UPDATED NEEDS ASSESSMENT FOR STUDENT HOUSING ON THE MSU-MANKATO CAMPUS

Prepared for:

Office of Residential Life
Minnesota State University-Mankato Campus
Mankato, MN

June 2004

Maxfield Research Inc.

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June 25, 2004

Ms. Cynthia Janney
Interim Director, Office of Residential Life
Mankato State University
111 Carkoski Commons
Mankato, MN 56001

Dear Ms. Janney:

Attached is our updated analysis of the need for additional student housing on the Minnesota State University-Mankato campus. The study examines the potential demand for additional student housing on the MSU Campus and recommends a development concept that we believe will meet the needs of current and future MSU students.

Our analysis of the MSU market has found demand for additional student housing on campus. This demand depends primarily on two factors: increased student enrollment and increased capture rates for upperclassmen. Developing suite-style or apartment-style products on-campus is expected to increase the proportion of upper class students that will want to remain on-campus. In addition, new housing will also help free up some residence hall beds in order to satisfy increased demand from new first-year students. Detailed findings and recommendations are found in the Conclusions and Recommendations section of the report.

If you have any questions or need additional information, please contact us. We have enjoyed performing this important study for you.

Sincerely,

MAXFIELD RESEARCH INC.

Mary C. Bujold

Mary C. Bujold
President

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Research Analyst

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TABLE OF CONTENTS

LIST OF TABLES

Study Impetus/Scope of Work

Maxfield Research Inc. was engaged by Minnesota State University, Mankato to update previous research completed in January of 2000. The previous study assessed the potential demand for additional housing as well as the type of housing that would be most appropriate to accommodate the current and future student population. The University is again considering the development of new student housing and we understand that off-campus market conditions have changed since the completion of the initial analysis. This report updates current market conditions for student rental housing and determines the market support for developing additional on-campus student housing.

The scope of this study assessed existing housing alternatives for students on the Minnesota State University Campus and in the surrounding area. It also reviewed enrollment trends, student characteristics and current usage of existing housing on the MSU campus. Furthermore, students' housing preferences were assessed and updated by conducting focus groups (comprised of both students currently living on-campus and those living off-campus).

The report contains primary and secondary research. Primary research includes data obtained from focus groups held with students, interviews with University staff as well as owners and managers of rental properties servicing the University's student population. Secondary research is credited to the source when used, and was primarily statistics provided by the College, MNSCU or the Minnesota Board of Higher Education. The data on off-campus housing projects geared towards students was collected by Maxfield Research Inc. and is accurate to the best of our knowledge.

Enrollment/Student Characteristics

Enrollment

Our research found that the number of students residing on the MSU campus has been increasing parallel with overall enrollment, which has been steadily increasing since 1998. To summarize:

- MSU's on-campus enrollment had just over 13,600 students enrolled in courses on the MSU campus in 2003. During the early to mid 1990s, enrollment had steadily decreased to a low of 11,240 students in 1998, but since, enrollment has increased in each year since then. This is a 21% increase from 1998. These increases reflect recent demographic trends which have shown ongoing increases in high school graduates due to the aging of the echo boom generation.

- The vast majority of MSU's enrollment growth over the last five years has been among the undergraduate students, which has experienced an increase of 23 percent while graduate enrollment at MSU has increased by only 4 percent since 1998. Furthermore, *full-time* undergraduate enrollment has increased by 22 percent since 1999, while the number of *part-time* undergraduates has declined by nearly 20 percent.

- The increase in full-time enrollment also reflects new programs implemented at the College which encourage students to take more credit hours and also provides other types of resources to students such as learning communities and mentor program that assists students with establishing 1st year goals resulting in overall higher grade point averages. We believe that this program has also had a positive impact on full-time enrollment over the past several years.

- The number of new-entering freshmen admitted in 2003 was the highest number in the last ten years. New students typically account for the majority of a college's residence hall room demand and usually leads to higher overall enrollment in subsequent years provided retention rates remain stable.

Student Characteristics

The median age of undergraduate students has remained relatively stable over the last couple years, hovering around 22 years old. The average age of graduate students has slightly decreased from 32.7 years in 2001 and 2002 to 32.4 years in 2003.

84 percent of MSU-Mankato students (undergraduates and graduates) are from Minnesota. Roughly 85 percent of MSU-Mankato students came from four of the State's economic regions: Region 11 - the 7-County Metropolitan Area (34%), Region 9 - South Central Minnesota (31%), Region 10 - Southeastern Minnesota (13%) and Region 8 – Southwest Minnesota (5%). The remainder of Minnesota combined for only 17 percent of MSU's enrollment.

The number of high school graduates in the top four economic regions is expected to increase slightly in the next couple of years, then decline in 2006, then increase back to peak in the year 2009. The majority of the high school graduates, however, will come from the Twin Cities Metropolitan Area because of higher population densities and thus, more people in this age group.

Student Housing Market Assessment

On-Campus Housing Review

The existing student housing on the Minnesota State University campus consists of three residence hall complexes with an architectural capacity to house 2,991 students. Program capacity is 2,932 and is the number typically considered to be optimal residence hall capacity. Virtually all of the housing on the MSU campus consists of traditional dormitory-style housing.

Standard double rooms currently account for 88 percent of all rooms on the MSU campus, while super-double and triple rooms each account for about 3 to 4 percent. Single-occupancy rooms currently account for slightly less than one percent of all rooms and there are 57 suite-style rooms available for the general student population.

Residence hall occupancy at MSU increased steadily since 1996, reaching a high in the 2001-2002 school year with an average of 2,833 students (a 26% increase from 1996). Within the past two years, the average number of residence hall students that are under a room and board plan has increased.

Residence hall occupancy for Fall 2003 was 96.6 percent of its program capacity, based on occupancy of 2,831 students and a program capacity of 2,932 students. Occupancy rates ranged from 97 percent at Crawford to 99.6 percent at Gage.

Fall semester residence hall occupancy has been fairly steady in the last five years, fluctuating between 2,800 and 2,900 students, reaching its peak during the 2001-2002 school year with 2,886 students.

From 1989 to 1998, residence hall occupancies would usually drop by about 5% to 7% from Fall to Spring quarters. Between 1998 and 2003, the proportional dropped decreased to between 2% to 3%. The higher annual occupancy in the residence halls is most likely a result of several factors including the switch from quarters to semesters, a substantial increase in the admissions budget, a new banded tuition policy, an increase in transfer students and increasing freshmen enrollments. Moving forward, we believe that residence hall occupancies will continue to remain high because of continued projected increases in entering freshmen and a continuance of the banded tuition policy and students increasing sensitivity to tuition costs.

As of Fall 2003, 24% of all MSU's full-time, degree-seeking students reside on-campus as compared to 26% over the past five years. On-going enrollment increases and on-campus occupancies that are virtually at full-capacity have contributed to this. This suggests that MSU is currently constrained in its ability to accommodate increasing enrollments and the same proportion of students that would prefer to live on-campus.

As of Fall 2003, the vast majority (88%) of students were paying double-room rates (84% paying a standard-double rate and another 4% a super-double rate), just about 4 percent of students were paying triple-room rates and 2 percent were paying the single-room rate.

About 64 percent of all students residing in MSU's residence halls were freshmen, 21 percent were sophomores, 8 percent were juniors, 6 percent were seniors, 1 percent were graduate students and classified as "other" (which includes students with a previous degree or post-secondary educational opportunity students).

Off-Campus Student Housing Market

On-campus housing options currently house only about 25% of the University's full-time student population. Another 15% of MSU students commute to school from surrounding communities, resulting in 60% of students who must find housing off-campus.

- Maxfield Research inventoried all of the larger rental complexes in the area immediately surrounding the MSU campus. This inventory included 2,053 rental units with a capacity for *at least* 4,527 residents (assuming single-occupancy bedrooms). These units, alone, could house at least one-third of the University's full-time enrollment.

- 127 units in the projects surveyed were reportedly vacant at the time of our survey, translating to a vacancy rate of less than 6.2 percent. Nearly all of the rental property owners and managers we interviewed stated that the student housing market had been very strong a few years ago, but because of the recent influx of student housing developments, the market has been declining in the last couple of years.

- Unit sizes and rents varied greatly from one project to another, with monthly rents averaging roughly $425 for studio units, $520 for a one-bedroom unit, $693 for a two-bedroom unit, $965 for a three-bedroom unit, $1,462 for a four-bedroom unit and $1,534 for a five-bedroom unit. In the multi-bedroom units, average monthly rents per bedroom ranged from roughly $305 to $365.

All but three of the rental projects require 12-month leases. Two of the three projects also offer a 10-month lease and one (*Campus View*) has a 11.5-month lease period, which allows the complex 1/2 month to prepare units for the next wave of students the following year.

Nearly all of the properties' owners/managers require group leases where all tenants are responsible for the monthly rent and any damages to the unit/building that may occur.

The student market has been in transition over the last several years, with increasing numbers of students now demanding private bedrooms and significantly fewer students willing to share a bedroom with a roommate. This trend is expected to continue and is likely the result of the echo boom generation being more accustomed to a private bedroom than preceding generations.

The newer rental product that has been built over the last year few years has capitalized on the students' preferences for individual bedrooms and more contemporary amenities. These projects offer three-, four-, and five-bedroom units and feature multiple or compartmentalized bathrooms, dishwashers and air conditioning, which are not commonly found in the older rental product.

The majority of single-family homes rented to students had monthly rents of about $300 to $400 per student (plus utilities). Rents could have been much cheaper if the tenants were willing to share a bedroom, but with the changing demographics, most students want more privacy and prefer their own bedrooms. Most of the single-family homes identified require 12-month leases while a handful offer 9- and 10-month leases, often with a rent premium.
There are currently no pending rental projects geared towards students planned for construction.

Focus Group Summary

- Approximately 32 students participated in the focus groups; roughly 20 students currently living in on-campus housing, first-year and upper class and 12 living off-campus. The focus group participants were generally an equal mix of males and females.

- What the students liked best about living on-campus included proximity to facilities, limited need to drive; availability of meals; convenience of paying only one bill for housing, utilities and meals and not having to split costs each month with a roommate, security; ethernet access, computer labs, communal living experience and social opportunities.

- What the students disliked about living on-campus included lack of privacy, noise / distractions, overcrowding, roommate conflicts, inconvenient laundry facilities, lack of space and storage, communal bathrooms/showers, unclean bathrooms, campus' policies, being monitored, poor food service, lack of flexibility in meal plans, outdated lounges and lack of common areas, lack of close-in parking and lack of adequate climate control (heating, air conditioning).

- What students liked about living off-campus basically repeated much of what they did not like about living on-campus and included: cost (perceived better value), larger living space, sense of independence, freedom from campus policies, increased privacy, private bedrooms, kitchens (ability to prepare own meals), parking, less distractions, more mature peers, and the ability to live with a significant other. The items mentioned most often were: increased privacy, freedom from campus policies, fewer distractions and better parking arrangements. Although some mentioned being able to live with a significant other, this was not as high on the priority list.

- Amenities that the participants would most like to see incorporated into any new housing development primarily echoed their responses as to what they did not like about living on-campus. They included: private bedrooms and bathrooms, cooking facilities, adequate climate control (including the availability of air-conditioning), more closet/storage space, more parking, larger units (more square footage) and more attractive community spaces (lounges, study areas).

- When asked the maximum the participants would be willing to pay for on-campus housing, most of the responses ranged between $300 to $450 per month, depending on the type and features of housing available. Most of the participants were not willing to pay the maximum of $450 per month for the existing housing on-campus.

- About half of the students stated that they could afford and would be willing to pay more for their ideal housing. The other half indicated that they were not willing or could not afford to pay any more than they currently are. Overall, women participants were slightly more likely to pay more for their ideal housing than their male counterparts.

- The most important factors in the students' decision on where to live off-campus were: cost, proximity to campus (or transportation routes) perceived safety, the physical condition of the housing, and the size of the housing (whether it is large enough to comfortably accommodate all of the roommates).

- Of the 12 off-campus participants, four indicated that they would be (or would have been) very interested in apartment-style housing built on-campus. Four others responded that they would be slightly interested, but it would depend on costs, type of units and whether campus policies would be enforced. Four others indicated they would not be interested because of other needs.

- The majority of students also agreed that any new housing should be segregated by the age of students. Older students generally indicated they did not want to reside with freshmen, while the younger students indicated that they felt more comfortable living among other students their own age and maturity level.

- Older students stated that if campus policies would apply to any new housing that it would limit the college's ability to capture older undergraduates and graduate students. It was thought that no matter what was built on-campus, there would always be some students who will prefer to live off-campus because of the increased independence and freedom.

Conclusions and Recommendations

Our research found that the current housing options at MSU, which consist primarily of multiple-occupancy dormitory-style rooms, are not meeting the needs of a number of students, particularly upperclassmen and graduate students. There is virtually no ability to accommodate additional students in the on-campus housing which, as of Fall 2003, was at 97% of program capacity. We project that full-time, on-campus enrollment at MSU will increase by roughly 207 students (roughly 9%) between 2003 and 2005, then increase by another 84 students by 2009, but decline by 105 students in 2013. Therefore, additional housing will be needed to 1) house first-year students who desire to live on-campus and 2) provide sufficient housing on-campus to be able to accommodate those who want to live on-campus. We believe that MSU would be able to capture a greater number of sophomores, juniors and seniors in on-campus housing if options were available to them that provided the features and amenities they seek.

We have estimated capture rates for each class level that we believe could be supported with the development of additional housing, providing updated floor plan designs, more spacious units and modern features and amenities. We estimate the following capture rates per class:

80% of new entering freshmen
70% of returning freshmen
30% of sophomores
15% of juniors

5% of seniors

Based on these capture rate estimates, we project that MSU can support up to a maximum of 400 additional beds by 2013 to satisfy increased demand projected to come from new entering freshmen and additional demand from increased retention of students at higher class levels who want to remain on-campus. This demand will be realized over the next five years as first-year enrollments are projected to continue to increase. After 2009, the number of entering freshmen is projected to decrease slowly. Within the next two years, we project that MSU could support an additional roughly 200 to 250 beds to satisfy additional demand from entering freshmen and returning freshmen and some demand from upper class students wanting to live on-campus. Our calculations consider an occupancy rate of 97% of program capacity.

Many students currently residing in residence halls would prefer suite- and/or apartment-style housing over traditional dormitory-style living. Many are not willing or able however, to pay a premium for this housing. Therefore, some demand will continue to remain for traditional double-occupancy residence hall rooms.

Based on an examination of housing preferences for each class and the ability of these students to afford different price ranges, we have arrived at what we consider an optimal housing mix for the MSU Mankato campus that will satisfy the needs of current and future MSU students through 2013.

1,500 beds in double-occupancy residence hall rooms
100 beds in single-occupancy residence hall rooms
400 beds in single-occupancy suite-style units (one person per bedroom/four-bedroom)
200 beds in double-occupancy suite-style units (two people per bedroom/two-bedroom)
600 beds in double-occupancy apartment-style units (two people per bedroom)
360 beds in single-occupancy apartment-style units (one person per bedroom)

This suggested plan reduces the number of traditional residence hall rooms (whether traditional doubles or super-doubles) to 1,500 beds. We recommend doubling the number of single-occupancy residence hall rooms targeted to upper class students and graduate students and some students that prefer to live alone. The remainder of the demand would be supported through the development of suite-style (one person per bedroom/four-bedroom units) and apartment-style units that would accommodate a mix of single- and double-occupancy bedrooms.

A recommended guideline for development of suite-style and apartment-style units is displayed on the following chart:

RECOMMENDED DEVELOPMENT CONCEPT
Minnesota State University
June 2004

		Capacity		Size	Monthly Rent		
Unit Mix	Type	Per Unit	Total	(Sq. Ft.)	Per Student	Total	Per Sq. Ft.
New Construction							
50	2BR - Suites	4	200	700	$310	$1,240	$1.77
100	4BR- Suites	4	400	1,000	$410	$1,640	$1.64
75	2BR-Apts	4	300	800	$350	$1,400	$1.75
90	4BR-Apts	4	360	1,200	$460	$1,840	$1.53
315	units		1,260	students			
Existing Residence Hall Rooms							
600	Dbls.	2	1,200	students			
100	Sgls.	1	100	students			

Note: The above monthly rents are quoted in 2004 dollars and should include all utilities except telephone. Rents may be trended upward based on cost of living increases.

Source: Maxfield Research Inc.

We also recommend immediate renovation of the residence halls. Although inaccurate, there is a perception that Crawford Hall has an asbestos problem. This was mentioned by three students in our focus group sessions. It is also important to improve the heating system in the existing buildings, update the common areas (particularly study area and social lounges), add and relocate laundry facilities to more convenient locations and convert a portion of the double-occupancy rooms into single-occupancy rooms.

Should renovating the existing residence halls prove to be cost prohibitive, we suggest the development of another 60 to 80 beds of apartment-style and suite-style units. We also suggest replacing a significant portion of the existing dormitory rooms with contemporary residence hall–style suites. We envision these units as comparable to a large dormitory room (roughly 400 square feet), housing two students, with a bathroom connecting the two suites. Some single-occupant suites (of about 200 square feet) with semi-private bathrooms should also be considered. These units could command a slight rate premium over the existing dormitory-style units, but yet be priced below the full suites and apartment units. This program would require razing a portion of the existing dormitory-style housing.

Minnesota State University-Mankato Student Enrollment Trends

Historic Enrollment Trends

Table 1 presents data on historic headcount enrollment for undergraduate and graduate students of Minnesota State University-Mankato from Fall Quarter 1993 to Fall Semester 2003. The enrollment figures include only students enrolled in classes on the Mankato campus. The data for the years 1993 through 2003 is a count as of the end of the Fall Term.

TABLE 1
ON-CAMPUS ENROLLMENT
MINNESOTA STATE UNIVERSITY, MANKATO
Fall Term 1993 to 2003

Year	UG	Grad.	Total
2003	12,208	1,401	13,609
2002	11,922	1,395	13,317
2001	11,542	1,271	12,813
2000	11,018	1,254	12,272
1999	10,439	1,288	11,727
1998	9,890	1,350	11,240
1997	10,122	1,684	11,806
1996	10,389	1,558	11,947
1995	10,777	1,605	12,382
1994	11,048	1,576	12,624
1993	11,441	1,562	13,003

U.G. = Undergraduates
Grad.= Graduate and Professional degree students
Note: Figures for 1993 to 2003 reflect end of Fall Term numbers.

Source: MSU, Mankato; Dept. of Institutional Research

- MSU's enrollment on the Mankato campus reached 13,600 students as of Fall 2003. On-campus enrollment steadily declined between 1993 and 1998, with a loss of 1,763 students (13.5%). Between 1998 and 2003, however, on-campus enrollment increased by roughly 2,370 students (21%).

- The relatively significant declines in enrollment between 1997 and 1998 were caused, in part, by the University switching from an academic calendar based on quarters to one based on semesters. As with Minnesota State University-Mankato, other colleges and universities from around the State that had already switched from quarters to semesters (i.e. Southwest State University and Moorhead State University) experienced similar trends with enrollment increasing again once students became accustomed to the earlier starts.

- Between 1997 and 1998, the 36 Colleges and Universities under the jurisdiction of the MnSCU system reported overall enrollment declines of 4.3 percent, largely due to the switch from quarters to semesters. Between 1998 and 1999, however, these same schools saw overall enrollment increases of 6.6 percent, the largest increase since the MnSCU system was formed. These increases have been fueled primarily by significant increases in the high school population due to the aging echo boom generation moving into early adulthood.

- Since 1998, MSU's enrollment has increased each year. In the last five years, enrollment of undergraduate students has averaged an increase of about 4.3 percent each year, while the number of graduate students has remained relatively stable, averaging less than a 1 percent increase each year. The proportion of undergraduate students to graduate students has remained relatively stable, with undergraduates averaging roughly 89 percent of the on-campus enrollment.

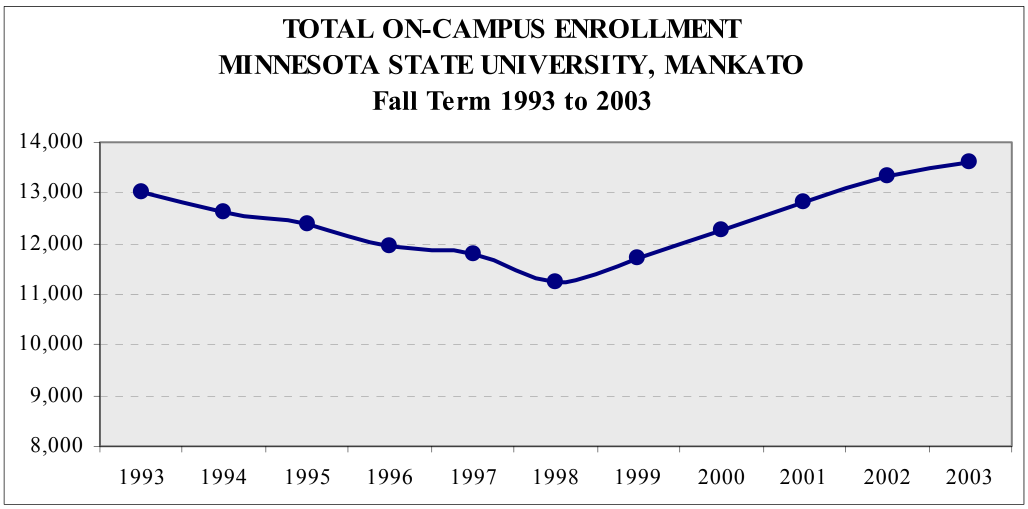


Table 2, on the following page, shows enrollment data for MSU from Fall 1999 to 2003 broken out by full-time and part-time status.

- As previously stated, MSU's enrollment has been increasing every year since 1998. Over the last five years, overall enrollment has increased by 14 percent.

- The vast majority of MSU's enrollment growth over the last five years has been among undergraduate students, which has experienced an increase of 16 percent. Meanwhile, graduate enrollment at MSU has declined, but by less than one percent since 1999.

- Over the last five years, the percentage of full-time students has increased in each year by about 1 percent. In 2003, about 84 percent of the students enrolled at MSU were full-time. Some of this increase in full-time enrollment is due to the implementation of programs such as banded tuition, learning communities and the mentor program.

TABLE 2
ENROLLMENT BY CREDIT STATUS
MINNESOTA STATE UNIVERSITY, MANKATO
Fall Terms 1999 to 2003

Fall Term	Undergraduates Full-time* No.	Pct.	Part-time No.	Pct.	Total No.	Graduates Full-time No.	Pct.	Part-time No.	Pct.	Total No.	Total Full-time No.	Pct.	Part-time No.	Pct.	Total No.
2003	11,189	90.3	1,196	9.7	12,385	589	35.2	1,084	64.8	1,673	11,778	83.8	2,280	16.2	14,058
2002	10,832	89.6	1,255	10.4	12,087	554	32.4	1,154	67.6	1,708	11,386	82.5	2,409	17.5	13,795
2001	10,305	88.3	1,365	11.7	11,670	469	28.8	1,159	71.2	1,628	10,774	81.0	2,524	19.0	13,298
2000	9,737	87.1	1,437	12.9	11,174	455	27.1	1,226	72.9	1,681	10,192	79.3	2,663	20.7	12,855
1999	9,169	86.0	1,488	14.0	10,657	458	27.1	1,230	72.9	1,688	9,627	78.0	2,718	22.0	12,345

*Full-time is defined as 12 or more credits for undergraduate students and 9 or more credits for graduate students
Note : Data reflects

Source: Minnesota State University, Mankato: Dept. of Institutional Research

Table 3 shows enrollment figures for full-time, degree-seeking students by class status since Fall of 1999.

TABLE 3
FULL-TIME ENROLLMENT BY CLASS STATUS
MINNESOTA STATE UNIVERSITY, MANKATO
FALL TERMS 1999 to 2003

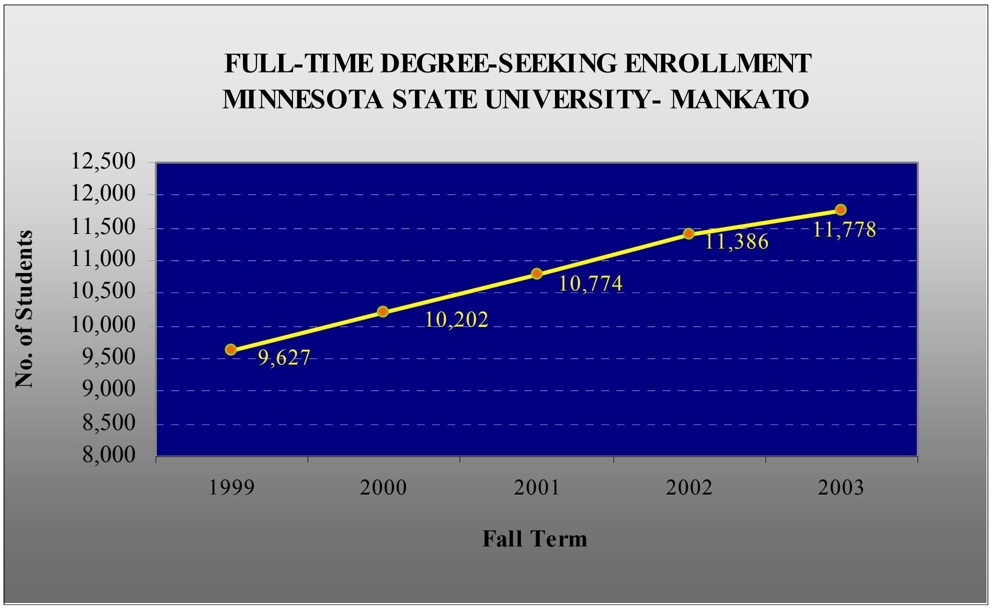
	Year 1999	2000	2001	2002	2003	Change 1999-2003 No.	Pct.	2002-2003 No.	Pct.
Freshmen	2,325	2,477	2,519	2,388	2,563	238	10%	175	7%
New	1,940	2,022	2,096	2,032	2,263	323	17%	231	11%
Returning	385	455	423	356	300	-85	-22%	-56	-16%
Sophomore	1,927	2,070	2,233	2,387	2,291	364	19%	-96	-4%
Junior	1,950	2,133	2,212	2,344	2,509	559	29%	165	7%
Senior+	2,803	2,920	3,188	3,541	3,651	848	30%	110	3%
Other*	164	147	153	172	175	11	7%	3	2%
Total UG	9,169	9,747	10,305	10,832	11,189	2,020	22%	357	3%
Graduate	458	455	469	554	589	131	29%	35	6%
Total	**9,627**	**10,202**	**10,774**	**11,386**	**11,778**	**2,151**	**22%**	**392**	**3%**

* Includes "special" undergraduates and students with a previous degree

Source: Minnesota State University, Mankato: Dept. of Institutional Research

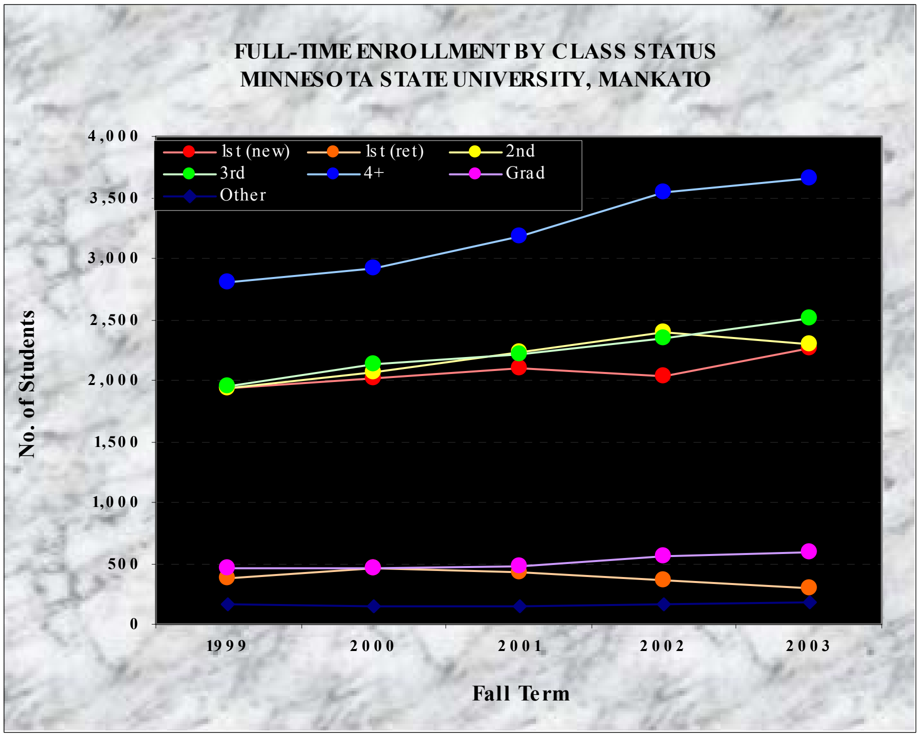
- As with overall enrollment, full-time enrollment has also increased steadily over the last five years (see graph below). The total number of full-time students attending MSU increased from 9,627 students in Fall Quarter 1999 to 11,778 students as of Fall 2003, an increase of just over 2,150 students (22%).

- Between 1999 and 2003, the proportion of graduate students enrolled full-time increased more rapidly (29%) than did full-time undergraduates (22%). Over the last year, the number of full-time undergraduates increased by 357 students or 3%; full-time graduates increased by 35 students or 6%.

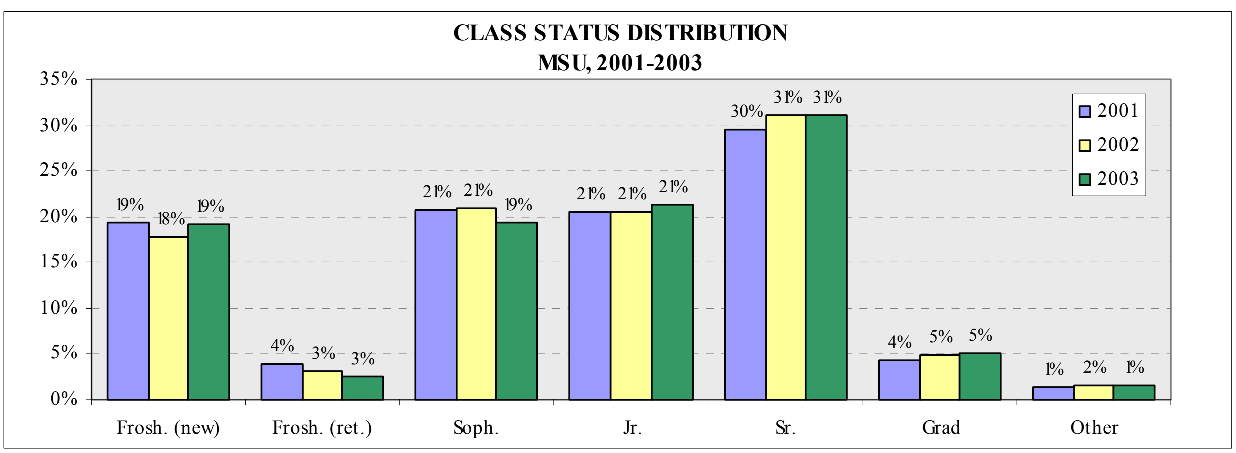


- The undergraduate class cohorts saw different rates of increase between 1999 and 2003, with growth ranging between 10% and 30%. First-year students increased the least with a 10 percent increase between 1999 and 2003. The number of new-entering freshmen increased by 323 students (17%) while the number of returning first-year students enrolled full-time in 2003 declined by -85 students (-22%) from 1999. Second year students increased by 19 percent, while third and fourth year students increased the most, with both increasing by about 30 percent.

- In 1998, MSU instituted a banded tuition practice which offers one tuition fee for students who take from 12 to 18 credits. Therefore, once students reach 12 credit hours, there is an incentive to increase the number up to 18 for no additional increase in tuition. This has, to some extent, fueled the increase in full-time enrollment over the past five years.



- The number of new-entering freshmen admitted in 2003 was the highest number since 1999, although freshmen enrollment started to increase in 1996. Tracking the new-entering freshmen class is significant since these new students typically account for the majority of a college/university's residence hall room demand and usually leads to higher overall enrollment in subsequent years provided that retention rates remain stable.



Student Characteristics

- Roughly 54 percent of on-campus students at MSU are female.

- About 62 percent of MSU students self-identify as Caucasian, approximately 30 percent of the students choose not to identify their ethnic or racial background and are listed as "Other." The remaining 8 percent self-identify as International, Asian-American, African-American, Hispanic-American, American Indian, or Native Hawaiian/Pacific Islander. Our conversations with resident life staff indicate that the majority of those that do not identify their racial or ethnic origin are Caucasian. In 1998, enrollment at MSU consisted of 92 percent Caucasian and 8 percent Non-Caucasian. The 30.4% of students who chose not to identify their ethnicity in the 2003 survey create the appearance that campus diversity may have dramatically increased. This may not however, be true and is difficult to accurately qualify since it is a self-identification reporting process. Therefore, caution must be exercised in interpreting this data. Table 4 presents the breakdown of enrollment by ethnic origin and gender as of Fall 1998 and Fall 2003

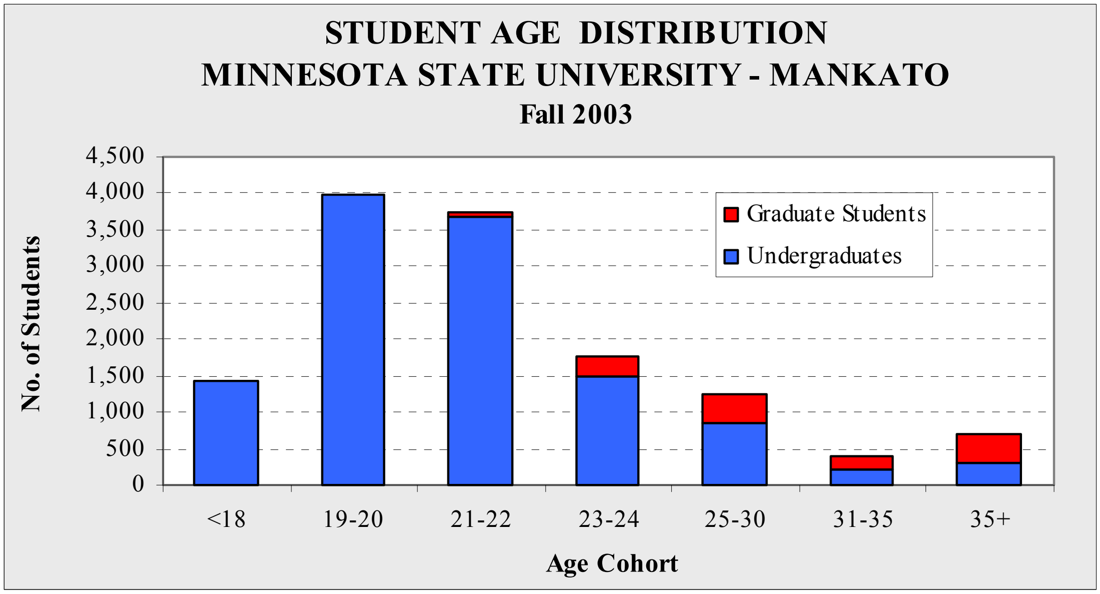
TABLE 4
ON-CAMPUS ENROLLMENT BY ETHNIC ORIGIN AND GENDER
MSU
Fall 1998 & 2003

	1998				2003			
	Female	Male	Total	Pct.	Female	Male	Total	Pct.
Caucasian	5,649	4,696	10,345	92.0	5,029	3,743	8,772	62.4
International	131	248	379	3.4	172	388	560	4.0
Asian American	96	125	221	2.0	95	82	177	1.3
African American	48	78	126	1.1	52	109	161	1.1
Hispanic American	56	70	126	1.1	43	44	87	0.6
American Indian	17	16	33	0.3	12	16	28	0.2
Native Hawaiian/Pacific Islander	0	0	0	0.0	1	1	2	0.0
Other (unreported)	5	6	11	0.1	2,170	2,101	4,271	30.4
Total	6,002	5,239	11,241	100.0	7,574	6,484	14,058	100.0

Source: MSU; Dept. of Institutional Research

- The average age of MSU students is currently 22.9 years. For undergraduates, the average age is 21.8 years and for graduate students, 32.4 years.

- The average age of students has remained steady over the last several years. The proportion of students age 20 or younger has slightly decreased from 41.4 percent in 2001 to 39.8 percent in 2003. The portion of students age 22 or younger has not changed much, dropping only .7 percent.



Geographic Origin

Table 5, on the following page, shows the geographic origin of MSU students attending classes on the Mankato campus in Fall 2003. The data is presented for each of the 11 economic regions in Minnesota (see accompanying map) as well as several neighboring states.

- The vast majority (roughly 83%) of MSU-Mankato students are from Minnesota. The next largest groups are from Wisconsin (4.1%), South Dakota (3.1%), and Iowa (2.3%). Other States and Countries accounted for 6.4 percent of MSU enrollment.

- Slightly less than 70 percent of MSU-Mankato students came from four of the State's economic regions: Region 11 - the 7-County Metropolitan Area (28.2%), Region 9 - South Central Minnesota (25.9%), Region 10 - Southeastern Minnesota (11%) and Region 8 – Southwest Minnesota (4.2%). The remainder of Minnesota combined for only 13.7 percent of MSU's enrollment.

- Although origin data for other states/countries was not available for years prior to 2003, interviews with the Director of MSU's Institutional Research Department revealed that the proportion of MSU students from Minnesota has remained very close to 84 percent throughout the 1990s and 2000s.

TABLE 5
GEOGRAPHIC ORIGIN
MINNESOTA STATE UNIVERSITY, MANKATO STUDENTS*
FALL 2003

	Under Grad.		Grad.		Total	
Minnesota/Region	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**
1	26	0.2	5	0.3	31	0.2
2	20	0.2	5	0.3	25	0.2
3	146	1.2	14	0.8	160	1.1
4	104	0.8	11	0.7	115	0.8
5	87	0.7	9	0.5	96	0.7
6	488	3.9	38	2.3	526	3.7
7	465	3.8	17	1.0	482	3.4
8	534	4.3	59	3.5	593	4.2
9	3,261	26.3	383	22.9	3,644	25.9
10	1,407	11.4	138	8.2	1,545	11.0
11	3,679	29.7	292	17.5	3,971	28.2
Unknown	190	1.5	288	17.2	478	3.4
Minnesota Total	**10,407**	**84.0**	**1,259**	**75.3**	**11,666**	**83.0**
Other States	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**
Wisconsin	508	4.1	64	3.8	572	4.1
South Dakota	410	3.3	25	1.5	435	3.1
Iowa	271	2.2	57	3.4	328	2.3
North Dakota	71	0.6	9	0.5	80	0.6
Illinois	35	0.3	6	0.4	41	0.3
Nebraska	27	0.2	3	0.2	30	0.2
Other States/Countries	656	5.3	250	14.9	906	6.4
Other Total	**1,978**	**16.0**	**414**	**24.7**	**2,392**	**17.0**
Grand Total	**12,385**	**100.0**	**1,673**	**100.0**	**14,058**	**100.0**

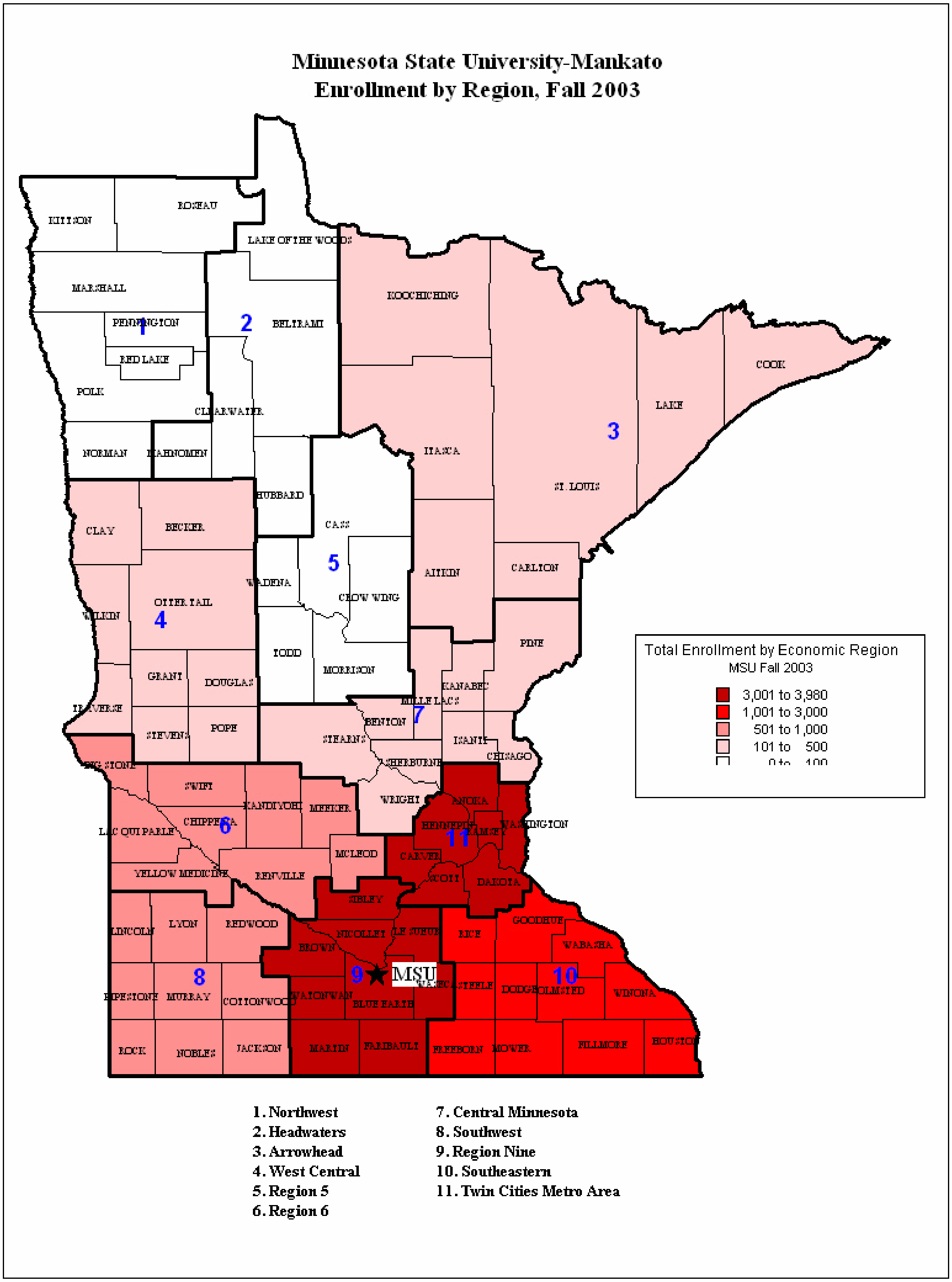
* Includes only students attending classes exclusively on the Mankato campus.

Note: A map of Minnesota's Economic Regions is included on the following page

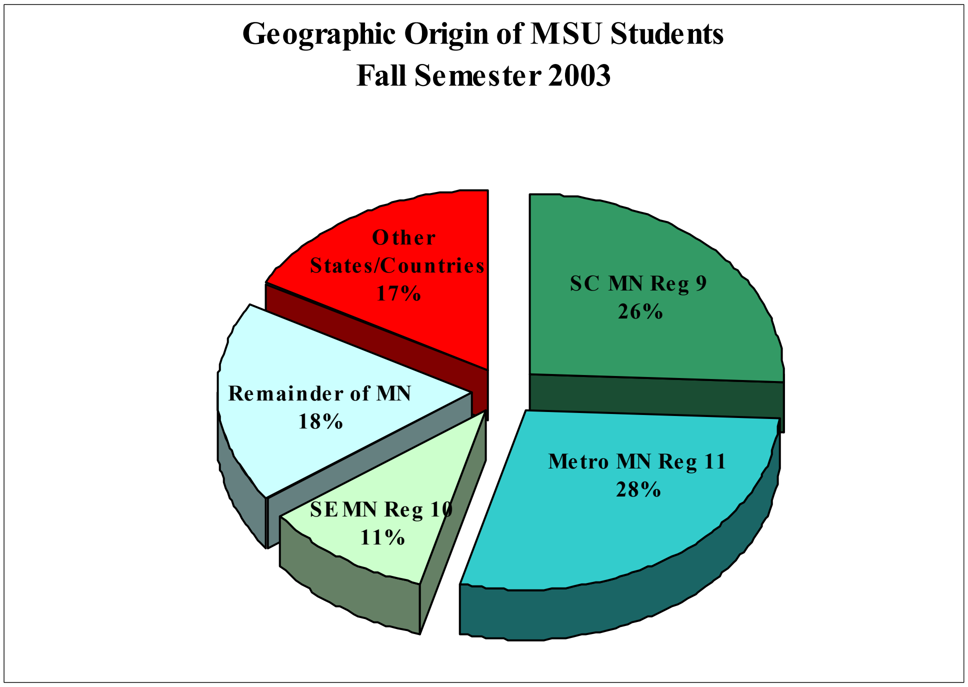
Source: Minnesota State University, Mankato: Department of Institutional Research

- A review of historic origin data of Minnesota students indicated that the origin distribution has changed slightly in the last five years. In 1998, South Central MN (Region 9) represented the majority (31%), and the Metro Area (Region 11) represented 25 percent of the draw area for MSU students. In 2003, the majority of the MSU students are now originating from the Metro Area with 28 percent, and South Central MN right behind with 26 percent.

The map on the following page shows the primary draw areas for MSU students. The map shows the number of MSU students coming from each economic region in Minnesota for Fall of 2003.


Minnesota State University-Mankato
Enrollment by Region, Fall 2003
Total Enrollment by Economic Region
MSU Fall 2003
3,001 to 3,980
1,001 to 3,000
501 to 1,000
101 to 500
MSU
KITTSON
ROSEAU
LAKE OF THE WOODS
MARSHALL
PENNINGTON
RED LAKE
POLK
BELTRAMI
CLEARWATER
NORMAN
MAHNOMEN
KOOCHICHING
COOK
LAKE
ITASCA
ST. LOUIS
HUBBARD
CASS
CLAY
BECKER
WADENA
CROW WING
AITKIN
CARLTON
OTTER TAIL
WILKIN
TODD
MORRISON
PINE
GRANT
DOUGLAS
KANABEC
MILLE LACS
TRAVERSE
BENTON
STEVENS
POPE
STEARNS
ISANTI
CHISAGO
SHERBURNE
BIG STONE
SWIFT
KANDIYOHI
MEEKER
WRIGHT
ANOKA
CHIPPEWA
LAC QUI PARLE
HENNEPIN
RAMSEY
WASHINGTON
MCLEOD
CARVER
YELLOW MEDICINE
RENVILLE
SCOTT
DAKOTA
SIBLEY
GOODHUE
LINCOLN
LYON
REDWOOD
NICOLLET
LE SUEUR
RICE
WABASHA
BROWN
PIPESTONE
MURRAY
COTTONWOOD
WATONWAN
BLUE EARTH
WASECA
STEELE
DODGE
OLMSTED
WINONA
ROCK
NOBLES
JACKSON
MARTIN
FARIBAULT
FREEBORN
MOWER
FILLMORE
HOUSTON
1
2
3
4
5
6
7
8
9
10
11
1. Northwest
2. Headwaters
3. Arrowhead
4. West Central
5. Region 5
6. Region 6
7. Central Minnesota
8. Southwest
9. Region Nine
10. Southeastern
11. Twin Cities Metro Area

The map reveals that while a relatively high portion of the college-aged population from western and southwestern Minnesota attend college at MSU, they do not contribute nearly as many students as the Metro Area (Region 11), South Central Minnesota (Region 9), or South East Minnesota (Region 10), due to the smaller overall population in that part of the State. Overall, Regions 9, 10, and 11 account for approximately 65 percent of the draw area for MSU students.



Growth in College-Age Population

Table 6, on the following page, displays the recent and projected growth in the college-age population (persons age 15 to 24) for Region 9 (South Central Minnesota), the 7-County Twin Cities Metropolitan Area (Region 11) and the State of Minnesota from 2000 to 2030. "Region 9" includes the Counties of: Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca and Watonwan (see Economic Regions map). The projections are from the State Demographer's Office and are only available in five-year age cohorts.

- The projections reveal that the number of people between the ages of 15 and 24 will increase significantly throughout Minnesota between 2000 and 2005. Growth has been heavily concentrated in the 20 to 24 population, with a 17 percent increase, while the 15 to 19 population has increased by only 2 percent.

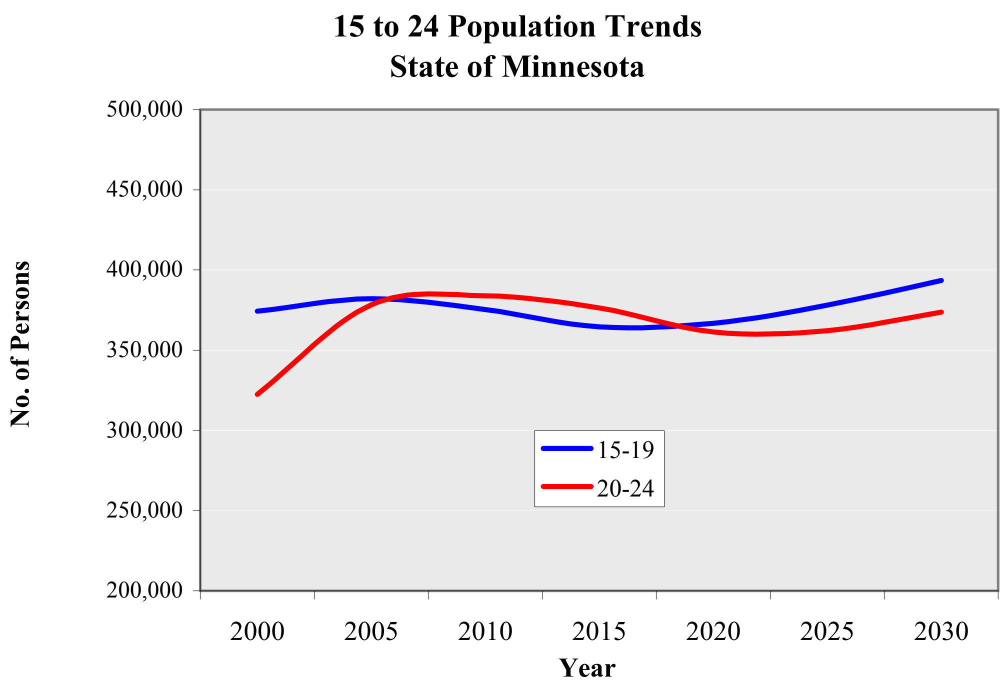
TABLE 6
COLLEGE-AGE POPULATION TRENDS
2000 to 2030

	South Central MN (Region 9)						
Age:	**2000**	**2005**	**2010**	**2015**	**2020**	**2025**	**2030**
15-19	20,195	18,900	17,600	16,600	16,600	17,000	17,500
20-24	18,755	21,700	21,200	20,200	19,000	18,800	19,400
Total 15-24	38,950	40,600	38,800	36,800	35,600	35,800	36,900
% of State	5.6%	5.3%	5.1%	5.0%	4.9%	4.8%	4.8%

Region 9 = Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca, and Watonwan Counties

	Metro Area (7-County)						
Age:	**2000**	**2005**	**2010**	**2015**	**2020**	**2025**	**2030**
15-19	183,491	194,100	195,500	188,900	191,000	195,500	202,700
20-24	173,732	199,300	206,000	204,000	195,000	195,700	201,000
Total 15-24	357,223	393,400	401,500	392,900	386,000	391,200	403,700
% of State	51.3%	51.7%	52.9%	53.0%	53.0%	52.8%	52.6%

	State of Minnesota						
Age:	**2000**	**2005**	**2010**	**2015**	**2020**	**2025**	**2030**
15-19	374,362	382,100	375,300	364,500	366,700	378,200	393,400
20-24	322,483	378,300	383,900	376,300	361,300	362,100	373,700
Total 15-24	696,845	760,400	759,200	740,800	728,000	740,300	767,100



Sources: U.S. Census Bureau: 2000 Census
Minnesota Planning: Population Projections 2000 to 2030 (April 2004)

- The Twin Cities Metro Area is expected to account for over 50 percent of the State's growth in the 15 to 24 age cohort in the next couple of decades. As of 2000, Region 9 accounted for only about 5.6 percent of the State's 15 to 24 population. By 2030, it is expected to comprise only 4.8 percent of the State's college-age population.

- The State's 15 to 19 age cohort is estimated to have increased by only 938 persons (.25%) between 2000 and 2010, while the 20 to 24 age cohort will increase by over 61,415 persons (19%). This shows a statewide increase of just over 62,350 persons age 15 to 24 during the 2000s.

- The State's age 15 to 24 population will peak around 2005 before beginning a steady decline that is expected to continue through at least 2025. The decline will begin as slight and then will accelerate shortly after 2010.

- Between 2010 and 2020, the 15 to 24 age cohort is expected to decrease by -31,200 persons, a -4.1 percent decline, in Minnesota. The Twin Cities Metro Area is also expected to decrease by -15,500 persons (-3.9%) by 2020. Region 9 will see an even larger percentage decrease of -8.2 percent (-3,200 persons).

- Between 2020 and 2030, Minnesota's age 15 to 24 population is expected to climb back up by 39,100 persons (5.4%). The Metro Area and South Central Minnesota (Region 9) are also expected to experience similar trends, increasing by 17,700 persons (4.6%) and 1,300 persons (3.7%) by 2030, respectively.

High School Graduation Trends

Table 7 shows recent and projected graduation rates for high school students in the Twin Cities Metro Area and for Minnesota from 1993 to 2013. This data is useful in forecasting possible increases in college enrollment because of the direct correlation in the number of high school graduates and enrollment trends. As of 2003, slightly more than two-thirds of all high school graduates attended institutions of higher learning.

- Between 1993 and 2003, the number of high school graduates in Minnesota increased by nearly 21 percent, with the Metro Area increasing by 29 percent and Greater Minnesota increasing by 13.6 percent.

- Since 2000, the number of high school graduates in Minnesota has been hovering between 60,500 and 62,000 students. The number of graduates is projected to peak in 2004 with 63,347 students, and then slowly taper off in the next decade.

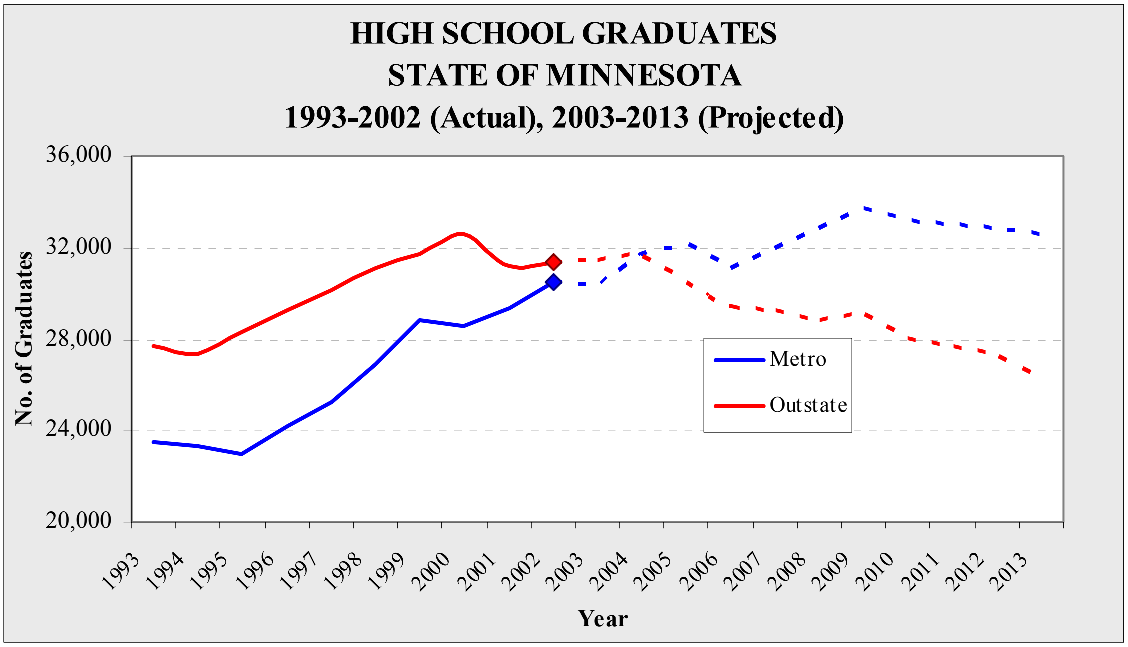
TABLE 7
PROJECTED HIGH SCHOOL GRADUATES
MINNESOTA
1993 TO 2013

Year	Minn.	Metro	Outstate
1993	51,140	23,467	27,673
1994	50,642	23,286	27,356
1995	51,320	22,992	28,328
1996	53,487	24,209	29,278
1997	55,413	25,251	30,162
1998	58,074	26,941	31,133
1999	60,540	28,841	31,699
2000	61,161	28,608	32,553
2001	60,518	29,365	31,153
2002	61,918	30,519	31,399
2003	61,803	30,360	31,443
2004	63,347	31,757	31,590
2005	62,632	32,172	30,460
2006	60,581	31,103	29,478
2007	61,290	32,002	29,288
2008	61,718	32,861	28,857
2009	62,863	33,763	29,100
2010	61,277	33,201	28,076
2011	60,722	33,027	27,695
2012	60,081	32,819	27,262
2013	58,870	32,608	26,262

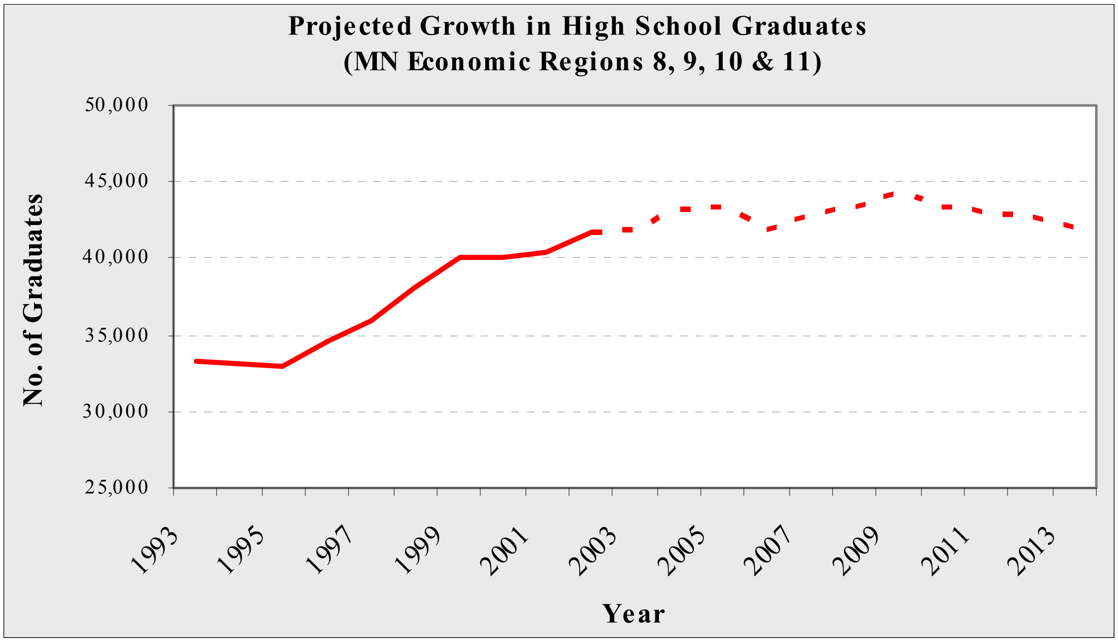
Source: Minnesota Higher Education Services Office

- The number of high school graduates in Greater Minnesota peaked in 2000 and is projected to decline in the next decade. On the other hand, the declining numbers outside of the Twin Cities will be offset by the increasing numbers of graduates in the Metro Area until 2009 when it will increase somewhat, then decline again beginning in 2010 (see graph on next page).

- It is important to note that minority students will account for an increasing proportion of the projected growth among Metro Area high school graduates over the next decade. In general, minority students attend college less frequently than non-minorities, and when they do attend college, they tend to seek out colleges in or closer to the Metro Area rather than in communities in Greater Minnesota. Therefore, the large increases in high school graduates from the Twin Cities Metropolitan Area may present some challenges for colleges in Greater Minnesota attempting to increase enrollment by capturing an increasing proportion of students from the Metro Area. MSU's relative close proximity to the Twin Cities (roughly 75 miles), combined with its enrollment size however, should give it an advantage over many other institutions outstate.



- Currently, just under 70 percent of students enrolled at MSU come from four of the State's economic regions: Region 8 (Southwest Minnesota), Region 9 (South Central Minnesota), Region 10 (Southeastern Minnesota) and Region 11 (the 7-County Twin Cities Metro Area). The projected growth for these four regions combined, will continue to increase modestly through 2005, largely due to significant growth in the Twin Cities Metro Area. It is then projected to slightly decrease in the next couple of years, but then work its way back up by 2009, and then taper off. The total projected growth for these four regions is shown in the graph on the following page.


Projected Growth in High School Graduates
(MN Economic Regions 8, 9, 10 & 11)
No. of Graduates
50,000
45,000
40,000
35,000
30,000
25,000
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011
2013
Year

Existing On-Campus Housing Options/Capacity

- The existing student housing on the Minnesota State University campus consists of three residence hall complexes; Gage, Crawford and McElroy, all consisting of traditional dormitory-style housing. The room mix and architectural capacity of each residence hall complex is shown in Table 8.

TABLE 8
RESIDENCE HALL PROGRAM CAPACITY
2003-2004

	Room Types					Total
Hall/Wing:	Single	Double	Super Double	Triple	Suite	Potential Beds
Crawford						
A	4	91	0	0	3	192
B	4	83	4	0	3	184
C	4	83	4	0	3	184
D	8	93	0	0	4	202
	20	350	8	0	13	762
Gage						
A	12	225	43	0	12	572
B	12	226	0	44	12	620
	24	451	43	44	24	1,192
McElroy						
E	8	95	0	0	3	204
F	8	87	4	0	3	196
G	4	87	4	0	3	192
H	4	92	0	0	4	196
I	4	86	0	0	7	190
	28	447	8	0	20	978
Total	72	1,248	59	44	57	2,932

Source: MSU; Dept. of Residential Life

- The residence hall complexes have a total 1,420 rooms and 60 suites (which include private bathrooms) available to the general student population.

- Based on the room mix for each complex, the 1,420 rooms available for the general student population has an architectural capacity to house 2,991 students. This figure however, assumes that the designated "super-double" rooms would each house three students, for which they were designed. The "super-double" rooms are essentially triple-occupancy rooms being offered to two persons for a slightly higher price than a standard double room. Residence

Life indicated they prefer not to lease any “triples” since they consistently experience roommate problems with housing three unrelated individuals together. There are currently 59 “super-double” rooms; therefore, the current “program” capacity of the three residence halls is 2,932 students. We use the program capacity figure as the optimal capacity for the existing residence hall room supply.

- Standard double rooms currently account for 84 percent of all rooms on the MSU campus, while super-double and triple rooms each account for slightly more than 4 percent. Single-rooms and doubles rented as singles currently account for 3.5% of all rooms and there are 57 suite-style rooms available which housed 120 students as of Fall 2003.

- Actual resident hall capacity fluctuates modestly from year to year based on how many super-double rooms are allocated.

- There is currently no family/married student housing affiliated with the University.

Historic Residence Hall Occupancy Trends

Table 9 and the accompanying graphs on the following pages show residence hall occupancy at Minnesota State University for each term from Fall 1993 to 2003.

- Residence hall occupancy at MSU increased steadily since 1996, reaching its annualized peak in the 2001-2002 school year with an average of 2,833 students (a 26% increase from 1996). Residence hall occupancy has leveled off since then with an approximate annualized average of 2,800 students just this last school year. In subsequent years, wait lists have been used to better manage demand for on-campus housing.

- Fall occupancy has been fairly steady in the last five years, fluctuating around 2,800 plus students, reaching its peak during the 2001-2002 school year with 2,886 students. Spring occupancy has been relatively similar to that of the Fall occupancy numbers, experiencing the same trends, but on a slightly lower scale.

- From 1989 to 1998, residence hall occupancies would usually drop by about 5% to 7% from Fall to Spring quarters. Between 1998 and 2003, the proportional dropped decreased to between 2% to 3%. The higher annual occupancy in the residence halls is most likely a result of several factors including the switch from quarters to semesters, a new banded tuition policy, increase in transfer students and increasing freshmen enrollments. Moving forward, we believe that residence hall occupancies will continue to remain high because of continued projected increases in entering freshmen and a continuance of the banded tuition policy and students increasing sensitivity to tuition costs.

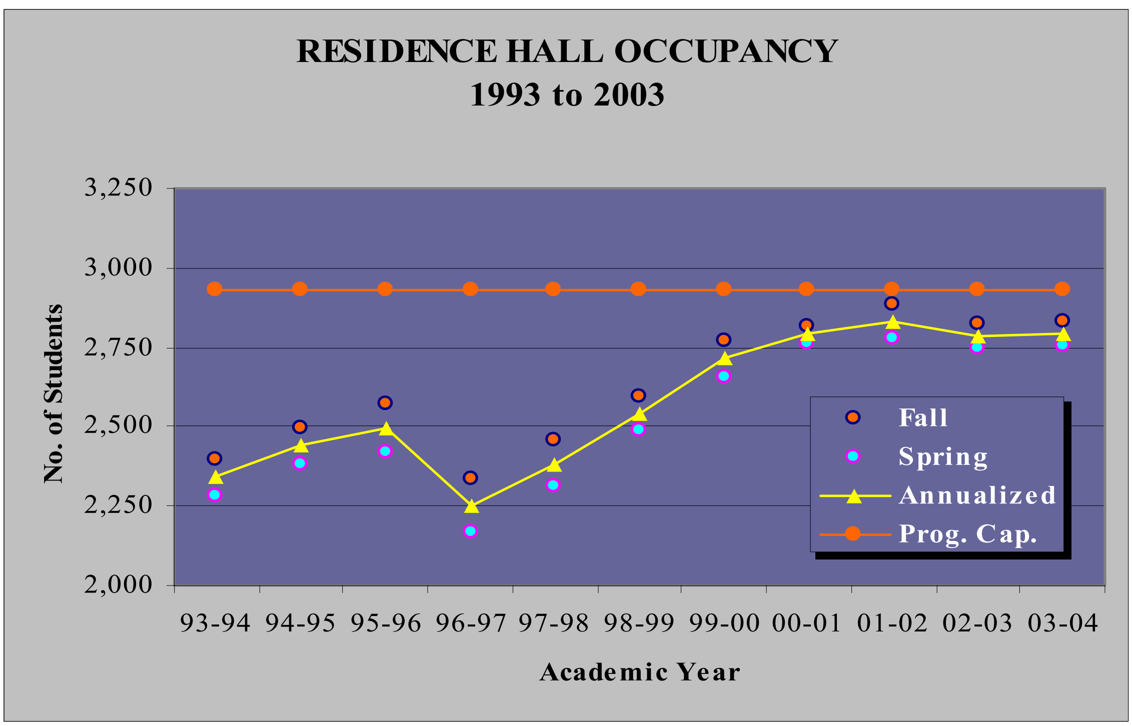
TABLE 9
RESIDENCE HALL OCCUPANCY
MSU
Fall 1993 to Spring 2004

	Room and Board		Room Only		Total	
Term	No.	Avg	No.	Avg	No.	Avg
S'04	2,504	2,598	253	197	2,757	2,794
F03	2,691		140		2,831	
S'03	2,605	2,622	141	164	2,746	2,786
F02	2,639		187		2,826	
S02	2,486	2,587	294	247	2,780	2,833
F01	2,687		199		2,886	
S'01	2,447	2,549	315	241	2,762	2,790
F00	2,651		166		2,817	
S'00	2,365	2,488	293	225	2,658	2,714
F99	2,611		158		2,769	
S99	2,261	2,366	227	174	2,488	2,540
F98	2,471		121		2,592	
S98	2,089	2,224	224	172	2,313	2,396
F97	2,335		120		2,455	
S97	1,924	2,068	243	184	2,167	2,252
F96	2,219		113		2,332	
S96	2,231	2,352	192	156	2,423	2,508
F95	2,453		119		2,572	
S95	2,185	2,297	195	155	2,380	2,451
F94	2,382		115		2,497	
S94	2,045	2,144	237	177	2,282	2,320
F93	2,273		124		2,397	

Source: MSU, Department of Residential Life

- The Fall 2003 residence hall occupancy translates to 24 percent of all MSU's full-time, degree-seeking students. This proportion is the lowest in five years, and has been steadily decreasing since 1999. The capture rate was at nearly 29 percent in 1999, but since, has dropped about 1 percent each year. The decreased proportion results from increased enrollment at MSU and no new housing available on-campus that would allow MSU to capture a higher percentage of students that would like to live there. In addition, residence hall capacities are at optimal levels. Therefore, there are almost no options for students but to move off-campus.

- A comparison of the two following graphics shows that while residence hall occupancy has been relatively stable in the last five years, the percent of students residing on-campus has been decreasing. This indicates that approximately the same number of people occupy the residence halls each year, while the number of full-time students is increasing at a faster rate. This indicates that because there has been no significant increase in capacity, that many student must live off-campus. New construction of apartment units in Mankato near the MSU campus has responded to this increased demand.



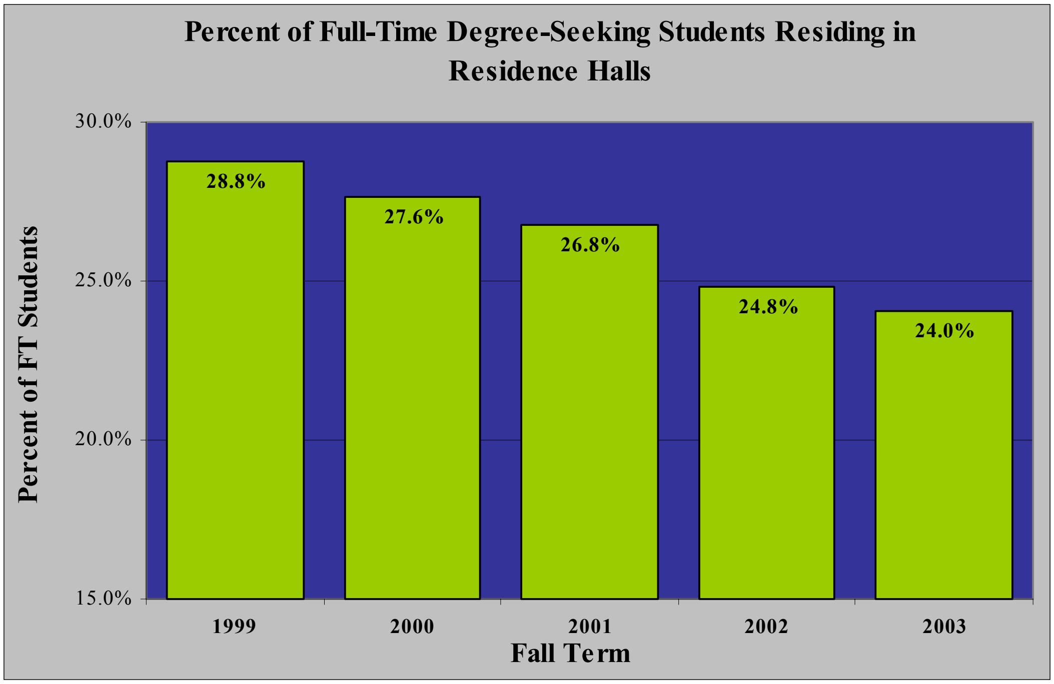


Table 10 shows the number of students residing in each residence hall by the room type as of the 10th day of Fall Semester 2003. The table also includes information on the number of students (both on- and off-campus) enrolled in a meal plan. It is important to note that the numbers include undergraduate student staff.

TABLE 10
OCCUPANCY BY ROOM TYPE
Fall 2003 (10-day Count)

Room Type	Gage		Crawford		McElroy		Total	
Single	24	2.1%	17	2.3%	25	2.7%	66	2.3%
D/S	9	0.8%	9	1.2%	16	1.7%	34	1.2%
Double	869	74.7%	652	89.9%	847	89.8%	2,368	83.6%
Super Double	89	7.7%	16	2.2%	16	1.7%	121	4.3%
Suites	50	4.3%	31	4.3%	39	4.1%	120	4.2%
Triple	122	10.5%	0	0.0%	0	0.0%	122	4.3%
Total	1,163	100.0%	725	100.0%	943	100.0%	2,831	100.0%
% of Capacity	99.6%		97.2%		98.4%		98.6%	
# on meal plan	1,124	96.6%	671	92.6%	896	95.0%	2,691	95.1%
Board Only							76	
Total number of students on a meal plan							2,767	23.5%*

D/S = Double room occupied as a single
* As a percentage of all full-time students

Source: MSU; Dept. of Residential Life

- As of the 10th day of Fall Semester 2003, there were 2,831 students residing in MSU's residence halls; 1,163 students (41%) in the Gage Complex, 943 students (33%) in the McElroy Complex and 725 students (26%) in the Crawford Complex.

- Overall, residence hall occupancy was 98.5 percent of capacity, with Crawford at 97 percent, McElroy at 98 percent and Gage at 99.5 percent of capacity.

- As of Fall 2003, the vast majority (88%) of students were paying double-room rates (84% paying a standard-double rate and another 4% a super-double rate), 4 percent of students were paying triple-room rates and the remaining 3.5% were paying the single-room rate. Most of the single rooms are currently occupied by staff members.

- Crawford and McElroy each had a significantly higher proportion of students in double rooms (over 90%) than Gage (82%). Conversely, all of the students paying triple-room rates were located in the Gage Complex, with nearly all of these located in Gage's Maverick Hall.

Typical room sizes and dimensions at MSU's residence hall rooms are as follows:

Singles = 142 square feet

(9' x 15'10")

Standard Doubles = 168 to 186 square feet

(10'8" x 15'7"), (10'10" x 15'10"), (12'10" x 13'4"), (14' x 13'4")

Superdoubles/triples 214 to 235 square feet

(13'6" x 15'10"), (12'10" x 17'2"), (14'10" x 15'10")

Suites = 691 square feet

(21'8" x 31'8")

- Just over 95 percent of all students living in the residence halls were also enrolled in a meal plan. Overall, 23.5 percent of all full-time MSU students are enrolled in a meal plan.

Current On-Campus Housing Rates/Policies

Rates

- The following are the room rates (excluding meals) for the various room types on the Mankato campus:

	Fall		Spring		Combined	
Room Type:	**Semester**	**Monthly**	**Semester**	**Monthly**	**Annual**	**Monthly**
Triple	$1,435	$359	$1,412	$353	$2,847	$356
Double	$1,635	$409	$1,607	$402	$3,242	$405
Super Double	$1,800	$450	$1,770	$443	$3,570	$446
Suite	$1,954	$489	$1,921	$480	$3,875	$484
Economy Single	$2,132	$533	$2,095	$524	$4,227	$528
Single	$2,258	$565	$2,219	$555	$4,477	$560
Monthly rates are based on a 4-month semester						
Rates include room + basic flex plan						

- Several meal plans are offered, including 10, 14 or 19 meals per week or 115 meals per semester. Each of the meal plans are available in three versions: Basic ($75 in flex dollars per semester), Medium ($125 in flex dollars per semester) and Max ($175 in flex dollars per semester). Basic meal plan rates start at $641 per semester for 10 meals per week and top out at $744 for 19 meals per week.

Policies

- Minnesota State - Mankato currently has no policy requiring students to live on-campus.

- Possession and/or consumption of alcohol is prohibited on all Minnesota State University campuses.

- Visitation policies are determined by residents. Individual floors in each residence hall complex vote on their own visitation hours. Residents are allowed overnight guests with the permission of the roommate(s) for no more than three consecutive nights.

- Students living in on-campus residence halls are not required to take a meal program, unlike many other Colleges in the State. The College allows up to 5% of students to be released from a meal program. Currently, about 98% of students living in on-campus housing sign up for a meal program.

- Returning students get first choice of the residence hall rooms with the room selection process starting in February of each year for the following year while incoming freshmen vie for the remaining rooms through a lottery system. The order of selection is determined based on a rating system that takes into account age, class status and the number of consecutive terms in which the student has resided in the residence halls.

- MSU used to allow South Central Technical College students to reside in the residence halls. Now only a very small number, 3 to 4 students in the Dental Hygiene program reside in the residence halls.

- There is no limit on the number of students that are allowed to return. Interviews with Residential Life staff indicated that, on average between 600 to 700 students return each year. In 1999, this number had leaped up to 800. Since then however, the figures have been nearer the average. Between 2002 and 2003, returning students totaled 697.

- MSU's residence hall floors are designated by gender, except for G Hall in the McElroy complex where rooms are designated by gender. Conversations with Residence Life indicated that recently, residence halls have been operating so close to capacity that the practice of designating beds by gender and then a swing floor has made little difference in being able to accurately assess where extra beds may be needed.

Residence Hall Occupancy By Class Status of Student

Table 11, on the following page, presents the number and percent of MSU students residing in residence halls by their class status for Fall 2003. The accompanying graphics show the proportion and average number of students in each class that resided in residence halls for Fall semester 2003.

TABLE 11
RESIDENCE HALL OCCUPANCY BY CLASS STATUS
MINNESOTA STATE UNIVERSITY, MANKATO
Fall Semester 2003

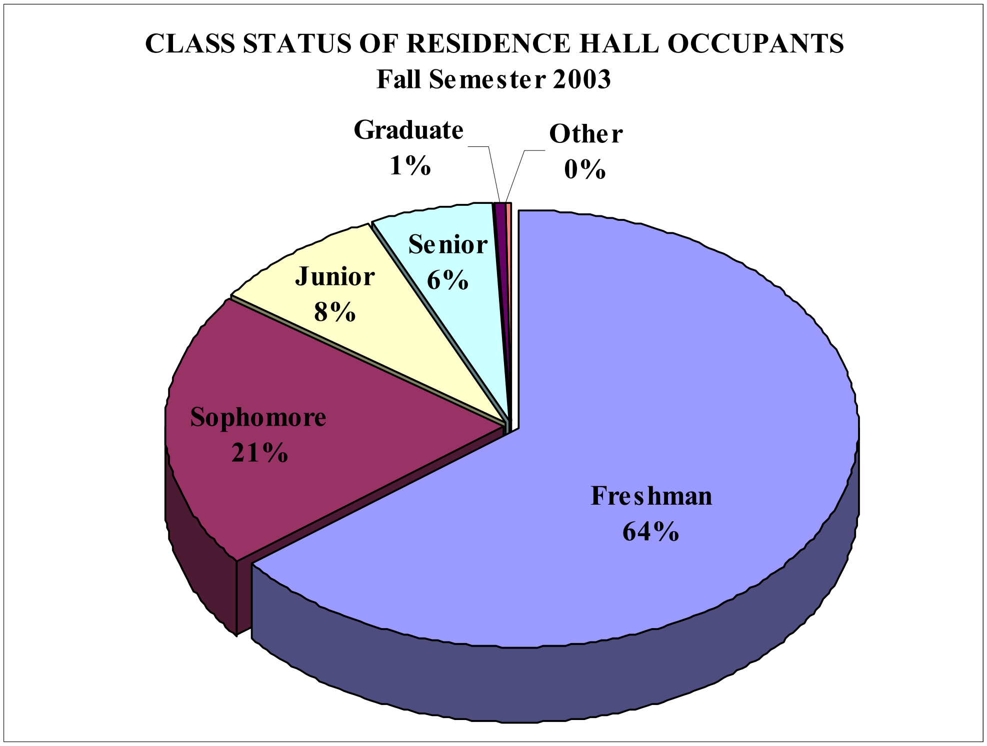
	Class Status						
	Frosh.	**Soph.**	**Jr.**	**Sr.**	**Grad.**	**Other***	**Total**
Crawford	382	145	87	102	10	6	732
A	130	42	13	7	0	1	193
B	17	30	44	62	8	5	166
C	117	35	12	13	1	0	178
D	118	38	18	20	1	0	195
Gage	839	227	68	33	1	0	1,168
A	282	192	60	29	1	0	564
Maverick	557	35	8	4	0	0	604
McElroy	606	213	78	36	4	0	937
E	144	34	13	3	1	0	195
F	129	37	8	10	0	0	184
G	103	45	26	12	0	0	186
H	123	46	12	6	2	0	189
I	107	51	19	5	1	0	183
Total	**1,827**	**585**	**233**	**171**	**15**	**6**	**2,837**

	Class Status						
	Frosh.	**Soph.**	**Jr.**	**Sr.**	**Grad.**	**Other***	**Total**
Crawford	52.2	19.8	11.9	13.9	1.4	0.8	100.0
A	67.4	21.8	6.7	3.6	0.0	0.5	100.0
B	10.2	18.1	26.5	37.3	4.8	3.0	100.0
C	65.7	19.7	6.7	7.3	0.6	0.0	100.0
D	60.5	19.5	9.2	10.3	0.5	0.0	100.0
Gage	71.8	19.4	5.8	2.8	0.1	0.0	100.0
A	50.0	34.0	10.6	5.1	0.2	0.0	100.0
Maverick	92.2	5.8	1.3	0.7	0.0	0.0	100.0
McElroy	64.7	22.7	8.3	3.8	0.4	0.0	100.0
E	73.8	17.4	6.7	1.5	0.5	0.0	100.0
F	70.1	20.1	4.3	5.4	0.0	0.0	100.0
G	55.4	24.2	14.0	6.5	0.0	0.0	100.0
H	65.1	24.3	6.3	3.2	1.1	0.0	100.0
I	58.5	27.9	10.4	2.7	0.5	0.0	100.0
Total	**64.4**	**20.6**	**8.2**	**6.0**	**0.5**	**0.2**	**100.0**

* = Special and Previous Degree

Source: Minnesota State University, Mankato: Dept. of Residential Life

- As of the 10th day of Fall 2003, about 64 percent of all students residing in MSU's residence halls were freshmen, 21 percent were sophomores, 8 percent were juniors, 6 percent were seniors, and 1 percent were graduate students and "other" (which includes students with a previous degree and international students that are studying through the exchange program).



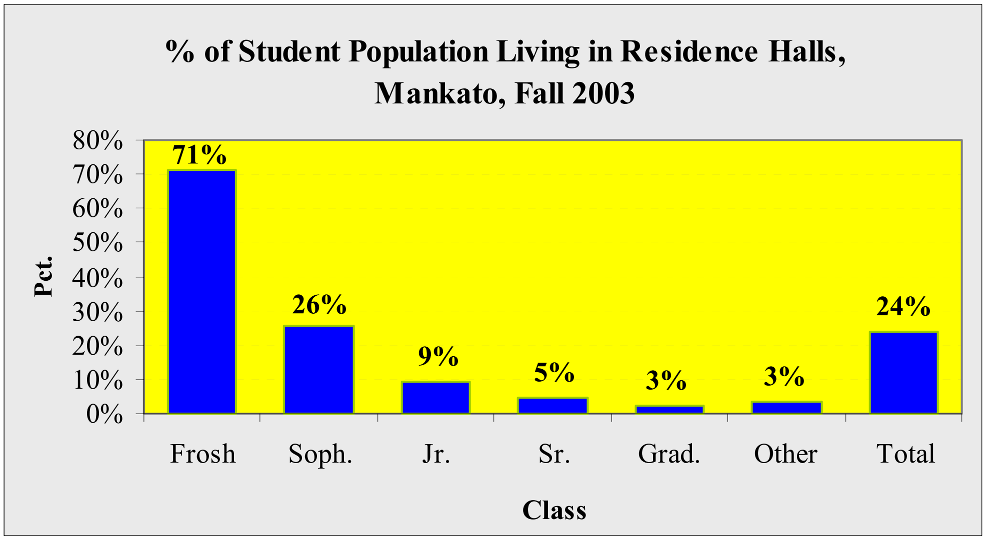
- The Gage Complex tends to house younger students with roughly 72 percent of the students residing in the Gage complex being freshmen and another 19 percent sophomores. The high percentage of freshmen in the Gage Complex is due to the concentration of freshmen in Maverick Hall of the Gage Complex where 92% of students are freshmen.

- McElroy Complex also housed younger students with about 65 percent of the students being freshmen and 23 percent sophomores.

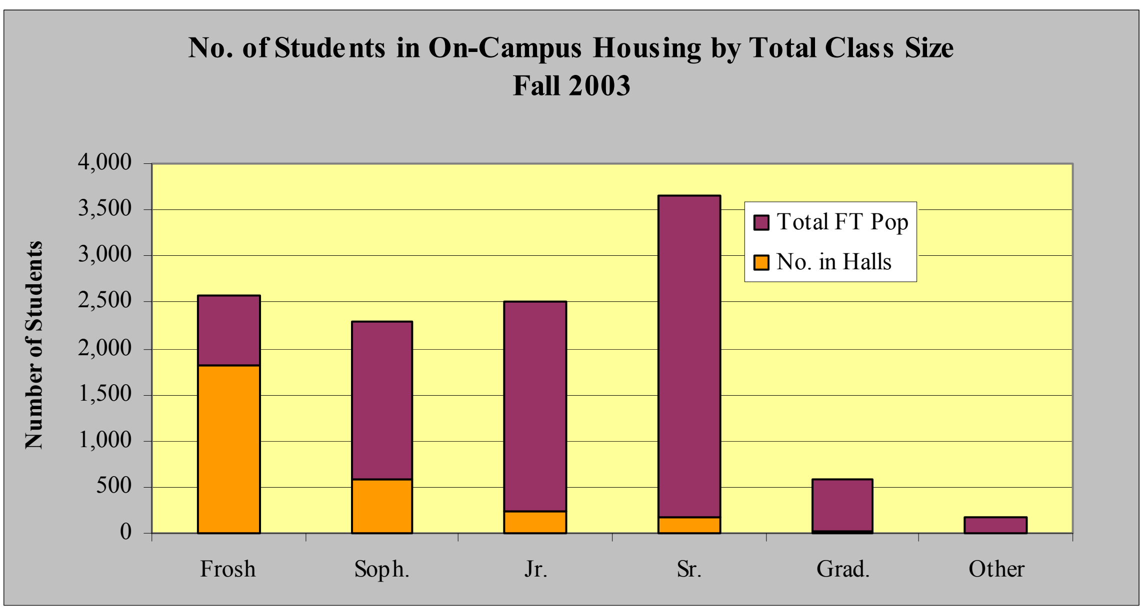
- The Crawford Complex has the most diverse student population with about 52 percent freshmen, 20 percent sophomores, 12 percent juniors, 14 percent seniors and 2 percent graduate and "other" students.

- While the vast majority of freshmen resided in either Gage or McElroy, about 37 percent of all juniors living on-campus resided in Crawford, and 33 percent resided in McElroy. Crawford housed nearly 60 percent of all seniors and two-thirds of the graduate students residing on-campus.

- 24 percent of MSU's full-time, degree-seeking students currently reside in on-campus housing. The proportion of each class residing on-campus declines significantly the older the student; 71.0 percent of freshmen, 25.5 percent of sophomore, 9.3 percent of juniors, and 4.7 percent of seniors. Graduate and "other" students residing on-campus was very low, with about 3 percent each.

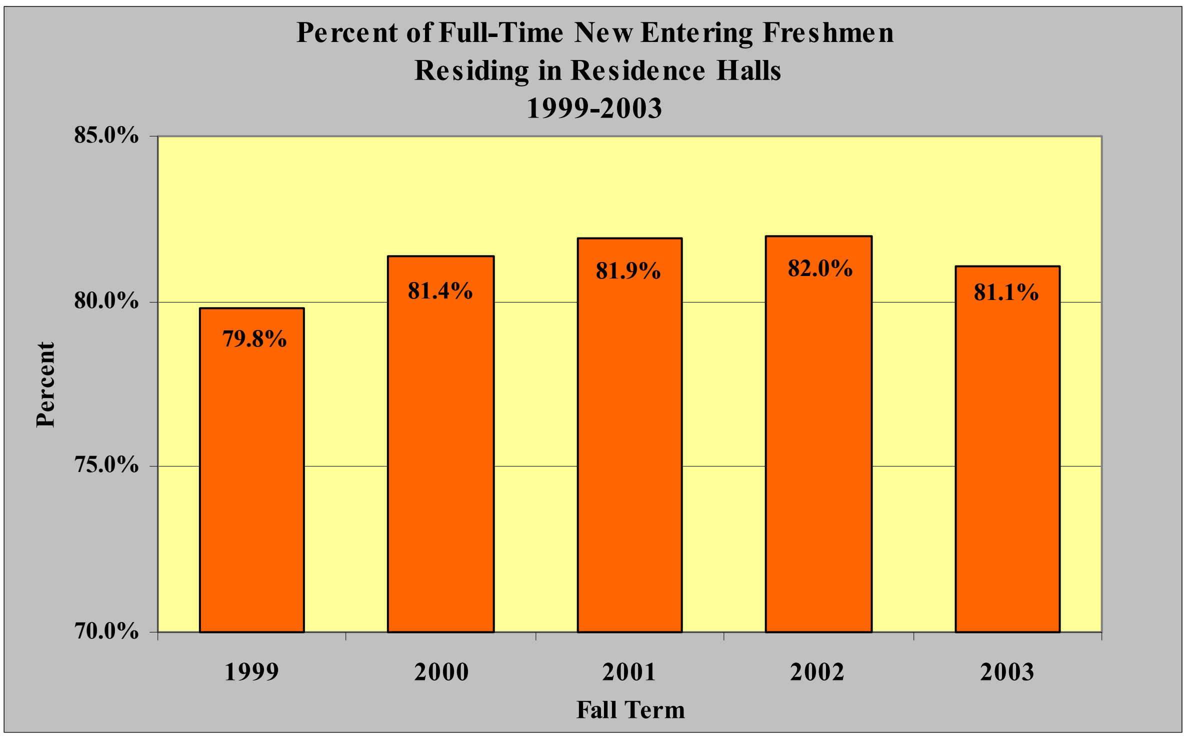


The following graph shows the number of students living in on-campus housing by class as of Fall 2003 compared to the total number of full-time students in that class



These figures indicate that a high proportion of freshmen are being housed on-campus similar to other college campuses. Because all students residing in residence halls are allowed a choice to return, the increasing first-year student enrollments have resulted in some first-year students having to live off-campus because they could not be served. In addition, high proportions of upper-class students choose to live off-campus because the existing housing does not provide the features and amenities they seek.

The graph below shows the percent of full-time new entering freshmen that have been housed on-campus at MSU from 1999 through 2003. The graph shows that roughly 80% of full-time new entering freshmen are currently able to be accommodated on-campus. Additional beds are filled by returning students and according to our research, on-campus housing is at capacity.



Off Campus Student Housing Market

The on-campus housing options currently house only about 24 percent of the University's student population. It is estimated that another roughly 15 percent of MSU students commute to school from surrounding communities leaving roughly 60 percent of the student base who must find housing off-campus.

Maxfield Research inventoried all of the larger rental complexes in the area immediately surrounding the MSU campus. This inventory included 2,053 rental units with a capacity for *at least* 4,527 residents (assuming single-occupancy bedrooms). These units alone, could house at least one-third of the University's full-time enrollment. The remaining 15 percent of the full-time student population likely resides in smaller rental properties (including single-family homes) or properties outside the immediate campus area.

In order to understand and analyze the off-campus student housing market surrounding the MSU campus, Maxfield Research surveyed 22 larger rental complexes in April 2004 and collected information on; the age of the buildings, the number, type and size of units, monthly rents, resident profile, unit features, building amenities and lease terms.

- Most of the rental projects surveyed were dominated by students with 18 of the 22 projects reporting having at least 80 percent of their units occupied by students. Seven projects (*Stadium Heights, University Square Village I, Monk's Place, Campus View, Campus Village, Southridge,* and *Southwood Terrace*) indicated that all of their residents were students. A couple of rental property owners and managers we spoke with also reported having a few MSU staff/faculty residing in their apartments.

- 127 units in the projects surveyed were reportedly vacant at the time of our survey, translating to a vacancy rate of 6.2 percent. A majority of the vacant units were located in three projects. The first project (*University Courtyard Apartments*) had just opened for occupancy in 2003 and is still in the initial phases of the development. The second project (Devonshire) is facing major competition with the newer projects that have been recently developed. The remaining open units were at *Highland Hills*, which according to the management has begun to see an influx of non-student immigrants over the last few years. The building is certified to accept HUD/Section 8 certificates.

- Many of the rental property owners and managers we interviewed stated that a few years ago, the student housing market had been very strong, but with the recent construction of off-campus student housing in the last few years, the market is now declining. The projects we included in the assessment currently show fairly high occupancy rates, but information provided by property managers indicated that there would be a drastic decline in occupancy by Fall of 2004. Since 2000, there have been four student housing developments built with a total of 245 units. In addition, two new projects (University Square Village II and Jacob Heights) totaling 62 units are expected to open in August of 2004. With the recent influx of student housing projects, some of the projects may have a more difficult time filling their units. The newer projects seem to be attracting the students and are having no problems in filling their units, while the older projects are having a difficult time maintaining full occupancy.

A break-down of unit types as well as ranges and average unit sizes and monthly rents for each unit type for the 22 projects surveyed is included in Table 12 below:

TABLE 12
OFF-CAMPUS HOUSING OPTIONS
MANKATO, MINNESOTA
June 2004

Complex Name	Year Opened	Occp.	Unit Mix	Size (Sq. Ft.)	Rents Per Month		Rents Per Sq. Ft.	Resident Profile	Comments/Amenities
University Square Village II Warren St.	Aug. 2004	100%	4 - 2BR 14 - 3BR 30 - 4BR 48	846 1,071 1,292	$900 - $1,000 $1,125 - $1,350 $1,500 - $2,000	* * *	$1.06 - $1.18 $1.05 - $1.26 $1.16 - $1.55	98% students, all ages	Parking spot included, refund of $175 if not used. Wireless internet, dishwasher, microwave, vending machines, in-unit W/D, courtyard with grills, utility closet, water/sewer/garbage included.
Jacob Heights Monks & Woodhaven Cir.	Aug. 2004	50%	14 - 3TH	1,700	$1,497 $300 for a 4th person	*	$0.88	100% students, older juniors/seniors	2 Bath, Dishwasher, disposal, in-unit laundry, picnic area, mini blinds, patio, 2-car garage included, free off-street parking. Basic cable, internet, garbage included. Security guard on duty 24 hours/day. 12-month lease.
Stadium Heights Heron Dr. & Stadium Rd.	2002-04	100%	84 - 3BR	880	$975 - $1,050	*	$1.11 - $1.19	100% students, age 19-23	Central A/C, 7 apt. bldgs. Dishwasher, disposal, coin laundry, sand volleyball, football/soccer fields, picnic area, mini blinds, free parking lot. Basic cable, internet, garbage included. 12-month lease.
University Courtyard Apts. Monks Ave.	2003	80%	48 - 2BR 71 - 4BR 119	845 1,200 - 1,250	$1,120 $1,860	* *	$1.33 $1.49 - $1.55	98% students, all ages including freshmen, 2% professors.	8 bldgs., dishwasher, disposal, private porches, in-unit W/D, sundeck, fitness center, pool, courts, clubhouse(TV, stereo), game tables, comp. lab, internet, parking spot, copier, fax, study desks.
University Square Village I Stadium Rd.	2001	100%	12 - 3BR 12 - 4BR 24	1,100 1,350	$1,125 $1,500		$1.02 $1.11	100% students, all ages	Parking spot included, refund of $175 if not used. Wireless internet, dishwasher, microwave, vending machines, coin-laundry, courtyard with grills, utility closet, water/sewer/garbage included.
Rolling Oaks P.O. Box 877	2001	100%	12 - 3BR 6 - 4BR 18	1,400 1,400	$990 $1,280		$0.71 $0.91	85% students, 15% working singles, families.	Central A/C, two BA's, dishwashers, com. coin-op. lndry. Satelite TV internet. 12 mo. lease. Sister building with Monk's Place.
Monk's Place Monks Ave.	1998-99	100%	36 - 5BR	1,400	$1,525		$1.09	100% students, mostly jrs. & srs., interest for next fall from students currently living in dorms	Central A/C, two BA's, dishwashers, com. coin-op. lndry. Satelite TV internet. 12 mo. lease. Sister building with Rolling Oaks.

TABLE 12 Cont.
OFF-CAMPUS HOUSING OPTIONS
MANKATO, MINNESOTA
June 2004

Complex Name	Year Opened	Occp.	Unit Mix	Size (Sq. Ft.)	Rents Per Month	Rents Per Sq. Ft.	Resident Profile	Comments/Amenities
Campus View	1989-1997	99%	1 - 1BR	N/A	$550	N/A	100% students; all ages.	Wall-unit A/C, in-unit W/D, 1.5 BA's in 3BR, 2BA's
Warren Street			73 - 3BR	900	$1,074	$1.19		in 4BR, dishwashers, microwave ovens, BBQ area.
			171 - 4BR	1200	$1,296	$1.08		11.5 month lease.
			245					
Campus Village	1989	88%	32 - 4BR	1,114	$1,200	$1.08	100% students; all ages.	Central A/C, compartmentalized BA, dishwashers,
Warren Street					$100 for a 5th person			microwave ovens, patios, com. coin-op. lndry. 12
								mo. lease. $250 deposit.
Southridge	1987	100%	32 - 1BR	540	$535 - $550	$0.99 - $1.02	100% students; all ages.	Central A/C, W/D hook-ups, dishwashers, patios.
Jaycee Court			42 - 2BR	820 - 1020	$675 - $770	$0.75 - $0.82		Two full BA's in 2 & 3BR's. 12 mo. leases. Use of
			30 - 3BR	1,090	$815	$0.75		Devonshire's rec. amenities.
			104					
Quads	1984	96%	84 - 2BR	912	$675 - $715	$0.74 - $0.78	90% students; mostly	Two BA's, central A/C, dishwashers, in-unit W/D
Bunting Lane							sophmores through	(stacked), balcony/patios, outdoor pool. 12 mo. lease.
							seniors.	
Huntington Hills	1984	100%	8 - 1BR	620	$500	$0.81	95% students; mostly	Apts.= Wall-unit A/C, Com. coin-op. lndry.
James Av.	1984		60 - 2BR	840	$600	$0.71	upperclassmen & grad.	TH's = Central A/C, dishwasher, two BA's, in-unit
	1984		5 - 4TH	1,400	$1,550	$1.11		W/D, attached garages, prvt. entrances
	1998		5 - 5TH	1,600	$1,600	$1.00		Outdoor pool, basketball & volleyball courts.
			78					Current promotion: 10-month 2BR lease for $665
Meadowview Apts.	1982	98%	16 - 1BR	600	$510	$0.85	40% students; mostly	Wall-unit A/C, com. coin-op. lndry., tennis court,
Pohl Rd.			32 - 2BR	800	$620	$0.78	upperclassmen & grad.	BBQ area. Detchd. gar. avail. f/ $25/mo. 12 mo.
			48				Some faculty.	lease.
Devonshire	1976-79	80%	78 - 1BR	540 - 580	$470 - $479	$0.87 - $0.89	95% students; all ages.	Central A/C, balconies, com. coin-op. lndry. Tennis,
Briargate Rd.			86 - 2BR	781 - 841	$585 - $610	$0.73 - $0.75		basketball and volleyball courts, outdoor pool. 10/12
			68 - 3BR	927 - 964	$695 - $720	$0.75 - $0.75		mo. leases. 10-mo. Lease prices are: $520-1BR, $645-
			232					$690-2BR, $765-$790-3BR.
Southwood Terrace	1971	99%	90 - 1BR	756	$510 - $550	$0.67 - $0.73	100% students; all ages.	Wall-unit A/C, balcony/patio, outdoor pool, com.
James Av. & Stadium Rd.			63 - 2BR	1,008	$650 - $750	$0.64 - $0.74		Coin-op. Lndry., BBQ area. 12 mo. leases.
			153					Higher rents are for 3 people in 1BR units and 4
								people in 2BR units.

TABLE 12 Cont.
OFF-CAMPUS HOUSING OPTIONS
MANKATO, MINNESOTA
June 2004

Complex Name	Year Opened	Occp.	Unit Mix	Size (Sq. Ft.)	Rents Per Month	Rents Per Sq. Ft.	Resident Profile	Comments/Amenities
Valleyview	1970	100%	3 - 1BR	600	$400	$0.67	20% students, mostly upperclassmen, majority working singles age 30-35, some families, one faculty.	Wall-unit A/C, microwave ovens, com. coin-op. lndry. 12 mo. lease. Trying to stay away from housing students.
James Av. & Stadium Rd.			21 - 2BR	725	$455	$0.63		
			24					
Colonial Manor	1967	100%	24 - 1BR	680	$505	$0.74	80% students; all ages. Some faculty.	Wall-unit A/C, com. coin-op. lndry., outdoor pool, BBQ area. Detchd. gar. avail. f/ $25/mo. 12 mo. lease.
Warren St.			24 - 2BR	900	$630	$0.70		
			48					
Highland Hills	1965-67	94%	95 - STU	280	$425	$0.67	99% students; mostly older juniors/seniors. Some faculty. Section 8 accepted.	Central A/C, 2 swimming pools, computer lab, Coin-op. lndry. Volleyball, basketball & tennis courts. STU's include two Murphy beds & kitchen table. 3BR's have 2 BA's and in-unit W/D. 10/12 mo. leases.
Warren St.			248 - 1BR	432 - 566	$510 - $544	$0.96 - $1.18		
			132 - 2BR	750	$679 - $729	$0.91 - $0.97		
			52 - 3BR	864	$899	$1.04		
			527					
Parkway Apts.	1966	71%	2 - STU	400	$420	$1.05	33% students; all ages.	Wall-unit A/C, com. coin-op. lndry. 12 mo. lease
Parkway & Glenwood Aves.			12 - 1BR	570	$490	$0.86		
			10 - 2BR	660	$570	$0.86		
			24					
Char Mar Apts.	1964	86%	14 - 1BR	400	$440	$1.10	50% students; all ages.	Com. coin-op. lndry. 12 mo. lease.
Welcome Av. & Rita Rd.								
Glenwood Terrace	1963	97%	33 - 1BR	640	$590	$0.92	80% students, mostly upperclassmen & grad. students	Wall-unit A/C, coin-op. lndry. ea. bldg., outdoor pool, BBQ area, sundeck, stor. lockers. Heat/water/sewer included.
Parkway Av.			35 - 2BR	830	$740	$0.89		
			1 - 3BR	960	Caretaker	NA		
			69					
Knollcrest Apts.	1951	89%	28 - 2BR	730	$590 - $610	$0.81 - $0.84	25% students; all ages. A few faculty.	Wall-unit A/C, com. coin-op. lndry. Detchd. gar. avail. f/ $25/mo. 12 mo. lease.
Knollcrest Dr.								
Total		92%	2,053					

Note: Rents have been adjusted to include all utilities except telephone.

* Rents are based on per person. We have adjusted the rents to reflect each bedroom type.
STU= Studio unit
TH = Townhome-style units.

Source: Maxfield Research Inc.

A summary of information collected for each of the larger rental projects near the MSU campus is included in Table 13 on the following pages.

- Of the 2,053 units in the projects surveyed, 33 percent have two bedrooms 27 percent have one bedroom, 17 percent have three bedrooms, 16 percent have four bedrooms, five percent were studios, and two percent have five bedrooms.

TABLE 13
SUMMARY OF UNIT MIX, SIZES AND RENTS
OFF-CAMPUS HOUSING OPTIONS
June 2004

Unit	No. of	Size (Square Feet)			Monthly Rents		
Type	Units	Min	Max	Avg.	Min	Max	Avg.
STU	97	280	400	287	$420	$425	$425
1BR	559	400	756	571	$400	$590	$520
2BR	669	660	1,020	838	$455	$1,120	$693
3BR	360	820	1,700	976	$695	$1,497	$965
4BR	327	1,114	1,400	1,218	$1,200	$2,000	$1,462
5BR	41	1,400	1,600	1,424	$1,525	$1,600	$1,534
	2,053						

Rents have been adjusted to include all utilities except telephone

Source: Maxfield Research Inc.

- Unit sizes and rents varied greatly from one project to the another, with monthly rents averaging roughly $425 for studio units, $520 for a one-bedroom unit, $693 for a two-bedroom unit, $965 for a three-bedroom unit, $1,462 for a four-bedroom unit and $1,534 for a five-bedroom unit. In the multi-bedroom units, average monthly rents per bedroom ranged from roughly $305 to $365.

- All but three of the rental projects require 12-month leases. Two of the three projects also offer a 10-month lease and one (*Campus View*) has an 11.5-month lease, which allows the complex 1/2 month to prepare units for the next wave of students the following year.

- Nearly all of the properties' owners/managers require group leases. That is, all tenants are responsible for the monthly fees and any damages to the unit/building that may occur. Should any one individual skip out on rent or cause any damage to the unit, the remaining roommates are responsible to cover the costs.

- Our research also uncovered that the student market has been in transition over the last several years, with increasing numbers of students now preferring private bedrooms and significantly fewer students willing to share a bedroom with a roommate. This trend is likely the result of the baby boomlet generation being more accustomed to having their own bedroom in their parents' home than preceding generations. This has led to an increase in demand for units since the density of students living in student housing has decreased. Meanwhile, this trend has also reduced cash flow for the owners of the properties, since rent increases have not kept up with the loss of additional revenue generated when students were "doubling-up."

- The newer rental product that has been built over the last few years, with its two- three- and four-bedroom units has fared well having capitalized on the students' preferences for individual bedrooms. These new units also typically include amenities such as multiple or compartmentalized bathrooms (with separate shower/tub, toilet and double vanity/sink area), dishwashers and either central air conditioning or wall-units in each bedroom, which are not commonly found in the older rental product.

- The private sector's movement to meet the shifts in students' preferences for private bedrooms can clearly been seen in Table 14.

TABLE 14
UNIT MIX OF OFF-CAMPUS HOUSING BY DECADE
June 2004

	UNIT TYPE						
Decade:	STU	1BR	2BR	3BR	4BR	5BR	Units
2000s	0	0	52	136	119	0	307
1990s	0	1	0	73	171	41	286
1980s	0	56	218	62	5	0	341
1970s	0	171	170	68	0	0	409
1960s or earlier	97	359	201	53	0	0	710
							2,053
	STU	1BR	2BR	3BR	4BR	5BR	Units
2000s	0%	0%	17%	44%	39%	0%	100%
1990s	0%	0%	0%	26%	60%	14%	100%
1980s	0%	16%	64%	18%	1%	0%	100%
1970s	0%	42%	42%	17%	0%	0%	100%
1960s or earlier	14%	51%	28%	7%	0%	0%	100%

Source: Maxfield Research Inc.

- Our study revealed that in smaller unit types, one- and two-bedroom units, there is still a high proportion of students doubling-up in the bedrooms. Single-occupancy however, is more common in the larger unit styles. Overall, it was estimated that roughly two-thirds of the students living off-campus had a bedroom to themselves.

- In addition to the apartment complexes, Maxfield Research also reviewed rental information on single-family homes marketed to students in the Mankato area. The variety, quality and pricing of this housing varied greatly. Typically, this housing contains some of the least expensive housing options available, with homes renting for anywhere between $250 and $475 per month (plus utilities) per student for a single-occupancy bedroom in a two plus-bedroom house. The majority of homes had monthly rents of about $300 to $350 per student. Rents could have been much cheaper if the tenants were willing to share a bedroom, but with the changing demographics, most students want more privacy and prefer their own bedrooms. Most of the single-family homes that were identified required 12-month leases, while a handful had 9- and 10-month leases.

Aside from University Square Village and Jacob Heights, which are expected to open in Fall 2004, there are currently no other pending rental housing projects near the MSU campus.

Introduction

Maxfield Research held three focus groups with current MSU-Mankato students at the end of April 2004. The impetus of these focus groups was to measure interest in additional housing on the campus, as well as preferences for features, amenities and housing affordability. Furthermore, the focus groups measured students' satisfaction with their current housing situations and identified issues students have with available housing/dining options. Focus groups sessions were held with the following student groups: first-year students residing on-campus, upper class students residing on-campus and off-campus students. The following are the key points that were raised during the focus group sessions.

Participant Characteristics

- Approximately 32 students participated in the focus groups; roughly 20 students currently living in on-campus housing, first-year and upper class and 12 living off-campus. The focus group participants were generally an equal mix of males and females.

- Of the first-year on-campus students, one lived in Crawford, two lived in Gage and the remaining students lived in the McElroy complex. One student lived alone and all others lived with roommates. All first-year students were taking a meal plan.

- Of the upper class students, all resided with a roommate and all were taking a meal plan of some type. The majority lived in McElroy while two others lived in Gage. None of the upper class students that participated were living in Crawford.

- Of those living off-campus, all rented a home or apartment. One student lived alone and all others lived with roommates. None lived with their parents or lived in a home owned by their parents. About half of the students living with roommates lived in apartments while the other half lived in homes that were being rented. Most of those living with roommates had either one or two roommates. A couple of the students lived with more than two roommates in a house. None of the off-campus students were taking a meal plan.

- Of the 12 students currently living off-campus, 11 had lived on the MSU campus at some point in their academic careers. One stated he had never lived on campus and would never consider living on-campus. Five of the remaining eleven stated they may be interested in living on-campus if additional housing was available, depending on the cost and the product type.

Housing Satisfaction/Issues

- Most of the students, on-campus and off-campus, indicated a reasonable level of satisfaction with their current living situation. There was a comment made from one of the students living on-campus (who did not live in Crawford) that Crawford should be torn down. This student indicated problems with asbestos and believe that this was a health hazard to residents. Off-campus students tended to express a higher level of satisfaction with their current living arrangements than on-campus students.

  - What on-campus students liked best about living on-campus were;

    - Proximity to classes, library, and other campus facilities;
    - Limited need to drive and limited need to park a car;
    - Not having to shop around for housing;
    - Availability of meals;
    - Convenience of paying only one bill for housing, utilities and meals, and not having to split costs each month with a roommate;
    - Relatively little maintenance/upkeep needs;
    - Not having to be responsible for actions of roommates;
    - Communal living experience and social opportunities;
    - The availability of ethernet/internet, cable TV and computer labs; and
    - Easier to meet people on-campus.

  - What on-campus students disliked about living on-campus were:

    - Lack of privacy;
    - Noise/distractions;
    - Ongoing maintenance problems with facilities (examples of problems include too hot-too cold in units, inability to adjust room temperatures to the satisfaction of the students, requests for repairs are not responded to promptly, problem indicated as fixed when still exists);
    - No air-conditioning;
    - Roommate conflicts;
    - Small room size, and inadequate closet/storage space;
    - Communal bathrooms/showers;
    - Campus' policies, the feeling of continually being monitored, rules too strict;
    - Poor food service, lack of flexibility in meal plans;
    - Outdated lounges and lack of common areas;
    - Lack of close-in parking; and
    - Inability to adequately control heating.

  - What off-campus students liked about living off-campus basically reiterated what they did not like about living on-campus and included:

- Less expensive (perceived better value) than living on-campus;
- Larger living spaces;
- Sense of independence and freedom from campus policies (i.e. alcohol);
- More privacy; ability to have own bedroom and to share a bathroom with one or two other people;
- Ability to prepare own meals because of having kitchen facilities;
- Greater availability of parking;
- Less distractions, but some also indicated their apartment buildings were noisy as well; those who lived in rented homes usually stated that there was less noise;
- Ability to live with significant other; and
- Ability to have pets.

- Most of the students living off-campus indicated they had moved off-campus primarily because they believed that it was less expensive, they had greater freedom from campus rules and had more privacy. The remaining students had other specific criteria they were trying to satisfy by living off-campus, such as the need to have a work space (to work on cars), wanting to be entirely independent from campus life, preferring to cook their own meals because of special dietary needs or special cuisine preferences (Asian cuisine).

Affordability

- When asked the maximum the participants would be willing to pay for on-campus housing, most of the responses ranged between $300 to $450 per month, depending on the type and features of housing available. Most of the participants were not willing to pay the maximum of $450 per month for the existing housing on-campus.

- Nearly all of the students living off-campus believed that housing costs were less expensive for them than living on-campus. Some off-campus students complained about having multiple bills for rent and utilities. Overall, most of the students living off-campus appeared to be satisfied with their living arrangements. A few students indicated there had been quite a few new apartments recently built and that had eased the rental housing situation close to campus. Students acknowledged that rental apartments close to campus were more expensive than elsewhere in Mankato, but indicated that it was more convenient to live closer to campus.

- About half of the students stated that they could afford and would be willing to pay more for their ideal housing. The other half indicated that they were not willing or could not afford to pay any more than they currently are. Overall, women participants were slightly more likely to pay more for their ideal housing than their male counterparts.

- The most important factors in the students' decision on where to live off-campus were: cost, proximity to campus (or transportation routes) perceived safety, the physical condition of the housing, and the size of the housing (whether it is large enough to comfortably accommodate all of the roommates).

Housing Interest/Preferences

- Of the 12 off-campus participants, four indicated that they would be (or would have been) very interested in apartment-style housing built on-campus. Four others responded that they would be slightly interested, but it would depend on costs, type of units and whether campus policies would be enforced. Four others indicated they would not be interested because of other needs.

- Of the 20 participants currently living on-campus, about one-third stated that they would be (or would have been) very interested in either suite- or apartment-style housing on campus while three others stated that single-occupancy residence halls would be sufficient for their needs. Again, costs and the amount of freedom/independence that would be afforded played a significant role in whether students would consider on-campus housing.

- Amenities that the participants would most like to see incorporated into any new housing development primarily echoed their responses as to what they did not like about living on-campus. They included: private bedrooms and bathrooms, cooking facilities, adequate climate control (including the availability of air-conditioning), more closet/storage space, more parking, larger units (more square footage) and more attractive community spaces (lounges, study areas).

- Most of the on-campus and off-campus participants who indicated they would be interested in on-campus apartment-style or suite-style housing indicated that microwave ovens would be important. Many students already have small microwave ovens in their rooms. Dishwashers were considered to be a luxury and not a necessity. Several on-campus participants indicated they wanted more variety and availability of vending machines.

- Focus group participants indicated that any more than four persons in an apartment/suite unit would require a second bathroom. A compartmentalized bathroom was greatly preferred over a standard bathroom set-up.

- The majority of students also agreed that any new housing should be segregated by the age of students. Older students generally indicated they did not want to reside with freshmen, while the younger students indicated that they felt more comfortable living among other students their own age and maturity level.

- Overall, both suite- and apartment-style housing concepts were well received by most participants. However, it was felt that in order for any new on-campus housing to attract a significant number of students back to campus, it would need to be reasonably priced relative to the off-campus market and contain the same or more amenities than could be found off-campus.

- Students did not generally have a strong preference as to a site for a new facility. Most indicated that it should be centrally located on the campus and should not be located at the bottom of the hill as it was too difficult to walk up the hill, especially in the winter months.

- Participants were generally opposed to losing any of the campus' green space and/or athletic fields or parking areas.

- Older students stated that if campus policies would apply to any new housing that it would limit the college's ability to capture older undergraduates and graduate students. It was thought that no matter what was built on-campus, there would always be some students who will prefer to live off-campus because of the increased independence and freedom.

- Older students as well as those currently living off-campus seemed to favor a location somewhat isolated from the core of the campus, stating that they liked being able to "go home" after a day of classes. On the other hand, younger students tended to favor a development nearer to campus facilities.

Introduction

Increased competition for students between establishments of higher learning has made it extremely important for colleges and universities to have the ability to provide their students with an adequate supply and variety of housing options. Many colleges across the nation are realizing the marketing advantages of providing alternatives to the traditional double-occupancy dorm room. These alternatives are in response to changing market preferences for private sleeping quarters and for amenities such as private bathrooms and kitchens. The addition of suite- or apartment-style housing options can become an important tool in a college's ability to attract new students and to retain upper-class and graduate students which many colleges are encouraging remain part of the on-campus college community. Research conducted by our firm as well as other research firms have indicated that students (as well as their parents) often view the availability and quality of a college's housing stock as one of the more important factors in choosing a college. Furthermore, parents also often prefer that their students have the option of living in on-campus housing for both academic and security reasons.

This section of report estimates the potential demand for housing on the MSU campus currently and assesses the potential demand based on projections of enrollment, whether additional housing is needed and if so, what type of housing concept(s) would be most appropriate.

Student Housing Demand

Demand for student housing typically comes from two sources: changes in full-time enrollment and students' preferences for living on-campus which are based, in part, on the availability of different housing alternatives and costs. In addition, campus policies may also affect on-campus housing potential. For this analysis, however, we have assumed that no major changes in current housing policies will occur at MSU over the next decade.

From 1992 to 2002, the number of high school graduates has increased by over 12,650 students (26% increase) for a total of 61,918 graduates in 2002. The number of high school graduates is projected to continue increasing in the next few years reaching its peak of about 64,000 students in 2009. Following 2009 though, the number of high school graduates is expected to slowly decline.

Presently, there appears to be an adequate supply of dormitory-style rooms (at least for multiple-occupancy rooms) on the Minnesota State University campus. However, our research found that the current housing options, primarily double- or triple-occupancy dormitory-style rooms, are not meeting the needs/preferences of all students. This is particularly true for upperclassmen and graduate students who are much less likely to consider traditional dormitory-style housing. While the private sector has been able to satisfy much of the demand for apartment-style housing off-campus, there remains a portion of students that would prefer to live on-campus, but do not, because the existing housing does not meet their needs. Interest in on-campus housing was measured through focus groups sessions with on-campus and off-campus students. Our analysis revealed strong positive reactions to suite- and apartment-style housing concepts from students living both on- and off-campus.

Based on our recent focus group sessions and our experience working with students' housing needs, we believe there is potential for MSU retain a higher percentage of its full-time enrollment and be able to satisfy the demand from increased first-year enrollment by developing a different mix of housing on-campus that will better suit student needs and preferences. We note that although students are willing to pay more to obtain the features and amenities they desire, there is also a direct correlation between paying a higher amount per month and the "value" associated with that higher amount, such as more privacy, greater freedom, more convenience. In general, students are relatively savvy consumers.

Currently, about 24 to 25 percent of MSU's full-time student base resides in on-campus housing. This capture rate is generally below other peer institutions such as UMD (roughly 38 to 39 percent) and Winona State University (32 percent), and opened Fall 2003. It is estimated that the new housing has raised WSU's capture rate to about 36 percent.

We believe that if additional housing is developed, MSU could capture most of the students that have a very high interest in living on-campus and some of the students that are somewhat interested. If we were to apply a conservative capture rate of 33 percent to MSU's current full-time student population, it would indicate a potential for a total of 3,100 beds. This 33 percent capture rate would still be significantly less than the current 39 percent capture rate at UMD, and slightly below the capture rate at Winona State University, once the new housing complex is online. Although our previous survey indicated that 36 percent of students would consider moving on-campus if other housing alternatives were available, we believe that a 33 percent capture rate is more realistic over the short-term, in part, because of the construction of new student housing just off-campus.

MSU could capture roughly 33 percent of the full-time enrollment through the development of an additional 105 beds based on MSU's current occupancy of 2,830. This was derived from a total capacity of 2,932 minus a 4 percent vacancy rate. Demand for alternative housing types however is greater than 105 beds, since a portion of students currently living in residence halls will prefer either suite- or apartment style housing. We believe that demand for traditional dormitory-style rooms will decline is new suite-style and apartment-style housing is made available in greater amounts.

Prior to our previous study completed in 2000, on-campus enrollment at MSU had decreased in every year for about a decade, reaching a low of 11,240 students in 1998. Since 1998, MSU's enrollment has increased each year after that, reaching 13,609 students in 2003. Increasing enrollment at MSU was a result of several factors including a substantial increase in the admissions budget, a growing echo boom demographic, the implementation of a banded tuition policy, among others. All contributed to the enrollment increases. Enrollment is expected to continue to grow modestly over the next few years as the number of incoming freshmen continues to increase until probably 2010 when high school enrollment projections show a peaking of graduates and then a gradual decline. We note however, that high school enrollments in the Twin Cities and other larger metro areas in Minnesota are expected to continue to increase while high school enrollments in Greater Minnesota are expected to decline. If MSU can attract a higher proportion of high school graduates from Region 11 (the Twin Cities Metro Area), the school may be able to mitigate expected declines in first-year enrollments after 2010. We caution that this may be difficult if increases in the Metro Area are dominated by minority graduates who may be less likely to travel outside of the Metro Area to attend post-secondary institutions as was mentioned earlier.

Since MSU does not compile enrollment projections, Maxfield Research has forecasted potential enrollment. Our enrollment projections incorporate the proportion of projected high school graduates in each of the State's eleven economic regions that were enrolled in classes on the MSU campus during Fall terms from 2000 to 2003. We apply the percentage of new entering freshmen at MSU from each of the economic regions to the projected number of high school graduates for each region; then, we add the projected new out of state freshmen students. Finally, using retention and graduation rate data provided by MSU's Institutional Research Department, we have projected that the number of new freshmen at MSU will increase by roughly 207 students (roughly 9%) between 2003 and 2005. By 2009, the number of new freshmen will increase by another 84 students, but then decline by about 105 (about 4.1%) by 2013.

Because the economic region data was available only for the total on-campus enrollment, the percentage of on-campus enrollment that is enrolled full-time must be applied to the projections. Using the projected new freshmen from 2005, we have applied a capture rate for each class level based on current on-campus occupancy trends. We have also incorporated the retention rate of the freshmen as they age through their college career. From these rates, we have projected a total of 2,918 students living on-campus by 2005. These projections forecast an increase to 3,140 students by 2009, but then a decline of 117 students by 2013, for a total of 3,023 on-campus students. *At the current capacity for 2,815 beds (which includes a 4% vacancy rate), this would show an additional need for 103 beds by 2005, 325 beds by 2009, and 208 beds by 2013.* We estimate that in order to satisfy demand, **MSU will need to supply an additional 175 to 208 beds by 2013 from projected increases in enrollment alone.** This does not accommodate demand that would result from the development of housing options that would provide updated features and amenities not currently available to students and a decrease in the desirability of traditional dormitory-style rooms.

Recommended Development

Based on feedback received from the focus group sessions, the most popular housing concepts among all survey respondents for new housing are four-bedroom suite-style units and four-bedroom apartment-style units. These two concepts generated roughly the same amount of consideration. A small portion of students indicated they would be satisfied with double occupancy residence hall style rooms if these were newer and had updated features and amenities. Two-bedroom apartments housing four persons and single-occupancy residence hall rooms were also identified as desirable.

Double-occupancy residence hall rooms were the top choice of first-year students while sophomores preferred suite-style units. Juniors and seniors and graduate students tended to like single-occupancy options likely due to the privacy they afford. Juniors and seniors tended to prefer apartment-style options while single-occupancy residence hall rooms were the top choice for graduate students.

In order for the college to realize its projected capture rate potential, any new future housing developed (as well as the existing housing) will need to compete favorably with the housing options being provided by the private-sector market.

All things being equal, students would overwhelmingly prefer suite- and/or apartment-style housing over traditional dormitory-style living. Most students at MSU however, tend to be price sensitive. Nearly all of the off-campus apartment projects are able to provide single-occupancy apartment-style living for $350 to $400 per month per student, in two or more bedrooms. This is very attractive to this market considering that a single-occupancy residence hall room at MSU is currently commanding nearly $530 per month (plus meals). We note however, that $530 per month includes all utilities including electricity, local phone, cable TV, internet access, laundry and public area cleaning. One-bedroom rentals off-campus are currently renting for between $400 and $550 per month, depending on the complex, the age of the building and the unit size. Most of these units feature wall-unit air conditioning or central air. Some include heat in the rent and some do not. None includes electricity which is the responsibility of the tenant. Cable access is available at a monthly fee as is internet access.

Among the focus group participants, only about one-third stated they would not be able and/or willing to pay more than $350 per month for housing, limiting the market for certain types of housing and the amount of rent it can command. We note however, that our experience has been that if the amenities and features are available, students are usually willing to pay considerably more per month to have the modern features. In addition, there is a significant portion of students that would not consider on-campus living because of campus policies infringing on the students' style of living.

Based on an examination of housing preferences for each class and the ability of these students to afford different price ranges, we have developed what we consider is an optimal housing mix for the MSU-Mankato campus to satisfy the needs of current and future MSU students through 2013:

1,500 beds in double-occupancy residence hall rooms
100 beds in single-occupancy residence hall rooms
400 beds in single-occupancy suite-style units (one person per bedroom/four-bedroom)
200 beds in double-occupancy suite-style units (two people per bedroom/two-bedroom)
600 beds in double-occupancy apartment-style units (two people per bedroom)
360 beds in single-occupancy apartment-style units (one person per bedroom)

This suggested plan reduces the number of traditional residence hall rooms (whether traditional doubles or super-doubles) to 1,500 beds. We recommend doubling the number of single-occupancy residence hall rooms targeted to upper class students and graduate students and some students that prefer to live alone. The remainder of the demand would be supported through the development of suite-style (one person per bedroom/four-bedroom units) and apartment-style units that would accommodate a mix of single- and double-occupancy bedrooms.

The reduction in traditional residence hall beds will likely be achieved through the demolition of existing beds. A reconfiguration/renovation of existing structures could create some alternative room types, such as the suggested increase in the number of single-occupancy rooms. Projected increases in enrollment are only expected to occur through 2010 after which time, slight decreases are forecast. Conversion of a portion of the existing residence hall rooms into suite-style housing may reduce the overall number of new units that would be needed, but would also displace a portion of students that are currently residing in on-campus housing. Depending on the number of new beds added in alternative housing concepts, the demand for traditional residence halls will diminish accordingly.

Adding new beds in an amount equal to the projected increase in first-year students is not expected to diminish demand. Adding new beds in excess of the roughly 105-bed projected increase in students will create an incremental decrease in demand for traditional residence hall beds. Accordingly, developing between 250 and 350 beds of suite-style and apartment-style units on-campus immediately would reduce the overall demand for double-occupancy residence halls and would create increased vacancies unless these units were removed.

New housing would need to be developed prior to any renovation of the existing residence hall rooms in order to house students displaced from the renovation. Depending on whether it is cost effective and/or feasible to convert existing residence hall rooms into suite-style rooms will determine how many new units will need to be built.

Based on focus group responses, the suite-style units (lacking a kitchen) should be located as close to the core of campus as possible, since residents of the units will need access to food service. Our analysis identified a demand for 105 beds from enrollment growth alone. The development of additional suite-style and/or apartment-style housing will result in increased retention of on-campus students and may also result in some students currently living off-campus to move back on-campus. We estimate that in the short-term (within two years-2007), that this demand would be able to fill another 100 to 150 beds with a mix of suites and apartments and would reduce demand for residence hall enrollment little or not at all.

If development costs or land availability restricts development to a single building in the short-term, we suggest developing both suite- and apartment-style units in the same building. The building would likely need to be divided by wings into two separate areas, one housing suite-style units and the other apartment-style units.

Unit Mix/Size/Rents

Table 16, displays our optimal housing development program for the MSU-Mankato campus through 2013. This development program is intended as a guide. The recommended suite- and apartment-style unit sizes would position the new units competitively with the off-campus student housing market.

TABLE 15
RECOMMENDED DEVELOPMENT CONCEPT
Minnesota State University
June 2004

		Capacity		Size	Monthly Rent		
Unit Mix	Type	Per Unit	Total	(Sq. Ft.)	Per Student	Total	Per Sq. Ft.
New Construction							
50	2BR - Suites	4	200	700	$310	$1,240	$1.77
100	4BR- Suites	4	400	1,000	$410	$1,640	$1.64
75	2BR-Apts	4	300	800	$350	$1,400	$1.75
90	4BR-Apts	4	360	1,200	$460	$1,840	$1.53
315	units		1,260	students			
Existing Residence Hall Rooms							
600	Dbls.	2	1,200	students			
100	Sgls.	1	100	students			

Note: The above monthly rents are quoted in 2004 dollars and should include all utilities except telephone. Rents may be trended upward based on cost of living increases.

Source: Maxfield Research Inc.

Because development costs are likely to be high, units housing four students are likely to be the most economically feasible and will be acceptable in the marketplace as many students are very price sensitive. Because of the price sensitivity, unit features and building amenities should be limited, with only the most value-added features incorporated.

Initially, we recommend the development of about 100 units that would accommodate approximately 400 beds in a mix of suite-style and apartment-style units.

Suites

Ideally, suite-style units should contain separate bedroom, living and bath areas. They would differ from the apartment-style units by the lack of a kitchen. The double-occupancy suites would have two bedrooms while the single-occupancy suites would have four bedrooms. We suggest between 18 and 20 two-bedroom suites of roughly 700 square feet and 18 to 20 four-bedroom suites of 1,000 square feet. We believe the double-occupancy suites could command monthly rents of $310 per occupant (or $1,240 total, $1.77 per square foot) while the single-occupancy suites could command monthly rents of $410 per occupant (or $1,640 total, $1.64 per square foot). The units should be furnished and designed to comfortably fit a bed, desk, chair and dresser for each student. A area should also be provided for a small dorm-size refrigerator, and a microwave oven. Preferably, the desk and dresser should be built-in or modular units.

Ample closet space will also need to be provided. The suites should also include wall-unit air conditioning if a building-wide central air conditioning system is not incorporated.

Because the suites will not have kitchens, residents should be required to purchase a meal plan. We recommend however, that a limited meal plan, one that includes five meals per week, be developed for these residents to further entice additional support from upper-class students. Furthermore, unless additional meal options are made available for students during the summer months, the suites should have 9- or 10-month leases. The suites then could be made available for alternative summer uses such as summer session housing, special education retreats, conferences, reunions, alumni gatherings, elder hostel retreats, and sports camps.

Apartments

The apartment-style units should include a mix of two- and four-bedroom apartment units. The two-bedroom units should be designed for double-occupancy (two persons per bedroom) and will appeal to the more price-sensitive students while the four-bedroom units should have a capacity of one student per bedroom. The four-bedroom units will be able to command a rent premium for privacy because they will have full kitchens and will allow students to forgo a meal plan if they choose.

We believe an appropriate unit mix would be 18 to 20 two-bedroom units (with a total capacity for 72 to 80 students) and 38 to 40 four-bedroom units (152 to 160 students). We suggest two-bedroom units of approximately 800 square feet in size with monthly rents of $350 per occupant ($1,400 total, or $1.75 per square foot). The four-bedroom units should have 1,200 square feet with monthly rents of $460 per occupant ($1,840 total, or $1.53 per square foot).

The apartment units should contain a full kitchen with a full-size refrigerator, oven/stove with a hood vent, a partitioned sink and ample cabinet space. Although dishwashers would be a nice added amenity, they are not necessary and should not be included if they are too costly. The inclusion of dishwashers, however would give the new on-campus building a competitive marketing advantage over most of the off-campus housing market. The inclusion of food disposals should be weighed between the perceived value afforded and possible ongoing maintenance concerns. Either two bathrooms or a compartmentalized bathroom with a separate shower/tub, toilet, and double sink/vanity area will be required. A split floor plan with two bedrooms and one bathroom on each side of the living area would be ideal for the four-bedroom units. Ample closet space will also be a key in all of the apartment units. We also suggest that the University consider in-unit washers and dryers in both the apartments and the suites as this would provide a major convenience and would give the project a significant marketing advantage over the off-campus competition. If in-unit washers and dryers were incorporated, we believe the units could easily command an additional $20 per month ($5 per student) premium.

We recommend that the units be at least partially if not fully furnished. At a minimum, one bed, one built-in desk and one dresser per student should be included. While it is not absolutely necessary to build in a desk, doing so can sometimes provide a slight increase in usable square footage in the unit and can reduce the amount of damage to furniture and other equipment in the units (i.e. phone/cable/internet jacks). A sofa with either a coffee table or end table as well as a kitchen table with chairs should also be included if not cost prohibitive. The experience of other colleges has shown that the provision of furnishings can drastically reduce the long-term maintenance needs of the building. If furnishings are to be provided, heavy-duty institutional-grade furniture should be selected in the common areas to prolong the life of the furnishings, while traditional soft furnishings should be included in the units themselves.

The units should also include individually controlled heating and cooling systems, and mini-blinds as window coverings. The units should also be wired for cable TV and each person should have Ethernet access and a telephone jack.

We suggest 12-month leases for the apartment units unless the University believes that demand would be strong enough to fill the units through alternative summer uses. Leases should be with individuals rather than a group lease (as in the off-campus market) in order to give the project a competitive advantage. If 12-month leases are the standard and expiration dates are not staggered, a 350-day lease could be explored to allow sufficient time to prepare for unit turnover.

Suggested Building Amenities

The building(s) should have a secure controlled-access entrance, student mailboxes, and a laundry facility on each floor (either coin-operated or with a debit card system), if washers and dryers are not incorporated into the units. A building of three or more stories will also need to include an elevator (multiple elevators may be needed depending on the building's capacity). A combination computer lab/copy center should also be considered so that students can print, fax, and copy documents. We also suggest a quiet study lounge that will allow students to "get away" to study. Furthermore, an exercise/weight room, and a social/TV lounge should also be considered. We also strongly suggest that the apartment building have designated off-street surface parking in close proximity to the building. A nominal extra parking charge would likely be acceptable.

Absorption/ Marketing Considerations

We believe that any new housing units developed would be able to achieve and maintain an annualized occupancy rate of 97 to 98 percent or better from its initial occupancy date. In order to reach this target, it will be important to have occupancy at least two months prior to the start of Fall Semester. Marketing should begin at groundbreaking. There is likely to be some slight decline in occupancy during the academic year, as students drop out or transfer. Because the building will be targeted to upper class students, move-outs should be very minimal. The occupancy projection is based on a 9-month academic year.

Upper-class students should be given priority to the new units, followed by returning freshman and then first-year students. This will free up some of the existing residence hall rooms for the projected increase in freshman enrollments. We note however, that as the recommended development concept is implemented, there will be a gradual decline in overall residence hall occupancy, based on continued competition from off-campus housing and the new on-campus housing. A portion of the vacancies in residence hall occupancies can create more single-room occupancies, a unit type that is desired by more seniors and graduate students. Developing new housing in sufficient numbers will, in the future, require the demolition of older residence hall rooms. One obstacle the College will encounter in retaining and attracting back upper class students that would otherwise live off-campus are their conflicts with campus policies (meals, alcohol, etc.). We recommend you consider amending some of the policies. At a minimum, we recommend offering a more flexible and less expensive meal plan alternative, as this issue was noted frequently during the course of our research as a negative factor of living on-campus.

Based on our research, we believe the highest priorities for upgrading the residence halls are improved heating, electrical systems, updating of the common areas (particularly study area and social lounges), the addition of a computer lab accessible to the McElroy and Crawford complexes and additional and more conveniently placed laundry facilities. As new housing is built, we also suggest converting all triple rooms into super-double rooms and simultaneously converting a portion of the double-occupancy rooms into single-occupancy rooms. Ideally, the single rooms could be clustered in one or two sections of the complexes and reserved for graduate and older students that would prefer a quieter and less chaotic living environment.

Long-Term Development Considerations

As previously stated, all things being equal, students overwhelmingly prefer suite- and apartment-style housing over the traditional dormitory style units. Students' biggest complaints regarding dormitory housing are communal bathrooms, aging/outdated building mechanical systems and a general lack of space. While dormitory-style housing is not yet entirely obsolete, the trend in college housing both locally and across the nation is towards suite-style and apartment-style housing.

The recommended development program will require implementation over a period of time and will require developing new housing prior to the removal of existing housing. We view the optimal development mix as a guide in incrementally adding new housing options to the campus.

Because of the price sensitivity of the student population, however, the costs of this new housing will need to remain competitive with the off-campus market to be able to retain higher proportions of student on-campus. Our research revealed that price sensitive students are willing to accept double-occupancy living accommodations in order to keep rates at a modest level.

In order to make the existing dormitory rooms more attractive to first-year students, we suggest converting some of the double-occupancy rooms with semi-private suite units (bathrooms shared between two suites). We envision these units as comparable to a large dormitory room (roughly 400 square feet), housing two students, with a bathroom connecting the two suites. The development program also recommends 100 single-occupant rooms. A portion of these could be single-occupant suites (of about 200 square feet) with semi-private bathrooms. These units could command a slight rate premium over the existing dormitory-style units but yet be priced below the full suites and apartment units.