

Housing P3 "State of the Industry" Report Results and Future Outlook

Thursday, June 24

Introductions



Jeff Turner

Executive Vice President,
Brailsford & Dunlavey



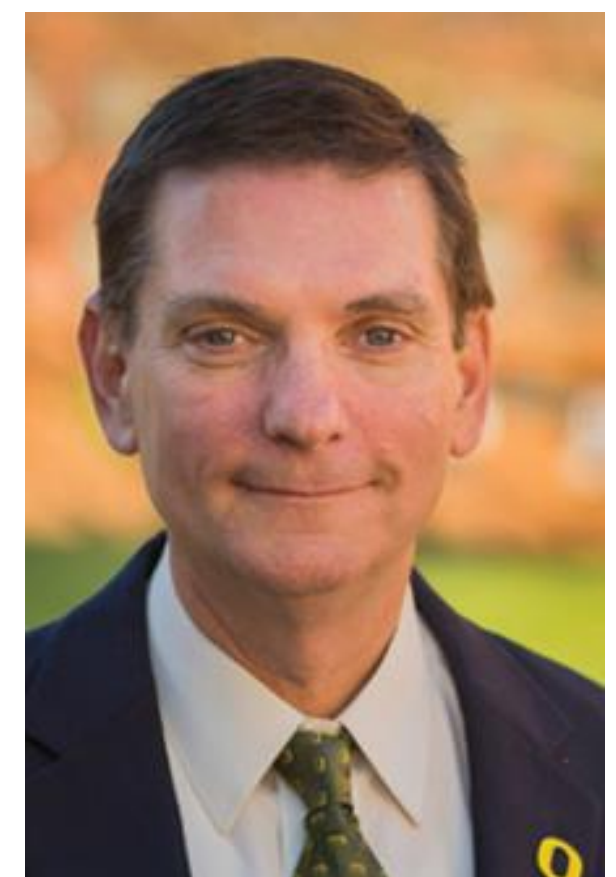
David Clark

Associate Vice President of
Campus Life,
Emory University



Gavin Roark

Director of Residential Life
& Housing,
Virginia Commonwealth
University



Michael Griffel

Assistant Vice President for
Student Services and
Enrollment Management
Director, University Housing,
University of Oregon

Evolving Industry Context

P3/OUTSOURCING IS GROWING AT MOST CAMPUSES

83%

Of college leaders say their campuses are increasing partnerships with private firms

53%

Of college leaders say they are interested in turning to P3s to develop campus facilities and infrastructure

42%

Of college leaders see an opportunity to outsource online program expansion

39%

Of college leaders see an opportunity to outsource student housing

(Source: Education Dive, "Outsourcing is growing at most campuses, college leaders say")



CONFERENCE
& EXPO June 22-24, 2021
Virtual



P3/Outsourcing in Higher Education

Category	Low	High
Food / Dining	60%	75%
Housing	5%	10%
Cleaning	15%	35%
Grounds	15%	35%
Operations & Maintenance	<5%	10%

Source: Aramark, Student Housing Business

Deferred Maintenance Getting Worse

Facilities Renewal Backlogs are Eclipsing \$100/GSF



Source = Gordian

COVID Impact

CHALLENGES WITH P3 PROJECTS

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CAMPUS HOUSING

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How Covid-19 Exposed the Cracks in a Public-Private Housing Deal

By [Scott Carlson](#) | SEPTEMBER 3, 2020



ANDRÉ CHUNG FOR THE CHRONICLE

Mallorie Hunt, a sophomore at Towson U., is caught between the university and the private company that runs her dorm. The company is not releasing students from their housing contracts even though Towson has gone online because of Covid-19.

TOP JOBS from The Chronicle

Faculty Professor Webinar Presenter and Course Content Writer
Webinarclasses

Assistant Research Professor of Special Education & Multiple Abilities
University of Alabama at Tuscaloosa

Dean, School of Education
University of North Texas at Dallas

Director, School of Information Sciences
University of Tennessee-Knoxville


Director - IU Regional Academic Health Center Simulation Center
Indiana University School of Nursing

[Search 14,814 jobs](#)

The Washington Post
Democracy Dies in Darkness

Education

U-Md. students stage protest, continue to fight lease agreements at campus apartments



Gavin Kohn, 21, leads a protest through the University of Maryland's campus in College Park. (Lauren Lumpkin/The Washington Post)

By [Lauren Lumpkin](#)
August 16, 2020 at 1:25 p.m. PDT

Gavin Kohn, 21, signed his lease to live in the Courtyards, an apartment on the University of Maryland's campus in College Park, in February. The novel [coronavirus](#), at that point, had arrived in the United States, but the then-junior didn't know it would upend the school year.

But as the virus raged on, it became clear his senior year was also in jeopardy. The university scaled back on-campus housing, announced plans to conduct 80 percent of undergraduate courses online and imposed coronavirus testing requirements. Kohn, and about 500 other students who had planned to live in the Courtyards and its sister property, South Campus Commons, started to feel wary about living in groups.

But, bound by their leases, they may be forced to do it, anyway.

COVID Impact

CHALLENGES WITH P3 PROJECTS

MOODY'S
INVESTORS SERVICE

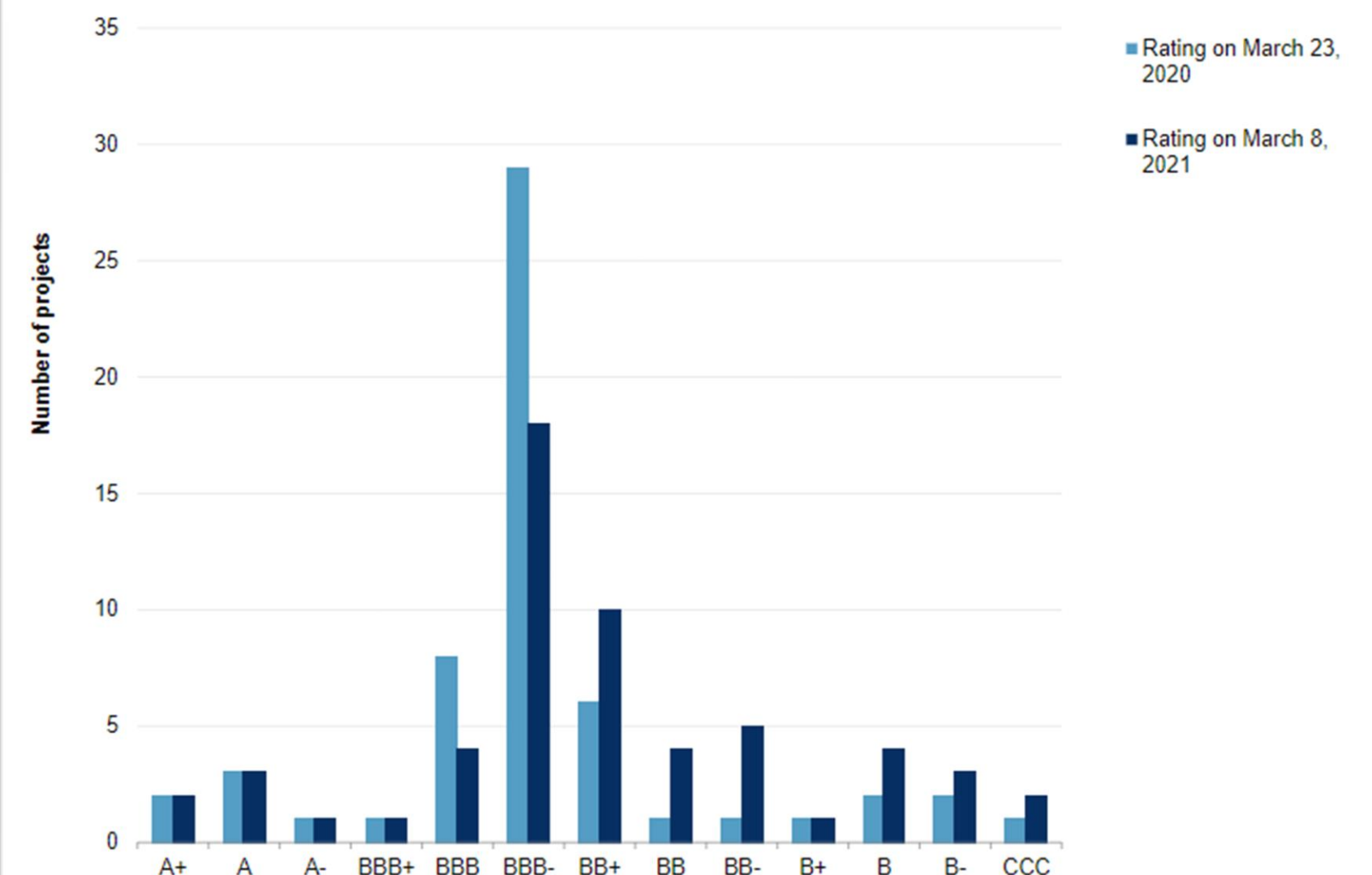
SECTOR IN-DEPTH
27 August 2020

Cross-Sector – US
Coronavirus will slow pace of demand-risk
PPPs for universities

✓ Rate this Research

Chart 1

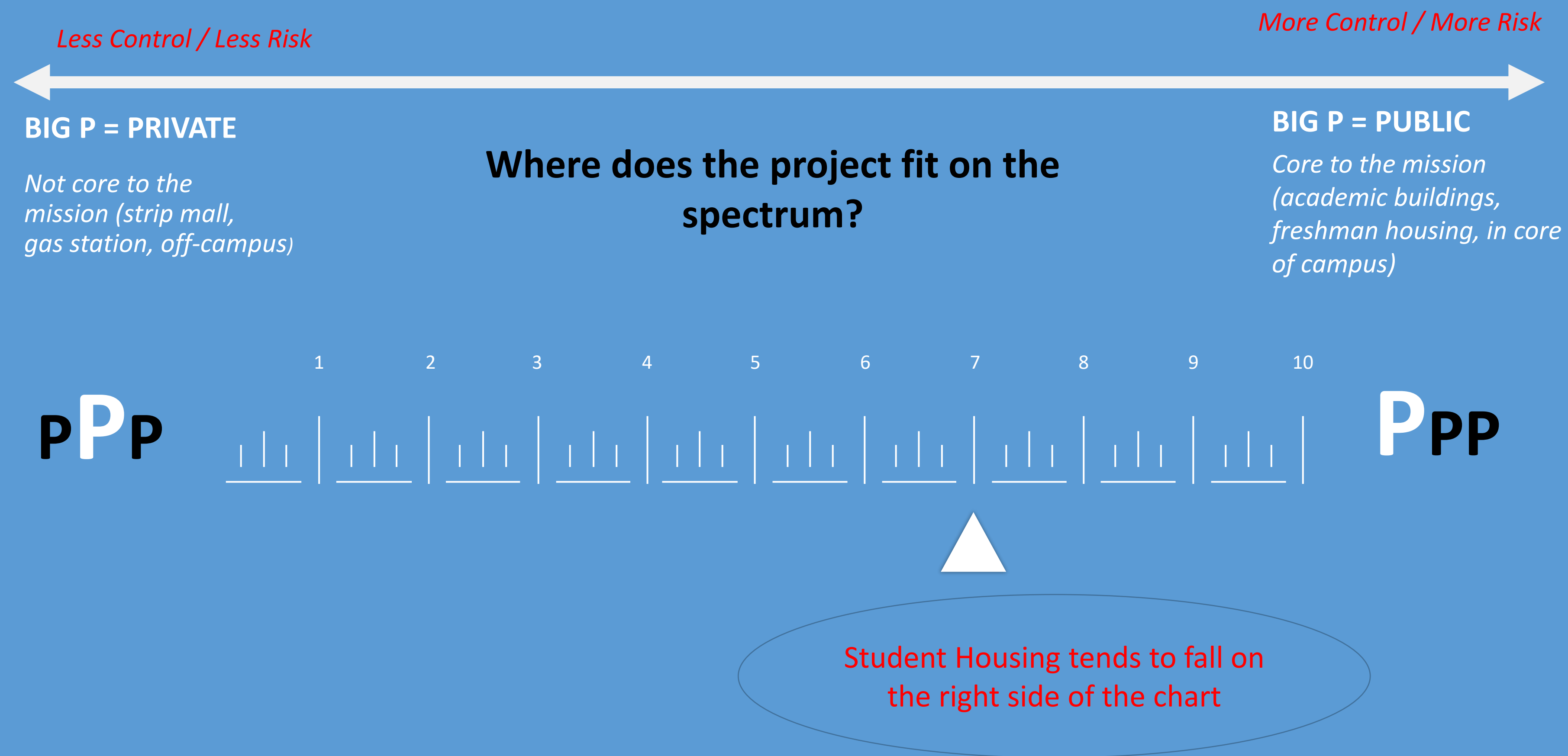
Privatized Student Housing Rating Distribution



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Continued pressures on privatized-financing deals; 34% of rated projects downgraded in the last 18 months

Public Private Partnerships – How Core is the Project to the school’s mission?



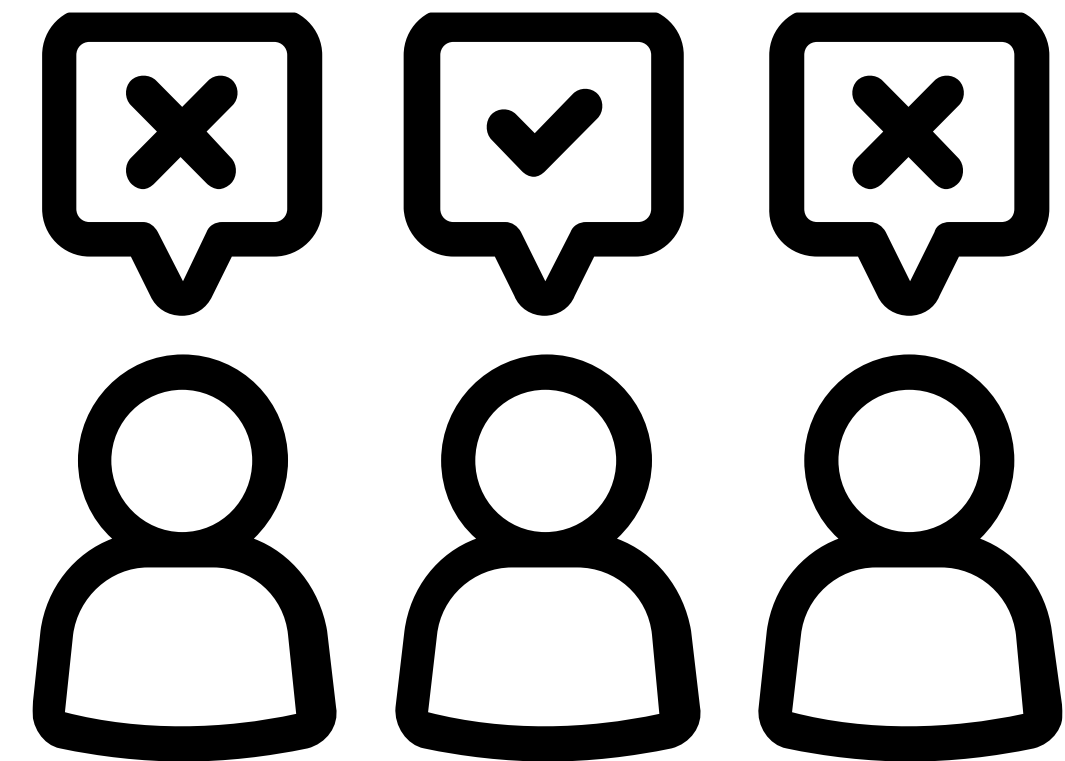
The Annual Survey of Higher Education P3 Transactions



Higher Education P3 Survey

Guidelines:

- › Must be on the University or University Foundation's land
- › May include equity, 501c3, affiliated or unaffiliated foundations, fee development, or concessionaire structure
- › May or may not be privately managed



Participating Entities

Balfour Beatty
Campus Solutions

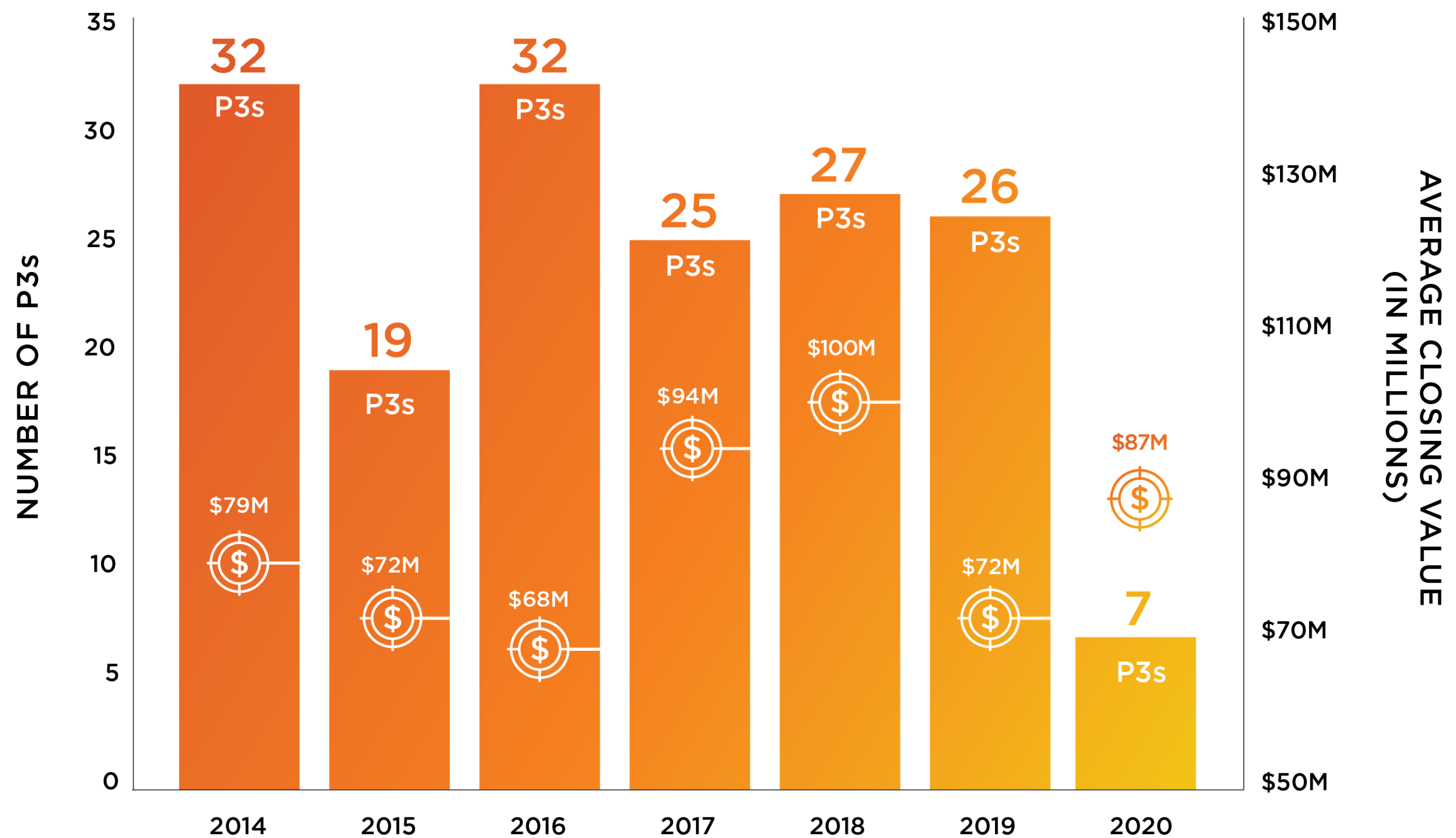


ENABLING LEGISLATION BY STATE

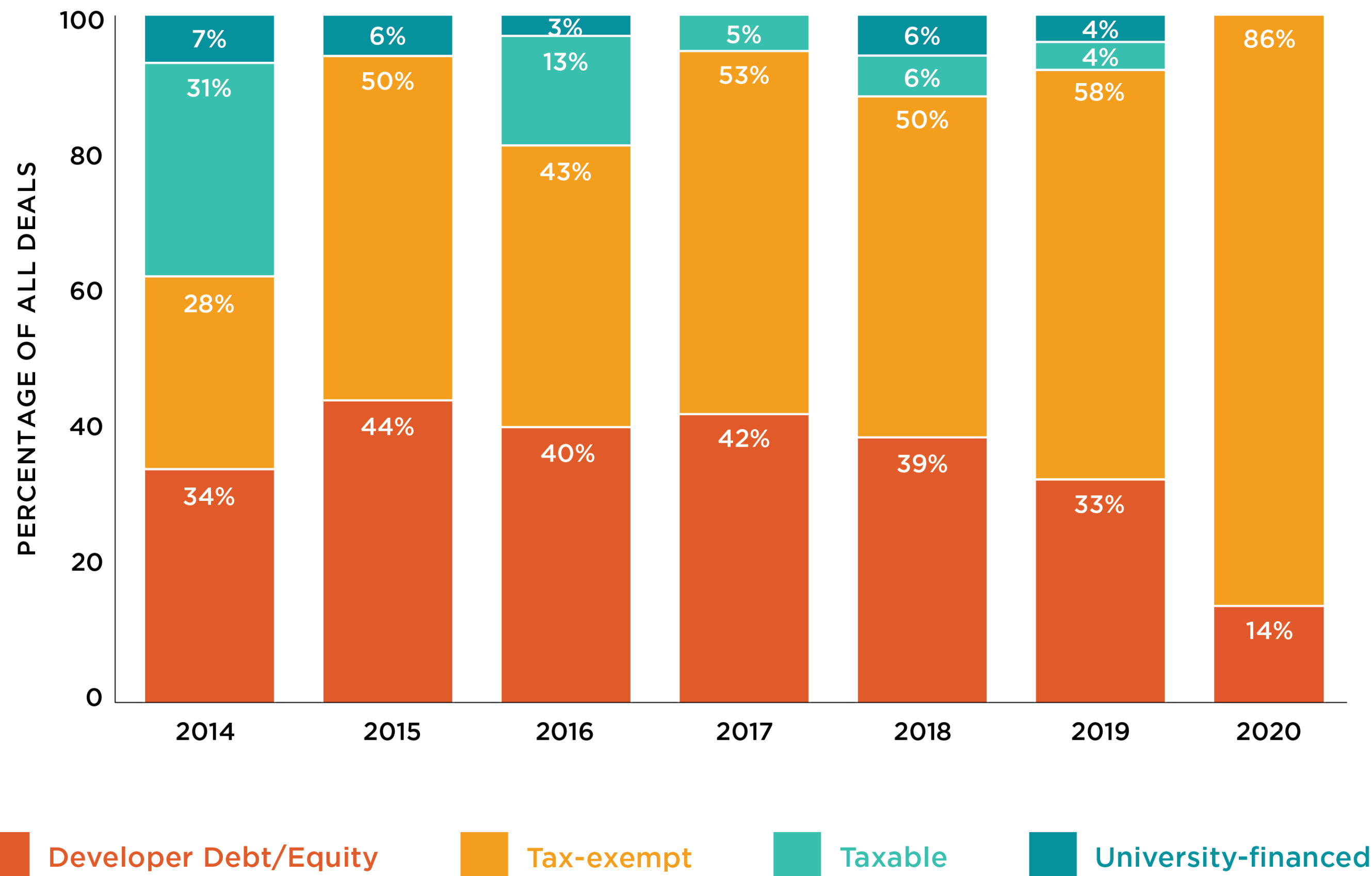


- B&D involved in Higher Ed P3

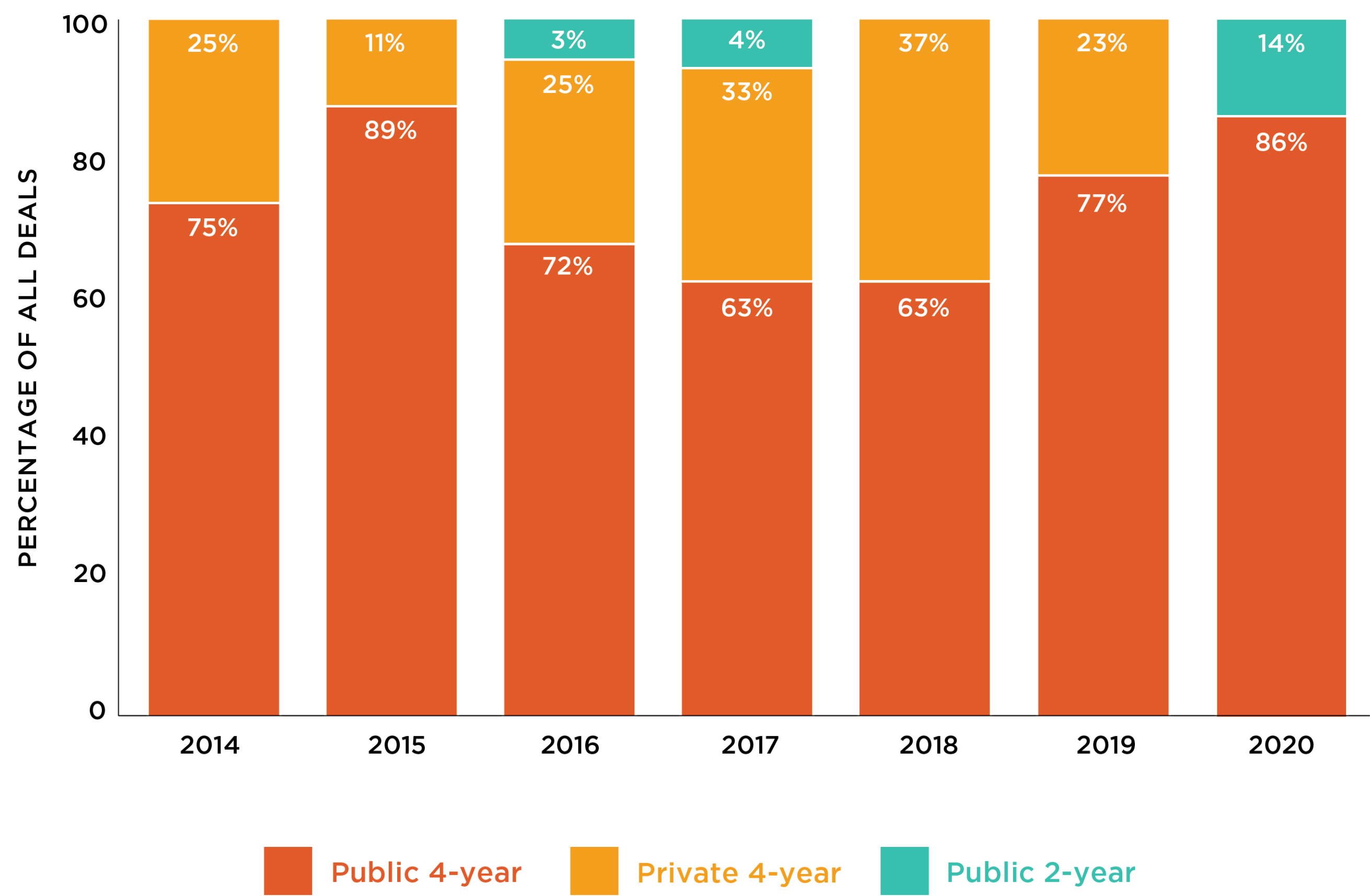
Number of Housing P3s and Average Closing Value, by Year



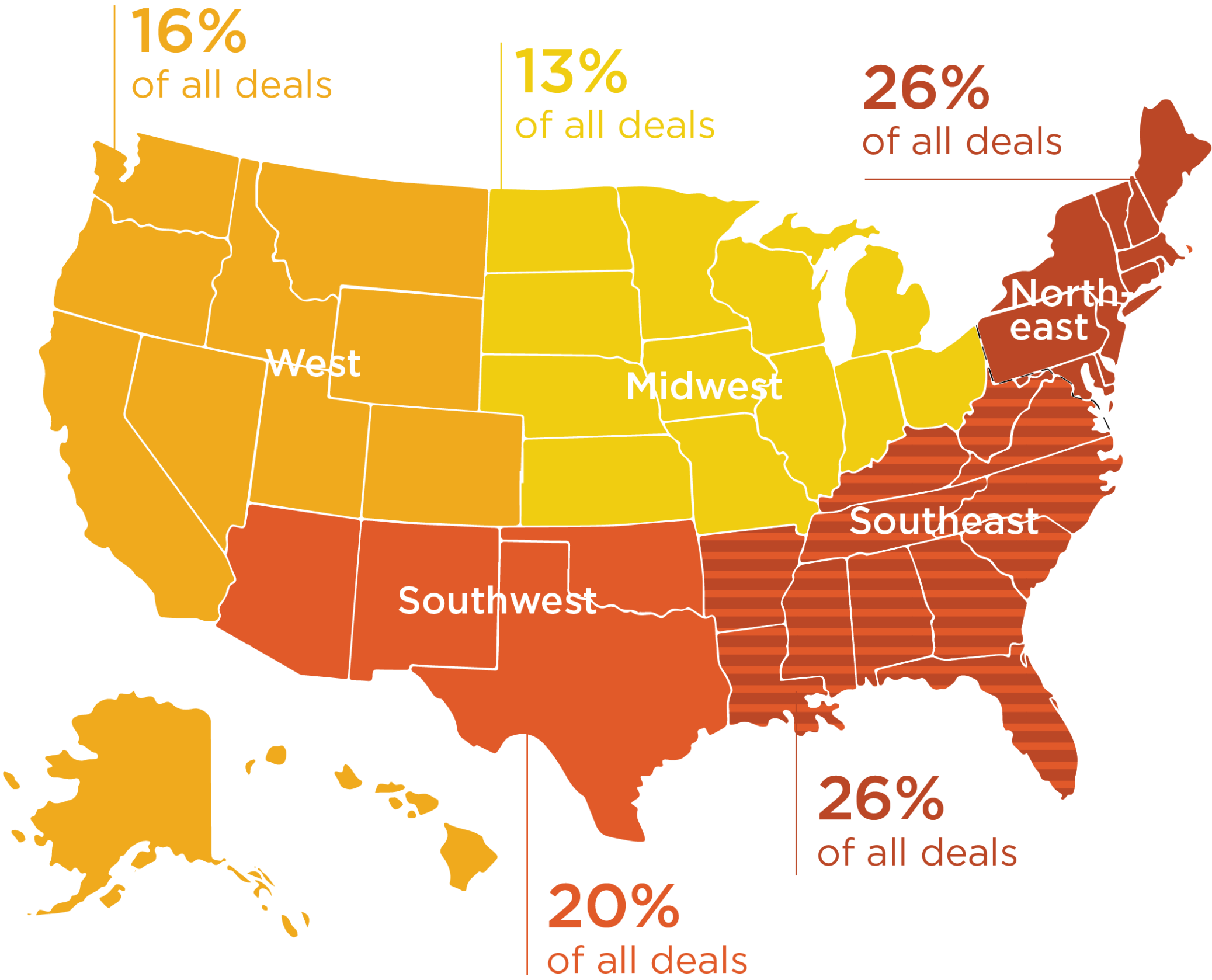
Financial Structure of Housing P3s, by Year



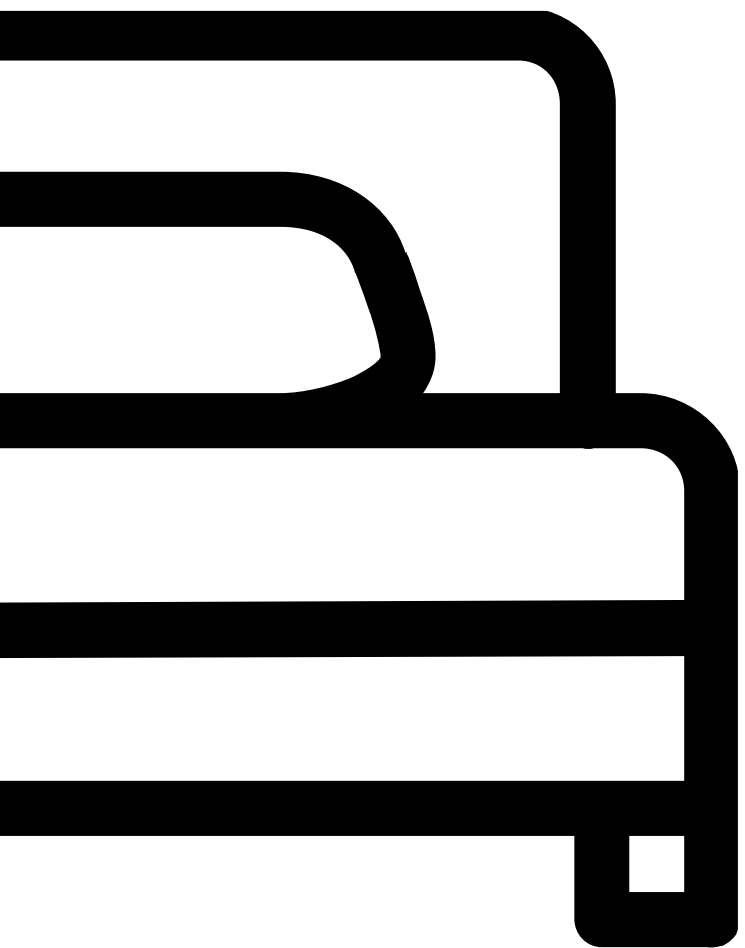
Housing P3s by Institution Type, by Year



Housing P3s by Region, 2014-2020



2020 Stats



4,310

new beds

616

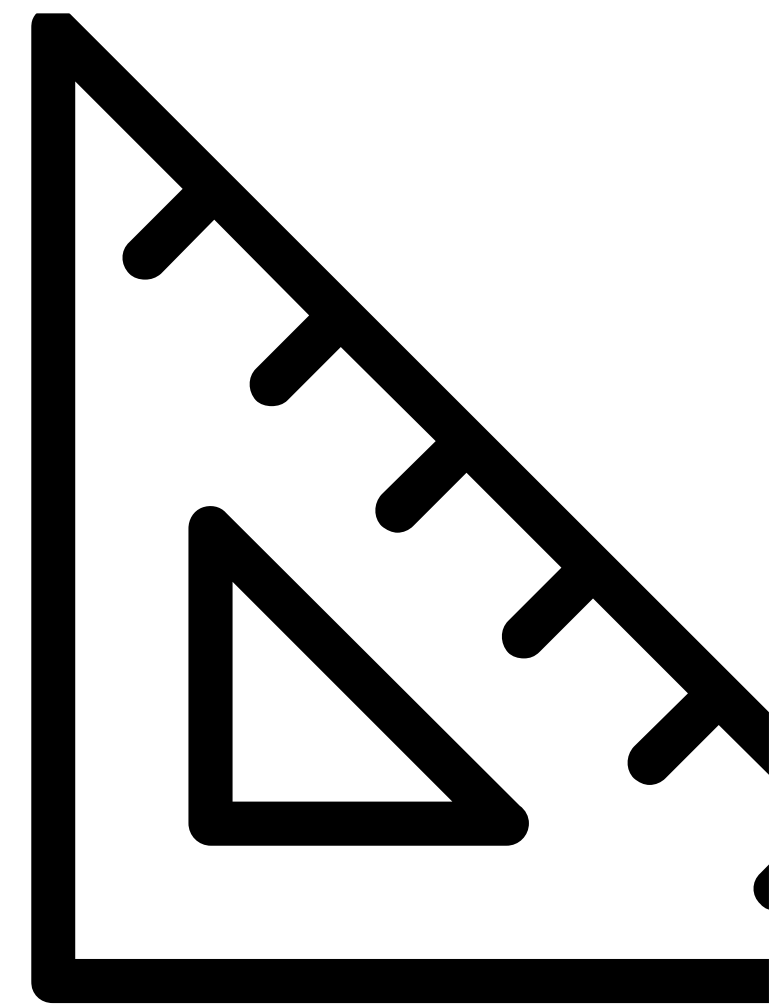
average beds

1.35M

total GSF

192K

average GSF



Pipeline Projects



120

POTENTIAL PROJECTS IN THE
PIPELINE



\$11B

WORTH OF NEW P3 PROJECTS
IN THE NEXT FEW YEARS



77%

OF THOSE PROJECTS ARE IN THE
SOUTHEAST, NORTHEAST, AND WEST

Diversity of Pipeline



Housing



Mixed-use



Energy



Academic



Venues



**Innovation
Districts**



Parking



Other

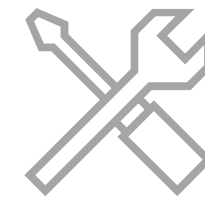
A Look Ahead



More political involvement and pressure



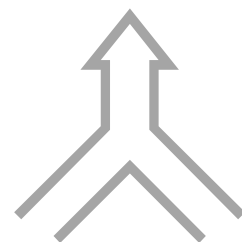
Pre-development risks:
many projects failing to close



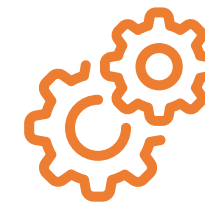
Issues with
construction pricing, supply chain issues, and labor shortages



Developers are being more strategic about projects/ procurements



Shared governance
continues to grow



Larger, more complex
P3 projects



Increased focus on
graduate housing P3
opportunities



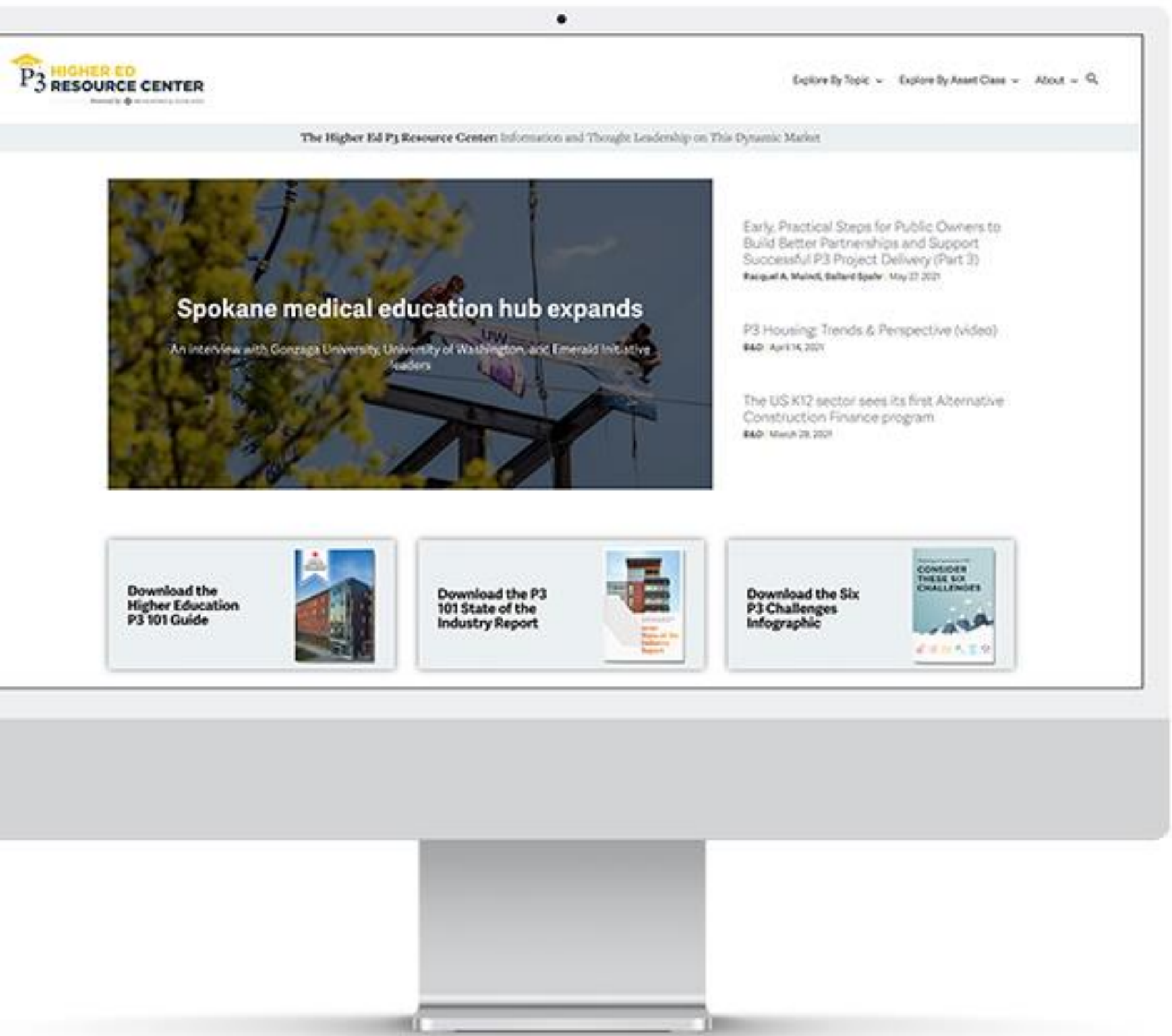
Exploration of other sources of funds (tax credits, USDA, and opportunity zones)



Bundling of procurements

Additional Resources

P3RESOURCECENTER.COM



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Panel Discussion

