AGENDA
JANUARY 8, 2015

- Strategic Asset Value Review
- Existing Conditions
- Market Analysis
  - Off-campus Housing
  - Survey Analysis
- Student Housing Demand
- Next Steps
Any student who desires to live on-campus should have an available bed space.

The university desires to create more spaces, programs, and assignments that will directly enhance the academic curriculum and personal development.

Residential offerings should provide a variety of unit types and serve as a recruiting amenity.

The university would like to examine alternative ownership and development structures for residential facilities moving forward.
EXISTING CONDITIONS

STUDENTS LIVING ON-CAMPUS BY ENROLLMENT CLASSIFICATION (INCLUDING BRAZILIAN STUDENTS)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshman</td>
<td>1,323</td>
<td>1,261</td>
</tr>
<tr>
<td>Sophomore</td>
<td>325</td>
<td>402</td>
</tr>
<tr>
<td>Junior</td>
<td>238</td>
<td>304</td>
</tr>
<tr>
<td>Senior</td>
<td>157</td>
<td>234</td>
</tr>
<tr>
<td>Graduate / Professional</td>
<td>566</td>
<td>702</td>
</tr>
<tr>
<td>Total</td>
<td>2,609</td>
<td>2,903</td>
</tr>
</tbody>
</table>

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BRAILSFD & DUNLAVEY
EXISTING CONDITIONS

ENROLLMENT & ON-CAMPUS CAPTURE RATES
BY ENROLLMENT CLASSIFICATION
(INCLUDING BRAZILIAN STUDENTS)

2014 Capture rate excluding Brazilian Students
52 participants (23 on-, 29 off-campus residents)

Why Wayne State? Proximity to home, affordability, academic offerings

“Wayne State housing is much better than the other schools I looked at”

Differing viewpoints among those who have lived on-campus, those who have not
  - Expense, convenience, quality, rules and regulations

Desire for varying levels of residence life programming

Location of new housing is dependent on the targeted residents
  - Undergraduate students – near existing undergraduate facilities
  - Graduate students – near University Towers
OFF-CAMPUS ANALYSIS

APARTMENT COMMUNITIES RESEARCHED

Average Wayne State on-campus rates in **orange** (assuming nine month academic year)

- Includes $100 / bed / month for utilities (except 4BR – Union @ Midtown)
4,122 student respondents, 15.1% response rate
1.4% margin of error at 95% confidence interval
No Brazilian students were included in survey or results
Living on campus has provided [me]…

– All survey respondents

- A safe, secure environment
  - 2014 - Strongly Agree: 41%
  - 2014 - Agree: 49%
  - 2010 - Strongly Agree: 55%
  - 2010 - Agree: 40%
  - Total: 95%

- A convenient living option
  - 2014 - Strongly Agree: 63%
  - 2014 - Agree: 32%
  - 2010 - Strongly Agree: 57%
  - 2010 - Agree: 36%
  - Total: 95%

- Acclimate to life at Wayne State
  - 2014 - Strongly Agree: 59%
  - 2014 - Agree: 35%
  - 2010 - Strongly Agree: 53%
  - 2010 - Agree: 38%
  - Total: 94%

- Enhanced overall experience
  - 2014 - Strongly Agree: 51%
  - 2014 - Agree: 39%
  - 2010 - Strongly Agree: 46%
  - 2010 - Agree: 43%
  - Total: 90%

- A positive influence on my academics
  - 2014 - Strongly Agree: 45%
  - 2014 - Agree: 42%
  - 2010 - Strongly Agree: 42%
  - 2010 - Agree: 43%
  - Total: 87%

- Opportunity to learn about different people
  - 2014 - Strongly Agree: 41%
  - 2014 - Agree: 45%
  - 2010 - Strongly Agree: 39%
  - 2010 - Agree: 46%
  - Total: 86%

- A sense of community
  - 2014 - Strongly Agree: 43%
  - 2014 - Agree: 41%
  - 2010 - Strongly Agree: 38%
  - 2010 - Agree: 44%
  - Total: 84%

- Leadership opportunities
  - 2014 - Strongly Agree: 26%
  - 2014 - Agree: 43%
  - 2010 - Strongly Agree: 28%
  - 2010 - Agree: 40%
  - Total: 69%

- A cost effective living option
  - 2014 - Strongly Agree: 17%
  - 2014 - Agree: 33%
  - 2010 - Strongly Agree: 18%
  - 2010 - Agree: 32%
  - Total: 68%
How would you rate your current residence?
- Very satisfactory + satisfactory ONLY
- On-campus residents and respondents indicating they rent off-campus

<table>
<thead>
<tr>
<th>Location</th>
<th>Very Satisfactory</th>
<th>Satisfactory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atchison</td>
<td>34%</td>
<td>63%</td>
</tr>
<tr>
<td>Ghafari</td>
<td>33%</td>
<td>62%</td>
</tr>
<tr>
<td>Towers</td>
<td>31%</td>
<td>63%</td>
</tr>
<tr>
<td>University Tower</td>
<td>25%</td>
<td>67%</td>
</tr>
<tr>
<td>Off-campus (renters)</td>
<td>35%</td>
<td>56%</td>
</tr>
<tr>
<td>Chatsworth</td>
<td>30%</td>
<td>58%</td>
</tr>
<tr>
<td>DeRoy</td>
<td>17%</td>
<td>69%</td>
</tr>
</tbody>
</table>

DeRoy Chatsworth

Very Satisfactory
Satisfactory
How important were the following in your decision where to live this year? (top nine, very important + important ONLY)

- On-campus residents ONLY

- Safety and security features
  - Very Important: 67%
  - Important: 29%

- Total cost
  - Very Important: 63%
  - Important: 31%

- High-speed internet
  - Very Important: 68%
  - Important: 26%

- Preferred unit type
  - Very Important: 54%
  - Important: 39%

- Availability of a quiet place to study
  - Very Important: 59%
  - Important: 33%

- Access to WSU resources
  - Very Important: 57%
  - Important: 33%

- Proximity to classes
  - Very Important: 52%
  - Important: 38%

- Private bathroom
  - Very Important: 54%
  - Important: 33%

- Involvement in campus activities
  - Very Important: 45%
  - Important: 40%
Wayne State student survey responses + existing enrollment and enrollment targets

Occupancy coverage ratio ("OCR")
- Proprietary B&D methodology used to adjust demand projections to better reflect demand risks and institutional views
  - Risks: enrollment fluctuations, off-campus development
  - Metrics: risk tolerance, residency requirements

- Example 1:10 : 1.00 OCR = 11 units of demand required for 10 units of supply

  - Semi-suite, full-suite, apartment-style OCR = 1.10x
## Demand Analysis

### Student Housing Demand Summary

<table>
<thead>
<tr>
<th>Bed-type</th>
<th>Existing Enrollment</th>
<th>Existing Enrollment + Partnership (262)</th>
<th>Future Enrollment</th>
<th>Future Enrollment + Partnership (300)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semi-Suite (Surplus / Deficit)</td>
<td>(339)</td>
<td>(459)</td>
<td>(505)</td>
<td>(610)</td>
</tr>
<tr>
<td>Full-suite (Surplus / Deficit)</td>
<td>251</td>
<td>132</td>
<td>186</td>
<td>58</td>
</tr>
<tr>
<td>Apartment (Surplus / Deficit)</td>
<td>(119)</td>
<td>(119)</td>
<td>(332)</td>
<td>(291)</td>
</tr>
<tr>
<td><strong>NET DEMAND (SURPLUS/DEFICIT)</strong></td>
<td>(208)</td>
<td>(446)</td>
<td>(651)</td>
<td>(844)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enrollment Classification</th>
<th>Existing Enrollment</th>
<th>Existing Enrollment + Partnership (262)</th>
<th>Future Enrollment [1]</th>
<th>Future Enrollment* + Partnership (300) [1]</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-time, First-year (FTIAC) [2]</td>
<td>724</td>
<td>986</td>
<td>780</td>
<td>1,077</td>
</tr>
<tr>
<td>Transfer + Returning Freshman &amp; Sophomore</td>
<td>892</td>
<td>892</td>
<td>999</td>
<td>982</td>
</tr>
<tr>
<td>Junior</td>
<td>381</td>
<td>381</td>
<td>437</td>
<td>426</td>
</tr>
<tr>
<td>Senior / Other</td>
<td>407</td>
<td>407</td>
<td>439</td>
<td>438</td>
</tr>
<tr>
<td>Graduate / Professional</td>
<td>1,172</td>
<td>1,172</td>
<td>1,410</td>
<td>1,353</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>3,577</strong></td>
<td><strong>3,839</strong></td>
<td><strong>4,065</strong></td>
<td><strong>4,277</strong></td>
</tr>
</tbody>
</table>

| OCCUPANCY COVERAGE RATIO                   | 1.10X               | 1.10X                                  | 1.10X                | 1.10X                                   |
| RECOMMENDED BED COUNT                      | 3,252               | 3,490                                  | 3,695                | 3,888                                   |
| EXISTING BED COUNT [3]                     | 3,044               | 3,044                                  | 3,044                | 3,044                                   |
| **NET DEMAND (SURPLUS/DEFICIT)**           | (208)               | (446)                                  | (651)                | (844)                                   |

**NOTES:**

1. Future enrollment assumes a total student population of 30,000, including 27,000 domestic students and 3,000 international students.
2. First-time, first-year capture rates are assumed to be identical to the Fall 2014 capture rate.

Partnership students are international student required to live on-campus as a part of their enrollment / academic program.
## Financial Analysis

### Analysis of Revenues & Expenses

<table>
<thead>
<tr>
<th></th>
<th>Semi-suite (Atchison)</th>
<th>Suite (Towers)</th>
<th>Apartment (Deroy, Chatsworth)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GSF / Bed</td>
<td>250</td>
<td>275</td>
<td>300</td>
</tr>
<tr>
<td></td>
<td>$100</td>
<td>$125</td>
<td>$150</td>
</tr>
<tr>
<td></td>
<td>$200</td>
<td>$225</td>
<td>$250</td>
</tr>
<tr>
<td></td>
<td>$300</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

|                      | 250                   | 275            | 300                          | 325    |
|                      | $3,858                | $4,244         | $4,630                       | $5,015 |
|                      | $4,329                | $4,762         | $5,195                       | $5,628 |
|                      | $4,800                | $5,280         | $5,760                       | $6,240 |
|                      | $5,271                | $5,798         | $6,325                       | $6,853 |
|                      | $5,742                | $6,317         | $6,891                       | $7,465 |
|                      | $6,213                | $6,835         | $7,456                       | $8,077 |
|                      | $6,684                | $7,353         | $8,021                       | $8,699 |
|                      | $7,156                | $7,871         | $8,690                       | $9,358 |
|                      | $7,627                |                |                              |        |

Values in **ORANGE** represent annual rental rates within 10% of existing rates and financially feasible at the total project cost listed on the left.
NEXT STEPS

STUDENT HOUSING MARKET & DEMAND ASSESSMENT

CONCEPT DEVELOPMENT | STRATEGY
- PUBLIC/PRIVATE PARTNERSHIP ANALYSIS
- ECONOMIC ANALYSIS

PRE-IMPLEMENTATION | ENGAGEMENT
- DETAILED PROGRAMMING
- DESIGN STANDARDS / PHILOSOPHY
- PARTNER ENGAGEMENT (RFQ / RFP)
- CONTRACT NEGOTIATIONS

IMPLEMENTATION | DELIVERY
- DESIGN MANAGEMENT
- CONSTRUCTION MANAGEMENT
- MANAGEMENT SOLUTIONS