



WHITE PAPER

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Key Contact:

Jim Arbury
VP, Student Housing
jarbury@nmhc.org

Other NMHC Staff Contacts:

Douglas M. Bibby
President

Cindy Vosper Chetti
Senior VP, Government Affairs

Kimberly Duty
Senior VP, Communications

Elizabeth (Betsy) Feigin Befus
VP, Employment Policy and Counsel

Matthew Berger
VP, Tax

Lisa E. Blackwell
VP, Housing Policy

David Cardwell
VP, Capital Markets and Technology

Jeanne McGlynn Delgado
VP, Business and Risk Management
Policy

Eileen C. Lee, Ph.D.
VP, Energy and Environment

Ronald G. Nickson
VP, Building Codes

Paula Cino
Director, Energy and Environment

Lauren Dwyer
Director, Technology and Industry
Initiatives

Amy Beranek
Legislative Assistant

Surging Student Populations Stress On-Campus Housing

As student enrollment numbers continue to multiply, many states find that local colleges and universities struggle to provide enough dorm beds to keep up with burgeoning demand for on-campus housing. The National Student Housing Council (NSHC), a part of the National Multi Housing Council (NMHC), recently analyzed data from both the U.S. Department of Education and the U.S. Census Bureau to identify areas where the shortages have become most acute. The analysis covered the 1999-2000 academic year through the 2009-2010 academic year.

Key takeaways from the analysis include:

- Student enrollments increased nationally 38.7 percent from the start of the fall 1999-2000 academic year to the start of the 2009-2010 academic year. While every state saw enrollment increases, some states, such as Arizona, District of Columbia, Georgia, Iowa, Minnesota and West Virginia, experienced some of the greatest surges in enrollment.
- As student populations have grown, many states are housing more students on campus in dorms. Nationally, the number of students who live in on-campus dorms grew approximately 21.4 percent. Arizona, Florida, Georgia, Hawaii and Utah experienced some of the biggest upticks in dorm population growth.
- Despite net increases in the number of students housed in dorms, many states saw declines in the percentage of enrolled students living in dorms. This trend was most pronounced in the Midwest region, with Indiana, Iowa and North Dakota posting some of the largest drops.
- Most states have been unable to maintain the same percentage of students housed in dorms as enrollment numbers have increased over time. Only five states (California, Florida, Hawaii, Maryland and Utah) have been able to provide enough additional dorm beds to maintain dorm residency levels against growing enrollments.

Please see accompanying document for full data results.

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Surging Student Populations Stress On-Campus Housing

A powerful one-two combination of shifting demographic and economic factors has led to a surge in enrollment at many colleges and universities. At nearly 80 million strong, Gen Y has begun to come of age. More than 3 million high schoolers are expected to graduate every year until the 2018-2019 academic year. At the same time, the Great Recession, which has disproportionately affected young people, is giving reason for many to pursue higher levels of education rather than traditional employment.

However, as student enrollment numbers continue to multiply, many states find that local colleges and universities struggle to provide enough dorm beds to keep up with burgeoning demand for on-campus housing. The National Student Housing Council (NSHC), a part of the National Multi Housing Council (NMHC), recently analyzed data from both the U.S. Department of Education and the U.S. Census Bureau to identify areas where the need for more dorm space became most acute over the course of a decade.

Based on a combination of factors—enrollment growth, percentage of students housed in on-campus dorms and dorm population growth—seven states, mostly in the Western and Midwestern regions, had some of the more serious on-campus housing shortages. Those states were Arizona, the District of Columbia, Indiana, Iowa, Minnesota, Nevada and Oregon.

Additional student housing demand analysis revealed that not only were many states facing supply challenges but some were looking at a worsening demand-supply imbalance. In fact, nearly eight out of 10 states were unable to house the same percentage of their student populations in dorms in the 2009-2010 academic year as they had during the 1999-2000 academic year. Moreover, some of the dorm bed deficits were significant; 13 states came up short in terms of housing the same percentage of the student population in dorms in 2009-2010 as in 1999-2000 by at least 10,000 students.

While many states are losing the battle to house their growing student populations in on-campus housing, this increased demand for more beds is creating new prospects for apartment firms participating in the space. While local colleges and universities across the United States are moving to develop additional dorm facilities, many cannot keep pace with their expanding enrollments for a variety of fiscal and logistical reasons. This discrepancy creates new market opportunities for off-campus student housing at the same time some institutions are increasingly considering privatizing on-campus housing. Innovative student housing solutions will be needed to meet this growing demand for student housing.

Additional Notes

The analysis focused on the timeframe between the 1999-2000 academic year and the 2009-2010 academic year and reflects the most recent government data available. It is important to recognize that an academic year spans portions of two calendar years, as certain data points included in the analysis may be dated slightly differently depending on when the government collected the data.

Key data points include:

- Number of students enrolled in degree-granting institutions by state (fall 1999 and fall 2009 academic years)
- Percentage change in the number of enrolled students by state (fall 1999 academic year to fall 2009 academic year)

- Number of enrolled students living in dorms by state (students enrolled in the fall 1999 academic year and living in dorms in 2000 and students enrolled in the fall 2009 academic year and living in dorms in 2010)
- Percentage of enrolled students living in dorms by state (students enrolled in the fall 1999 academic year and living in dorms in 2000 and students enrolled in the fall 2009 academic year and living in dorms in 2010)
- Change in the percentage of enrolled students living in dorms by state (students enrolled in the fall 1999 academic year and living in dorms in 2000 and students enrolled in the fall 2009 academic year and living in dorms in 2010)

In addition, the student housing data in this report pertains only to on-campus dormitories. While many colleges and universities also have on-campus apartments, they have been excluded from the government data on the segment of the population living in group quarters that are housed in dormitories; therefore, they are not factored into the analysis.

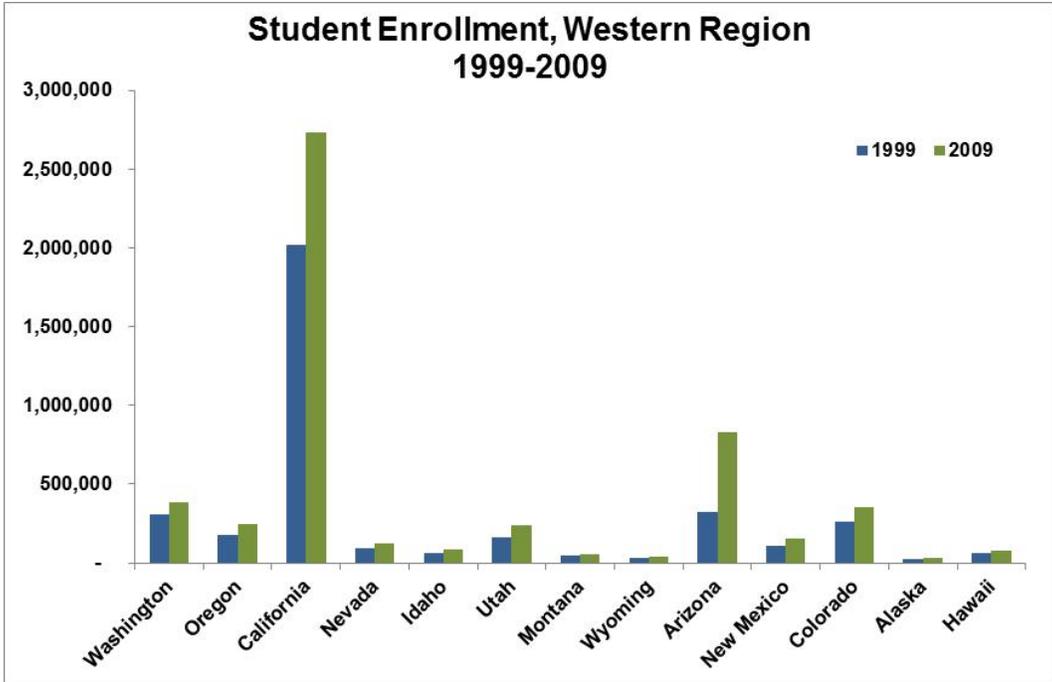
Full Analysis

Student Enrollment on the Rise

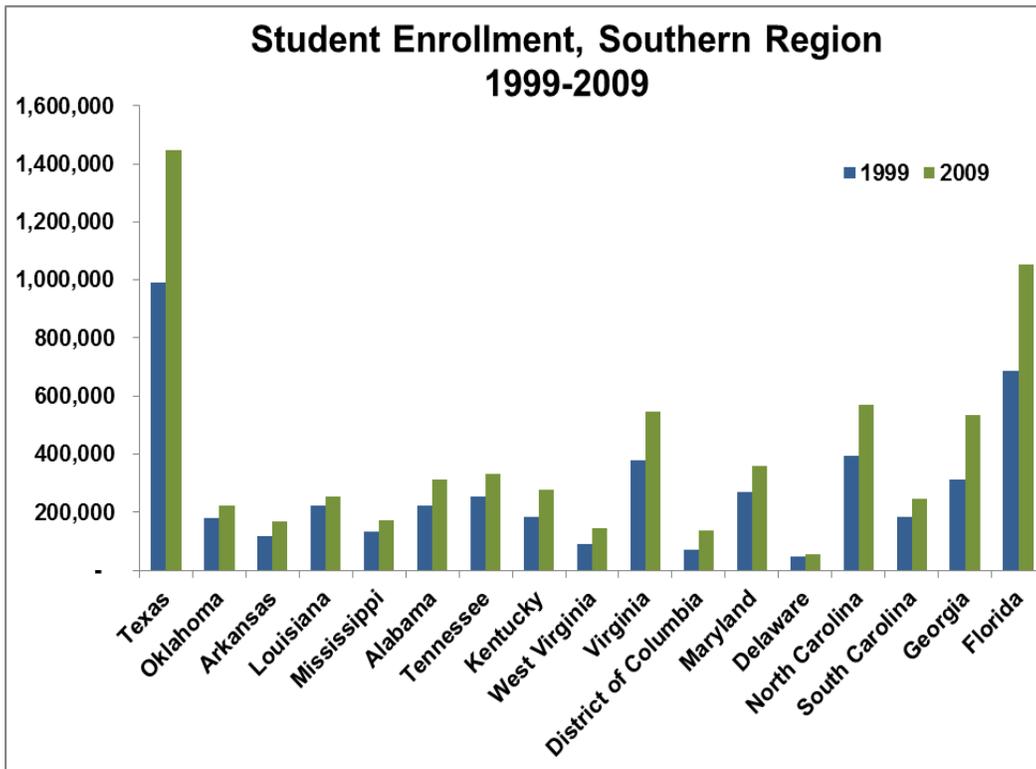
For a variety of demographic and economic reasons, student enrollments increased nationally between the 1999-2000 and 2009-2010 academic years. Every state in every region posted larger enrollment numbers, but some states such as Arizona, California, Florida, Georgia, Illinois, Michigan, Ohio and Texas experienced big surges in student enrollment populations, adding to, in many cases, already robust student populations.

This trend was particularly evident in California and Texas. California, which started out with more than 2.0 million students added 718,096 students to its enrollment numbers during the decade, boosting its enrollment by 35.6 percent. Texas grew its 990,000-plus student population by 457,281 students during the same timeframe, causing a 46.2 percent spike in its enrollment numbers.

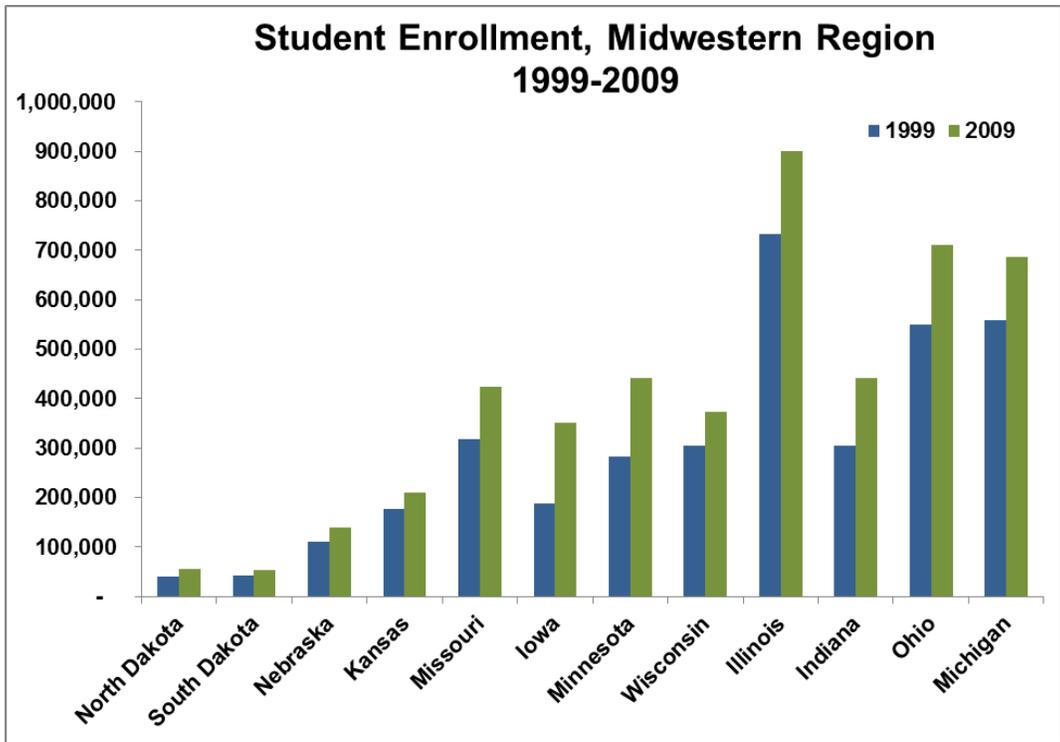
The storyline was similar for other populous states such as New York and Illinois. New York's 26.3 percent jump in student enrollment numbers was tied to an additional 268,613 people enrolling in colleges and universities in the state, bringing total enrollment to nearly 1.3 million. And in Illinois, student enrollment grew from just over 733,000 to well over 900,000 students, marking a 22.9 percent increase between 1999-2000 and 2009-2010.



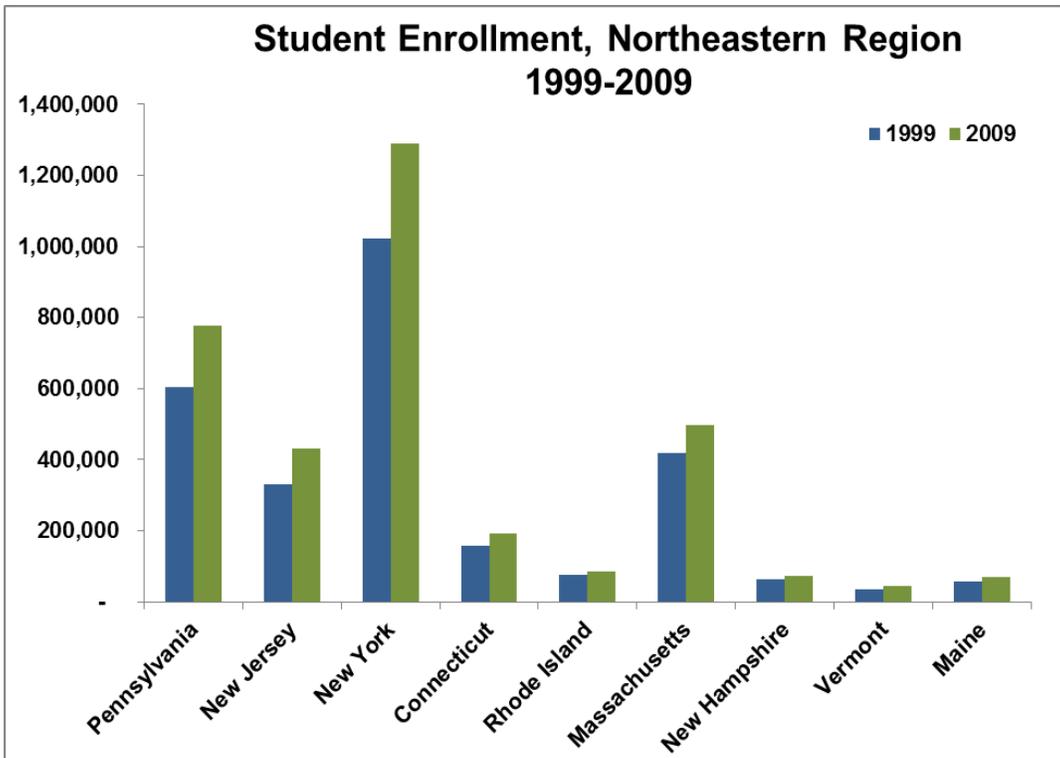
Source: U.S. Department of Education



Source: U.S. Department of Education



Source: U.S. Department of Education



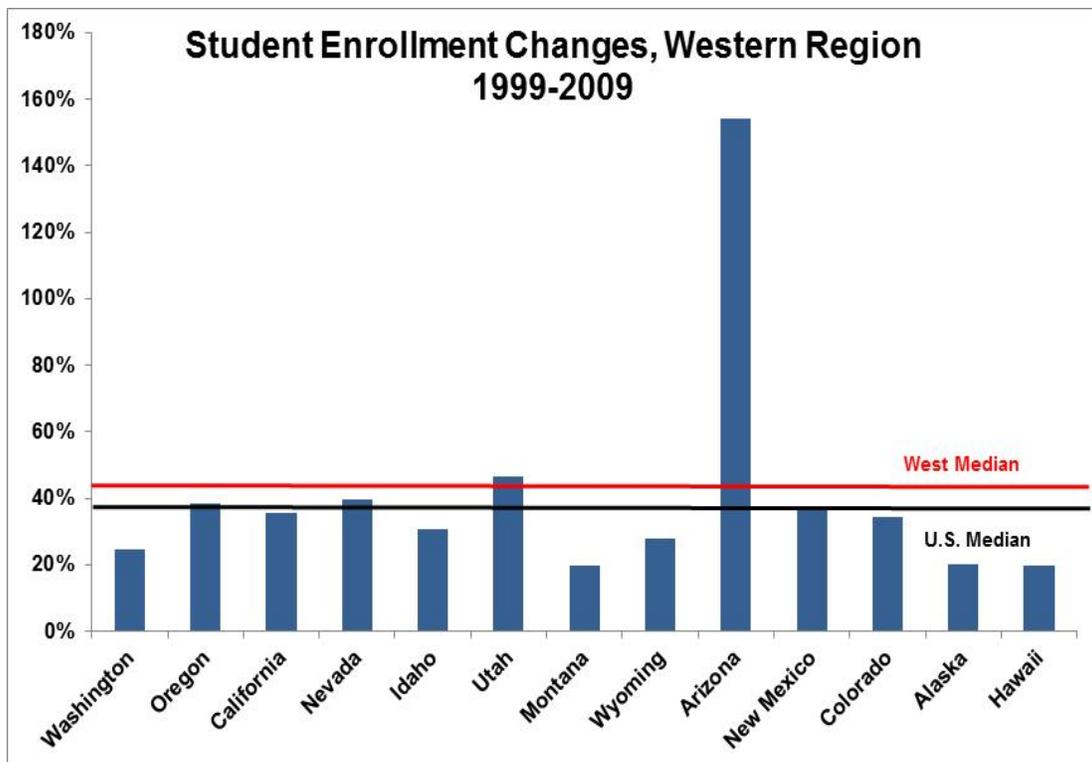
Source: U.S. Department of Education

While it stands to reason that some of the most populous states in the country—California, Illinois, New York and Texas, for example—would have experienced some of the largest jumps in enrollment numbers, on a relative basis, other states saw student populations grow at a faster pace.

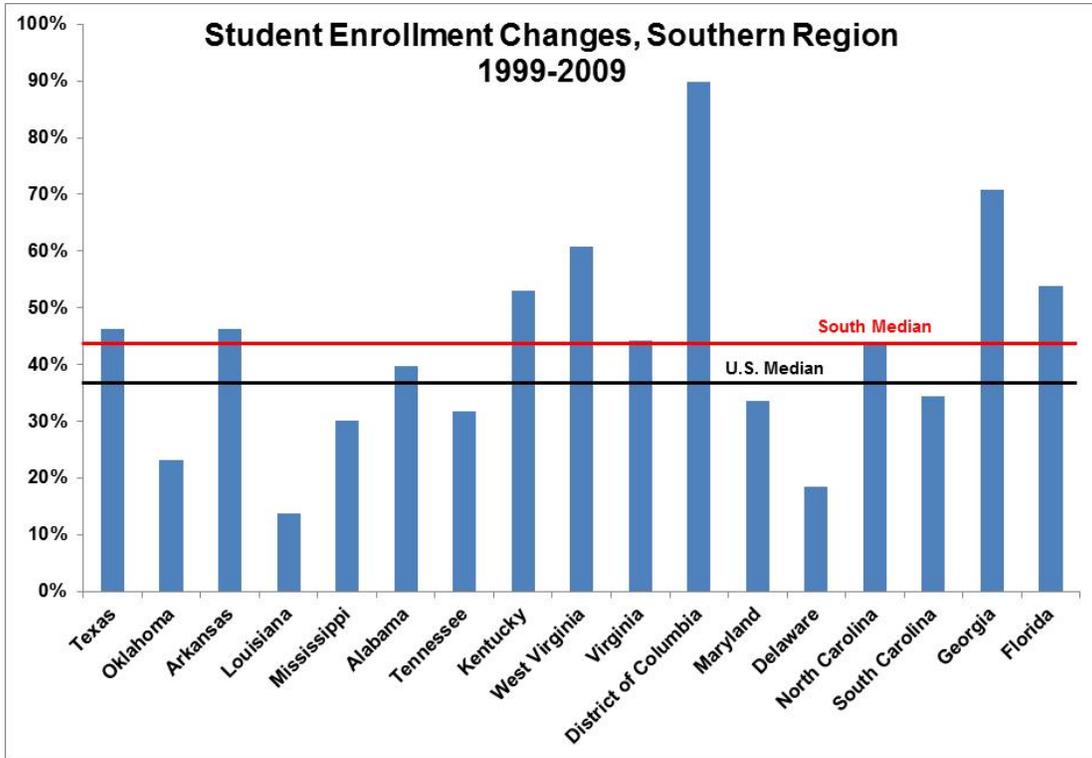
From the start of the fall 1999-2000 academic year to the start of the 2009-2010 academic year, student enrollments increased nationally 38.7 percent. However, 16 states, mostly located in the Southern and Western regions, saw their student enrollments grow at a faster—and in some cases much faster—pace.

On a regional basis, student enrollment growth in the Western region outpaced the national median, logging an enrollment growth rate of 45.1 percent. The Southern region also outperformed the national median enrollment growth rate at 44.4 percent during the same time period. The median student enrollment rates for the Midwest and the Northeast both lagged the national median at 32.7 and 25.2 percent, respectively.

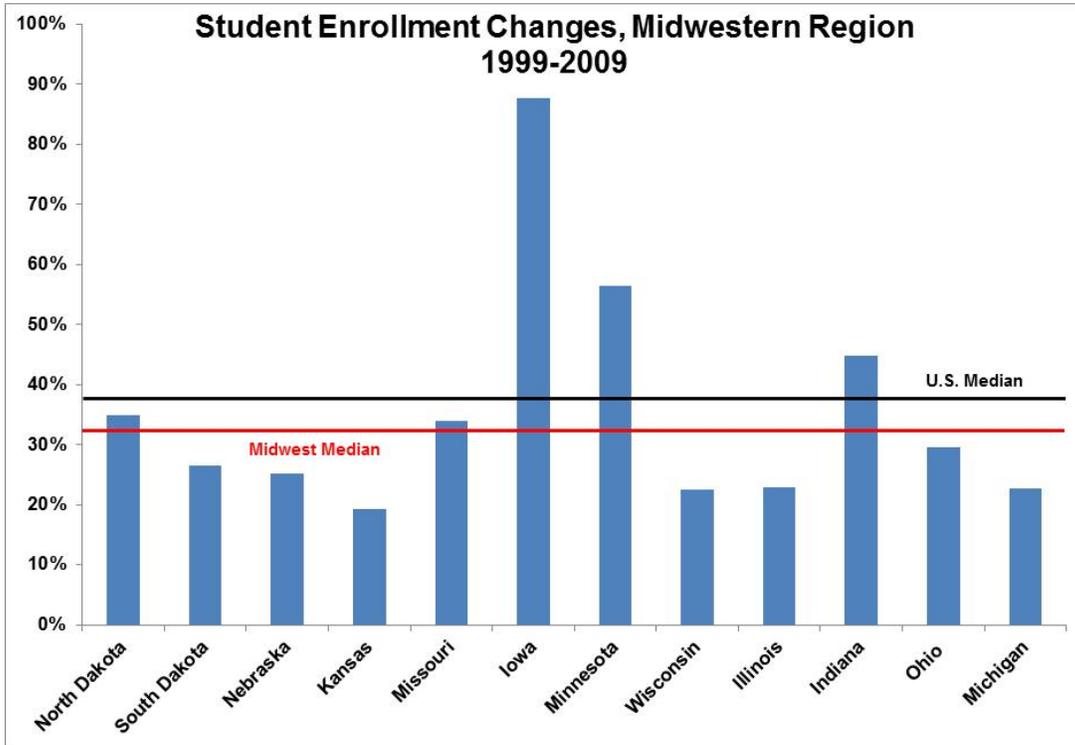
But more interesting is some of the dramatic growth captured by a number of individual states. Student enrollment in Arizona, for example, skyrocketed 154.1 percent during the time period. Similarly, the District of Columbia and Iowa grew their student enrollment by 89.8 percent and 87.7 percent, respectively. Other noteworthy increases in student enrollment occurred in Georgia, Minnesota and West Virginia.



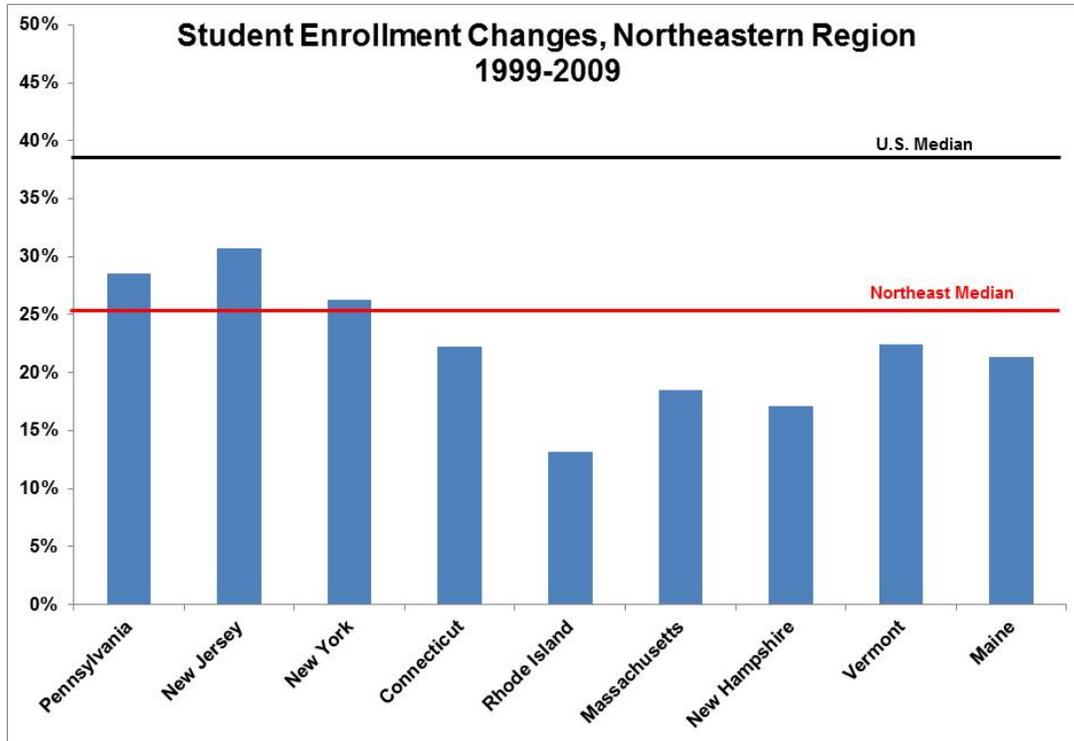
Source: U.S. Department of Education



Source: U.S. Department of Education



Source: U.S. Department of Education



Source: U.S. Department of Education

Growing Numbers of Dorm Residents

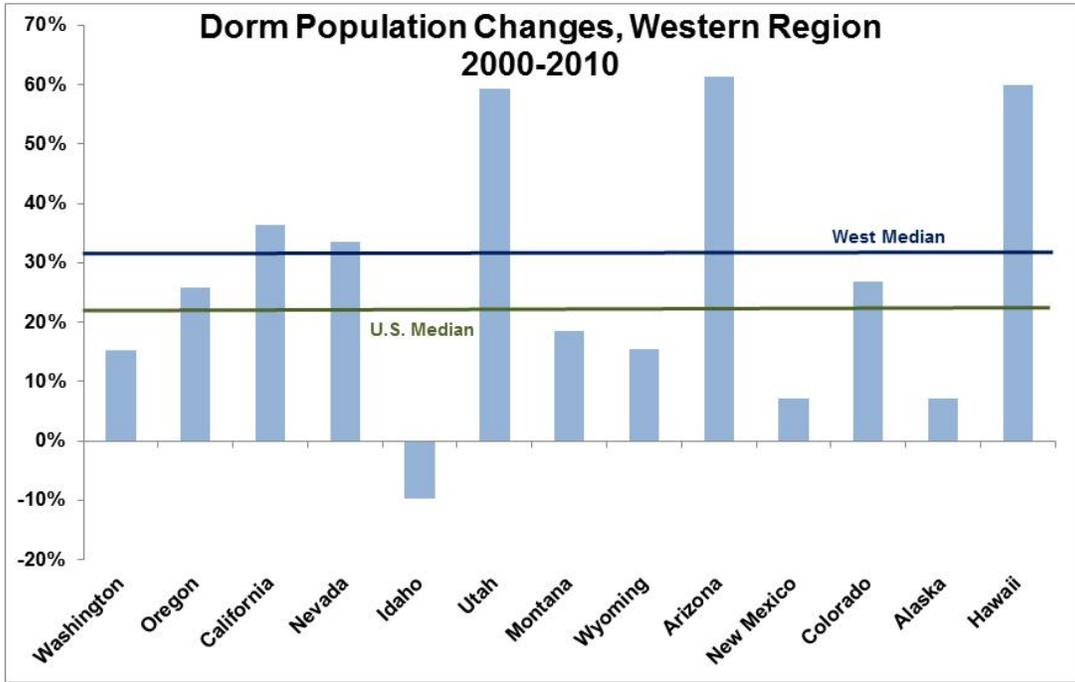
As student populations have burgeoned, many states have seen their dorm populations grow as well. Nationally, the number of students who lived in on-campus dorms grew 21.4 percent from 2000 to 2010.

Overall, the Western and Southern regions experienced the biggest increases in dorm residents, posting dorm population growth of more than 22.0 percent from 2000-2010. Specifically in the West, Arizona, Hawaii and Utah saw their dorm populations shoot up roughly 60 percent or more during the same time frame. Other significant dorm population growth was evident in Arkansas, California, Florida, Georgia, Maryland, Massachusetts, Nevada, New Hampshire, Texas, Vermont and Virginia.

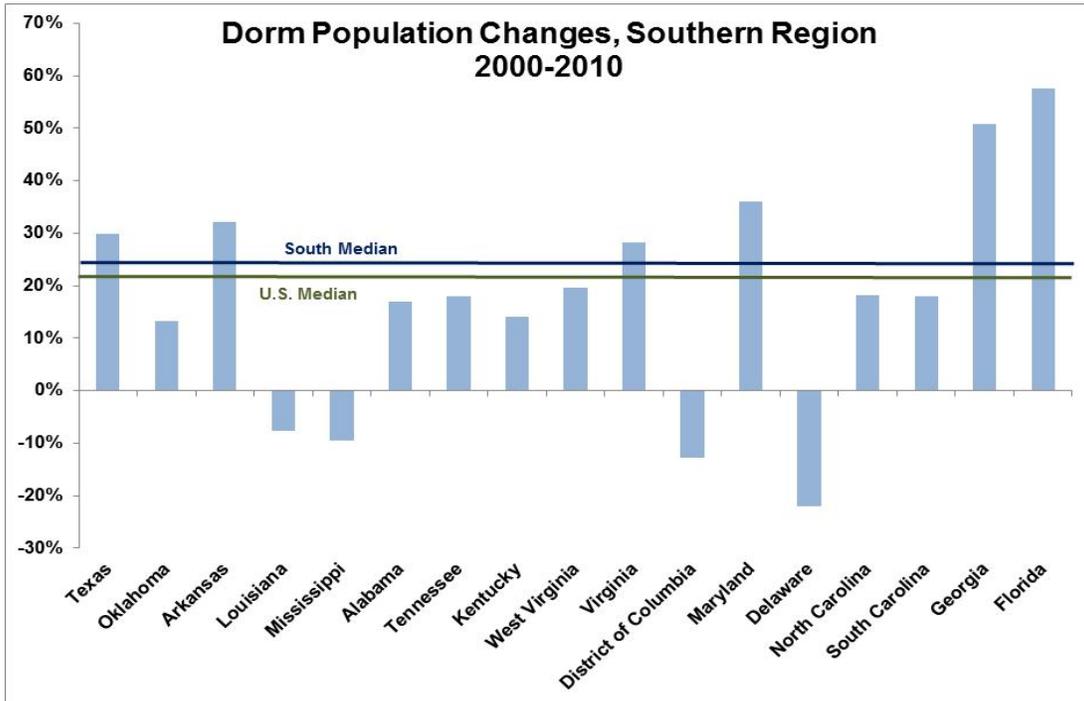
Only five states— Delaware, the District of Columbia, Idaho, Louisiana and Mississippi—posted declines in their dorm populations.

But this increased demand poses some challenges. Many dorm facilities are at or nearing full capacity. According to a survey published in the May 2010 issue of *Living on Campus*, a special report from College Planning & Management magazine, 42 percent of campus housing officers said they had too little residence hall space.

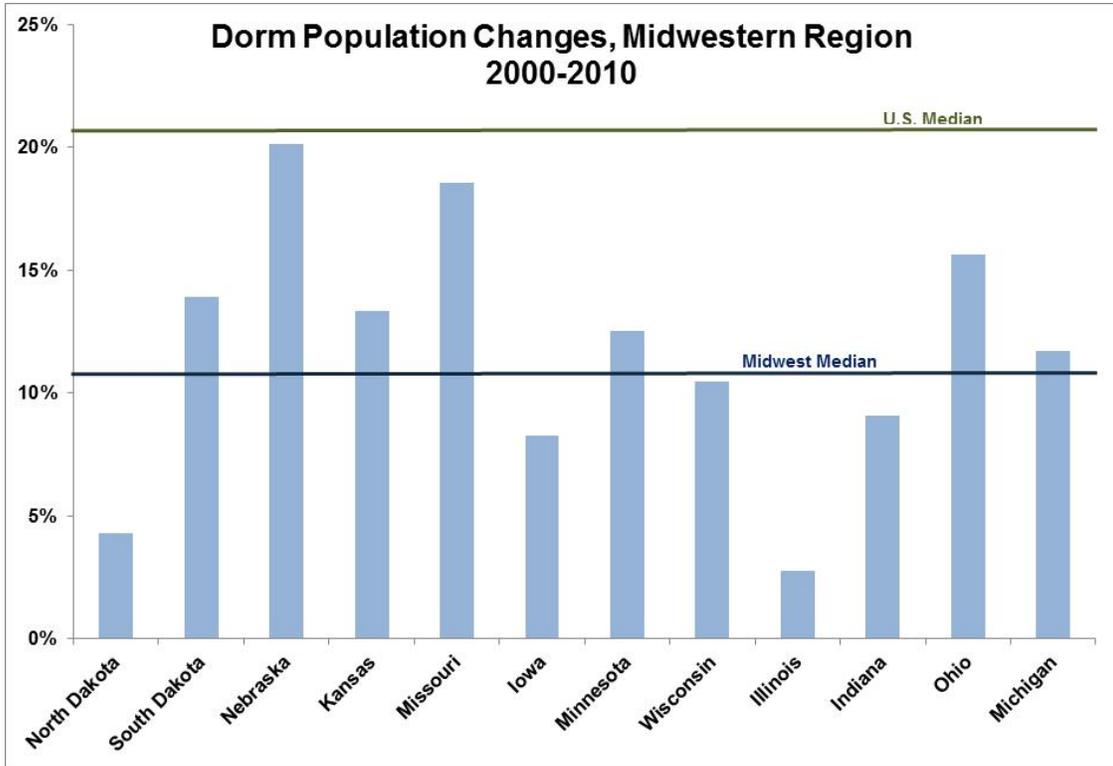
Moreover, 30 percent of respondents indicated that their institutions currently had projects underway to increase the number of beds on campus while an additional 26 percent said there were plans in the works to grow on-campus bed counts within the following five years. However, budgeting constraints continue to be a major hurdle in pushing new construction and renovation projects forward.



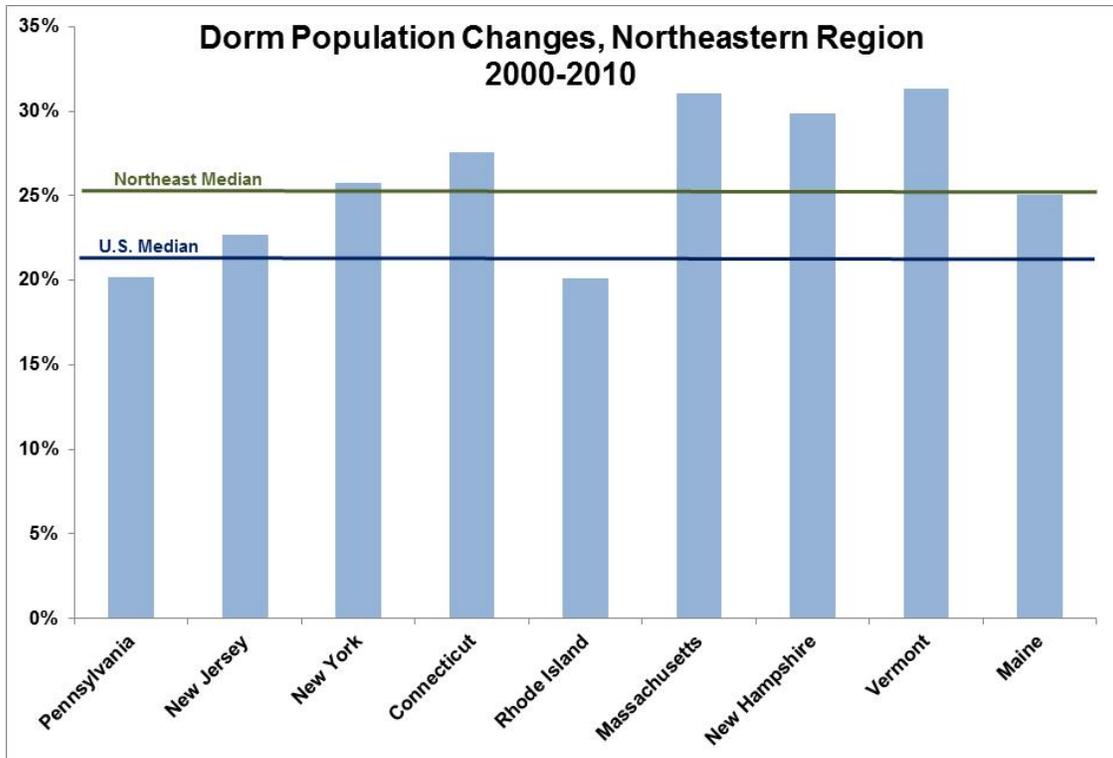
Source: U.S. Census Bureau



Source: U.S. Census Bureau



Source: U.S. Census Bureau



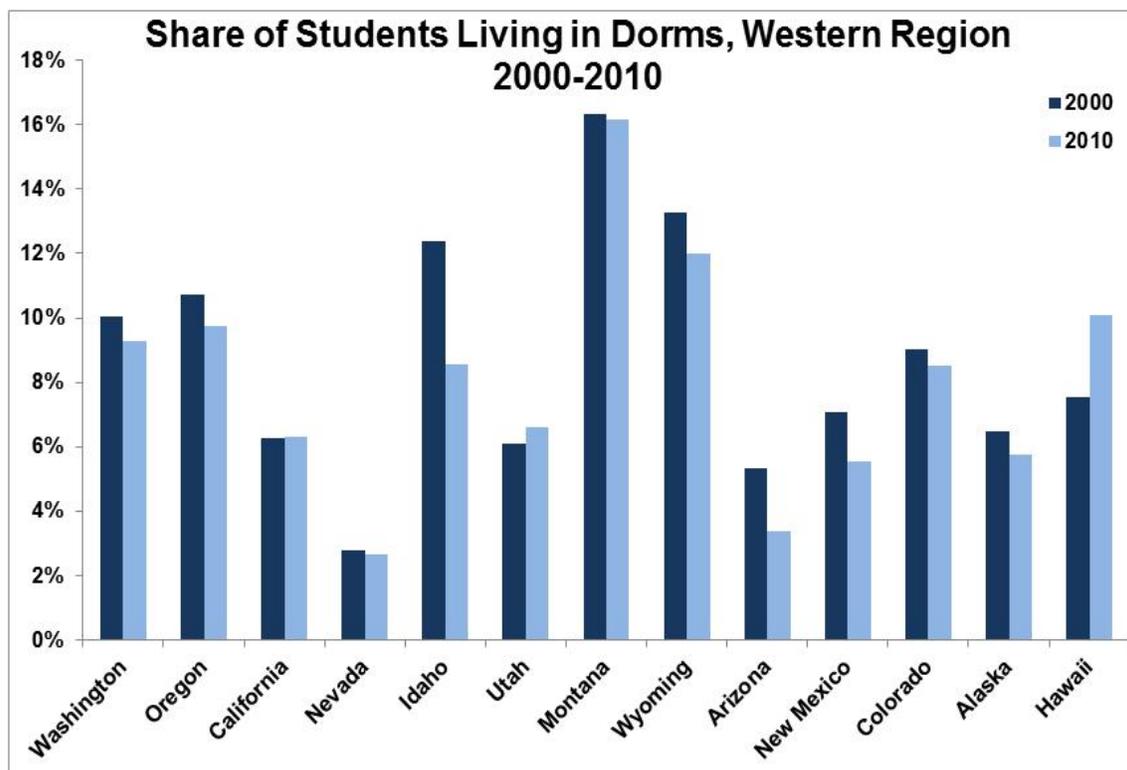
Source: U.S. Census Bureau

Smaller Segments of Student Populations Housed in Dorms

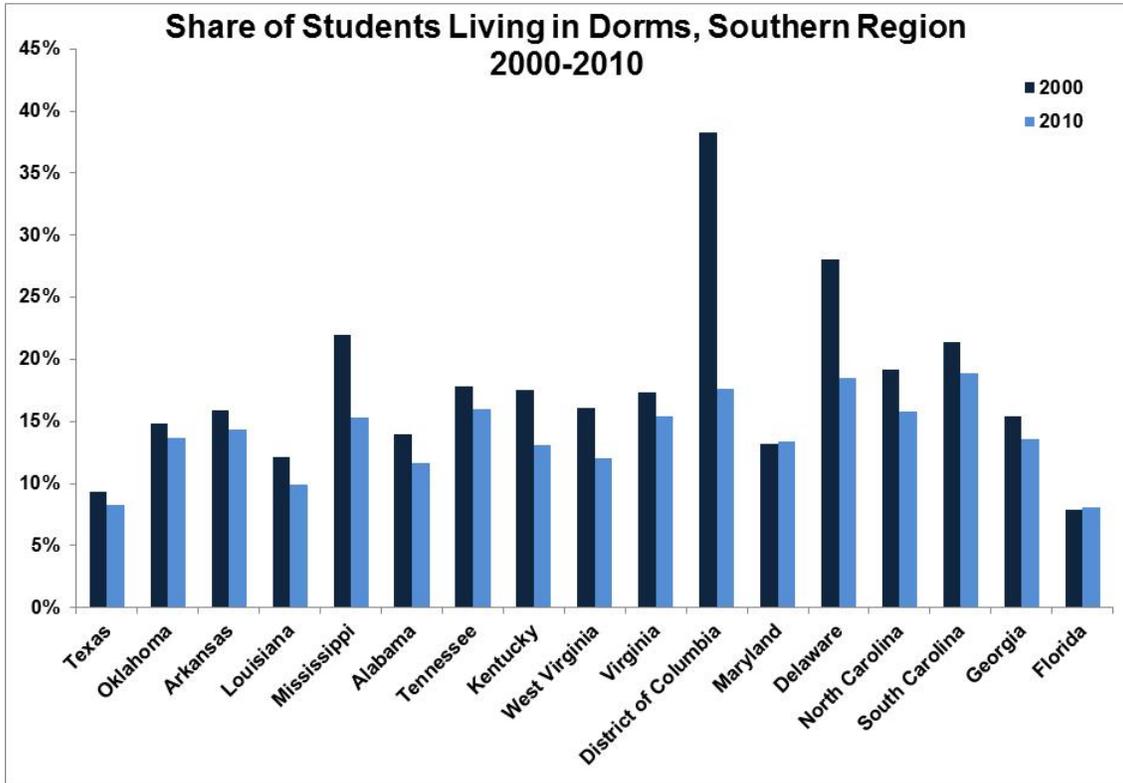
Despite net increases in the number of students housed in dorms, most states saw declines in the percentage of enrolled students living in dorms. While the availability and affordability of alternative on-campus and off-campus housing may be a factor in this trend, the data also suggest that in some cases student populations grew faster than dorm capacity.

This trend was quite pronounced in the Midwest region, as every state in the region experienced declines in the percentage of students housed in dorms. In particular, Indiana, Iowa and North Dakota posted significant percentage drops as a greater share of their student populations found alternative housing. Other notable decreases in the share of students housed in dorms occurred in Delaware, the District of Columbia, Idaho and Mississippi.

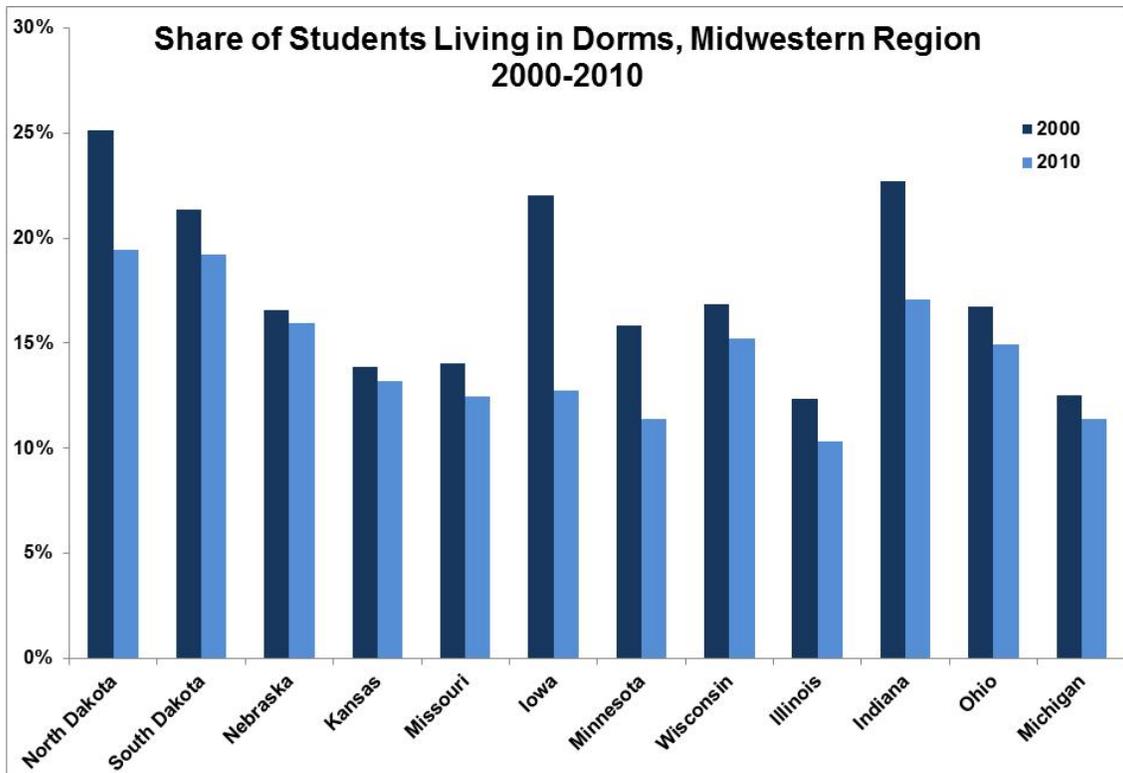
Bucking that trend, however, were 11 states, mostly in the Northeastern region, where off-campus housing has historically been more expensive than in other regions, and, therefore, a possible contributing factor to the growth in the percentage of student populations living in dorms.



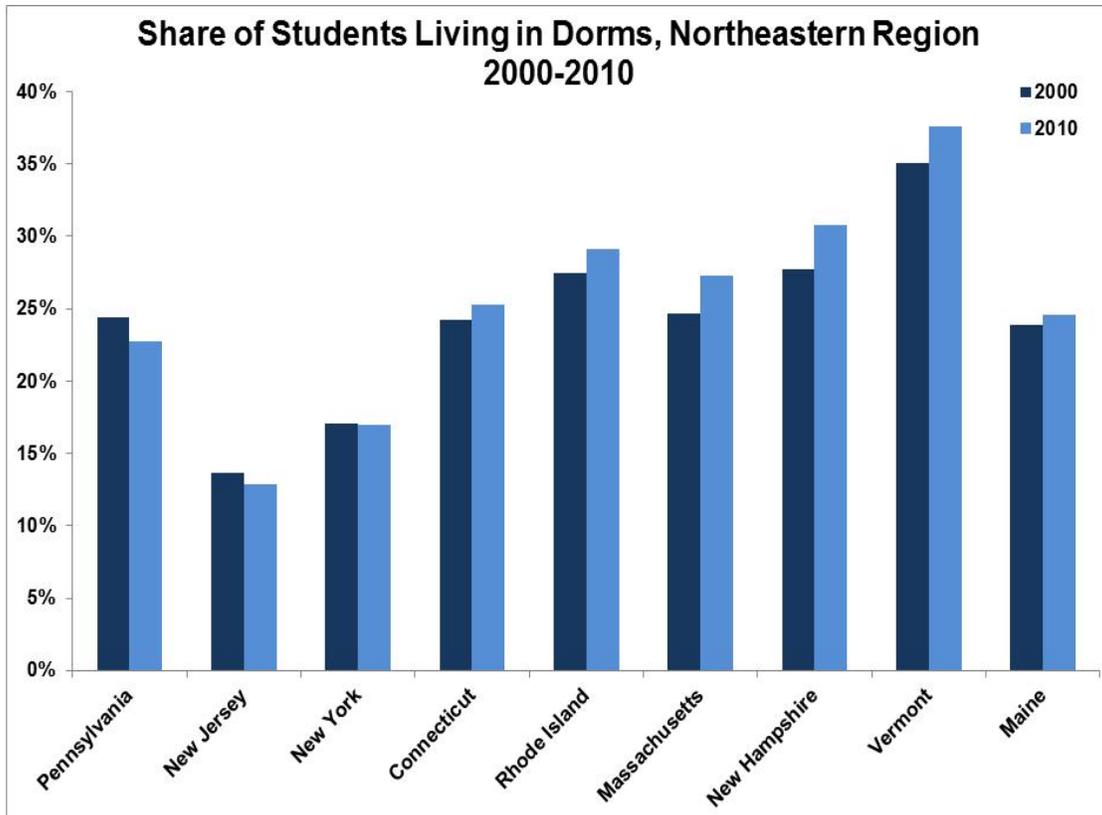
Sources: U.S. Department of Education, U.S. Census Bureau



Sources: U.S. Department of Education, U.S. Census Bureau



Sources: U.S. Department of Education, U.S. Census Bureau



Sources: U.S. Department of Education, U.S. Census Bureau

The Makings of an On-Campus Student Housing Shortage

Given the significance of these enrollment and dorm residency trends, NSHC looked to identify the states where the student housing deficit has the potential to be the most serious, by evaluating each state against a matrix of factors. States that had enrollment growth higher than the U.S. median, a decreasing percentage of students housed in on-campus dorms and a growth in the total number of dorm residents were classified as states most at risk for an on-campus student housing crisis.

Seven states met the criteria. The Western and Midwestern regions had the largest number of states within that group—Arizona, Nevada and Oregon in the West; and Indiana, Iowa and Minnesota in the Midwest. The District of Columbia rounded out the group.

On-campus student housing was clearly a major issue for colleges and universities in the Western region. Nearly every state in the region exhibited two of the three evaluating characteristics; Hawaii was the only exception. However, just three exhibited all three trends.

Although only the District of Columbia in the Southern region met all three evaluating factors, student housing was a concern for colleges and universities in the region. Thirteen out of the 17 states in the region met two of the three evaluating factors; moreover, most reported high enrollment growth and declining percentages of students housed on campus in dorms. Only Florida and Oklahoma exhibited just one of the trends.

Western Region Summary

State	Enrollment Change Higher than U.S. Median	% of Students Housed in Dorms Decreasing	Total Number of Dorm Residents Increasing
Washington		X	X
Oregon	X	X	X
California			X
Nevada	X	X	X
Idaho		X	
Utah			X
Montana		X	X
Wyoming		X	X
Arizona	X	X	X
New Mexico		X	X
Colorado		X	X
Alaska		X	X
Hawaii			X

Southern Region Summary

State	Enrollment Change Higher than U.S. Median	% of Students Housed in Dorms Decreasing	Total Number of Dorm Residents Increasing
Texas	X	X	
Oklahoma		X	
Arkansas	X	X	
Louisiana		X	X
Mississippi		X	X
Alabama	X	X	
Tennessee		X	
Kentucky	X	X	
West Virginia	X	X	
Virginia	X	X	
District of Columbia	X	X	X
Maryland			
Delaware		X	X
North Carolina	X	X	
South Carolina		X	
Georgia	X	X	
Florida	X		

Midwestern Region Summary

State	Enrollment Change Higher than U.S. Median	% of Students Housed in Dorms Decreasing	Total Number of Dorm Residents Increasing
North Dakota		X	X
South Dakota		X	X
Nebraska		X	X
Kansas		X	X
Missouri		X	X
Iowa	X	X	X
Minnesota	X	X	X
Wisconsin		X	X
Illinois		X	X
Indiana	X	X	X
Ohio		X	X
Michigan		X	X

Similar to trends in the Western region, the Midwestern region also was significantly affected by on-campus student housing issues. Three out of the 12 states in the region—Indiana, Iowa and Minnesota—exhibited all three factors.

However, unlike the Southern region, where bigger enrollment numbers came together with a decreasing share of the student population housed in on-campus dorms, big jumps in enrollment numbers were less of a factor for the majority of the states in the region. Of the seven states that met two criteria, every one indicated that it had growing numbers of dorm residents and shrinking shares of their student populations living in dorms; however, enrollment numbers weren't increasing any faster than the national median.

The Northeastern region provides a foil to some of the student housing trends exhibited by the Midwestern, Southern and Western regions. None of the states registered all three trends; New Jersey, New York and Pennsylvania met two of the criteria. However, every state in the region indicated the total number of dorm residents increasing, even if enrollment trends were below median or the share of students housed in on-campus dorms was stable or, in some cases, increasing.

Unlike the other regions, which are dominated by massive state university systems, the Northeastern region is much more fractionalized—an important differentiating factor that could have contributed to this regional divergence. While large state universities and college systems certainly exist in the region—New Jersey's Rutgers University, Pennsylvania's Penn State system, New York's SUNY school system or Massachusetts's UMass programs are all examples of that—smaller, private colleges and universities typically characterize the region.

Northeastern Region Summary

State	Enrollment Change Higher than U.S. Median	% of Students Housed in Dorms Decreasing	Total Number of Dorm Residents Increasing
Pennsylvania		X	X
New Jersey		X	X
New York		X	X
Connecticut			X
Rhode Island			X
Massachusetts			X
New Hampshire			X
Vermont			X
Maine			X

On-Campus Student Housing Shortfall Severe in Some States

While the previous analysis examined a matrix of factors to identify the states most likely to be encountering some degree of an on-campus student housing shortage, it's important to gather some sense of how serious the problem has become.

To get a gauge of how significant the student housing demand-supply imbalance was in each state, NSHC looked at how well states maintained status quo in terms of providing enough on-campus dorm housing to keep the same percentage of their student populations housed in dorms from 2000 to 2010. Using the number of dorm residents each state had in 2000, as well as the percentage of enrolled students living in on-campus dorms at the time as a baseline, NHSC calculated how many students each state should have housed in dorms in 2010 based on that same percentage—and then compared that to what each state reported as their dorm populations in 2010.

As discussed previously, during the period, 11 states were able to grow the share of their student populations living in on-campus dorms. However, the magnitude of the shortfalls in the other states was significant. Thirteen states would have needed to house at least 10,000 additional students in dorms in the 2009-2010 academic year to maintain the same percentage of students housed in dorms as they had during the 1999-2000 school year.

Western Region Demand Calculation

State	Number of Dorm Residents in 2000	% of Enrolled Students in Dorms in 2000	2009 Enrollment	Hypothetical Needed	Actual	Difference
Washington	30,858	10.1%	382,532	38,485	35,534	(2,951)
Oregon	18,831	10.7%	243,412	26,098	23,704	(2,394)
California	126,715	6.3%	2,735,579	171,818	172,843	1,025
Nevada	2,498	2.8%	125,320	3,490	3,336	(154)
Idaho	8,006	12.4%	84,450	10,456	7,223	(3,233)
Utah	9,837	6.1%	236,590	14,403	15,666	1,263
Montana	7,035	16.3%	51,588	8,418	8,332	(86)
Wyoming	3,850	13.3%	37,093	4,924	4,443	(481)
Arizona	17,340	5.3%	828,631	44,054	27,987	(16,067)
New Mexico	7,921	7.1%	152,752	10,813	8,478	(2,335)
Colorado	23,631	9.0%	352,034	31,783	29,952	(1,831)
Alaska	1,748	6.5%	32,406	2,102	1,872	(230)
Hawaii	4,716	7.5%	74,809	5,638	7,540	1,902

In the Western region, only California and Hawaii were able to continue to house the same percentage (or slightly more) of their student populations in on-campus dorms during the 2009-2010 academic year than in 2000. Arizona, on the other hand, would have needed to house 16,067 additional students in dorms to maintain a 5.3 percent dorm residency rate for 2009-2010.

States in the Western region also posted some of the lowest 2000 dorm residency rates of all the regions. This could be attributed to the relative affordability and availability of off-campus housing in some of these states.

More states in the Southern region posted significant shortfalls than in any other region. The District of Columbia, Kentucky, Mississippi, North Carolina, Texas and Virginia all came up extremely short in terms of keeping the same percentage of their student populations housed in dorms over the course of the decade.

The numbers were particularly staggering for the District of Columbia and North Carolina, both of which had some of the higher percentages of students housed in dorms in 2000 at 38.3 percent and 19.2 percent, respectively. By the 2009-2010 school year, the District of Columbia would have needed to house 28,283 additional students in dorms to maintain that share of its student population living in dorms. Similarly, North Carolina would have needed to house an additional 19,433 students in on-campus dorms.

Southern Region Demand Calculation

State	Number of Dorm Residents in 2000	% of Enrolled Students in Dorms in 2000	2009 Enrollment	Hypothetical Needed	Actual	Difference
Texas	92,246	9.3%	1,447,868	134,829	119,834	(14,995)
Oklahoma	26,643	14.9%	220,650	32,832	30,148	(2,684)
Arkansas	18,280	15.9%	168,352	26,739	24,144	(2,595)
Louisiana	26,959	12.2%	251,853	30,674	24,891	(5,783)
Mississippi	29,238	22.0%	173,136	38,013	26,472	(11,541)
Alabama	31,086	13.9%	311,740	43,428	36,341	(7,087)
Tennessee	45,030	17.8%	332,918	59,274	53,136	(6,138)
Kentucky	31,883	17.6%	277,907	48,784	36,340	(12,444)
West Virginia	14,300	16.1%	142,484	22,982	17,113	(5,869)
Virginia	65,557	17.3%	545,036	94,534	84,048	(10,486)
District of Columbia	27,598	38.3%	136,851	52,370	24,087	(28,283)
Maryland	35,371	13.2%	358,941	47,229	48,141	912
Delaware	13,073	28.0%	55,174	15,474	10,184	(5,290)
North Carolina	76,018	19.2%	568,865	109,228	89,795	(19,433)
South Carolina	39,360	21.4%	246,667	52,873	46,463	(6,410)
Georgia	47,910	15.4%	532,493	81,818	72,288	(9,530)
Florida	54,085	7.9%	1,053,221	83,189	85,243	2,054

Midwestern Region Demand Calculation

State	Number of Dorm Residents in 2000	% of Enrolled Students in Dorms in 2000	2009 Enrollment	Hypothetical Needed	Actual	Difference
North Dakota	10,137	25.1%	54,433	13,676	10,570	(3,106)
South Dakota	8,998	21.3%	53,342	11,388	10,248	(1,140)
Nebraska	18,376	16.6%	138,645	22,993	22,073	(920)
Kansas	24,492	13.9%	210,843	29,218	27,754	(1,464)
Missouri	44,587	14.0%	424,944	59,679	52,869	(6,810)
Iowa	41,171	22.0%	350,631	77,288	44,574	(32,714)
Minnesota	44,835	15.9%	442,281	70,130	50,444	(19,686)
Wisconsin	51,397	16.9%	373,228	62,941	56,773	(6,168)
Illinois	90,463	12.3%	900,824	111,147	92,960	(18,187)
Indiana	69,147	22.7%	441,294	100,137	75,434	(24,703)
Ohio	91,713	16.7%	711,095	118,890	106,042	(12,848)
Michigan	69,854	12.5%	686,049	85,731	78,033	(7,698)

Similar to the Southern region, the Midwestern region also included a number of states with significant shortfalls in terms of maintaining their dorm residency rates. In fact, every state in the region housed nearly 1,000 fewer students in dorms than they should have if they had maintained the same dorm residency rate as they had in 2000.

Illinois, Indiana, Iowa, Ohio and Minnesota had some of the most severe shortfalls. Iowa, for example, would have needed to house 32,714 additional students in dorms to stay on pace with the 22.0 percent dorm residency rate it had in 2000. In Indiana, that number was 24,703.

The Midwestern region also had some of the higher dorm residency rates. Illinois, for example, had the lowest dorm residency rate of the region in 2000 at 12.3 percent; by comparison, Idaho had the second highest dorm residency rate of the Western region at 12.4 percent. High initial dorm residency rates in 2000, coupled with a significant shortfall in maintaining that dorm share at the end of the decade, suggests that these states may be struggling more with providing sufficient on-campus student housing options.

Again, the Northeastern region was a bit of an aberration. While the region had the highest overall dorm residency rate of any region, only three states—New Jersey, New York and Pennsylvania—registered a shortfall in maintaining dorm residency share. And of those three, only Pennsylvania had a significant shortfall.

Northeastern Region Demand Calculation

State	Number of Dorm Residents in 2000	% of Enrolled Students in Dorms in 2000	2009 Enrollment	Hypothetical Needed	Actual	Difference
Pennsylvania	147,542	24.4%	778,123	189,673	177,332	(12,341)
New Jersey	45,222	13.7%	432,127	59,121	55,483	(3,638)
New York	174,111	17.1%	1,289,604	219,918	218,960	(958)
Connecticut	38,051	24.3%	191,806	46,514	48,537	2,023
Rhode Island	20,551	27.5%	84,673	23,257	24,687	1,430
Massachusetts	103,583	24.7%	497,290	122,734	135,773	13,039
New Hampshire	17,574	27.7%	74,234	20,588	22,820	2,232
Vermont	12,863	35.0%	44,975	15,751	16,895	1,144
Maine	13,793	23.9%	70,170	16,739	17,251	512

Conclusions

Many states are struggling with an on-campus student housing shortage. Enrollments are rising, in some cases very quickly, and maxing out available dorm space. Although states are housing more students than ever in on-campus dorm facilities, they are struggling to maintain their dorm residency rates, as a percentage of their student enrollment populations. In fact, the difference between the number of students that should have been housed in on-campus dorms in 2009-2010, based on the dorm residency rates established for the academic year 1999-2000, in some cases topped tens of thousands of students.

Given the fiscal constraints many colleges and universities are facing, it may be unreasonable to expect statewide dorm residency levels to keep pace with enrollment trends. However, the reality is that growing enrollment numbers are driving demand for student housing. And local colleges and universities are struggling to keep up with that increased demand. Consequently, this need for additional student housing—whether it be on campus or off campus—creates significant opportunity for apartment firms.