important way for the generation to take advantage of the benefits to a neighborhood without the long-term financial commitment to homeownership,” says Blair Sweeney, managing director of Landmark’s build-to-rent division. “We are excited to bring our track record of quality housing and unparalleled property management to a new segment of the market.”

Capturing consumers from college through other life phases means you also have to provide memorable touches that students not only come to appreciate, but to rely on.

“Residents have to love where they live and the whole idea is to create a space where someone enters and immediately knows that this is the place they want to be,” Hiott says. “Designing purposeful gathering spaces has a big impact on leasing and retention, as this allows the property to build a community where residents feel connected

to each other as a collective group, as well as to the property itself. In addition, a property has to provide the amenities that they’re looking for and expect, especially when compared to surrounding competition.”

This was the strategy SouthPark took in Austin, Texas, where it designed the new Legacy on Rio by Capstone Collegiate



EMILY HIOTT
Lead Designer,
SouthPark Interiors

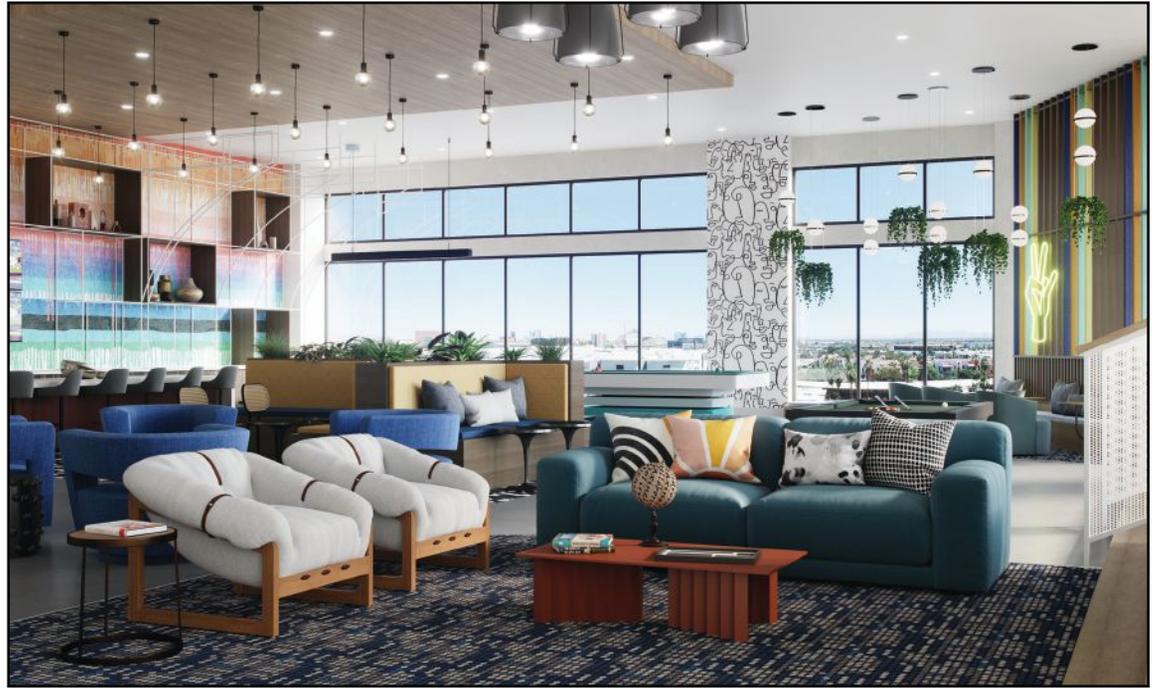


Image courtesy of Mary Cook Associates

The Canvas at ASU revamp sought to maximize impact, flow and function throughout the nearly 20,000 square feet of interior space. Expansive campus views create an enhanced indoor-outdoor connection, which is emphasized by two full walls of glass.



Image courtesy of SouthPark Interiors

The 102-unit Stadium Apartments in Fort Collins, Colorado, is situated near Colorado State University’s football stadium, giving this community prime opportunities for programming. SouthPark sought to capitalize on this by reprogramming its previous large, open spaces. These areas are now multi-functional, easily converting to private spaces or for large community events as needed.

Communities near the University of Texas at Austin. The two- to five-bedroom community, which is already sold out for its inaugural 2021 to 2022 school year, features many memorable touches. These include a tube slide adjacent to the stairs that take residents from the second to the first floor; egg chairs on the rooftop oasis lounge that overlook hill country; state-of-the-art fitness equipment that lets you access your Netflix account while working out; a massage room with electric massage chairs; yard games

next to the grilling stations; and a computer lab with free printing.

Though not always possible, Hiott recommends bringing in a design team from the beginning, especially with new developments. This ensures every space is maximized and no detail is overlooked from day one.

“Legacy on Rio was able to be programmed to function in many ways since our design team was brought in at the beginning of the project,” she says. “Thoughtful space planning

to create multi-functional spaces is key. When you bring in your interior design team as early as possible, emphasis is placed on space planning from a design and management standpoint.”

A ground-up or renovation project may produce favorable results from a design standpoint, but Hiott knows you don't have to undertake these large-scale endeavors to achieve an immediate positive reaction. Upgrading furniture, Hiott asserts, is an easy way to instantaneously update a space and draw in residents. She notes this can even be done in phases if budgets are tight.

Kassing adds that there's nothing wrong with a modest budget as long as you avoid the "lipstick on a pig" approach he previously mentioned. Instead, it's all about knowing how to spend what you have that matters.

“Good interior design is not about spending the most money,” he says. “Good design is about



Image courtesy of SouthPark Interiors

Ryder on Olive near UC Davis emphasizes natural finishes and lots of greenery and wood, with a bold black and white color palette throughout. Its location on 3rd Street gives residents prime access to multiple dining, shopping, recreation and entertainment options.

spending money in the right places, with an appropriate cost-to-impact ratio. What the 'right places' are depend on a number

of factors, including existing conditions, demographic nuances, geographic nuances, competition, etcetera, but at the end of the day,

good interior design needs to be a part of the strategy.” **SHB**



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International Students in the Time of COVID

From travel restrictions and visa hurdles to geopolitical tensions, international students were hit hard by the COVID-19 pandemic. But the outlook has brightened for the current academic year.

Article and Transcription by Katie Sloan

Last spring, the COVID-19 pandemic forced students across the country to pivot away from the traditional college experience, sending many students away from campus to learn online from their parent's homes. None felt this strain more than the international student population, which had to grapple with everything from travel restrictions and difficulties with visas to online learning at all hours of the night to fit the schedules of their academic institutions in the U.S. And while there seems to be a light at the end of the tunnel as we move through the pandemic, many international students are still facing a myriad of challenges in order to return to the U.S. for the 2021-2022 academic year.

What follows is an edited transcription from the panel 'International Student Update — What's the Prognosis for Fall 2021, Winter 2022 and Fall 2022,' which closed out the InterFace Student Housing conference in Austin, Texas, this summer. The discussion includes moderator Wes Deese, owner of Providential Student Housing; Jeff Amengual, COO of DMG Investments; Xinjie Gonos, founder of US Ready; and Adam Meshekow, chief growth officer of Leap.

Wes Deese: I'd like to start things out with a bit of data on how the pandemic has impacted enrollment of international students, specifically in the U.S. Between fall 2019 and fall 2020 enrollment, U.S. institutions saw a 16 percent drop in international students. And understand that even those international students that were enrolled, a majority of those were learning remotely in their home countries, just like domestic students. First-time international student enrollment dropped 47 percent during that time period and that is the number that will have a large impact on the higher education industry over the next few years. To start, I would like to ask our panelists to speak to the importance of international students to the industry and, more specifically, their companies?

Jeff Amengual: International students over the past several years prior to the pandemic brought an infusion of \$40 billion into the

economy, so obviously it is a significant factor — not just for universities and off-campus housing, but for the general economy overall. With the pandemic, those numbers have significantly decreased but we expect that over the next year or so there will be some growth again, but not to the numbers we were seeing prior to COVID. It might take several years for that growth to be realized and there are challenges ahead of us.

Xinjie Gonos: Our primary market is Florida. I believe the impact of COVID on international students varies from state to state. Last year was obviously really bad, but this year we are already back to 100 percent with an additional 30 percent of students waiting for their Visa, at least to the University of Florida. I believe that has something to do with school ranking, which is an important factor for international students when they make their investment to come over to the U.S. Obviously I believe international students are important not only for economic reasons, but also in helping domestic students to be open-minded and explore and know what is going on outside of the U.S.

Adam Meshekow: The COVID-19 pandemic has changed a lot depending on what university or market you are in. In some markets, like where we're based in New York, there was a drastic impact. That is one of the largest populations of international students. Outside of that, I would say I do believe they will come back and there is a need for them to come back. It's an obvious benefit economically to not only the institutions and local economies, but also international students typically subsidize in-state tuition so it is a big deal on that end as well. Overall, we've seen a big rebound in the international student population during June, July and August, but it varies by location. For instance, we've seen a very large rebound of students from Asia. Taking a closer look at specific countries, in places like India, we are not seeing that resurgence yet.

Deese: DMG has communities all over the

country with a large concentration in upstate New York. Jeff, taking a look at your portfolio with regard to international students, are there certain markets that are feeling an impact more than others?

Amengual: Certainly. Across the board the industry is being impacted by the reduction in international students coming to this country and we're still somewhat in flux. But at our properties, it's a bit of a different story. Our property in Ithaca, New York, is doing extremely well — I think we're at 100 percent pre-leased, and a large component of that is international students. We're also doing extremely well in Buffalo, New York, particularly with the international student population. While there are some pressures across the board, at key universities in key locations, we see that the dynamic is staying the same if not improving.

Deese: The most overarching question in the industry when it comes to international students is when will we return to fall 2019 levels?

Gonos: The international students that we talk to want to come back for different reasons. Yes, the pandemic did have an impact and a lot of these students and their families were unsure of how to proceed. But after a year of learning from midnight until five in the morning and having their social and university activities lessened from being in a different country, these students want to come back. We also saw some students take last year as a bit of a gap year, so we're expecting international student numbers to go up if they can get their visas. About 30 percent of the students we work with have been checked, which means they don't know yet if they are going to be declined or accepted. The timeline for acceptance can be from one week up to the next three months.

Meshekow: The biggest problem during the pandemic was that visas just were not being processed. I believe the stat in China specifically was they were processing 3,000 visas



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INTERNATIONAL STUDENTS

per day in May 2019. In 2020, throughout the whole process, I think they granted something like 329 emergency visas. There was no visa process and that was the problem at that time. The problem I'm hearing for this semester is not so much the visa process, but the flights. There are very limited flights coming into the continental U.S. on the East Coast and they are very expensive. That is deterring some of the international students from coming in. I do believe we're going to see growth and over the next three years we will hopefully reach pre-pandemic levels because there is no doubt that the demand is there.

Amengual: We expect growth over the next three years, but what is also significant is what majors the students are focusing on and will continue to focus on. We anticipate that universities with strong engineering or finance programs will continue to see a robust and growing base of international students over the next few years. Other universities are starting to look at exchange programs as a way of augmenting their international student base, but there are challenges. Europe is now becoming attractive to the international market, so that's clearly a challenge, and there is reverse flow. China — which was arguably one of the largest exporters in terms of international students

traveling to study in the U.S. — is now serving as an entry point for students looking to learn abroad.

Deese: Let's discuss politics for a moment. On top of the existing physical constraints like getting your visa or getting your flight, are politics playing a part in whether or not students want to come to the U.S. this year?

Gonos: Compared with physical limitations, I think that political limitations are probably greater. International students coming over to the U.S. or any other country to study typically already have the funds ready. If airplane tickets are \$2,000 more, it's not going to stop them. Politically, though, there's nothing we can do.

Meshekow: The geopolitical aspect of things definitely changed demand at the highest level. Not that it impacts this business specifically, but in Australia and Asia there is geopolitical tension, and at one point there was a great deal of tension with the U.S. We saw a decline in international students from Asia. Bringing this to a high level, we are thought of to have the best institutions in the world from an educational standpoint. As we continue to maintain that leadership role, we need to commit to leading across platforms.

Deese: Let's walk around the globe a bit. Australia is going to be on lockdown, so their academic year will be a bit different from ours. Students will not be coming from India to Australia. We've also got a population boom that is happening in the U.K. among this demographic and enrollment is growing, which makes it a bit tougher for international students to get into universities in that region. For the U.S. and Canada, that should be positive news. What are you seeing as you speak with students from other countries?

Amengual: We still see strength in the Asian market. We project that will continue to be a strong group year-over-year. There's also been an uptick in European students coming to the U.S. South America has also seemingly increased its enrollment of international students, and while India and Australia are pressured right now and might not be active for the fall semester, we think they should return closer to normal for the spring semester.

Gonos: The U.S. is the leader in the world for education. Families who are making that decision for their children typically want to try their best to overcome obstacles and make the best long-term investment. In Asia, students typically want to come to the U.S. or Australia



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— those seem to be the two main destinations for them. If Australia is closed, it is definitely good news for the United States.

Meshekow: We saw strong demand from the Asian market once we opened the borders. Prior to that, there was some demand but very large barriers to entry. People were stopping in other countries for 10 days and staying in hotels to meet quarantine guidelines. It wasn't as simple as just getting on a plane and coming. We are starting to see more demand from Europe and the Middle East, which is a good sign. Obviously there are massive constraints coming from India.

Deese: Let's talk about long-term impacts. Going beyond three years, what sort of impact do you think the COVID-19 pandemic is going to have on international recruitment and enrollment overall?

Amengual: It's always going to be a consideration. It takes many years to resolve large issues like this, but I think economies run the rule on where people want to attend school. The U.S. economy is integral to the strength of the global economy, so students are naturally attracted to come here. The Asian and European economies are continuing to rebound and become stronger, as well. There will be challenges up and down the scale, but we think we're still in a growth position over the next five to 10 years for international students.

Gonos: I feel the same way. Aside from the education here, the U.S. is among the leaders in the world in terms of vaccination rate so I think that helps parents to feel less concerned.

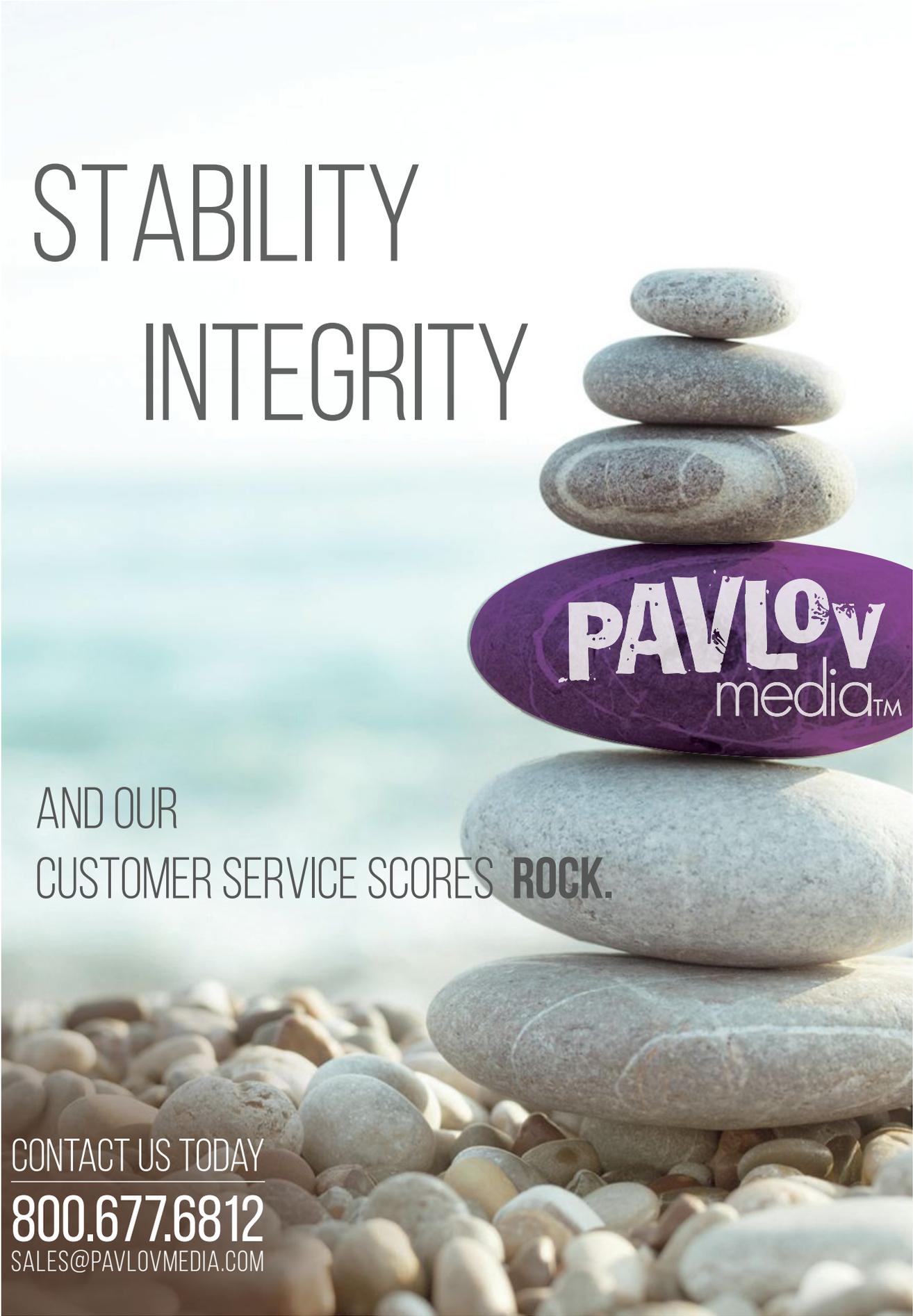
Meshekow: The future dovetails on the U.S. maintaining its hold on offering the greatest number of top-tier quality institutions. There are plenty of other institutions around the world that are growing and doing great work, and I think they will attract more and more students. Pricing and pricing disparity will also be important moving forward — we've had the largest increase in tuitions compared to other universities in the world.

Granted, they are some of the best institutions in the world, but at some point it has to level out with inflation. Those are also two major factors. Health benefits and safety are still a very important factor for

international students. They come here, there is a lot of handholding through companies like US Ready and others, but it is not that easy. It is a very large culture change and international students tend to

stick together. Even programming is prepared around that, which is amazing. Things are changing and as long as the industry adapts to that, the future is bright. **SHB**

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Student Housing Industry Compensation Update

Annual survey appears to show pandemic had some impact on compensation trends.

Compiled by Josh Logelin, Managing Director, Specialty Consultants, Inc.

Over the summer Specialty Consultants Inc. (SCI) sent an e-mail invitation and a link to an online survey form to over 500 senior executives at student housing firms requesting 2020 salary and incentive information for their companies. Additionally, the survey was sent to approximately 3,500 professionals representing a cross-section of the positions covered in the survey. The survey was also open to readers of *StudentHousing-Business.com* via a banner advertisement and participation was also encouraged through sponsored posts on LinkedIn. The resulting information was compiled and analyzed to produce a statistical abstract of annual cash compensation categorized by company size (number of beds owned/operated).

With the onset of the global COVID-19 pandemic in early 2020, the student housing industry seemed poised for massive disruption. The property type was frequently grouped with office, retail, and hospitality on the list of asset classes from which institutional investment would flee, and many real estate pundits forecasted that the sector would fall victim

to the pandemic's impact and enter a period of decline. While that clearly didn't happen, there was enough justifiable apprehension in the industry for its players to join in what has become nicknamed "The Great Pause." Compensation seems to have been one of the areas that went into a holding pattern, with our survey showing an overall lateral slide in year-to-year pay.

Although it's too early to draw any firm conclusions regarding trends, there are some dynamics in the overall real estate industry that may be reflected in this year's survey data. The pandemic triggered a wave of retirements among Baby Boomers, and in our search practice we have seen an increase in the departures of senior level executives (particularly those in finance and administration). As these long-tenured incumbents exit, they are often replaced through the promotion of junior (and lower paid) internal candidates. This might account for the decrease in compensation across all categories in the chief financial officer and vice president of finance positions.

> 7,500 Beds	Base Salary				Bonus				Total Compensation			
	Low	High	Mean	Median	Low	High	Mean	Median	Low	High	Mean	Median
Chief Executive Officer	100,000	1,800,000	415,200	300,000	0	956,300	275,700	115,400	150,000	2,350,000	690,900	400,000
Chief Operating Officer/VP of Operations	100,000	860,000	247,100	217,000	0	600,000	128,500	90,000	110,000	1,260,000	375,600	300,000
Chief Financial Officer/VP of Finance	89,000	445,600	242,400	225,000	0	600,000	113,900	68,000	103,000	1,045,600	357,000	284,000
VP/Director of Human Resources	68,000	240,000	150,600	150,000	0	110,000	45,300	25,000	82,400	280,000	195,900	210,000
Regional VP/VP of Property Management	70,000	205,000	142,400	145,200	0	180,000	37,700	27,500	75,000	330,000	180,000	177,000
Regional Property Manager	45,000	127,700	94,200	97,900	0	97,000	22,400	9,900	50,000	194,000	116,600	116,200
Property Manager	40,000	123,000	66,500	66,400	0	42,000	11,400	9,500	41,200	163,000	77,900	72,600
VP/Director of Marketing/Leasing	45,000	300,000	128,000	116,700	0	250,000	30,500	20,000	45,000	450,000	158,500	147,700
Marketing/Leasing Manager	35,000	70,000	50,200	50,000	0	30,000	9,200	7,500	35,000	98,000	59,400	55,000
VP/Director of Acquisitions	95,000	466,700	192,800	174,100	0	600,000	145,000	83,400	123,600	1,066,700	337,800	260,000
Acquisitions Associate/Analyst	53,000	110,000	77,800	75,000	0	75,000	20,300	15,000	63,600	185,000	98,100	86,000
VP/Director of Asset Management	84,000	348,000	187,200	200,000	0	278,400	73,700	54,200	93,000	626,400	260,800	260,000
Asset Manager	58,000	125,000	93,400	90,000	0	120,000	26,500	20,000	74,200	229,000	119,900	116,000
VP/Director of Development	88,000	310,000	170,500	158,000	0	300,000	68,300	46,500	103,000	610,000	238,800	244,100
Development Manager	67,500	138,000	104,200	105,000	0	250,000	29,300	15,500	74,300	375,000	133,500	130,000
VP/Director of Construction	110,000	220,000	184,500	195,700	0	210,000	47,100	43,300	110,000	410,000	231,600	238,500
Construction Manager	50,000	142,000	104,000	100,000	0	25,000	13,700	15,000	55,000	167,000	117,600	120,000

SALARY SURVEY

2,500 - 7,500 Beds	Base Salary				Bonus				Total Compensation			
	Low	High	Mean	Median	Low	High	Mean	Median	Low	High	Mean	Median
Chief Executive Officer	72,000	300,000	227,100	236,900	0	375,000	75,400	72,100	72,000	632,500	301,600	305,400
Chief Operating Officer/VP of Operations	85,000	300,000	174,100	177,500	0	110,000	37,800	30,000	90,600	385,000	207,200	203,900
Chief Financial Officer/VP of Finance	72,000	260,000	162,900	140,000	0	128,800	28,400	10,000	72,000	365,700	183,200	144,200
VP/Director of Human Resources	60,000	160,000	109,300	123,600	0	30,000	11,600	15,000	65,000	180,000	120,300	139,100
Regional VP/VP of Property Management	75,000	171,000	134,700	141,600	0	72,000	22,300	21,800	99,000	222,500	156,900	160,900
Regional Property Manager	55,000	150,000	89,600	85,800	0	40,000	12,700	10,300	55,000	150,000	102,200	96,400
Property Manager	40,000	92,700	63,400	63,000	0	20,600	7,600	8,000	45,000	99,400	71,000	70,700
VP/Director of Marketing/Leasing	56,000	226,000	111,900	118,600	0	62,000	16,400	16,200	66,000	228,000	128,000	137,500
Marketing/Leasing Manager	35,000	60,000	46,000	42,000	0	10,000	2,500	1,000	36,000	70,000	48,600	45,000
VP/Director of Acquisitions	96,000	275,000	176,500	183,300	0	300,000	67,000	33,000	96,000	575,000	243,600	221,500
Acquisitions Associate/Analyst	49,000	150,000	84,800	83,600	0	120,000	21,400	17,500	50,000	220,000	109,700	106,100
VP/Director of Asset Management	113,300	280,000	192,400	167,000	0	52,000	27,900	30,500	128,800	320,000	220,300	206,200
Asset Manager	85,000	140,000	119,300	119,500	0	88,000	33,600	27,000	95,000	218,000	152,900	141,100
VP/Director of Development	95,000	255,000	182,700	200,000	0	164,800	80,700	91,700	130,000	384,800	263,400	300,000
Development Manager	82,000	190,000	118,800	120,000	0	28,000	16,700	20,000	102,000	215,000	136,200	142,000
VP/Director of Construction	89,000	255,000	177,900	185,400	0	120,000	37,000	25,800	135,000	275,000	210,900	211,200
Construction Manager	55,000	128,000	101,300	97,900	0	26,800	13,400	14,300	55,000	147,000	114,800	110,750

< 2,500 Beds	Base Salary				Bonus				Total Compensation			
	Low	High	Mean	Median	Low	High	Mean	Median	Low	High	Mean	Median
Chief Executive Officer	95,800	400,000	176,100	154,500	0	500,000	81,500	30,900	95,800	705,000	257,600	175,100
Chief Operating Officer/VP of Operations	118,500	200,900	180,800	185,400	0	77,300	35,600	29,900	152,400	262,700	216,500	203,400
Chief Financial Officer/VP of Finance	98,000	185,400	146,100	148,300	0	60,000	29,000	30,900	103,800	245,400	175,100	168,900
VP/Director of Human Resources	60,000	180,300	114,400	103,700	0	23,000	10,600	9,900	65,000	195,000	125,600	117,800
Regional VP/VP of Property Management	65,000	165,000	107,500	108,200	0	35,000	13,500	14,200	65,000	200,000	121,000	122,000
Regional Property Manager	74,200	120,000	92,600	89,200	0	27,000	12,100	12,900	81,900	120,000	105,600	107,600
Property Manager	35,000	84,000	61,700	62,700	0	15,500	7,500	6,900	37,100	94,000	68,900	66,400
VP/Director of Marketing/Leasing	61,800	120,000	93,600	91,700	0	28,000	13,400	14,500	61,800	135,000	107,000	110,200
Marketing/Leasing Manager	34,000	55,000	39,400	38,000	0	20,000	4,500	1,200	35,200	68,000	44,000	42,000
VP/Director of Acquisitions	120,000	300,000	189,000	185,400	0	75,000	37,800	45,000	128,800	350,000	227,200	225,300
Acquisitions Associate/Analyst	50,000	112,000	74,900	72,600	0	58,000	19,500	16,200	56,100	142,000	94,400	96,200
VP/Director of Asset Management	92,700	275,000	184,500	195,000	0	90,000	38,400	30,000	108,200	320,000	223,000	239,500
Asset Manager	49,400	122,700	89,500	92,700	0	51,500	23,600	15,500	61,800	160,000	113,100	116,400
VP/Director of Development	75,000	242,100	136,500	147,200	0	89,000	30,800	25,000	90,400	331,100	168,000	171,000
Development Manager	55,000	138,000	106,900	120,500	0	28,000	17,400	20,000	65,000	159,700	122,800	141,100
VP/Director of Construction	90,000	266,000	155,100	150,000	0	36,000	19,200	18,800	95,000	302,000	175,600	175,000
Construction Manager	60,000	125,000	98,100	101,800	0	18,000	7,700	8,900	66,000	135,000	106,500	113,200

Furnishing for the Future

Furniture providers have had to overcome challenges from labor shortages, shipping delays and higher supply chain costs to keep students comfortable entering the new academic year.

By Katie Sloan

As with all facets of the student housing industry, COVID-19 brought significant challenges to furniture providers. Over the past year these companies have had their hands full — from materials and labor shortages to shipping challenges ranging from over-priced shipping containers to slow and unpredictable delivery schedules. The issues stretched far beyond the normal business of designing dynamite furniture for the next generation of students. And though many of the difficulties still remain, furniture vendors are beginning to see relief on the horizon.

“This has been an unprecedented series of events — a ‘black swan’ event if ever there was one,” says Lisa Dillon, director of national sales for University Furnishings. “The global pandemic threatened our employees, our families, our customers and our communities with debilitating or even deadly illness, making the experience more technically challenging — like managing a workforce that went 100 percent remote overnight and applying CDC guidelines to contract labor training — and emotionally taxing, as well.”

“We used to get bothered when container pricing moved in the hundreds of dollars,” she continues. “These days, every quote seems higher than the last. Seeing a critical cost line item like ocean freight jump three to four times higher than historically anticipated is not something you can easily prepare for or manage. We decided early on that we would not attempt to re-trade contracts or pass these costs on to our clients. This meant severe pressure on margins as we absorbed significant unexpected — and seemingly endless — increases. Despite these pressures, we chose to stay the course on our strategic plans; to continue to build the best team in the industry, and, most importantly, to uphold our customer promises.”

Eden DeGeorge, business development manager and senior designer for D12 Commercial Interiors, notes similar impacts from the pandemic. “In recent months we have started feeling the delayed effects of COVID-19 with a shortage of containers, lack of labor, longer lead times, and a significant increase in freight costs, which have tripled in



Furniture for student housing projects, like the set above designed by Ecologic, is built with functionality and the maximization of space top of mind.

the past few months,” she says.

“This isn’t very helpful to our clients that are also experiencing increased pricing from all trades involved in their projects and delays due to lack of resources and labor,” DeGeorge continues. “I’m sure many of you reading this have experienced your own personal frustration with shipping issues like ordering furniture for your home from places like La-Z-Boy, Amazon, or Target. No one is alone in this struggle. We are all in this together. That said, we are hopeful things will start to get better.”

And even when deliveries were able to make it on time, other issues were still present like a nationwide foam shortage, challenges with drivers, terminals and lack of labor, says Tom Dobbin, director of student housing at University Loft Co. “Our number one goal is

to always have a bed for every student that needs to move in, and despite the challenges that have existed, we’ve done that very well this year.”

While it is difficult to anticipate how long these challenges will persist, Gus Design Group Vice Presidents Jonathan Isaak and Anthony Santino predict that relief is not likely before the end of the first quarter of 2022.

For some, these shipping challenges have presented an avenue for more business, according to Daniel Goldman, CEO of Ecologic. “We’re not immune to shipping troubles, but we picked up so many new customers as a result because they were looking for companies with a lot of stock inventory,” he says. “As a result, we were able to supply a lot of customers at the last minute.”



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FURNITURE

What's New in Design

COVID-19 didn't just alter the way we think but also how we live and evolve, according to De-George. "Since the pandemic, there has been a new focus on health and wellness," she says. "More developers are introducing touchless technology, better air filtration and flexible spaces for impromptu remote learning. I imagine we'll see more outdoor options such as private terraces and balconies per unit, more hand sanitizer stations in common areas, and more biophilic designs that bring nature to the interior spaces, which helps promote mental health."

"This year we've seen more warm neutrals and earthy, grounded shades with a bold contrast in finishes such as black and white metals," she continues. "The earthy, warm tones bring a sense of comfort and welcoming — perfect for those isolated to their home, working and learning virtually."



Common area furniture and designs that allow students to feel safe during the pandemic, like the setup above by ERG International with partitions between study spaces, have been a hit this year.



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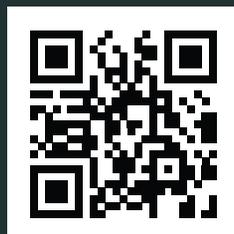
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Kunal Karamchandani, national key account manager at Admiral Furniture, echoes increased demand for outdoor furniture. “Students want to have access to separate, outdoor spaces rather than being stuck in their apartments or stuck in a study room.”

“Students are looking to outdoor solutions for fitness, even — anything that can allow them to spend time outside,” he continues. “I’m hearing a lot of conversation about re-allocating design in specific areas to include outdoor space. Even just creating small courtyards throughout the property or enlarging dog parks, we’re seeing developers push in those directions. Making the commitment to reallocate some of those spaces makes it seem like this is going to be a long-term play, not just a temporary fix.”

As always, storage and flexibility of space are a chief concern. But also ranking high on the list for this generation of students are environmental issues, according to David Field, president of The Brill Companies. “Wood is coming back more than we’ve seen in the past,” he says. “We build furniture of all types, but wood is the one element that does not — or should not — end up in a landfill. The market is interesting right now because it is not driven as much by fashion. It is really driven by func-



The Brill Companies has noticed a large comeback in the use of wood for student housing furniture due to its environmentally friendly nature and the concern from Generation Z to live in an environmentally friendly way.



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A living room design by Gus Design Group utilizes minimalistic lines and clean, comfortable colors.

tion and comfort.”

Jeannette Fura, manager of design and marketing for ERG International, has seen the impact of COVID-19 down to the marketing level. “In the beginning of the pandemic, we saw a shift in marketing where walls were being exhibited next to furniture or where small dividers were being placed on top of tables,” she says.

“We also wanted to display our furniture with high walls or privacy panels that allowed for dividing spaces, as well as demonstrate how the furniture could be configured in a setting that would be safely distanced apart,” she says. “We have also learned that designers are very interested in cleanable surfaces for seating, like poly or wood chairs. If using an upholstered piece, it is popular with developers to offer antimicrobial fabrics. These trends are certainly in-line with what we can offer our customers as we move forward.”

Johnny Collins, partner and CEO of Smarter Furnishings, echoes the popularity of durable and easily cleanable designs. “Student wellness has always been a concern but now it is more important than ever,” he says. “We are in product development as a response to what we are hearing, and we are excited about what is coming next. Our new line is designed to be our most durable and cleanable product line offering ever.”

And though there are common threads across the country, trends in furniture are largely dependent on the campus culture and location of the university, according to Randy Choplin, president of Dickson Furniture. “A focus on comfort within an individual’s unit has taken more precedence over collaborative spaces, as virtual interaction has grown in necessity over peer-to-peer interaction,” he says. “Privacy designs and more individualized room packages were in much higher demand this year with parents looking for less density in the number of occupancies in units.”

“We’re also going to see a continued movement towards minimalist furniture design with a focus on maximizing function,” says Choplin. “Clean lines with lighter, more open colors will begin to take shape. There may be a focus on creative ways to keep surfaces sterile with new ways to clean. I think this generation of students is more creative and more in tune with the design and décor of their spaces. Giving occupants their choice of pieces needed or wanted in their rooms, and functional alternatives, are a big up-sell now with students looking to move into spaces that are tailored to their individual tastes.” **SHB**

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INTERFACE STUDENT HOUSING 2021

As the industry begins the academic year the outlook for the student housing sector is getting better and better. A testament to the industry's strength and performance coming out of the pandemic was seen at the InterFace Student Housing conference in Austin, Texas, where over 1,200 attendees gathered in-person for the first time since April 2019. The event took place from July 13 through July 15 at the JW Marriott downtown.

This year's conference featured 21 panel sessions, a keynote address from American Campus Communities' Bill Bayless, 25 roundtables, two networking cocktail receptions and an exhibit floor.

The annual 'Power Panel' brought together a consortium of leaders from some of the most important companies in the industry to discuss the sector's outlook for the year ahead—which is thankfully very bright, reflecting the resilience of student housing during the COVID-19 pandemic.

Another popular panel tackled the outlook for international students and whether they would be returning en masse to college campuses this fall, an edited transcription of which can be found on p. 58.

Additional panel topics covered operational innovations coming out of the pandemic, leasing and marketing, connectivity best practices, development trends and construction, among others.

The 11th annual SHB Innovator Awards were also presented during the conference. Details on the winners can be found on p. 76. Over 100 industry experts judged more than 140 entries — the largest amount ever submitted — in this year's contest. The following images offer a flavor of this year's event.



Bill Bayless, CEO of American Campus Communities, delivered an opening address to kick-off the conference on July 14.



The 'Power Panel' included (from left) moderator Peter Katz of Institutional Property Advisors; Wes Rogers of Landmark Properties; Cliff Chandler of Greystar; Avi Lewittes of The Scion Group; and Marc Lifshin of Core Spaces.



A panel titled 'The Post-Pandemic Outlook for Student Housing Development' featured dialogue (from right) Jared Hutter, Aptitude Development; Greg Faulkner, Humphreys & Partners Architects; David Pierce, Parallel; Loren King, Trinitas; and Brian Dinerstein, The Dinerstein Companies.

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The 'State of the Industry' panel included (left) Donna Preiss, founder and CEO of The Preiss Company; and Barrett Lowell, director at Harrison Street.



Attendees took full advantage of the conference's networking lounges, which were sponsored by University Furnishings and FaverGray.



Over 1,200 attendees attended the event.



Brian Dinerstein discusses the post-pandemic outlook for student housing development.

Matt Marshall of RISE: A Real Estate Co. discusses what development will look like going forward.



Members of Gilbane Development pose with SHB Editor Randall Shearin after receiving the award for best package and offering of amenities.



Tom Trubiana was awarded the inaugural Student Housing Business Lifetime Achievement Award.

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Attendees took advantage of over eight+ hours of networking time over the two and a half days.



The panel 'It's All About Leasing – The New Paradigm for Leasing & Marketing' featured from left: Jessica Nix, Campus Life & Style; moderator Jake Jarman, Redstone Residential; and Laura Formica, Homestead Companies.



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James Wilhelm, executive vice president at American Campus Communities (right), accepts the award for best public/private financing solution from Richard Kelley, publisher of *Student Housing Business*.

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The panel 'Innovations, New Ideas & Best Practices to Come Out of the Pandemic' included (from left) Jennifer Beese, ACC; Christine Richards, Core Spaces; Jenn Cassidy, Cardinal Group; Miles Orth, Campus Apartments; and Julie Bonnin, Asset Living.



Jonathan Bove of Landmark Properties (left) and Rand Ginsburg of GMH Communities during the panel 'How Smart Management & Operations Can Boost Ancillary Income and Reduce Expenses Post-Pandemic.'



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11th Annual *Student Housing Business* Innovator Award Winners

Celebrating excellence in on- and off-campus housing, Innovator Awards go to the best projects and programs in the industry as voted on by more than 100 judges. *Compiled by Katie Sloan*

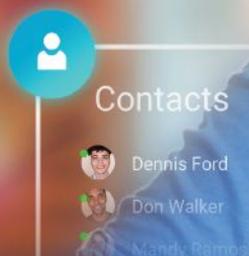
The 11th annual *SHB* Innovator Awards were presented during this year’s InterFace Student Housing conference at the JW Marriott in Austin, Texas, which was held in July. *Student Housing Business* presented 25 prestigious awards to student housing owners, developers, operators, lenders, architects, vendors and universities for excellence across a variety of categories. Over 100 industry experts judged more than 140 entries — the largest amount ever submitted — in this year’s contest. Read on for a list of this year’s award winners and pictures of the winning projects.

Award	Project	Winners
On-Campus: Best Renovation of Existing Housing	Highland Hall - Louisiana State University	RHH Architects, RISE, Provident Group-Flagship Properties
On-Campus: Best Implementation of Mixed-Use/Live-Learn	UIC Academic & Residential Complex	University of Illinois-Chicago, American Campus Communities
On-Campus: Best Vendor/University Solution	(No Project)	EZ Turn
On-Campus: Best Public-Private Financing Solution	Manzanita Square, San Francisco State University	American Campus Communities
On-Campus: Best Use of Sustainable Construction/Design	Lantana Hall - ASU Polytechnic Campus	Shepley Bulfinch
On-Campus: Best Architecture/Design	UIC Academic & Residential Complex	Solomon Cordwell Buenz, University of Illinois-Chicago, ACC
On-Campus: Best Public-Private Partnership Development	Woodlawn Residential & Dining Commons	University of Chicago, Capstone Development Partners
On-Campus: Best New Development	UIC Academic & Residential Complex	University of Illinois-Chicago, American Campus Communities
Off-Campus: Best Package and Offering of Amenities	Apollo	Gilbane Development Co.
Off-Campus: Best Marketing & Lease-up Program	oLiv Tempe	Core Spaces
Off-Campus: Best Mobile Marketing Campaign	Aero on 24th	GRO/Asset Living
Off-Campus: Best Social Media Campaign	New Lease on Life	Landmark Properties
Off-Campus: Best In-House Management Innovation	Renewal Tracker	CA Ventures
Off-Campus: Best Vendor/Operator Solution	University Center - Chicago	PeakMade Real Estate and StarRez
Off-Campus: Best Financing Solution	Sol at West Village	Walker & Dunlop, Landmark Properties, Ocean West Partners
Off-Campus: Best Implementation of Mixed-use	oLiv Tucson	Core Spaces
Off-Campus: Best Bandwidth and Connectivity Solution	Lifestyle Mobile App	Core Spaces
Off-Campus: Best Turnaround Project/Value-add	Lodges at 777	Cardinal Group Management and Saban
Off-Campus: Best Renovation of an Existing Project	University Center - Chicago	PeakMade Real Estate, Blue Vista, BKV Group
Off-Campus: Best Use of Sustainable Construction/Design	Sterling 5th Street	The Dinerstein Companies
Off-Campus: Best Interior Design	Moontower	Lincoln Ventures, Gensler, Chelsea Kloss Interiors
Off-Campus: Best Architecture & Design <400 beds	Academy 65 - Sacramento	BSB Design
Off-Campus: Best Architecture & Design >400 beds	The Overlook at St. Gabriel’s	PeakMade Real Estate, CC&F, Blue Vista
Off-Campus: Best New Development <400 beds	The Walk - Tuscaloosa	Spaces Management
Off-Campus: Best New Development >400 beds	Moontower	Lincoln Ventures



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INNOVATOR AWARDS



On-Campus: Best Use of Green & Sustainable Construction and Design went to Shepley Bulfinch for Lantana Hall on the ASU Polytechnic Campus.



The inaugural *Best Interior Design* award was given to Lincoln Ventures, Gensler and Chelsea Kloss Interiors for Moontower in Austin, Texas.



The on-campus award for *Best Renovation of Existing University Housing* went to RHH Architects, RISE and Provident Group-Flagship Properties for Highland Hall at LSU.



Solomon Cordwell Buenz, the University of Illinois-Chicago and American Campus Communities took home the on-campus awards for *Best Architecture/Design*, *Best Implementation of Mixed-Use/Live-Learn* and *Best New Development* for the UIC Academic & Residential Complex development.



American Campus Communities received the *On-Campus: Best Public-Private Financing Solution* award for its Manzanita Square development at San Francisco State University (pictured left).

Capstone Development Partners won the on-campus award for *Best Public/Private Partnership Development* for its Woodlawn Residential & Dining Commons at the University of Chicago (pictured right).



INNOVATOR AWARDS



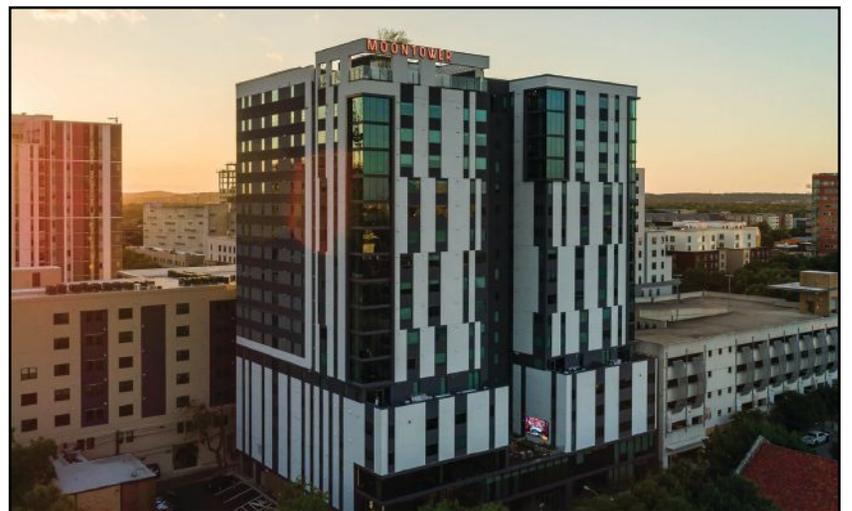
Off-Campus: Best Architecture & Design less than 400 beds went to BSB Design for Academy65 in Sacramento, California.



Best Package and Offering of Amenities went to Gilbane Development Co. for Apollo near Arizona State University in Tempe.



Off-Campus: Best New Development less than 400 beds was awarded to Spaces Management for The Walk Tuscaloosa near the University of Alabama.



Off-Campus: Best New Development more than 400 beds was awarded to Lincoln Ventures for Moontower in Austin, Texas.



Off-Campus: Best Use of Green & Sustainable Construction and Design went to The Dinerstein Companies for Sterling 5th Street.



The off-campus *Best Implementation of Mixed-Use* and *Best Marketing & Lease-up Program* awards went to Core Spaces for oLiv Tempe.

The Pros of On-Campus Housing

This University of Tampa student enjoyed and found a great deal of value in living on-campus Freshman and Sophomore years.

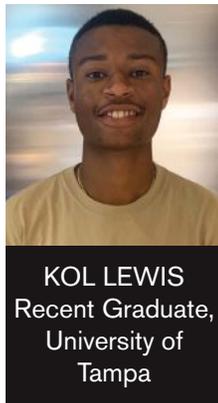
By Kol Lewis

During the summer before my freshman year at the University of Tampa, I remember feeling ecstatic to start my new life as a Tampa Spartan. There were a variety of forms that I needed to fill out prior to my first day, one being my new student housing application. On this form I was required to fill out a series of questions regarding what kind of roommate I would be, interests and hobbies, and the type of room I would like.

At the time, I did not understand the significance of this form. Looking back, the answers to these questions — and being as accurate as possible — were crucially important. I vividly remember visiting the University of Tampa campus a few months earlier when I was deciding between a few universities. Out of all the schools I visited, the University of Tampa easily had the most up-to-date, polished on-campus residence halls.

The tour guide during my visit explained which residence halls were offered to freshmen and which were offered to sophomores. Included in the list of freshmen dormitories were Smiley, Brevard, Morsani, Austin, McNeel Boathouse, McKay, and Vaughn Center. Following my visit, I knew that Morsani Hall and Brevard Hall were my top two desired residence halls to live in — primarily because both featured a common room regardless of bedrooms offered. Although I was not awarded either of my top two choices, I was lucky enough to be assigned to Vaughn Center — my third choice.

Living in Vaughn Center as a freshman was a great experience overall. Vaughn Center is located at the center of campus and offers a variety of amenities within the building. First-year students occupy the residence hall portion of the building, which is floors three through eight. Vaughn Center also offers two food halls — Spartan Club and the Ultimate Dining Café. The Spartan Club was a favorite of mine — as well as many of my peers — as it consisted of a Chick Fil-A, The Spartan Grille and a healthy-dining option called Fresh Creations. The Ultimate Dining Café is a buffet-style food hall that offers a variety of meals depending on the week. Also inside Vaughn Center is the campus bookstore, which offers plenty of convenience items, University of Tampa merchandise and textbooks. It's safe to say



KOL LEWIS
Recent Graduate,
University of
Tampa

that the Vaughn Center offers everything a student might need all within one building.

Vaughn's residence hall consists of six floors of double- and triple-occupancy units. For a first-year residence hall, the rooms are spacious depending on how you format the furniture. Rooms include twin-sized beds, a desk with storage space, closet and a bathroom with a shower to be shared with the room adjacent to yours. The fact that I had a bathroom in my dorm room was a great relief because I know many universities across the country only offer communal bathrooms shared by everyone on the floor. Altogether, there were four guys sharing our bathroom space — myself, my roommate and my two suite-mates in the room next door.

During my freshman year I lived on the third floor, which is the first floor of the residence hall portion of the property. The best part about living on the third floor was the ease of access to the laundry room. With only one laundry room in the entire building, I was very happy to live down the hall. There were plenty of times where I planned on doing laundry but there weren't enough available machines. After a while I began to learn which times were less crowded, which made my laundry days much quicker. Also on the third floor was the Vaughn Residence Hall lounge area. Because there were no other common rooms, plenty of students came to the third floor lounge area to cook, play pool or watch TV. This lounge area was located directly next to the Resident Assistants' office, where the RAs went for their hall duty forms and other business. Occasionally, RAs would check on the lounge to make sure everyone was behaving properly. All in all, my freshman experience living in Vaughn Center was truly amazing. The building offered everything a student could need and I'm happy to have lived there.

As good as my housing situation freshman year was, nothing quite compared to my on-campus apartment as a sophomore. About midway through my second semester

of freshman year I had the chance to apply for on-campus housing for the next year. There were two residence halls that every rising sophomore wanted — Jenkins Hall and Palm Apartments. Both offer apartment-style units with a common room within.

Fast forward to the beginning of my summer as a rising sophomore, I received an email from the University of Tampa stating that I would be living in Palm Apartments with the roommates I selected. The difference in quality of housing from Vaughn Hall to Palm Apartments was immense. Although Palm Apartments was an on-campus residence hall, its features and amenities were far more modern than any other residence hall, mainly because the building was constructed only two years prior. I lived with three roommates during my sophomore year, all of which I had grown very close to freshman year. Unlike my freshman year in Vaughn Hall, there were laundry rooms on every floor of the building, which was a nice bonus.

Living in Palm Apartments my sophomore year prepared me to move off-campus in a variety of ways. There was a sense of independence that I enjoyed while living in Palm Apartments that prepared me to live on my own. I'd say the kitchen inside my apartment played a big part in that, as I went grocery shopping much more during my second year. I began to narrow down the necessities on my grocery list, as well as maintain a certain budget each week for groceries. I still had a meal plan, which allowed me to eat on-campus, but I knew that I would be required to live off groceries in the future, so I wanted to give myself some practice in that regard.

After two years of living on-campus, I figured it was time to move off-campus and gain experience living in a house as I entered my junior year. I believe that it is very important to stay on campus for at least two years before moving into a house or apartment with friends. My ability to mature as a young adult during my first two years taught me the do's and don'ts of living independently. And the ability to meet peers while on campus is invaluable and much easier to do when living in a residence hall.

SHB — Kol Lewis is a recent graduate of the University of Tampa.

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Revenue Management Adds Insight

Analytics can take student housing rents and occupancies to new heights but the human element is still part of the equation

By Nellie Day

Talk to most business experts and they'll tell you to take the emotion out of negotiations. That it's all about numbers. Revenue. ROI. NOI. It's about maximizing what you get, while minimizing what you sacrifice. They're not wrong, but with some business models, it's next to impossible to take the human element off the table.

Student housing would be one of those models. You've got kids and parents on limited budgets, some of whom are already calculating how long it will take to pay back their student loans. In many instances you have newly minted young adults living away from home for the first time and all the worries and stresses that go along with that. Now, you also have a pandemic and a good deal of uncertainty surrounding the issues

of roommates, outbreaks, in-person classes going online, closures, and whether or not a university will institute a mandatory vaccination policy.

It seems that although the rental and occupancy rates of student housing leasing may be all about business, you've got to have the human element as well.

"Our humanity in property management and great leaders in the industry ultimately kept us, and others, afloat during COVID," says Peter Iannone, director of revenue management at Campus Advantage in Austin, Texas, which utilizes RealPage's YieldStar software. "But our technology allowed us to see exactly where we were and where we had risk and opportunity when COVID started."

Keeping the Human Connection

Revenue management software helps student housing operators determine the optimal rental price in real time. That much we've known for a while. But its use today goes far beyond the algorithms — a fact that, if not known before, was quickly discovered during the pandemic.

"Revenue management allowed us to run our business as effectively and efficiently as possible," Iannone continues. "We are able to spend less time in a back office crunching numbers and compiling statistics and instead be out front offering great customer service. It gave us time back in the day to remain highly responsive to our prospects and residents. This leads to higher renewal conversion, which, in turn, lowers turn costs and marketing spend."

Year-over-year benchmark data and predictive analytics that revenue management tools are known for went right out the window during COVID, since nothing about this pandemic — or humans' responses toward it — was predictable. What the technology did do was automatically track meaningful, real-time data that let student housing operators stay nimble, act quickly and make decisions that were likely to produce favorable outcomes...or, at the very least, outcomes with minimal damage and disruption to their business.

"The enhancement of technology in real estate is allowing operators to better understand what drives decision-making for our prospects and residents," says Jennifer Cassidy, senior vice president of student housing operations at Cardinal Group Companies, which will be implementing a new revenue management tool next quarter. "Understanding the marketing tools that lead to leases versus those that lead to brand awareness is key. Technology like revenue management software is allowing us to spend dollars more wisely."

Rather than doing the job for them, revenue management software also adds more insight so the human players can make the right choices, whether they're student housing operators or students themselves.

Student housing operators can compare these data-driven projections against historical data, then collaborate with their finance, marketing, and asset and property management teams to settle on a price or price range that works for them.

"We use a wide variety of data sets, platforms and KPIs (key performance indicators) on the revenue and expense side," says Brenna Thuesen, senior vice president of sales and training at CA Ventures in Chicago. "However we believe there is a human ele-

ment that is required when making these decisions. All of our tools have been incredibly useful to guide and direct the human conversations, especially as it relates to historical data and future trends. The more data we collect — and have available through third parties — the better decisions we can make for our partners."

For students, this extra information in the form of data may be good or bad when it comes to pricing.

"The biggest benefit for students and parents is fair pricing," Iannone says. "It keeps our rent prices stable and helps ensure we have our lowest prices at the beginning of the year and the highest prices at the end of the year, always moving in an upward trajectory. Essentially, the model allows us to reward good behavior — like signing leases early for the best rate — rather than penalizing a person for signing early in the leasing cycle."

What's considered a "fair" price to operators, based on supply, demand and time of the year, may not always be viewed in the same light by students and parents, however. One sticky point of revenue management software is also one of its greatest: the ability to adjust rates in real time.

"Because student housing is rented by the bed, two people in the same unit could be paying very different prices," Cassidy notes. "Training the team on how to explain the pricing strategy is key."

The real-time updates also feed into another human emotion — fear. Or, rather, FOMO — the fear of missing out.

"For students and parents, there is a greater sense of urgency to commit, as pricing is not guaranteed for an extended period of time," Cassidy continues. "With the use of revenue management, quotes generally expire and pricing changes."

It's the "time is of the essence" approach at its finest, but this mindset can swing



BRENNA THUESEN
Senior Vice President of
Sales and Training,
CA Ventures



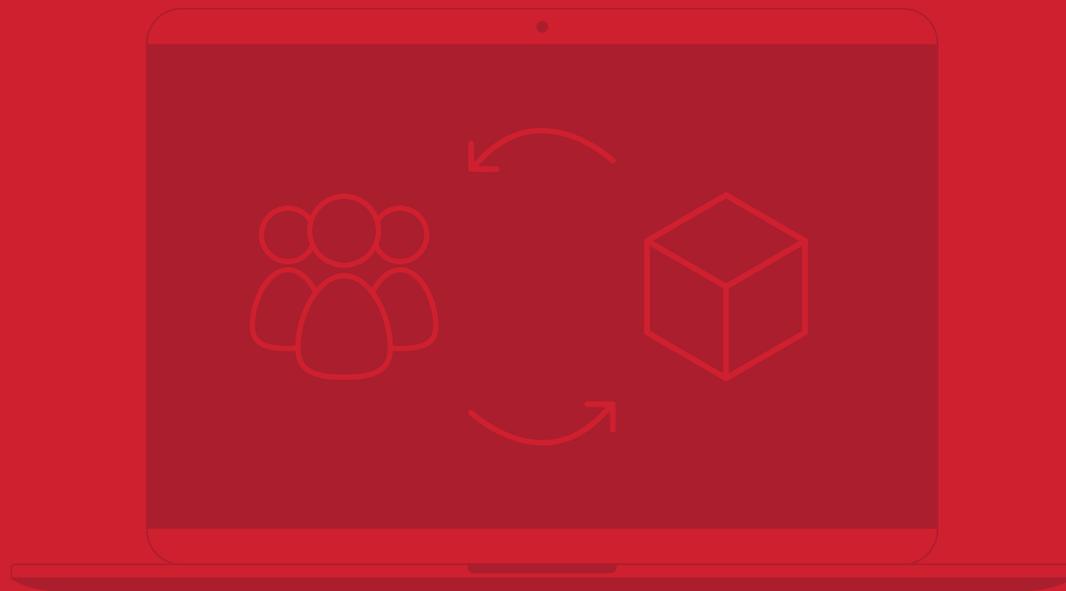
PETER IANNONE
Director of Revenue
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both ways. Student housing operators are also known to offer concessions when the school year is upon them and occupancy isn't where they'd like it to be.

"Discounts, concessions and specials represent a massive financial opportunity," says Matt Schultz, product manager at Entrata, a comprehensive technology platform based in Lehi, Utah. "Operators often throw gift cards at a pre-lease velocity problem when a more fiscally responsible approach is to smooth out the leasing volume throughout the year in order to avoid the end-of-year fire sale. In the long-term, revenue management software reduces the need for discounts and specials."

And these fire sales can be steep, Iannone notes. He has seen instances where weaker properties offer 11 months free rent on a 12-month lease that commences in June because the asset is only 23 percent pre-leased.

Of course, as much as this software can bring humans — and human emotions — back into student housing, its data-driven approach simultaneously removes some of the decision-making that can be very emotionally driven. This is especially true when fear and uncertainty reign, as they have over the past year and a half.

"Predictive data provides an accurate forecast of what is expected to happen in the future," says Amy Dreyfuss, who leads the revenue management team at Richardson, Texas-based RealPage. "You can make decisions based on what is coming up, versus only being able to see what is happening right now. It takes the emotion out of pricing. You can see, and be transparent with, staff and students as to what pricing needs to be based on multiple data-based factors."

Maintaining the Logic of Business

There is an age-old debate in student housing leasing regarding whether occupancy or rental rate should be the top barometer of success.

"Oftentimes we see communities targeting an unrealistic occupancy, which will lead to use of higher concessions," Cassidy says. "Contrary to that, setting a goal to be 95 percent to 100 percent pre-leased by January 1 could also lead to leaving a considerable amount of revenue on the table due to not being as aggressive as possible with rates."

Maintaining the Logic of Business

Cassidy considers occupancy and revenue to be one and the same, as the goal should be

to maximize what she calls "economic occupancy." This is achieved through the use of a revenue management tool that allows operators to set the right sustainable occupancy. Then, based on demand for that community, the software can ensure every bed is leased at the right rate to achieve that capacity within the demand window. When that strategy is taken, she asserts, revenue will rise.

Cassidy offered the example of an unnamed stabilized housing community that had achieved 95 percent occupancy during the prior year. The initial budgeted effective rent growth target was 6.5 percent. Revenue management strategies showed the firm that the four-bedroom floor plan was the most popular, so the team raised prices significantly on those new leases. Cardinal did this knowing it would need fewer new leases due to higher retention. The community was able to achieve a rent growth of 10.5 percent based on the data surrounding the four-bedroom plan, outperforming the market.

"The advantage of deploying a pricing tool for owners and managers is that it allows for a more statistical approach to managing supply and demand," Cassidy adds. "A tool provides transparency into your communities' performance at a floorplan level, compared to historical performance and expected demand. For operators, having data to support recommendations provides more confidence in their likelihood of success."

CA Ventures had a similar story play out at the 296-bed Uncommon Tuscaloosa, which services the University of Alabama. The firm was able to adjust rates, push its budgeted rate and remain competitive by floorplan through a hybrid approach. The firm watched market trends through CollegeHouse, monitored its internal market survey, reviewed velocity by floor plan daily and engaged its revenue management software, YieldStar.

"Student housing operators should be focusing on both rate growth and occupancy," Thuesen says. "There is a strategic balance that needs to be managed between the two to maximize revenue driven by both rate growth and occupancy."

Dreyfuss also notes that while technology may change at the speed of light, the benefits of revenue management software have not. She points to the University of Missouri's 2017-2018 academic year as an example. Pre-leasing at the school's on- and off-campus student housing complexes were adversely affected by declining enrollment. This was a severe blow to the university and the local Columbia area, which had been the nation's fourth most active market for new student housing supply until 2015.

Three Campus Advantage properties partnered with RealPage's Revenue Advisor to identify realistic occupancy targets in this weakened market, discuss marketing efforts and pre-leasing progress, and leverage sub-

ject and competitive rent data to make informed decisions regarding rent optimization.

From January 2017 to September 2017, RealPage was able to increase effective rent by 11.1 percent. This allowed the portfolio to stabilize and mirror in-place lease transactions that were achieved the year before.

So, why bring up an example from four years ago about a software that's always changing?

"Because in this case, the culprit was declining enrollment, but it's also applicable to a health crisis, such as COVID-19," Dreyfuss notes. "The data and models are highly accurate, and they are based on previous or historical activity. So when something unprecedented comes up, it allows you to lean on the data and make highly informed decisions versus overreacting to a single event."

Still, technology is ever-evolving, which means revenue management software is too. Dreyfuss predicts the tool could be leveraged more if it included unit amenity options more holistically in the pricing of a unit and/or bed. Iannone, who notes Campus Advantage has seen 5.4 percent overall rental rate growth from using this software, would like to see more student-specific platforms, as well as advances in better real-time data and predictive analysis.

"If we were to make an assumption on where the technology is going, it would be along the lines of predictive analysis," he says. "This could determine which residents are more likely to renew than others based on resident profiles. It would also predict when they renew and how much more they would be willing to pay. Similar to Facebook and Google, the next phase of revenue management is going deeper into human behavior to dictate what is more likely to happen and when."

It seems that even when you take the human element out of data analysis, it will find its way back in, one way or another. But to Dreyfuss, that's all part of the equation for success.

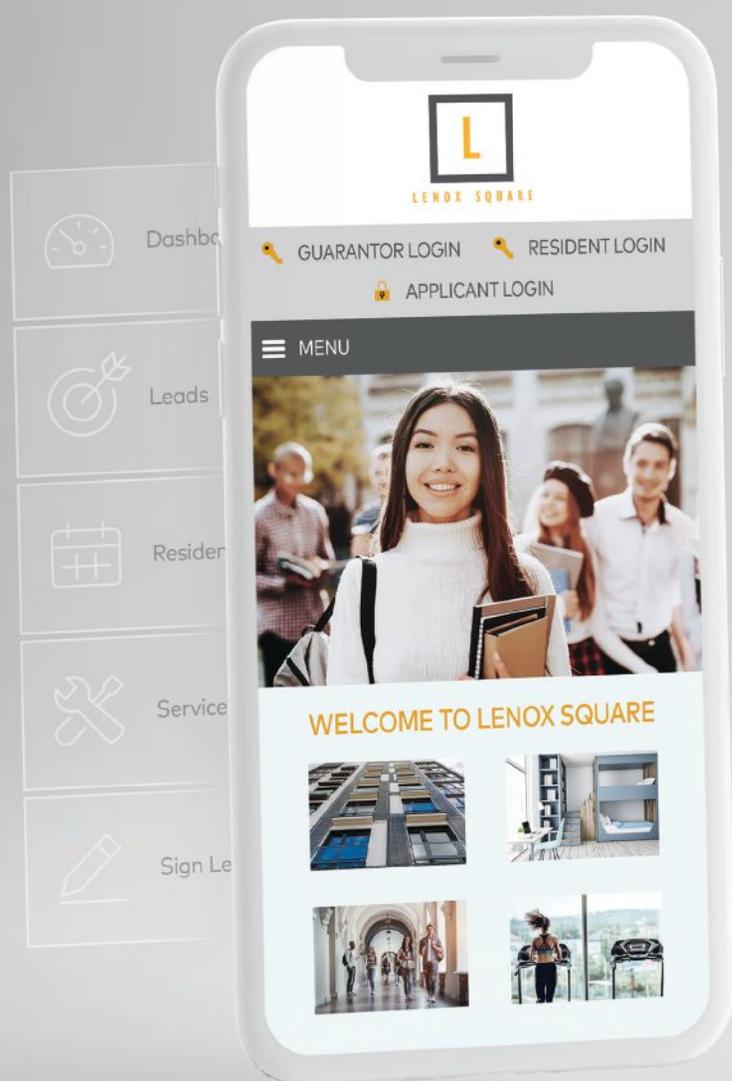
"A really good revenue management offering will have highly experienced, highly effective advisors to help you think through the models and impacts," she says. "Using their expertise and experience, they can help you see where price may or may not be the issue. A blend of science and expertise is usually the most effective model." **SHB**



AMY DREYFUSS
Senior Vice President,
RealPage



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The ABC's of NIL

We have worked closely in the student housing marketing space for many years and share a passion for marketing, innovation and leasing up properties. And being huge fans of collegiate athletics, we both have made diligent efforts to gain a better understanding of the Name, Image and Likeness (NIL) court ruling and have already spoken to hundreds of student athletes about partnership opportunities with their respective student housing communities.

University athletic departments have promised to implement sophisticated platforms and systems to promote and protect the brands of their student athletes, but what we've heard so far has been the exact opposite. Outside of the uber-famous athletes, the majority of student athletes are completely lost in determining their value and lack the guidance needed to secure a beneficial partnership.

What we do know for sure is that, if structured correctly, a student athlete partnership could generate a fantastic amount of opportunities for your student housing community while also helping the athlete to boost their brand value. Here are some tips to help you maximize NIL to your community's advantage while helping student athletes generate income and exposure.

When it comes to social media partnerships, always remember, quality over quantity.

Pavlick: Let's face it, the majority of student housing communities don't have the budget to afford a big time football player and investing in a high-profile athlete isn't always the best play when it comes to social media partnerships. Always remember: quality over quantity. Think about it — the athletes that fall into that 1 percent ultra-fame category have hundreds of thousands — if not millions — of followers, but the majority of those followers are not students of that specific university. Ask yourself, 'why would I pay an astronomical price to reach one athlete's 1 million users when only 2 percent of those followers actually go to the same school as the athlete?' Wouldn't it be a wiser investment to secure partnerships with mid-tier student athletes with 15,000 to 20,000 followers where 50 percent or more of their followers are students of their school?

Abernathy: Think about advertising in a football stadium. Will you get a better return for \$100,000 spent on a sign on the scoreboard where only 10 to 20 percent of the audience are students? Or for \$5,000 spent on a sign at the student gate where 100 percent of the audience is a student? The same

should apply when seeking out student-athlete social media partnerships. Quality over quantity!

Build trust with student athletes through education and guidance.

Abernathy: The question has come up already — 'Can we exchange free housing for an endorsement?' The answer ultimately is yes, but there is an inherent value assigned to any exchange of goods and services. That value may not be fully considered by the under-represented student athlete. Do right by the athlete and either inform them of the tax implications of the engagement or structure the compensation to help them prepare for these tax implications. We do not recommend a trade of just an apartment for services — there should also be a monetary payment to account for the taxable value on that apartment. A good business deal is one that is beneficial for both parties. Do not be the reason why a student athlete who is a beloved icon on campus falls into unforeseen financial troubles while they are still in school.

Timing your investment in a student athlete.

Abernathy: An athlete's marketing value is a risk-based investment. We've discussed how expensive it can be to go after the highest profile athlete, so it's wise to look at the long term potential of a younger or unproven athlete on the football team. A first-year starting quarterback (not named Bryce) with a high ceiling holds less value than someone who is a second or third year starter. Sure, you run the risk that they don't pan out or lose the big game, but you are controlling that risk by investing at a lower value. Also, don't get stuck on just the major athletic programs and sports. The baseball or softball teams have audiences as well. The track or swim athletes have their own network of friends at the university. Don't be afraid to enter into 10, 20, or even 50 low-cost athlete partnerships. 'Just because I didn't win a Heisman in college didn't mean that I wasn't popular, right?'

Bring it back to the old school and hold on-site events.

Pavlick: The main focus in marketing during this past decade has been on the digital front, but securing partnerships with student athletes provides a tremendous opportunity to get back to the 'good ol' days' of marketing and holding on-site events like meet-and-greets. Remember the '80s and '90s when car dealerships would hold events where a famous athlete would be on-site and people could come get photos



ALEX ABERNATHY
EVP,
Poetic Digital Agency



MATT PAVLICK
President,
GRO Marketing

and autographs? Balloons would be everywhere, some random classic rock radio station would be there playing tunes and someone would be grilling hamburgers and hotdogs. That's what I'm talking about here. Hosting an on-site event that gives students the opportunity to take a selfie with their favorite athlete, tour the property and pick up swag would most certainly be a hit in your market and leave a lasting impression on your target audience. Don't forget to capture high-quality content of the student-athlete during the event to distribute on your social media channels. Also, the cost of an athlete for a one-time local event should be cheaper than going the social media partnership route where you pay to reach their follower base (regardless of whether their followers are local or not), so this may be a good opportunity to secure a higher profile at an affordable cost.

Investing in individual athletes vs. athletic departments.

Abernathy: For years we have seen benefits from promotional and marketing associations with university athletic departments. One of the key benefits was that it had a very impactful reach within the student base and came with zero competition in the space. Then came NIL and now individual athletes are competing with your traditional athletic departments for marketing dollars. This is important for two major reasons: first, you can now decide if direct-to-athlete partnerships will drive a better return for your community; and two, you can now leverage this development with athletic departments to drive better value for your partnership. Don't be surprised if athletic departments offer sweeter deals to keep as many partnership dollars in their hands as possible. A balance is probably the best approach.

Conclusion

Explore your options and overall approach when investing in a partnership with a student athlete. There is not a one-size fits all formula and there is a lot of unknown still ahead of us. Educate yourself, position your community with who best represents your brand, and make sure any engagement is beneficial for both parties. **SHB**



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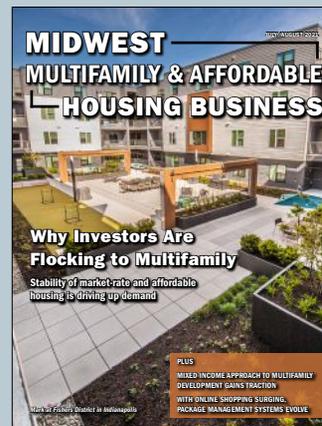
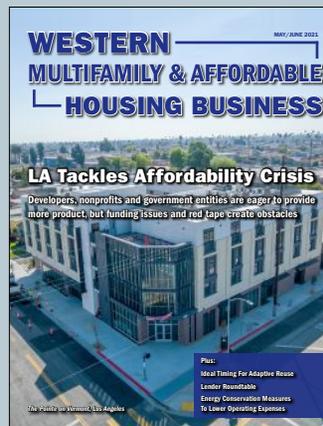
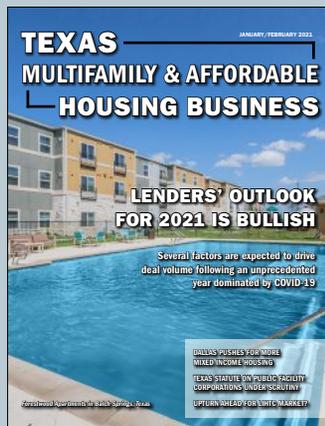
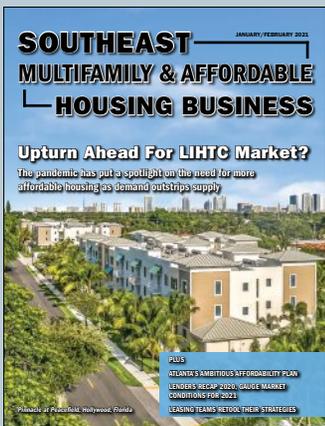
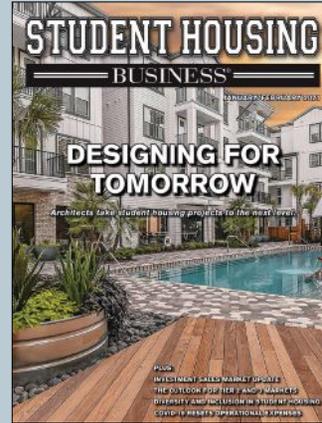
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