

OH
CANADA!



NMHC Student Housing Conference
October 2, 2014

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THE SCION GROUP LLC

Why Canada?



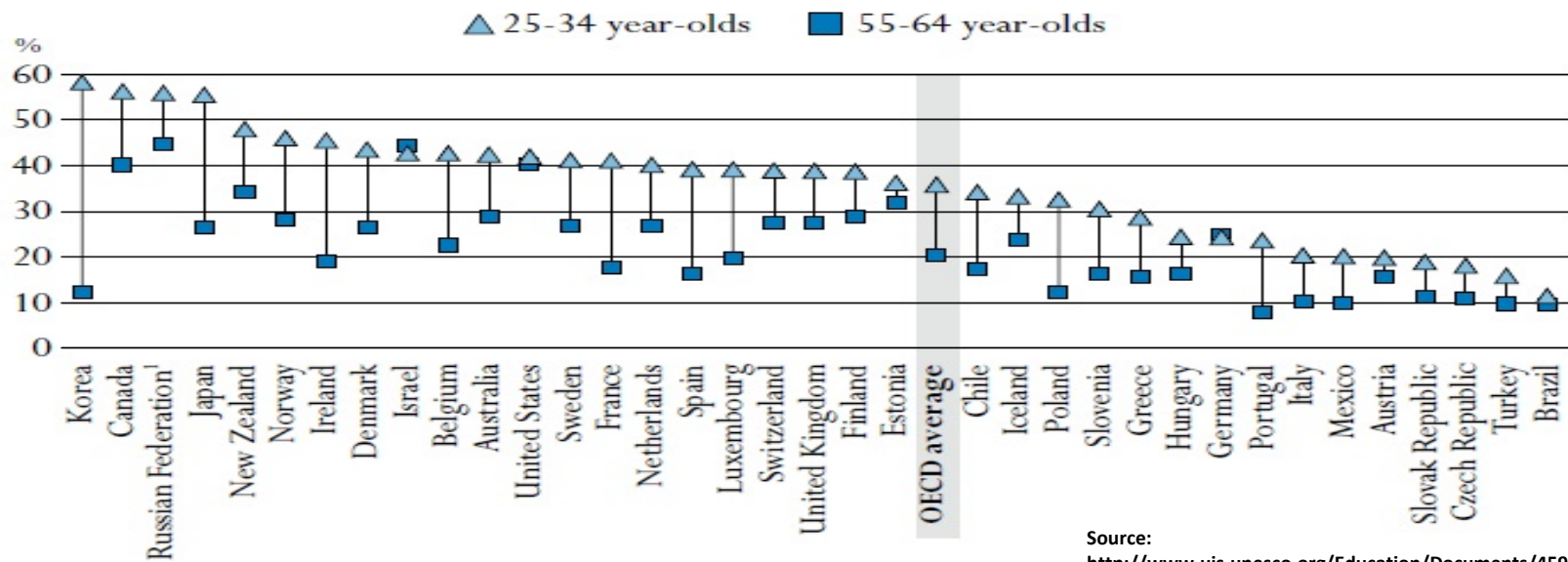
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Global PSE Participation Rate

Chart A1.1. Population that has attained tertiary education (2008)

This chart compares the population aged 25 to 34 with tertiary education to the population aged 55 to 64 with tertiary education in 2008, in percentage, by age group.

Tertiary attainment levels have increased considerably over the past 30 years. In almost all countries, 25-34 year-olds have higher tertiary attainment levels than the generation about to leave the labour market (55-64 year-olds). On average across OECD countries, 35% of the younger cohort has completed tertiary education, compared with 20% of the oldest cohort. The expansion of the tertiary sector has put Japan and Korea in the top group together with Canada and the partner country the Russian Federation, with over 50% of the younger cohort with tertiary education.

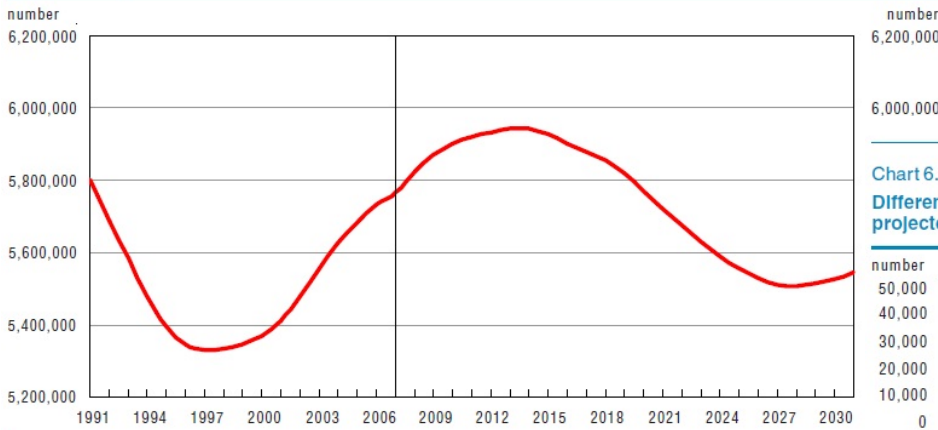


Source:
<http://www.uis.unesco.org/Education/Documents/45926093.pdf>

Canadian Population Changes Aligns with FT Enrolment Changes

Postsecondary Enrolment Trends to 2031: Three Scenarios

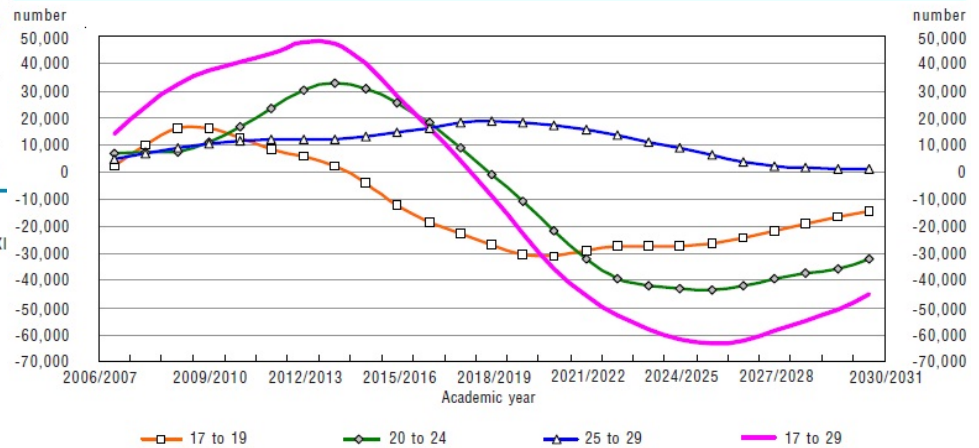
Chart 4.1
Population age 17 to 29, Canada, 1991 to 2031



Note: This is not including Yukon, Northwest Territories or Nunavut. Population estimates as of January 1st.

Source: Statistics Canada (2005), *Population Projections for Canada, Provinces and Territories 2005-2031*. Catalogue no. 91-520-X1

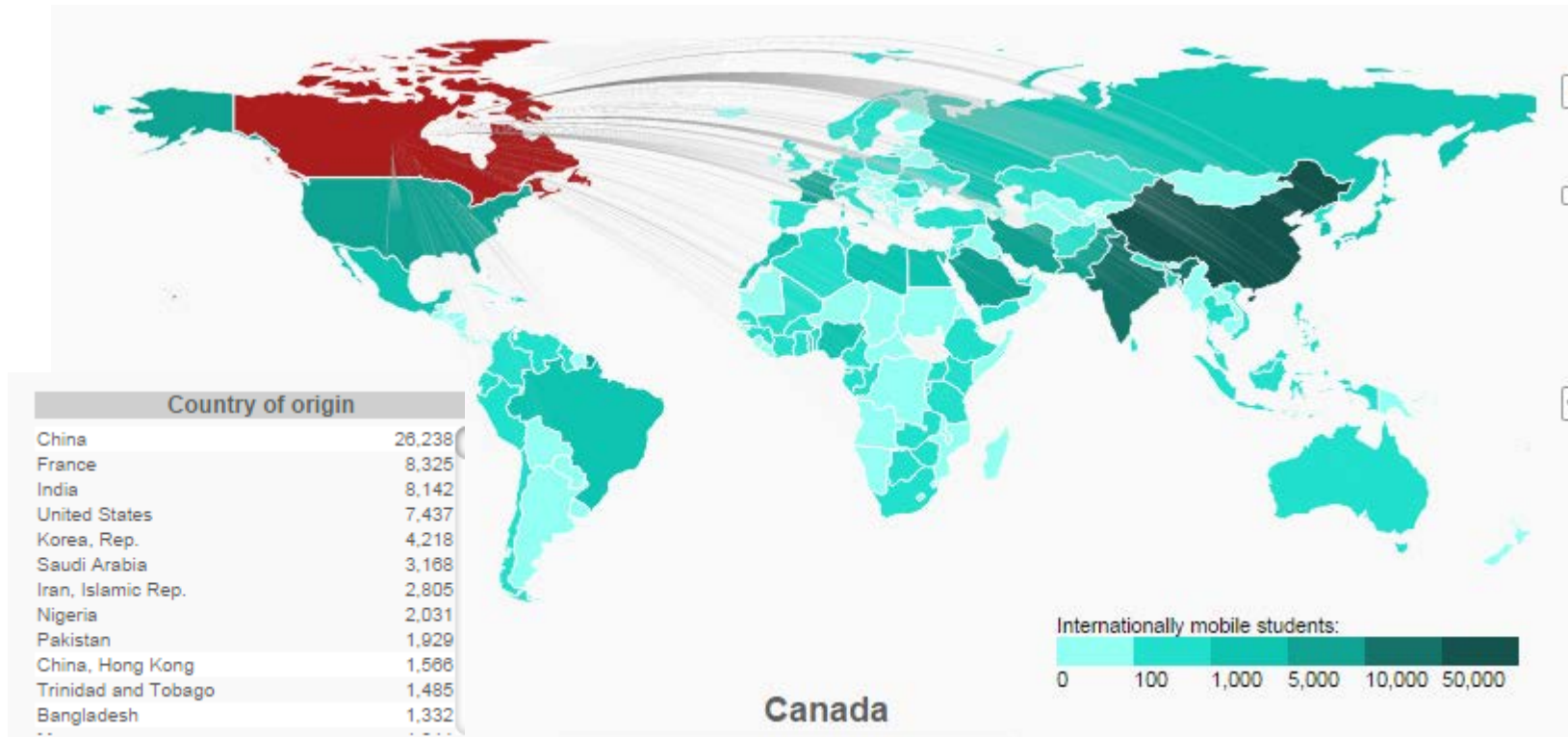
Chart 6.1.1
Difference in full-time postsecondary enrolment¹ between the 2003/2004-to-2005/2006 average and the projected enrolment: Canada, 2006/2007 to 2030/2031



¹. Enrolment difference is calculated by subtracting the 2003/2004-to-2005/2006 average enrolment from the projected enrolment.
Note: The line at zero indicates no difference between the projected enrolment and the 2003/2004-to-2005/2006 average enrolment.

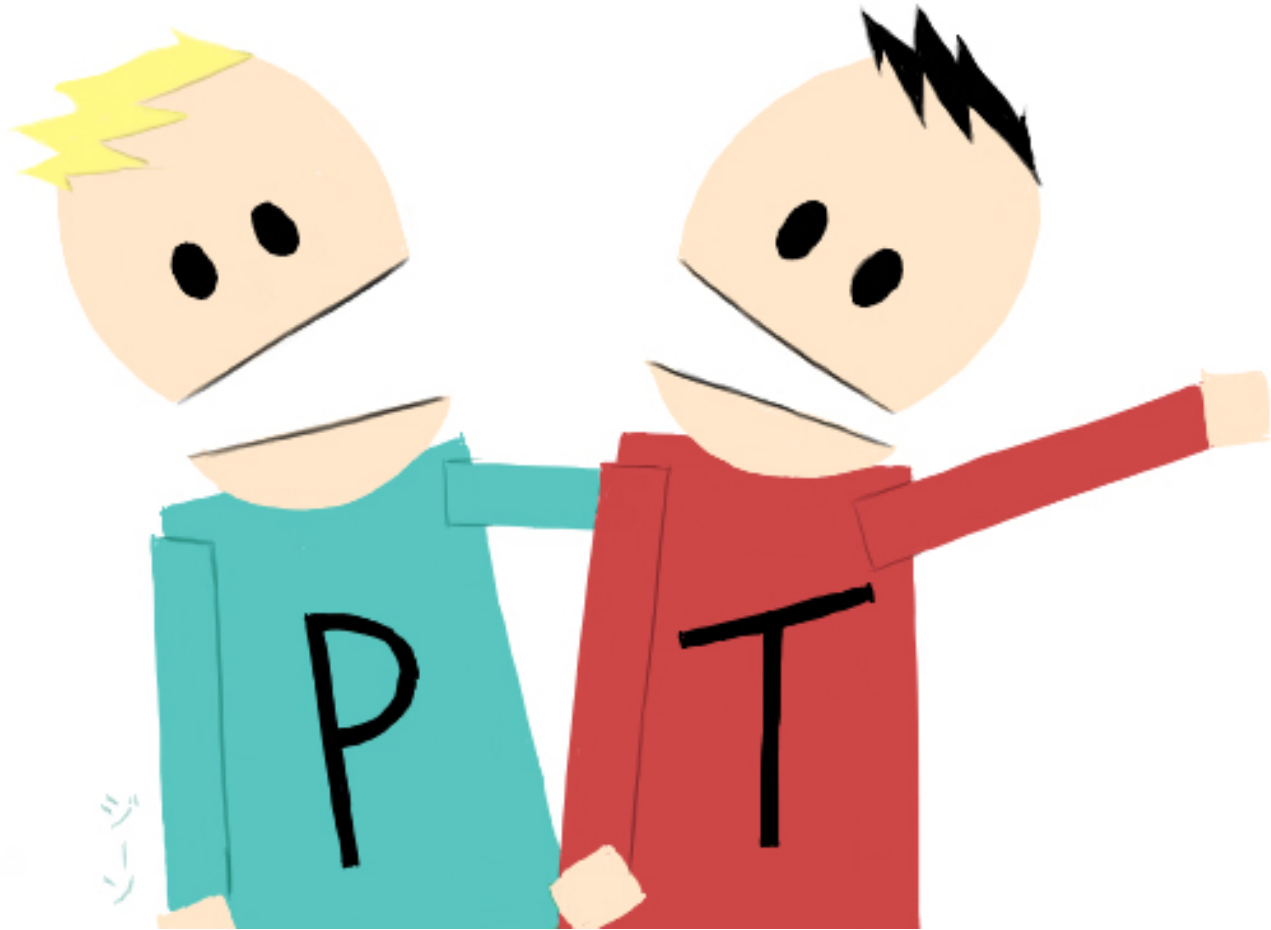
Source: <http://www.statcan.gc.ca/pub/81-595-m/81-595-m2007058-eng.pdf>

Rapidly Growing International Student Enrolment



...which will **DOUBLE** by 2022

Who are these Canadian students?



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Student Living Choices

The typical Ontario undergraduate student:*

- Lives in their parents' home or an off-campus rental
- Feels satisfied or neutral about their living situation
- Looked for off-campus rental housing
- Has never lived in a campus residence

* full-time enrolled single students

Student Living Choices

*The typical Ontario undergraduate student renter:**

- Found it difficult to secure off-campus rentals
- Lives in a two-bedroom unit
- Has their own bedroom
- Considered the following factors:
Cost, All-inclusive billing, Ability to cook meals, Privacy, Proximity to campus, Safety/security

* full-time enrolled students

Unit Design Preferences

Interest is highest in different unit types for each cohort

	First Year	Second Year	Upper Year
Traditional Double	69%	62%	57%
Semi-Suite Double	70%	66%	61%
Suite Single	73%	69%	68%
Two-Bedroom Apartment	72%	75%	77%
Four-Bedroom Apartment	72%	75%	72%
Studio/Efficiency	65%	70%	74%

Unit Design Preferences

Interest is lowest in different unit types for each cohort

	First Year	Second Year	Upper Year
Traditional Double	69%	62%	57%
Semi-Suite Double	70%	66%	61%
Suite Single	73%	69%	68%
Two-Bedroom Apartment	72%	75%	77%
Four-Bedroom Apartment	72%	75%	72%
Studio/Efficiency	65%	70%	74%

Land of Opportunity



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Increased institutional debt and equity participation

- CMHC
 - New construction, purchase and refinance
 - Up to 85% LTV
 - 1.30-1.40 DCR
- Pension funds (HOOPP)
- Institutional investors (Forum Equity Partners, CHC Realty, Knightstone Capital Mgmt)
- Banks (BMO, RBC, CIBC)

Increased “PPP” activity

- University of Toronto
 - Land assembly
 - 99 year ground lease
- York University
 - Campus edge development
 - 70 year ground lease
- Centennial College
 - Campus residence replacement & expansion
 - 99 year ground lease
- Georgian College, Canadore College, University of Calgary

I have met my Waterloo...



...and it is in Canada

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The Good

- 2 major universities and 1 college
- 46,000+ total enrolment
- 21,000+ student renters
- Regional STEM focus = international draw

The Bad

- 20,000+ beds supplied
 - 8,500 on campus
 - 11,800 off campus
- Half of off-campus housing is purpose-built

The Bonaparte

- 3,000+ beds under construction or issued permits
- 4,800 beds with permits pending
- UWaterloo announced new student residence
- Student residence expansion in WLU master plan

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Thank you!

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