



WHITE PAPER

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Surge in College Applications Unaffected by the Economic Downturn

- Reinforcing the “recession-resistant” nature of student housing, this analysis of 56 universities shows an average growth rate of 20 percent for freshman applications for the fall of 2010 compared to fall 2008.
- Twenty-three of the schools surveyed reported a gain of 25 percent or more; only four schools showed a decrease in enrollment.
- This white paper reviews the results of our survey and offers cautionary advice to firms considering entering the private, off-campus student housing industry.

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Surge in College Applications Unaffected by the Economic Downturn

There have been numerous reports about the “recession-resistant” nature of student housing. The National Student Housing Council (NSHC), a subsidiary of the National Multi Housing Council (NMHC), analyzed enrollment trends at 56 universities to see if the economic downturn had caused a decrease in enrollment.

Of course, a recession and the resulting unemployment it creates can drive an increase in college enrollment, but conventional wisdom holds that many of those new students would apply to community colleges instead of traditional four-year universities for cost reasons. Going into the most recent economic downturn, there was concern that families struggling with falling house prices and possible unemployment would defer their children’s education until they were more confident about the overall economy.

Our research indicates that those concerns were unfounded. We compared the number of freshman applications at 56 universities across the country (public and private) for fall 2010 and fall 2008. Overall, freshman applications were up 20 percent. Twenty-three of the schools reported a gain in the number of freshman applications of 25 percent or more; only four of the universities surveyed showed a drop in freshman applications.

The highest growth was recorded by the University of Alabama at Tuscaloosa, which reported a 56% increase.

This study suggests that the pursuit of higher education was not a collateral victim of the financial crisis and resulting economic crisis. Strong demographics, primarily the 78 million echo boomers reaching college age, continue to drive college enrollment and may be helped by unemployed adults seeking new career opportunities. As just one case study, Stanford University reported a 35 percent increase in freshman applications for 2010. It accepted 2,300 of the 34,200 applicants and ultimately enrolled 1,700 freshmen.

Top 10 Colleges for Freshman Application Growth (2008-2010)

University of Alabama (Tuscaloosa, AL)	56%
University of Arkansas (Fayetteville, AR)	43%
Arizona State University (Tempe, AZ)	37%
Indiana University (Bloomington, IN)	37%
Kent State University (Kent, OH)	36%
Colorado State University (Fort Collins, CO)	35%
Idaho State University (Pocatello, ID)	35%
Stanford University (Stanford, CA)	35%
University of Dayton (Dayton, OH)	35%
Kansas State (Manhattan, KS)	34%

Schools with Negative Freshman Application Growth (2008-2010)

Bowling Green State Univ. (Bowling Green, OH)	-10%
Auburn University (Auburn, AL)	-7%
Florida State University (Tallahassee, FL)	-1%
University of Tennessee (Knoxville, TN)	-1%

While this is encouraging news for the private, off-campus student housing industry, all firms considering entering the sector should not take entry lightly given the unique, and often demanding, requirements for success in this niche. Motivated by the positive coverage of student housing, too many firms have jumped into the sector without fully analyzing actual individual markets. This has led to serious overbuilding at some campuses. It is the goal of NMHC's National Student Housing Council to create a venue for the meaningful exchange of information and ideas among student housing providers so more informed decisions can be made in terms of financing, developing and managing of student housing.

Full Survey Results, Organized by State

School			2010 Freshman Applications	2008 Freshman Applications	% Change
Auburn University	Auburn	AL	14,862	15,919	-7%
University of Alabama	Tuscaloosa	AL	19,518	12,513	56%
University of Arkansas/Fayetteville	Fayetteville	AR	12,035	8,443	43%
Arizona State University	Tempe	AZ	28,304	20,702	37%
San Jose State University	San Jose	CA	24,079	20,443	18%
Stanford University	Stanford	CA	34,200	25,299	35%
University of California – Davis	Davis	CA	42,382	32,635	30%
University of California – Irvine	Irvine	CA	44,123	34,531	28%
Colorado State University	Fort Collins	CO	15,253	11,310	35%
University of Colorado at Boulder	Boulder	CO	19,694	18,173	8%
University of Connecticut	Storrs	CT	21,999	19,778	11%
Florida State University	Tallahassee	FL	23,439	23,687	-1%
University of Florida	Gainesville	FL	27,612	22,093	25%
Georgia Southern University	Statesboro	GA	9,214	7,360	25%

School			2010 Freshman Applications	2008 Freshman Applications	% Change
University of Georgia	Athens	GA	17,776	15,924	12%
Iowa State University	Ames	IA	12,536	9,634	30%
University of Iowa	Iowa City	IA	15,060	14,350	5%
Idaho State University	Pocatello	ID	3,889	2,882	35%
Illinois State University	Normal	IL	14,114	12,071	17%
Indiana University	Bloomington	IN	33,011	24,169	37%
Purdue University	West Lafayette	IN	27,213	24,052	13%
Kansas State University	Manhattan	KS	10,003	7,479	34%
University of Kentucky	Lexington	KY	11,120	10,024	11%
University of Maryland	College Park	MD	28,331	23,546	20%
Michigan State University	East Lansing	MI	25,349	23,247	9%
University of Michigan	Ann Arbor	MI	29,965	25,806	16%
Western Michigan University	Kalamazoo	MI	12,379	11,830	5%
University of Minnesota – Duluth	Duluth	MN	7,936	7,338	8%
University of Missouri	Columbia	MO	16,436	13,102	25%
University of Montana	Missoula	MT	5,342	4,855	10%
Appalachian State University	Boone	NC	13,039	10,419	25%
East Carolina University	Greenville	NC	14,253	12,130	18%
North Carolina State Univ.	Raleigh	NC	18,782	15,500	21%
University of North Carolina	Chapel Hill	NC	23,224	19,728	18%
University of Nebraska	Lincoln	NE	9,598	7,993	20%
New Mexico State University	Las Cruces	NM	6,650	5,434	22%
Cornell University	Ithaca	NY	34,371	28,098	22%
Syracuse University	Syracuse	NY	20,951	19,744	6%
Bowling Green State University	Bowling Green	OH	10,418	11,557	-10%

School			2010 Freshman Applications	2008 Freshman Applications	% Change
Kent State University	Kent	OH	14,933	10,990	36%
University of Dayton	Dayton	OH	12,212	9,045	35%
Oklahoma State University	Stillwater	OK	7,561	6,730	12%
University of Oklahoma	Norman	OK	8,960	7,471	20%
Oregon State University	Corvallis	OR	10,048	9,077	11%
Clemson University	Clemson	SC	16,282	12,784	27%
University of South Carolina	Columbia	SC	17,694	13,946	27%
University of Tennessee	Knoxville	TN	12,234	12,372	-1%
Texas A&M University	College Station	TX	22,757	17,410	31%
Texas Tech University	Lubbock	TX	16,143	13,809	17%
University of Texas - Austin	Austin	TX	29,501	23,502	26%
Old Dominion University	Norfolk	VA	9,878	7,530	31%
University of Virginia	Charlottes- ville	VA	21,108	16,086	31%
Virginia Tech	Blacksburg	VA	21,053	19,046	11%
University of Wisconsin	Madison	WI	24,855	22,816	9%
Marshall University	Huntington	WV	2,577	2,305	12%
West Virginia University	Morgantown	WV	14,053	12,047	17%
TOTAL			1,020,309	850,764	20%