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**Key Contacts:**

Jim Arbury  
Senior VP of Government Affairs  
jarbury@nmhc.org

**Other NMHC Staff Contacts:**

Douglas M. Bibby  
President  
dbibby@nmhc.org

Lisa Blackwell  
VP of State &  
Local Strategic Outreach  
lblackwell@nmhc.org

David Cardwell  
VP of Capital Markets and Technology  
dcardwell@nmhc.org

Jeanne Delgado  
VP of Property Management  
jdelgado@nmhc.org

Kimberly D. Duty  
VP of Communications  
kduty@nmhc.org

Eileen Lee  
VP of Environment  
elee@nmhc.org

Howard Menell  
Tax Advisor  
hmenell@nmhc.org

Ronald G. Nickson  
VP of Building Codes  
rnickson@nmhc.org

Mark Obrinsky  
VP of Research and Chief Economist  
mobrinsky@nmhc.org

## STUDENT HOUSING 102: AN IN-DEPTH LOOK AT PROPERTIES LEASED BY-THE-BED

With many of the 75 million "Echo Boomers" born between 1976 and 1994 headed to college this decade, student housing is becoming one of the apartment industry's most important niche opportunities.

In September 2004, NMHC issued a white paper titled *Student Housing 101: Where are the Opportunities?* that analyzed the financial, operational, and physical characteristics of 1,550 privately-owned, off-campus student housing properties in 65 college towns across America.

In this paper, *Student Housing 102*, we isolate the subsample of properties that offer by-the-bed leases instead of the more traditional by-the-unit leases to see how they differ. Key findings:

- While by-the-bed leasing may be a growing trend within the student housing industry, it has achieved a significant market share in only two of the 64 college towns studied. Only 132 of the 1,550 properties surveyed offered by-the-bed lease terms.
- By-the-bed properties are typically much newer than traditional student apartments, with most of the inventory built in the 1990s and after 2000, compared to an average built date in the 1960s and 1970s for the entire sample of student housing properties.
- Like by-the-unit properties, most by-the-bed properties are leased on an annual basis, but some offer shorter-term leases of six or nine months to coincide with semesters or the academic year. In a limited number of markets, up to 100 percent of student properties offer shorter-term leases.
- Perhaps because of their newness, by-the-bed properties are more likely--in some cases significantly more likely--to offer all nine amenities studied.

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## RESEARCH TEAM

Jim Arbury, NMHC's Senior Vice President for Government Affairs, served as Project Advisor. Alex Hecht, NMHC's former Legislative Analyst, served as Project Manager, overseeing the research and production. Mark Obrinsky, Ph.D., NMHC's Vice President of Research and Chief Economist, served as project consultant with additional research assistance from Richard Levy, NMHC's Research Analyst, and research interns Brett Broussard, Andrea Callow, Diana Levin, Titi Ogunyale and Alex Ruda. Project assistance was also provided by Michele L. Cherry, NMHC's Legislative and Web Site Manager and LaToya Scott, NMHC's Legislative Assistant. Editorial and production assistance were provided by Kim Duty, NMHC's Vice President of Communications, and Michael Tucker, NMHC's Communications Director.

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## INTRODUCTION

With many of the 75 million “Echo Boomers” born between 1976 and 1994 headed to college this decade, student housing is becoming one of the apartment industry’s most important niche opportunities. Indeed, the U.S. Department of Education has recently estimated that college enrollment will increase by 14.4 percent over the next 10 years. In September 2004, the National Multi Housing Council (NMHC) released a landmark study, *Student Housing 101: Where are the Opportunities? (Student Housing 101)*, offering a snapshot of private off-campus student housing in 64 “college towns” across the country<sup>1</sup>. This white paper is designed to augment and expand on that information by focusing specifically on the by-the-bed submarket within the student housing sector.

The *Student Housing 101* report gathered information on the financial, operational and physical characteristics of 1,550 off-campus, privately owned student apartment properties. The final report identified universities with growing and shrinking enrollment; markets with the highest and lowest average rents; and markets with the newest and oldest apartment stock. It also detailed the prevalence of a number of amenities typical in student housing and noted which markets currently have critical shortages of student housing.

Most of the results presented in *Student Housing 101* included data from both “by-the-unit” and “by-the-bed” properties. The one exception is rental rates. Because by-the-bed rental rates would have skewed those results, they were excluded, and are presented here instead. Almost nine percent of our 1,550 property sample indicated that rent by the bed. In addition to rental rates, this paper highlights the financial, operational and physical characteristics of the by-the-bed properties.<sup>2</sup>

By-the-bed leasing is a growing trend in off-campus student housing. For potential entrants in the student housing niche market, one of the first decisions a firm must make is whether to switch from the more traditional by-the-unit basis to by-the-bed leasing. In contrast to by-the-unit properties, which tend to offer 12-month leases, by-the-bed properties often operate on six- or nine-month leases. The per-bed leases generally mean per room, since many of today’s college students expect the privacy of a single room. It is increasingly rare for multiple students to share tiny, sparse dorm rooms.

Regardless of which model is chosen, to remain competitive, modern student housing offers much higher quality amenities than the stark residence halls of old. That typically means fully furnished units with nicely appointed kitchens, washers and dryers in almost every unit, and individual voice and data connections in each room. The properties themselves come with exercise rooms, business centers, pools, hot tubs, convenience stores, and, in many cases, multiple parking spaces. Greg Blais, Senior Vice President of Ambling Development, has half-jokingly said that, “Today’s student comes to school with two cars and a boat.”

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<sup>1</sup> The 74-page *Student Housing 101* research report can be purchased for \$500 by NMHC and National Apartment Association members and \$750 for non-members at [www.nmhc.org/Content/ServeContent.cfm?ContentItemID=3253](http://www.nmhc.org/Content/ServeContent.cfm?ContentItemID=3253). The report highlights the universities that have had the greatest enrollment growth in recent years and those whose enrollment has shrunk; identifies the markets with the highest and lowest average rents; identifies the markets with the newest and oldest apartment stock; details the prevalence of a number of amenities typical in student housing; and explores the availability of high-speed Internet access on student-oriented properties. It also identifies markets with critical shortages of student housing.

<sup>2</sup> This paper is designed to objectively present current private market conditions. It does not render a value judgment on the merits of offering by-the-bed leasing for student housing properties. And like *Student Housing 101*, this white paper does not address “public-private partnership properties” (i.e., properties developed and/or operated by a private developer in conjunction with a university).

Many student housing developers and operators are attracted by the potential revenue streams inherent in by-the-bed leasing. At a 2004 industry conference, representatives from JPI Campus Quarters and Ambling Companies agreed that by-the-bed student housing can reap substantial premiums. For example, JPI mentioned that one of its by-the-bed student properties rents for \$1.62 per square foot, while traditional apartment properties in the area that rent by the unit obtain just \$1 per square foot.

On the negative side of the ledger, by-the-bed properties require a “roommate matching” system for the inevitable situations when a student, for whatever reason, will not honor a lease commitment. This can be quite an operational challenge, particularly when the other roommates have a pre-existing relationship. And, in contrast to conventional apartments, these properties suffer from increased capital expenditures for information technology and special operating systems to survive the critical pre-leasing window period and the intense two-week turnover period endemic to all student housing.

## CHARACTERISTICS OF BY-THE-BED PROPERTIES

### Prevalence

NMHC’s research indicates that while by-the-bed leasing may in fact be the hot trend within the student housing industry, it has not yet achieved a significant market share in most of the major U.S. college towns. We found by-the-bed properties in 41 of the 64 markets examined in *Student Housing 101*. Of the 1,550 total properties that we studied across the country, only 132 properties (8.5 percent) reported leasing some or all of their units on a by-the-bed basis.

Most of these properties are geographically concentrated in a small number of markets in the Southeast and Mid-Atlantic. For example, fully 60 percent of the total by-the-bed sample (79 properties) are located in 11 markets. (See Table 1.) Far and away, the most by-the-bed properties were found in Florida and Georgia, which had 20 and 18 respectively. They are followed by Virginia and North Carolina with eight properties each.

**Table 1: Markets with the Most By-the-Bed Properties**

<u>University</u>	<u>By-the-Bed Properties</u>
Florida State University (41)	13
Georgia Southern University (16)	13
University of Virginia (33)	8
North Carolina State University (27)	8
University of Florida (43)	7
University of Georgia (27)	5
Kansas State University (44)	5
Auburn University (51)	4
University of Oregon (41)	4
University of Tennessee (30)	4
University of Wisconsin at Madison (31)	4

*Note: Total properties surveyed in parentheses.*

Of the 29 states with markets containing at least one by-the-bed property, only those four states (Florida, Georgia, North Carolina and Virginia) had 10 or more such properties. The remaining 25

states each had less than five. In addition, 31 markets had three or fewer by-the-bed properties. Finally, 23 of the markets studied had no by-the-bed properties at all.

### Age

One of the primary conclusions in *Student Housing 101* was the aging nature of the nation’s existing student housing stock. At many universities, the average built date of the private student housing stock is in the 1960s and 1970s. Properties that offer by-the-bed leasing, however, contradict that trend and are typically much newer, having an average built date of 1994 for those in our sample.

Fully 13 of the 41 markets with by-the-bed properties had an average built date in or after 2000. Seventeen had an average by-the-bed built date in the 1990s, and eight were in the 1980s.<sup>3</sup> Only two schools had an average built date prior to 1980—Arizona State (1978) and the University of Michigan (1968). Table 2 shows the newest markets with by-the-bed leasing. While our research did not specifically target properties currently under construction or yet to be listed as available for rental, this could be an indicator that an increasing number of new student housing projects now come online under a by-the-bed leasing model.

**Table 2: Newest Average Property Age**  
(By-the-Bed Properties)

<u>University</u>	<u>Average Built Date</u>
University of Oklahoma (1)	2004
University of Colorado at Boulder (1)	2003
Michigan State University (3)	2002
Oklahoma State University (2)	2002
Purdue University (2)	2002
Cornell University (3)	2001
University of North Carolina (2)	2001
Appalachian State University (3)	2001
Auburn University (3)	2000
University of Tennessee (3)	2000
Iowa State University (1)	2000
University of Delaware (1)	2000
West Virginia University (1)	2000

*Note: Number of by-the-bed properties in parentheses.*

Markets with older average built dates include Texas Tech University (1985), Ohio State University (1984), Idaho State University (1982), and Arizona State University (1978). Table 3 shows the oldest average built dates for markets with the by-the-bed properties.

<sup>3</sup> It is important to note several limitations with the average age calculations for by-the-bed properties. First, in a number of markets we identified only one property leasing some or all of their units on a by-the-bed basis. In these markets, the “average” built date is simply the date of that single property. Markets where we identified only one by-the-bed property include: East Carolina State University (1997 year built); Iowa State University (2000); Kent State University (1985); Penn State University (1996); Texas Tech University (1985); the University of Alabama (1994); the University of Arkansas Fayetteville (N/A); the University of Colorado at Boulder (2003); the University of Michigan (1968); the University of Oklahoma (2004); the University of South Carolina (1994); and West Virginia University (2000). Finally, we were unable to determine the average built date of by-the-bed properties at the University of Arkansas at Fayetteville and the University of Wisconsin at Madison.

**Table 3: Oldest Average Property Age**  
*(By-the-Bed Properties)*

<u>University</u>	<u>Average Built Date</u>
Colorado State University (2)	1989
Florida State University (13)	1988
Virginia Tech (2)	1988
University of Oregon (4)	1987
Kent State University (1)	1985
Texas Tech University (1)	1985
Ohio State University (2)	1984
Idaho State University (2)	1982
Arizona State University (3)	1978
University of Michigan (1)	1968

*Note: Number of by-the-bed properties in parentheses.*

Interestingly, universities within close geographic proximity to each other have similar average built dates. For example, Texas A&M University and the University of Texas at Austin have by-the-bed apartment stocks with an average built date of 1998 and 1999, respectively. Properties at Oklahoma State have an average built date of 2002, while the by-the-bed property located at the University of Oklahoma was built in 2004. The same phenomenon holds true between Florida State University (average built date of 1988) and the University of Florida (1993); North Carolina State University (1999) and the University of North Carolina (2001); Georgia Southern University (1996) and the University of Georgia (1998); and Indiana University (1999) and Purdue University (2002). This suggests that the entry of one by-the-bed property in a market may encourage the construction or conversion of others because of competitive forces.

### **Lease Terms**

One of the most significant differences between by-the-bed and by-the-unit properties are lease procedures and terms. As would be expected, private student housing offered on the more traditional by-the-unit basis retains more traditional leasing characteristics. For example, in more than half of the 64 markets studied, 90 percent of the by-the-unit leases were for 12 months. A few markets (12) had more short-term leases, but even then the percentage stayed mostly below 20 percent. The exceptions were New Mexico State University and Arizona State University, where property owners offered per-semester leases on 80 percent of their by-the-unit apartments.

Although less than 12-month leases were more common in by-the-bed properties, the annual lease is still the most prevalent kind even here. For the entire sample, 121 of the 132 by-the-bed properties offered annual leases. Thirty-three offered nine-month leases to coincide with the academic calendar, and 14 offered semester-based or semiannual leases.

The nine-month lease, which coincides with the academic school year at most universities, is a distant second to the 12-month lease, but it is offered with some significance in certain markets. We found 44 markets where up to half of the by-the-bed properties offered nine-month leases, compared to 35 markets with similar percentages offering semiannual leases timed to coincide with academic semesters.

In three markets—Texas A&M University, Arizona State University and the University of North Carolina—more than 70 percent of by-the-bed properties had nine-month leases. And in seven markets 100 percent of the properties had nine-month leases.

Semiannual (twice yearly) leases were more sporadic. On the one hand, we found 75 percent of the markets had no per-semester leases, whereas in five markets 100 percent of the by-the-bed properties offered semiannual leases.

Total By-the-Bed Properties:	132
Annual Lease	121
Nine Months	33
Semester (Semiannual)	14

*Note: Some properties offer more than one type of lease.*

Arizona State University, in particular, stands out for the prevalence of shorter leases in that market. All three of the by-the-bed properties offered residents the choice between semester-based or academic-year based leases. But even in the by-the-unit sector, where 12-month leases were most common, 80 percent of such properties at Arizona State University offered semester-based leases. This suggests that once a number of private student housing providers in a market begin to offer shorter leases, there is significant competitive pressure for all the student housing properties in that market to follow suit.

<b>Nine-Month (Academic Year-Based) Leasing</b>	
<u>University</u>	<u>Percent Offering</u>
Arizona State University (3)	100%
Cornell University (3)	100%
Idaho State University (2)	100%
University of Michigan (1)	100%
University of Oregon (4)	100%
University of South Carolina (1)	100%
University of Wisconsin (4)	100%
<b>Semiannual (Semester-Based) Leasing</b>	
<u>University</u>	<u>Percent Offering</u>
Arizona State University (3)	100%
Illinois State University (2)	100%
University of Arkansas/Fayetteville (1)	100%
University of South Carolina (1)	100%

*Note: Several properties offer more than one lease type. The number of by-the-bed properties is in parentheses.*

### **Rental Rates**

Generally, the highest rental rates for by-the-bed properties were found at larger schools in the Midwest and Mid-Atlantic regions. The average monthly rent for by-the-bed student housing was \$457. The highest average rents were found at University of Colorado at Boulder, with an average

rental rate of \$1,014. Table 5 lists the high rent markets for average by-the-bed rental rates across all unit types.

**Table 5: Highest Average Rental Rates**  
*(By-the-Bed Properties)*

<u>University</u>	<u>Average Rental Rate</u>
University of Colorado at Boulder	\$1,014
University of Michigan	\$800
Kent State University	\$665
Cornell University	\$656
Colorado State University	\$602
University of North Carolina	\$593
Michigan State University	\$577
University of Wisconsin	\$566
University of Florida	\$525
Ohio State University	\$519
Arizona State University	\$512

The lowest average rental rates for by-the-bed properties were found primarily in the South and Midwest and generally at smaller schools. Three markets had average by-the-bed rental rates lower than \$300 per month, including Idaho State University (\$223), the University of Arkansas at Fayetteville (\$270), and East Carolina University (\$280), and four more had rates at or below \$350 per month. Table 6 provides a list of the markets with the lowest average by-the-bed rental rates, across all unit types.

**Table 6: Lowest Average Rental Rates**  
*(By-the-Bed Properties)*

<u>University</u>	<u>Average Rental Rate</u>
Idaho State University	\$223
Univ. of Arkansas at Fayetteville	\$270
East Carolina University	\$280
Iowa State University	\$330
Georgia Southern University	\$335
University of Alabama	\$348
Virginia Tech	\$350

Table 7 provides additional information on markets with the highest average by-the-bed rental rates based on unit type, and Table 8 provides comparable information on markets with the lowest average rental rates.

**Table 7: Highest Average Monthly Rental Rates**  
*(By-the-Bed Properties)*

<u>Unit Type</u>	<u>University</u>	<u>Rent</u>
Studio	University of Colorado-Boulder	\$929
	University of Michigan	\$700
	Ohio State University	\$660
	University of Wisconsin	\$598
1 Bed/1 Bath	University of Colorado-Boulder	\$1,099
	University of North Carolina	\$825
	Michigan State University	\$805
	University of Florida	\$805
	University of Michigan	\$790
2 Bed/1 Bath	University of Michigan	\$910
	Kent State University	\$665
	Cornell University	\$663
	University of Wisconsin	\$587
	Michigan State University	\$575
2 Bed/2 Bath	Ohio State University	\$590
	Arizona State University	\$580
	Michigan State University	\$575
	University of North Carolina	\$550
	Appalachian State University	\$520
	Marshall University	\$520
3 Bed/2 Bath	Appalachian State University	\$500
	Texas A&M University	\$475
	University of Texas at Austin	\$460
	Georgia Southern University	\$460
	University of Oregon	\$445
3 Bed/3 Bath	Michigan State University	\$520
	University of Texas at Austin	\$499
	Ohio State University	\$495
	Texas A&M University	\$440
	University of Virginia	\$437
4 Bed/2 Bath	Cornell University	\$750
	University of North Carolina	\$520
	Michigan State University	\$470
	University of Florida	\$433
	Ohio State University	\$429

**Table 8: Lowest Average Monthly Rental Rates**  
*(By-the-Bed Properties)*

<u>Unit Type</u>	<u>University</u>	<u>Rent</u>
Studio	Univ. of Arkansas/Fayetteville	\$255
	Georgia Southern University	\$360
	Marshall University	\$450
1 Bed/1 Bath	Texas Tech University	\$399
	Kansas State University	\$415
	Marshall University	\$475
	Auburn University	\$495
	Illinois State University	\$505
2 Bed/1 Bath	Marshall University	\$325
	Illinois State University	\$350
	Auburn University	\$359
	Virginia Tech	\$400
	University of Florida	\$415
2 Bed/2 Bath	Univ. of Arkansas/Fayetteville	\$285
	Kansas State University	\$340
	West Virginia University	\$350
	Oklahoma State University	\$363
	Georgia Southern University	\$365
3 Bed/2 Bath	University of South Carolina	\$300
	University of Georgia	\$345
	University of Alabama	\$360
	University of Colorado-Boulder	\$379
	University of Missouri	\$385
3 Bed/3 Bath	East Carolina University	\$285
	Oklahoma State University	\$301
	Clemson University	\$339
	Auburn University	\$347
	University of Georgia	\$350
4 Bed/2 Bath	Oklahoma State University	\$250
	East Carolina University	\$275
	Kansas State University	\$290
	Auburn University	\$295
	Idaho State University	\$295
	University of Alabama	\$295
	Georgia Southern University	\$296

A review of rents for by-the-bed properties in the top five by-the-bed markets (Georgia Southern University, Florida State University, University of Florida, North Carolina State and University of Virginia) indicates substantial premiums over by-the-unit rent for a similar units. As Table 9 shows, for example, a 2 bedroom/2 bath unit at the University of Florida rents for \$810 by the unit, but \$1,044 (\$522 monthly rent x 2 residents) by the bed. Similarly, a 3 bedroom/2 bath unit at North Carolina State rents for \$883 by the unit, but \$1,032 (\$345 monthly rent x 3 residents) by the bed.

**Table 9: By-the-Bed and By-the-Unit Rental Comparisons**  
Top Five By-the-Bed Markets

<u>University</u>	<u>2 BR/1 BA</u>	<u>2 BR/2BA</u>	<u>3 BR/2 BA</u>	<u>4 BR/2 BA</u>
Georgia Southern University				
By-the-Unit	\$425	\$500	\$550	\$699
By-the-Bed	N/A	\$365	\$360	\$296
University of Florida				
By-the-Unit	\$678	\$810	\$912	\$1,350
By-the-Bed	N/A	\$522	\$460	\$433
Florida State University				
By-the-Unit	\$654	\$762	\$805	\$1,090 <sup>1</sup>
By-the-Bed	\$501	\$500	\$421	\$389
North Carolina State				
By-the-Unit	\$616	\$727	\$883	N/A
By-the-Bed	N/A	\$368	\$345	\$258 <sup>2</sup>
University of Virginia				
By-the-Unit	\$848	\$1,040	\$1,457	\$1,600 <sup>2</sup>
By-the-Bed	N/A	N/A	\$436 <sup>3</sup>	\$468 <sup>2</sup>

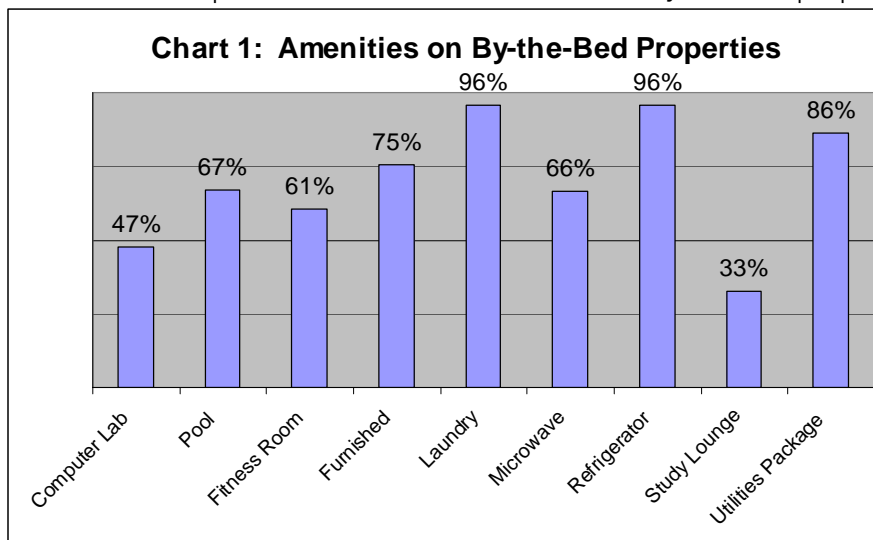
<sup>1</sup> Comparison unit is 4 bedroom/3 bath

<sup>2</sup> Comparison unit is 4 bedroom/4 bath

<sup>3</sup> Comparison unit is 3 bedroom/3 bath

### Amenities

As anyone with a college-aged child knows, today's students expect far more in terms of amenities than prior generations. This is particularly true for privately held (as opposed to university-run) student housing, which must compete in the marketplace for residents. On-campus housing has a slight advantage because many schools require some students to live on campus for at least their freshman year. Chart 1 details the prevalence of certain amenities on by-the-bed properties.



The most striking finding was that by-the-bed properties were more likely than by-the-unit properties to offer every one of the nine amenities studied. For example, 47 percent of the by-the-bed

properties had a computer lab, compared to 13 percent of the by-the-unit properties. The numbers for furnished units and fitness centers were even more striking. Three-quarters of all by-the-bed properties in our sample were furnished units versus 29 percent of by-the-unit properties. Twice the percentage of by-the-bed properties had fitness centers (61 percent compared to 30 percent.) Another noteworthy difference concerns study lounges. Thirty-three percent of by-the-bed properties had one, but only eight percent of by-the-unit properties did. Table 10 compares the prevalence of amenities on by-the-bed properties and by-the-unit properties.

**Table 10: Amenity Prevalence Rate**  
*(By-the-Bed vs. By-the-Unit Properties)*

<u>Amenity</u>	<u>By-the-Bed (%)</u>	<u>By-the-Unit (%)</u>
Computer Lab	47	13
Fitness Center	61	30
Furnished Units	75	29
Laundry Facilities	96	93
In-Room	74	70
Study Lounge	33	8
Utility Package	86	73
Refrigerator	96	94
Microwave	66	28
Swimming Pool	67	51

One possible explanation for these large discrepancies is that most of the by-the-bed properties are newer. As a result, they are more likely to come equipped with some of the newer amenities to attract student interest. While this is impossible to predict with absolute certainty, the prevalence of these amenities could serve as an important leading amenity indicator. To remain competitive in the student housing marketplace, new and old by-the-unit properties may also have to include many of these amenities.

## CONCLUSION

While by-the-bed leasing may be a growing trend within the student housing industry, it has so far achieved a significant market share in only two of the 64 college towns studied. Only 132 of the 1,550 properties surveyed offered by-the-bed lease terms. However, the significant differences in by-the-bed properties and by-the-unit properties in terms of age and amenities suggest that the by-the-bed niche may be setting trends that the entire privately owned student housing sector may have to follow to remain competitive.

## APPENDIX A - METHODOLOGY

Through a combination of Internet- and telephone-based research, the National Multi Housing Council gathered information on the current market conditions for off-campus, privately owned student housing in 64 “college towns” across the country. This data includes the physical attributes/characteristics of each student housing property in the market, the properties’ financial characteristics and lease requirements as well as the most desirable apartment amenities for students.

### Selecting Appropriate Markets

Careful consideration guided the selection of appropriate markets for this research report. Larger urban areas, where the student housing market is potentially indistinguishable from the larger apartment market as a whole, were excluded (e.g., University of California at Los Angeles, New York University, the University of Chicago, and Rice University in Houston.)

Initially, markets with well-known universities enrolling over 15,000 students were included. This resulted in 36 colleges. Newspaper and online research into universities reporting a critical housing shortage yielded more colleges. Finally, the enrollment minimum was lowered to 10,000 students to further augment the sample.

The 64 selected markets are racially diverse as well as geographically diverse. The following U.S. Census Bureau divisions are represented: New England (1); Middle Atlantic (4); East North Central (11); West North Central (7); South Atlantic (17); East South Central (5); West South Central (8); Mountain (6); and Pacific (5).

### Research Procedure

#### *Private Apartment Market*

The first challenge was to determine what constituted private, student housing since the boundary between student housing and the traditional apartment community can be blurry. As a general rule, markets were selected using the criteria for Fannie Mae’s Dedicated Student Housing Pilot,<sup>4</sup> which requires that “[p]roperties should be located within two miles of campus or on a university-sanctioned bus line.” When not on a university-sanctioned bus line, the Pilot’s requirement of “easy access to campus” was used. In addition, whenever possible, the Pilot’s specification that 80 percent of the resident base be undergraduate or graduate students was used.

Research into the selected markets began online and then continued with follow-up calls to the university’s housing office to secure information on: nearby apartment communities; student referral sheets; maps of apartment properties and other listings resources. Online rental search engines were also used to identify all the apartment properties with easy access to campus.

A standard data entry form covering the properties’ physical attributes/characteristics (e.g., age of the property; year of last significant renovation, if any; and number of units and/or beds); lease procedures (e.g., by-the-bed or standard [by-the-unit] leases; lease terms; and additional signature requirements); and amenities offered (e.g., study lounges; computer labs; high-speed Internet access; utility packages; refrigerators; and furnished units) was completed for each apartment property.

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<sup>4</sup> Fannie Mae’s Dedicated Student Housing Pilot provides financing for existing, stabilized properties that, because of construction or location, specifically cater to a student tenant base and are not readily convertible to conventional multifamily housing. The Pilot requires properties to be located at a university with at least 10,000 students, the majority of which are full time. Properties must also require twelve-month leases with parental guarantee or equivalent credit for employed students. For more information, see Mortgage Products: Dedicated Student Housing Pilot, Fannie Mae, available at [www.efanniemae.com](http://www.efanniemae.com).

Online information was supplemented with calls to individual properties and property management companies.

In total, records for 1,550 properties were completed, or an average of 24.2 per university market. With the exception of small schools, a minimum of 20 apartment properties were researched in each market. Properties with fewer than 10 units (e.g., duplexes, fourplexes and individual town-houses) were generally excluded, with some exceptions for some smaller markets.

To ensure that the data was collected on comparable geographic entities across the selected markets, the Census Bureau's "place" level of geography was selected. This includes Census Bureau-designated places, consolidated cities, and incorporated places. For a more detailed description of how the Census Bureau defines "places," see [www.census.gov/geo/www/tiger/glossry2.pdf](http://www.census.gov/geo/www/tiger/glossry2.pdf).

It should be noted that although we tried to find a representative sample of universities and "college towns," our sample was ultimately one of convenience. As a result, it would be improper to use statistical techniques to determine whether our findings are statistically significant. In addition, it may not be possible to generalize our results.

#### *Research Limitations*

While the researchers made every effort to adhere to the aforementioned market definitions and parameters, NMHC cannot affirm that all the relevant properties in each market were identified, since on-site visits were not possible. Instead of being the final source on this subject, this research report intends to provide enough information to ascertain a relevant "grip" of market conditions, including physical property characteristics, lease procedure requirements, and amenities that will captivate student interest. Properties currently under construction and not yet listed as available for rental were likely missed. In addition, it was not always possible to determine via the Internet or a telephone interview whether a property is truly within two miles of campus. Oftentimes, researchers relied on property staff to affirm that a property was located within "easy access to campus," either within close walking distance or by virtue of being on a university-sanctioned bus line.

Telephone research presents its own threats to data quality. In this case, because the telephone interviews were not recorded, it is impossible to verify the data. In addition, for enrollment data not found online, the researchers were forced to rely on the statements made by university housing officials.

For purposes of both *Student Housing 101* and this white paper, we did not include information on public-private partnership properties (i.e., properties developed or operated by a partnership between a developer/owner and a university). We also did not include properties that offered "all-inclusive" packages with meals included. We felt that including the rates for these properties, which are often bundled on a semester or nine-month lease, would artificially inflate rental rate information.

Finally, numerous markets contained only one by-the-bed property. These markets include: East Carolina University; Iowa State University; Kent State University; Penn State University; Texas Tech University; the University of Alabama; the University of Arkansas Fayetteville; the University of Colorado-Boulder; the University of Michigan; the University of Oklahoma; the University of South Carolina; and West Virginia University.