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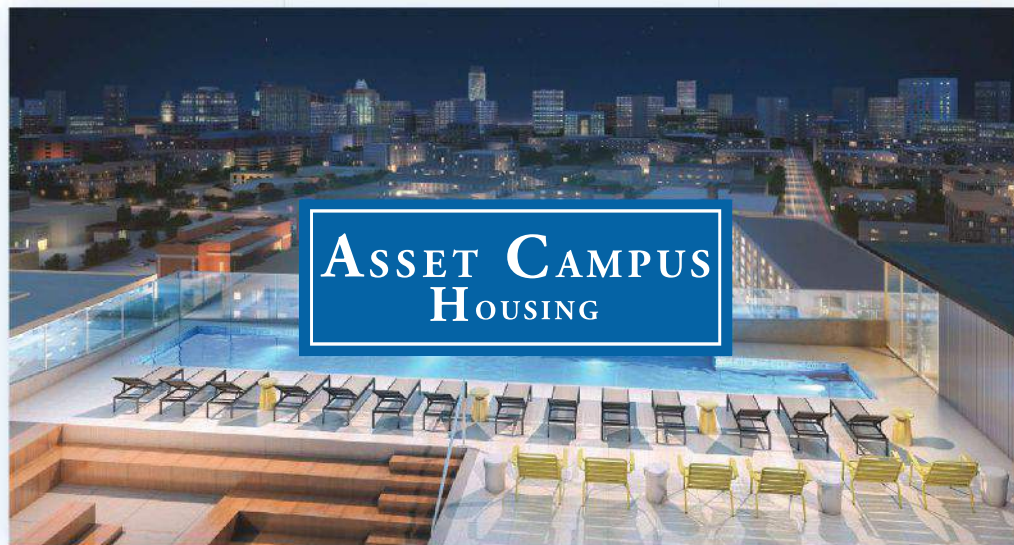
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**SHB INTERVIEW: RYAN MCGRATH,
ASSET CAMPUS HOUSING**

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FROM THE EDITOR

Growing Industry Sees Higher Bed Counts in Top 25 Owners & Managers Rankings

In this issue we are again pleased to present the Top 25 Owners and Managers of student housing. In our rankings this year, you'll find that while there isn't a lot of company movement up-or-down from 2017 to 2018, companies' bed counts have increased substantially. Why? The student housing industry continues to migrate towards more professional, institutional ownership and operation. That means that the management of beds — regardless of who owns them — is migrating to operators with the scale and experience to manage institutional-quality assets.



Randall Shearin
Editor

On the ownership side, more capital flowing into the space is allowing the big to get bigger, and other firms with strong track records to also grow. The minimum bed count to be a Top 25 Owner rose to 7,000 beds this year; last year it was 5,400 beds. That's a significant jump, and the minimum number for both owned and managed beds has been steadily rising over the years (in our first year of tracking the Top 25, the minimum number of beds required to be ranked was 1,800 beds).

Our SHB Interview this issue features Ryan McGrath, president of Asset Campus Housing. ACH recently divided its management interests and its ownership interests into two separate companies. Mike McGrath, Ryan's father, will run ownership/investment/development entity McGrath Real Estate Partners, while Ryan has purchased ACH with an investment from private equity firm Trilantic Partners. We spoke with Ryan about the change, and what it means for the future of the student housing industry's largest third-party manager.

Our View from the Academe this issue is with Patrick Connor, executive director of housing at Indiana University. IU houses nearly 13,000 students on-campus in Bloomington in a mix of old and new properties. We spoke with Pat about the state of housing at IU and what his department is planning for the future.

While the year is coming to a close, we are busy planning and programming for the 11th annual InterFace Student Housing conference, taking place April 8-10, 2019, at the JW Marriott in Austin. Registration is now open, so save yourself some money by registering at our "Early Bird" rate, and also book your hotel room now at the JW.

On behalf the entire *Student Housing Business* team, we wish you a very happy holiday season and thank you for being a reader of *Student Housing Business*!

STUDENT HOUSING BUSINESS

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NEWS IN BRIEF

KTGY UNVEILS MODULAR CONCEPT TO ADDRESS HIGH DEMAND FOR STUDENT HOUSING

Irvine, Calif. — KTGY Architecture + Planning has unveiled Mod Hall, a new modular concept featuring suite-style units, living-learning environments, activity and study spaces, digital mail rooms and social hallways. The Mod Hall design concept features two modules which combine to form the kitchen, dining and living area for two units, as well as the corridor running between them. Modules with a variety of bedroom and bathroom configurations are attached on either side to achieve the desired unit mix and bed count. For additional building design flexibility, one or two modules are inserted as social or educational common space. "Modular construction has the potential to make these relatively repetitive developments even more efficient and cost-effective while meeting the tight deadlines we always face while working on student housing," says David Senden, principal with KTGY Architecture + Planning. "KTGY R+D Studio has unveiled the 'Mod Hall' concept, which provides modular student housing. By constructing unit modules off-site while simultaneously completing the on-site construction, the modular student housing process can save time and money, helping universities to serve their growing student populations."

RANDY CHURCHEY DEPARTS GREYSTAR

Charleston, S.C. — Charleston-based Greystar Real Estate Partners has announced that Randy Churchey, who joined the company following its acquisition of EdR, left the company on Nov. 30 to pursue other opportunities. Bill Brewer, executive director at Greystar, assumed leadership of Greystar's student platform and is responsible for the centralized Memphis team. "I am incredibly proud to have been part of EdR's many successes over the years, including its strategic combination with Greystar," says Churchey. "With the integration largely complete, now is the right time to pursue my dream of launching a real estate venture with my family. While I will miss working closely with my talented colleagues, I have no doubt the combined enterprise is positioned for tremendous growth and opportunity." Churchey joined EdR as president and CEO in January 2010 before being appointed chairman of the board in 2015.



Randy Churchey,
Former CEO and
Chairman of the
Board, EdR



Image courtesy of KTGY Architecture + Planning's R+D Studio

Common areas in KTGY's Mod Hall design concept provide a space for both studying and socializing.

CBRE ARRANGES SALE OF 1,005-BED COMMUNITY NEAR TEXAS TECH UNIVERSITY

Lubbock, Texas — CBRE has arranged the sale of Wildwood of Lubbock, a 1,005-bed student housing community located near Texas Tech University in Lubbock. The garden-style community is comprised of 25 buildings totaling 470,700 square feet. Shared amenities include a three-tiered swimming pool with cabanas and a swim-up bar; a pool-side fire pit; 24-hour fitness center with space for circuit training, outdoor fitness, a video classroom and a cardio suite; 24-hour study areas; a cyber café; gaming rooms; a full basketball court; volleyball courts; and fenced pet parks. A private real estate fund advised by Dallas-based Crow Holdings Capital Real Estate purchased the asset for an undisclosed price. CBRE's Jaclyn Fitts, William Vonderfecht and Casey Schaefer arranged the transaction on behalf of the seller, Dovetail Development. Asset Campus Housing was awarded management of the property.

ARRIMUS CAPITAL ACQUIRES TWO COMMUNITIES IN ILLINOIS, TEXAS

Champaign-Urbana, Ill. and San Antonio, Texas — Arrimus Capital has acquired two student housing communities located in Illinois and Texas. Acquisitions include 212 East, a 428-bed student housing community located near the University of Illinois' Campustown district in Champaign-Urbana; and Prado, a 472-bed, mixed-use student housing community located adjacent to the University of Texas at San Antonio. Shared amenities at 212 East include a state-of-the-art

fitness center, group and private study rooms, a community lounge with billiards and televisions, and an outdoor courtyard with a fire pit, grilling areas and hammocks. Prado offers community amenities including a clubhouse, game room, kitchen and study areas, a 24-hour fitness center, business center with study rooms, and a resort-style pool with a covered entertainment area. Arrimus acquired 212 East from XFD Real Estate Partners for an undisclosed amount, and acquired Prado from Fountain Residential Properties. HFF represented XFD Real Estate Partners in the 212 East transaction, and CBRE represented Fountain Residential Partners in the Prado transaction.

NB PRIVATE CAPITAL ACQUIRES 792-BED COMMUNITY NEAR SACRAMENTO STATE FOR \$38.5 MILLION

Sacramento, Calif. — NB Private Capital has acquired The Element, a 792-bed student housing community located near Sacramento State University in California. The property was offered as a Delaware Statutory Trust and eligible for 1031 investors. The initial total offering price was \$91.8 million, of which approximately \$38.5 million came from investor equity. The fully occupied community offers one-, two-, three- and four-bedroom units. Shared amenities include a resort-style swimming pool, fitness center, study lounge, tanning bed, basketball and sand volleyball courts, a game room with billiards and a private shuttle to campus. NB Private Capital is a new investment firm founded by Brian Nelson, previously of Nelson Brothers Professional Real Estate.

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HFF SECURES DEBT FINANCING FOR MIXED-USE DEVELOPMENT NEAR THE UNIVERSITY OF TEXAS AT ARLINGTON

Arlington, Texas — HFF has secured debt financing for 101 Center, a mixed-use development located near the University of Texas at Arlington. The community offers 244 conventional multifamily units and 493 beds of student housing, alongside 18,400 square feet of ground-floor retail. The property serves as the initial phase of Arlington City Center, a downtown core redevelopment project that includes a new central library, city council chambers, a public plaza and private mixed-use development, all set within new urban streetscapes. Jeremy Sain of HFF worked on behalf of the borrower, Catalyst Urban Development, to secure the non-recourse, floating-rate bridge loan through Credit Suisse. HFF previously assisted Catalyst in securing the initial capital for the development of this property in late 2015.

CAMPUS ADVANTAGE AWARDED MANAGEMENT OF TWO COMMUNITIES IN DENVER

Denver — Campus Advantage has been awarded management of two student housing communities located near the Auraria Campus, an educational facility which serves the University of Colorado - Denver, Metropolitan State University and the Community College of Denver. Properties include The Regency, a 576-bed community; and The Villas, a 360-bed, five-building community. Both properties offer fully furnished units and

are located on the same land parcel, allowing for both properties to share the same set of amenities. Property amenities include two indoor basketball courts, a bowling alley, arcade, pool, fitness center, meeting room and theater, computer lab, convenience store and free shuttles to campus. Catalyst, an Austin-based agency specializing in creative marketing for student and multifamily housing, will partner with Campus Advantage to develop updated branding for the properties, including websites, logos and tailored marketing materials.

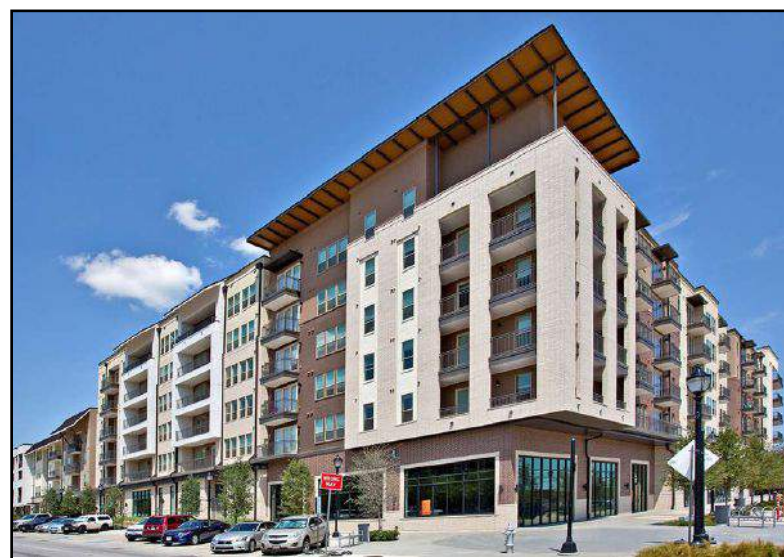


Image courtesy of Jay Miller

HFF recently secured debt financing for 101 Center, a 493-bed community located adjacent to the University of Texas at Arlington.

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NORTHMARQ ARRANGES \$12.7 MILLION ACQUISITION FINANCING FOR 385-BED COMMUNITY NEAR AUSTIN PEAY

Clarksville, Tenn. — NorthMarq has arranged \$12.7 million in acquisition financing for University Landing, a 385-bed student housing community located near Austin Peay State University in Clarksville. Lee Weaver of NorthMarq secured the permanent-fixed financing for the undisclosed borrower through Fannie Mae. The transaction was structured with a 12-year term on a 30-year amortization schedule.

ASSET CAMPUS HOUSING AWARDED MANAGEMENT OF 260-BED COMMUNITY

College Station, Texas — Asset Campus Housing has been awarded management of Warehouse and Factory, a 260-bed student housing community located near Texas A&M University in College Station. The property offers newly renovated one-, two-, three- and four-bed-room units with luxury furniture packages. Community amenities include a sun deck and grilling area, an upgraded indoor and outdoor fitness area and two clubhouses with a television lounge and game rooms.

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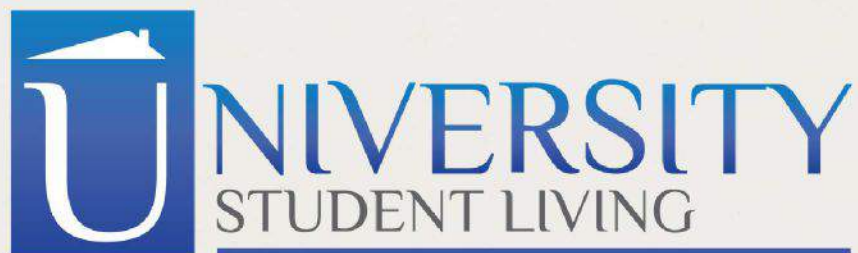
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NEWS IN BRIEF

CA VENTURES GROWS LONDON-BASED EUROPEAN DIVISION WITH NEW EXECUTIVE HIRE

London — CA Ventures has named Christian Davis vice president of acquisitions. Davis will work in the firm's new European headquarters, located in London's Marylebone neighborhood. In his new role, Davis will assist the firm with sourcing and executing purpose-built student housing and private-rented PRS transactions throughout the U.K. The hire coincides with CA Ventures' planned \$500 million investment in the European housing market.



Christian Davis,
Vice President of
Acquisitions,
CA Ventures.

HUNT PROVIDES \$9 MILLION FINANCING FOR ACQUISITION, RENOVATION OF STUDENT HOUSING PORTFOLIO NEAR VIRGINIA TECH

Blacksburg, Va. — Hunt Real Estate Capital has provided Willow Creek with a \$9 million first mortgage bridge loan for the acquisition and renovation of a student housing portfolio located near Virginia Polytechnic Institute and State University in Blacksburg. The acquisition includes two garden-style student housing communities — Carlton Scott Apartments and Stonegate Apartments — totaling 196 beds on two non-contiguous parcels at 500 Broce Drive and 600 Appalachian Drive. The portfolio consists of 13 two- and three-story buildings offering one-, two- and three-bedroom units. The new ownership plans to begin exterior renovations on both properties upon closing. Renovations are set for completion in May 2019.

WAYPOINT RESIDENTIAL LAUNCHES WAYPOINT STUDENT LIVING

Boca Raton, Fla. — Boca Raton-based Waypoint Residential has launched Waypoint Student Living, a management branch for the company's student housing assets. Waypoint Student Living will immediately assume managerial responsibilities for seven of the company's 15 student housing properties. The communities total more than 3,300 beds, and include:

- First Street Place, which serves East Carolina University in Greenville, North Carolina.
- 18 Seventy-Nine, which serves Sam Houston State University in Huntsville, Texas.
- Midtown Corpus, which serves Texas A&M University in Corpus Christi.
- Chapel Ridge and Chapel View, which serve the University of North Carolina in Chapel Hill, North Carolina.
- The Lodge at Athens, which serves the University of Georgia in Athens, Georgia.
- The Social at Auburn, which serves Auburn University in Auburn, Alabama.

"The launch of Waypoint Student Living reflects our commitment to vertical integration, which is key to our investment strategy," says Scott Lawlor, CEO of Waypoint Residential. "We expect Waypoint Student Living to grow considerably as a welcome addition to Waypoint Management Services."

COLLIERS INTERNATIONAL ADDS THREE NEW HIRES TO STUDENT HOUSING GROUP

Tampa, Fla. — Colliers International has added three new members to its Tampa-based National Student Housing Group — Jonathan Holt as senior associate, Nicholas Coccodrilli as senior financial analyst and Meagan Dobson as client services coordinator. Holt moved to this position from his former role with the company's office services team in Tampa Bay. Before joining Colliers as senior financial analyst, Coccodrilli worked as a financial analyst with an undisclosed national firm, where he underwrote more than \$500 million in assets. Dobson previously worked as a marketing coordinator for Superior Uniform Group before joining Colliers as a client services coordinator.

CAMPUS ADVANTAGE AWARDED MANAGEMENT OF 524-BED COMMUNITY NEAR THE UNIVERSITY OF LOUISIANA — LAFAYETTE

Lafayette, La. — Campus Advantage has been awarded management of The Edge, a 524-bed student housing community located near the University of Louisiana — Lafayette. The garden-style property offers two-, three- and four-bedroom units with bed-to-bath parity. Shared amenities include a swimming pool, movie theater, car wash, fitness center, business center and a study lounge. Campus Advantage will implement integrated digital marketing campaigns to help drive traffic for the next leasing season. Catalyst has been tapped to design a new website, refresh the community's brand and implement aggressive digital strategies to increase the property's online presence.

SCAPE TO OPEN U.S. HEADQUARTERS IN BOSTON

Boston — London-based Scape — a global real estate owner, operator and developer specializing in the private academic accommodations sector — is set to open its U.S. headquarters in Boston's Fort Point District. Chief Executive Officer Andrew Flynn will lead Scape's U.S. division, which is targeting 20,000 beds nationwide. The company is also prepared to invest \$1 billion in Boston over the next five years. "There is a tremendous need for student housing in Boston as identified in the city's Imagine Boston 2030 plan and Scape intends to move the needle toward achieving the city's stated objectives in the plan," says Nigel Tae, founder and global executive chairman of Scape. The company has deployed over \$3 billion worth of capital, and its portfolio currently consists of more than 12,500 beds in operation or under development in the U.K., Ireland and Australia.

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11TH ANNUAL INTERFACE STUDENT HOUSING TO BE HELD APRIL 8-10, 2019, IN AUSTIN

Austin, Texas — *Student Housing Business* and France Media are pleased to announce that the 11th annual InterFace Student Housing conference will take place April 8-10, 2019, in Austin at the JW Marriott. “We are excited to formally announce the 2019 dates for InterFace Student Housing,” commented Rich Kelley, publisher of *Student Housing Business* and senior vice president of the InterFace Conference Group for France Media. “One new element is that we will have a Monday-Wednesday schedule for the conference this year, as opposed to the Wednesday-Friday pattern of the past several years. We think this will actually boost attendance throughout the course of the event and are excited to begin planning.” More than 1,300 owners, investors, developers, operators, lenders, intermediaries and service providers are expected to attend the most informational and networking-rich event in the industry. For more information on the conference and to register, please visit: www.interfaceconferencegroup.com/sh2019

VESPER ACQUIRES 792-BED COMMUNITY NEAR THE UNIVERSITY OF SOUTHERN MISSISSIPPI

Hattiesburg, Miss. — Vesper Holdings has acquired Vie at Hattiesburg, a 792-bed student housing community located near the University of Southern Mississippi campus in Hattiesburg. The property offers two- and four-bedroom units with bed-to-bath parity. Shared amenities include a clubhouse, swimming pool and poolside lounge with a television, a 24-hour fitness center, business center, computer lab, sand volleyball court and a private shuttle to campus. The community’s previous owner — whose name was undisclosed — recently completed a \$2 million renovation that

included upgrades to flooring, appliances, furniture, the clubhouse and the fitness center. Vesper is planning to invest an additional \$600,000 to further upgrade the amenities, enhance the property’s exteriors and make substantial technology upgrades throughout the complex. Ryan Lang and Brandon Buell of Newmark Knight Frank brokered the transaction

MODERN MESSAGE HIRES LAURA FORMICA AS NATIONAL SALES MANAGER

Dallas — Dallas-based Modern Message has hired Laura Formica as national sales manager. Prior to joining the company, Formica held positions at RentPath and Homestead U. Modern Message invents new ways to facilitate resident engagement approaches, empowering on-site property management teams to understand and positively influence their residents’ apartment experience. The company’s portfolio comprises more than 400 asset management companies and ownership groups, spanning over 3,350 apartment communities. “We are incredibly fortunate to have Laura on our rapidly growing team,” says John Hinckley, CEO and co-founder of Modern Message. “Her deep industry experience and product knowledge make her the ideal fit for our company. She brings a wealth of achievements and expertise that will fuel the expansion of our student housing portfolio.”

ALPHA MANAGEMENT AWARDED MANAGEMENT OF TWO COMMUNITIES IN LOUISIANA, GEORGIA

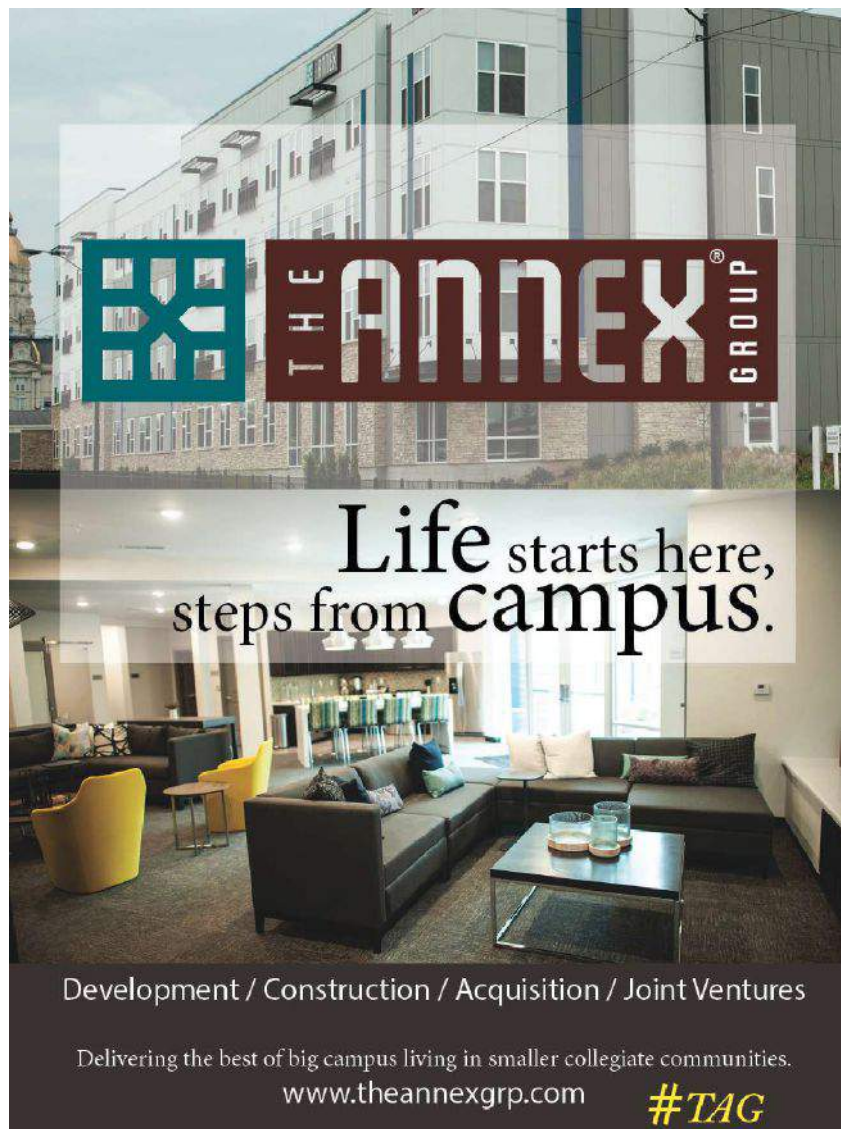
Atlanta and Lafayette, La. — Alpha Management Partners has been awarded management of two student housing communities currently under development in Georgia and Louisiana. Properties include Campion at Lafayette, a 595-bed community located near the University of Louisiana at Lafayette; and The Mix, a 685-bed community located within walking distance of Georgia State University in Atlanta. Campion Development LLC is developing Campion at Lafayette, with Bayern Construction serving as the project’s general contractor. The community will consist of one-, two-, three-, four- and five-bedroom, fully furnished units. Shared amenities will include a resort-style pool with a lazy river, a dog spa, smart home technology, valet trash and a jogging trail. The Mix will offer one-, two-, three- and four-bedroom, fully furnished units with bed-to-bath parity. Shared amenities will include a rooftop lounge, heated saltwater pool, recording studio, dog spa and a premium RaceTrac market.

ASSET CAMPUS HOUSING AWARDED MANAGEMENT OF TWO COMMUNITIES IN SAN ANTONIO

San Antonio, Texas — Asset Campus Housing has been awarded management of two student housing communities located near the University of Texas – San Antonio. Properties include Prado, containing 480 beds; and Reserve at San Antonio, containing 753 beds. Prado offers one-, two-, three-, four- and five-bedroom, fully furnished units with bed-to-bath parity. Shared amenities include a 24-hour business center, resort-style swimming pool, a state-of-the-art computer lab and study rooms. Reserve at San Antonio offer two-, three- and four-bedroom, fully furnished units. Community amenities include a resort-style swimming pool, sand volleyball and basketball courts and an outdoor dog park.

RENTPATH LAUNCHES COLLEGE SCHOLARSHIP PROGRAM

Atlanta — Atlanta-based RentPath has launched a new college scholarship contest through *Apartment Guide* in which two winners will receive \$2,500 to offset education-related expenses. Prize money can be used to pay for housing, books, tuition, study abroad or other education-related expenses for the upcoming spring semester. Entrants must submit a 500- to 600-word essay on the topic, “What makes a home home.” *Apartment Guide* will narrow the field to 10 finalists, who will each be given two weeks to create a one- to three-minute video to accompany their essay. The finalists’ essays and companion videos will be posted for one month on ApartmentGuide.com and the public will cast votes. Based on a combination of public voting results and judging criteria, two winners will be selected.



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NEWS IN BRIEF



TSB Realty recently arranged the sale of Radius @ 15th, a 772-bed student housing community located near the University of Minnesota in Minneapolis.

TSB REALTY ARRANGES SALE OF 772-BED COMMUNITY NEAR THE UNIVERSITY OF MINNESOTA

Minneapolis — TSB Realty has arranged the sale of Radius @ 15th, a 772-bed student housing community located near the University of Minnesota in Minneapolis. The property is master-leased to the university, and offers fully furnished units. Shared amenities include a clubhouse, fitness center, community center, study rooms on every floor, a hot tub, fire pits, barbecue grills and tanning. A joint venture between Timberline Real Estate Ventures and Heitman acquired the asset on behalf of a Heitman affiliate from University Student Living and North Bay Companies. Pinnacle Campus Living has been tapped to manage the property.

UNIVERSITY BRIDGE GP CLOSES ON \$231 MILLION BOND FINANCING FOR DEVELOPMENT NEAR FLORIDA INTERNATIONAL UNIVERSITY

Miami — University Bridge GP — a partnership between Global City Development, RER Ventures and Podium Developments — has closed on a \$231 million bond issuance for University Bridge Residences, an 886-unit student housing community currently under construction near Florida International University in Miami. The bond represents the largest financing of its kind for an off-campus student housing building in the U.S., according to a release by the joint venture. The funding will provide \$50 million in scholarships over 40 years to Florida International University. As per the terms of the agreement, Florida International University will also take ownership of the building upon the completion of bond payments in 2058. The community is set to open in fall 2020, and will offer fully furnished units with bed-to-bath parity. Shared amenities will include a resort-style pool, cabanas, barbecue and dining areas, a sun deck with day beds, a state-of-the-art fitness center, a yoga lawn, a lounge and game room and a business center. The property will also be home to 7,000 square feet of ground floor retail. The project was designed by Arquitectonica, and will be managed by Landmark Properties upon completion. The general contractor of record is Coastal Construction Group. University Bridge Residences made the news in March 2018 when the pedestrian bridge connecting the community to the university collapsed, killing at least six according to reports by CNN.

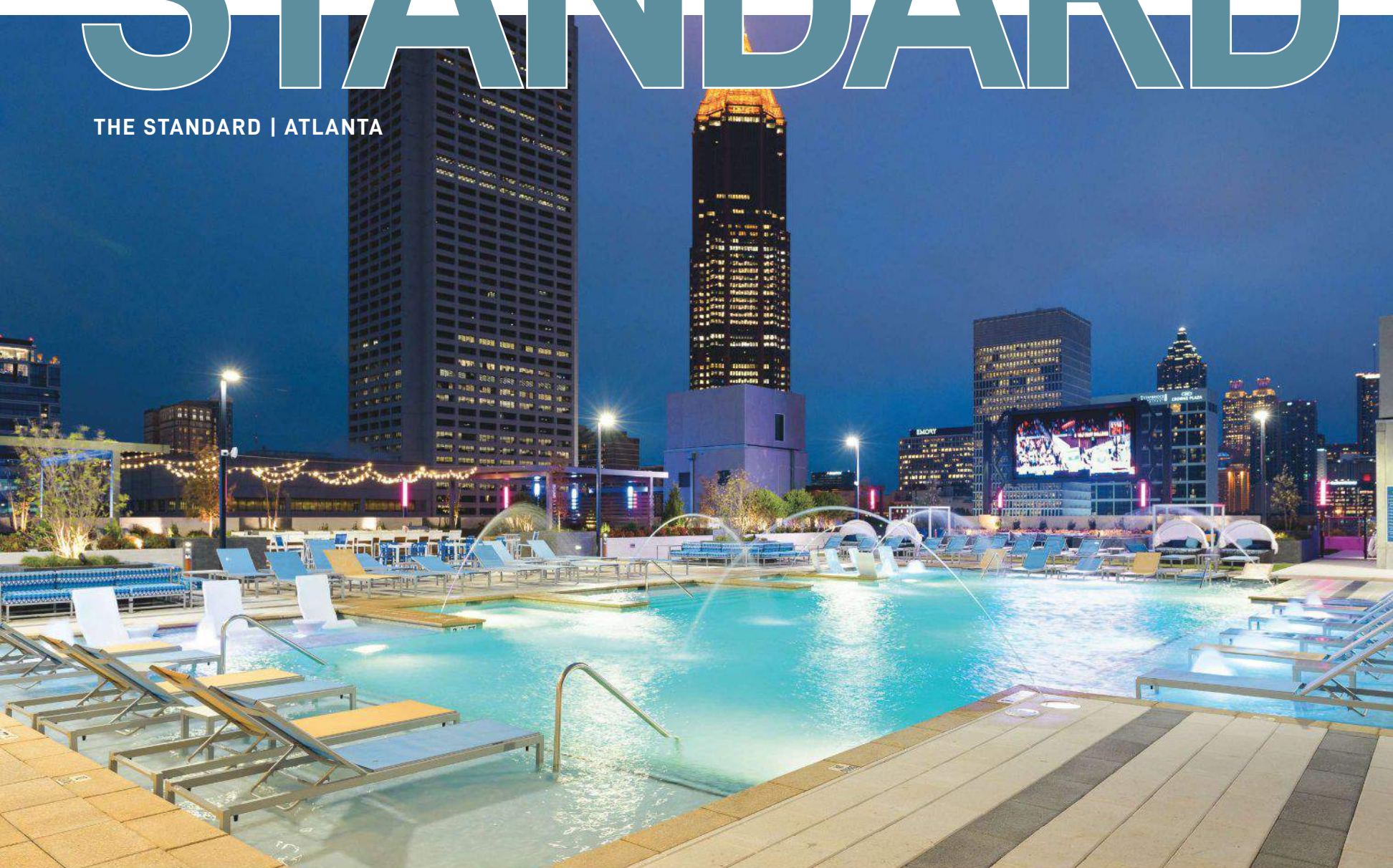
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NEW LEASECON CONFERENCE ATTRACTS 185+ ATTENDEES, GENERATES RAVE REVIEWS

Dallas — More than 185 student housing leasing, marketing and operations professionals gathered in Dallas on Sept. 25 to hone their social media marketing skills at LeaseCon, A Social Media, Digital + Traditional Marketing Bootcamp. The event was produced by *Student Housing Business* and France Media's InterFace Conference Group.

The event focused on using social media, website and online tools to increase leasing results. Participants from more than 40 student housing owner/operators learned from the industry's top marketing agencies and other leading operators about topics ranging from using videos for virtual tours to converting social media posts to leases.

Panelists included personnel from leading owner/operators like Landmark Properties, Cardinal Group, Peak Campus and Redstone Residential.

Presenters and panelists from leading marketing firms like Serendipit Consulting, Theshold/Carve, Agency Fifty3 and Winstar Marketing taught hands-on workshops to attendees. The day included sessions such as "Why Live Video Must Be An Integral Part Of Your Leasing Strategy;" "New Trends, Tools And Tricks In The Digital World;" "How To Build A Social Media Sales Machine;" and "Reviews And Reputation Management," among many others.

Throughout the day, attendees were invited to share their participation and thoughts on Instagram and Twitter, using the hashtag #Leasecon2018.

During the session, "Leasing and Marketing: How To Make The Two Work Together To Ensure You Are Maximizing Efforts, Creating Dollars And Generating The Most Leases," attendees got a first-hand look at what some top management and marketing firms are doing to set their properties apart from others in the market.

Moderator Ashly Poyer, director of sales at Peak Campus, started the session off with a discussion on best practices for getting students through the doors of your property for



Attendees at a hands-on workshop during SHB LeaseCon in Dallas.

a site visit.

Careful consideration of a property and what sets it apart from the others in the market, and then providing consistent marketing efforts throughout the entire year of leasing, is an integral step for Cardinal Group.

"It's important to consider your property's brand positioning and what your property is best at, and then work off of those strengths to generate leads," says Tiffaney Alsup, group marketing manager at Cardinal Group. "Be consistent with those strengths throughout the entire year of leasing — that really helps to send the message to your prospects so that they know what the property is all about. That is going to pull in your marketing more than just having an online presence."

Utilizing the right blend of digital and on-the-ground marketing is another key to bringing consistent leads into a property.

"In the audience that we're trying to capture — students — a lot of it is word of mouth, so having a balance between digital and on the ground marketing is important," says Felipe Beraldo, senior director of business development at LoftSmart. "Whether it's a school

partnership or a partnership with the student body or Greek Life, it really helps a lot in organically tapping into student's own social networks. We found these partnerships to be very successful in getting someone's brand, messaging and marketing out there to get feet onto your property."

Understanding what gets students in your door is of equal importance when developing a marketing plan.

"A big trend that we are watching is attribution," says Billy Wilkinson, CEO of Threshhold/Carve. "This is how you can really understand where your leases are coming from. Are they coming from Google advertisements? Or your website? Or walk-ins? It's important to be fully integrated to where your property management system can measure this information and tell you so that you can get your cost-per-lease. Attribution is something that you should put in your toolbox and be on the lookout for in the future."

To read a transcription of this panel in full, turn to p. 70.

FREDDIE MAC NAMES DEBORAH JENKINS EXECUTIVE VICE PRESIDENT, HEAD OF MULTIFAMILY BUSINESS

McLean, Va. — Freddie Mac has named Deborah Jenkins executive vice president and head of its multifamily division. Additionally, Jenkins has assumed a role on the company's senior operating committee. In September, Freddie Mac announced the retirement of CEO Donald Layton, which will take place in the second half of 2019, as well as the commencement of the CEO Succession Plan and the elevation of former head of Freddie Mac Multifamily, David Brickman, to president of the company. Since 2010, Jenkins has led multifamily underwriting and credit, overseeing all credit approvals and due diligence processes, asset level securitization activities, as well as credit policies and governance for all multifamily products.

TRIAD ARRANGES SALE OF 235-BED COMMUNITY NEAR IOWA STATE UNIVERSITY

Ames, Iowa — Triad Real Estate Partners has arranged the sale of South Meadow, a 235-bed student housing community located near Iowa State University in Ames. The property was originally built in 1973, and is located 1.3 miles southeast of campus. The community offers a mix of one- and two-bedroom units. An affiliate of Artisan Capital acquired the property from Corridor Ventures for an undisclosed price. Capital improvements are planned for the community.



Attica



STUDENT HOUSING BUSINESS

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The Preiss Co. has opened The Eastern on 10th, a recently completed, 425-bed student housing community located near East Carolina University.

East Carolina University

PREISS OPENS 425-BED COMMUNITY NEAR EAST CAROLINA UNIVERSITY

Greenville, N.C. — The Preiss Co. has opened The Eastern on 10th, a recently completed, 425-bed student housing community located near East Carolina University in Greenville. The garden-style development offers studio, one-, two- and three-bedroom units with bed-to-bath parity. Shared amenities include a resort-style swimming pool, an outdoor lounge with cabanas, grilling and picnic stations, a 24-hour clubhouse and fitness center, private study rooms, a cybercafé, self-serve coffee bar and a 438-space parking lot.

Orange Coast College

SERVITAS, ORANGE COAST COLLEGE TO BREAK GROUND ON 814-BED RESIDENCE HALL

Costa Mesa, Calif. — Servitas and Orange Coast College (OCC) are set to break ground on an 814-bed residence hall at the college's campus in Costa Mesa. The project site is structured around a ground lease on campus land by a public-private partnership with National Campus and Community Development Corp. This structure allows for tax-exempt debt financing with no recourse to the college, district or taxpayers. The apartment-style community is set to open in August 2020. "We are very pleased with this partnership between Servitas and OCC," says Angel Rivera, vice president of real estate development at Servitas. "It offers students a cost-efficient and convenient housing community that integrates seamlessly with the campus." The design-build team includes HPI Architecture, MVE Architects and construction firm Moss. George K. Baum & Company provided the bond underwriting, and The Scion Group will manage the project in close collaboration with the college.

Ferris State University

SPECTRA STUDENT LIVING BREAKS GROUND ON \$17 MILLION COMMUNITY NEAR FERRIS STATE UNIVERSITY

Big Rapids, Mich. — Spectra Student Living has broken ground on Eight Thirty Water Tower, a \$17 million community near Ferris State University in Big Rapids. Scheduled to open in August 2019, the student housing property will include 318 beds within 120 units. Floor plans will consist of one-, two- and four-bedroom units. Shared amenities will include a clubhouse, resident lounge and YouTube room. Spectra will manage the property in partnership with Landmark Properties.

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CAMPUS UPDATE

The University of Washington

QUANTUM CAPITAL SECURES \$64 MILLION CONSTRUCTION LOAN FOR DEVELOPMENT NEAR THE UNIVERSITY OF WASHINGTON

Seattle — Quantum Capital Partners has secured \$64 million in construction financing for The M, a 24-story student housing development located near the University of Washington in Seattle. The property — developed by Los Angeles-based Fields Holdings — will offer studio, one-, two-, three- and four-bedroom units alongside 4,350 square feet of ground floor retail and one level of subterranean parking. Shared amenities will include study rooms, a recreational lounge, fitness center, theater, indoor basketball court, rooftop deck, bicycle parking and a door man. A timeline for development has yet to be announced.

California State University - San Bernardino

C.W. DRIVER COMPLETES CONSTRUCTION ON \$78 MILLION RESIDENCE HALL, DINING COMMONS

San Bernardino, Calif. — C.W. Driver Cos. has completed the construction of a \$78 million residence hall and dining facility at California State University – San Bernardino. The 407-bed residence hall totals 107,260 square feet, and offers double-occupancy rooms with shared bathrooms. The community is split between two buildings, with the North Wing housing the campus honors program and an administrative suite for housing and residential education. The development's South Wing offers shared amenities including a game room, multi-purpose rooms, student lounges, a laundry room and a community kitchen. The 45,358-square-foot dining facility seats 750 students in three dining rooms. C.W. Driver Companies worked alongside Solomon Cordwell Buenz and KPFF Consulting Engineers on the project.



The M will be located one and a half blocks from the University of Washington's central campus in Seattle.

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CAMPUS UPDATE

Boston College, Boston University

JOINT VENTURE BREAKS GROUND ON 555-UNIT COMMUNITY IN BOSTON'S BRIGHTON NEIGHBORHOOD

Boston — A joint venture between Cabot, Cabot and Forbes, Peak Campus and Blue Vista Capital Management has broken ground on a 555-unit apartment community located in Boston's Brighton neighborhood. The property will target young professionals, graduate students and employees of the surrounding medical, educational and research communities. Brighton is home to Saint John's Seminary and portions of Boston College, with Boston University also located nearby. The community will offer studio-, one-, two- and three-bedroom units. St. Gabriel's Church and Monastery, which sits at the center of the site, will be repurposed into a 22,000-square-foot, state-of-the-art amenity space and 27 apartment units. The development will deliver its first phase of residential units and amenities in fall 2019, with its final phase to open in fall 2020. "This is an exciting project that seeks to fill an enormous gap in the Boston housing market while also preserving a legacy of buildings and parks that date back to the early 1900s," says Jay Doherty, CEO of Cabot, Cabot, and Forbes. "The project has benefited enormously from the support and encouragement of Mayor Walsh, the neighborhood and many City of Boston Agencies. It has been a terrific experience for us to work in partnership with Peak Campus and Blue Vista Capital Management."

The University of North Carolina at Charlotte

TREZ FORMAN PROVIDES \$4.75 MILLION FINANCING FOR PLANNED 390-UNIT COMMUNITY NEAR THE UNIVERSITY OF NORTH CAROLINA AT CHARLOTTE

Charlotte, N.C. — Trez Forman Capital Group has provided \$4.75 million in financing for a 390-unit, mixed-use community planned for develop-

ment near the University of North Carolina at Charlotte campus. The borrower and developer of the property, Sanctuary Holdings NC, will use the loan proceeds to pay off existing debt on the property and to help fund the purchase of an additional 1.5 acres from Charlotte's transportation department. The site — located at 7600 University City Blvd. — has already been approved for 390 residential units.

Virginia Polytechnic Institute and State University

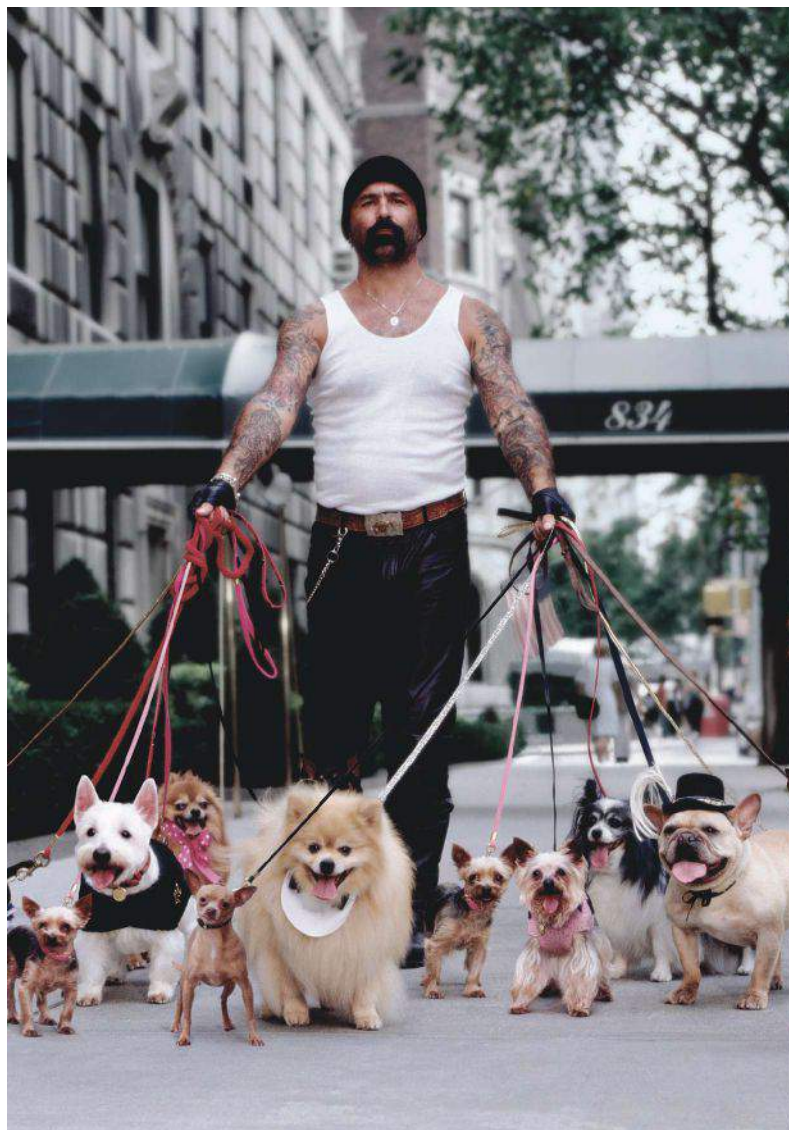
STONEBRIDGECARRAS TO DEVELOP VIRGINIA TECH'S \$1 BILLION CAMPUS IN ALEXANDRIA, NEAR AMAZON HEADQUARTERS

Alexandria, Va. — StonebridgeCarras has been selected to build the Virginia Tech Innovation Campus, a \$1 billion, 1 million-square-foot, technology-focused campus in Alexandria, less than two miles from Amazon's HQ2 future site. Virginia Tech and the State of Virginia will each put forth \$250 million to the new campus. Further funds are expected to come via private philanthropy, industry partnerships and other revenue streams. The new campus will be situated in River Landing, a newly branded neighborhood encompassing parts of Pentagon City and Crystal City in Arlington and Potomac Yard in nearby Alexandria. Investment firm Blackstone Group LP owns the land. The campus will include 300,000 square feet of academic space and research and development facilities, 250,000 square feet of partner space dedicated to startups and corporate facilities, 350,000 square feet of housing space for students and faculty and 100,000 square feet of retail and support spaces. An expected date of completion was not disclosed, but Virginia Tech officials say the first 100 master's program students will enroll next year in a temporary space. The school also announced Bethesda, Maryland-based StonebridgeCarras and the City of Alexandria have agreed to expedite construction.

The University of Houston

WGC DEVELOPMENT BREAKS GROUND ON 405-BED COMMUNITY NEAR THE UNIVERSITY OF HOUSTON

Houston — WGC Development, in conjunction with an undisclosed institutional investor, has broken ground on Tower 5040, a 405-bed student housing community located near the University of Houston. The eight-story building will offer one-, two- and four-bedroom units. Select apartments will feature large balconies with fire pits. Shared amenities will include a swimming pool with an adjacent movie screen, a fitness center, conference room, business center, private study rooms, a game room, indoor and outdoor socializing areas and a dog park. Humphreys & Partners Architects designed the community, and Arch-Con Construction will handle construction. Nick Gonzalez of GRC Capital arranged equity and debt on behalf of the partnership. The property is set to open in summer 2020.



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NEWS IN BRIEF

Pennsylvania State University

CA STUDENT LIVING BREAKS GROUND ON MIXED-USE DEVELOPMENT NEAR PENN STATE

State College, Pa. — CA Student Living, the student housing investment and development division of CA Ventures, has broken ground on HERE at State College, a 510,112-square-foot mixed-use development located one block from the Penn State University campus in State College. The project is being developed in partnership with Friedman Real Estate Group and Penn State Hillel. The 12-story development will include 734 beds of student housing on floors three through 12; 30,000 square feet of retail on the two lower levels designed to look like a European Arcade; and an 18,000-square-foot facility for Penn State Hillel, which will provide lounge and study spaces, shared staff and student leadership workspace, flexible event spaces and a private terrace for the university's Jewish student population. Units at HERE at State College will range from 500-square-foot one-bedroom/one-bathrooms plans, to 2,000-square-foot duplexes with five bedrooms and five baths. Shared amenities will include a health and fitness center, club room, a study lounge with computers and several private study areas. Boston-based Shepley Bulfinch has



CA Ventures has broken ground on HERE at State College, a 510,112-square-foot mixed-use development located near Penn State University.

been retained as architect of record, while Fifth Third Bank and KeyBank provided construction financing for the project. The project is set to open in summer 2020, with pre-leasing beginning next fall.

The University of Florida

THE BAINBRIDGE COS. ACQUIRES 11-ACRE SITE FOR STUDENT HOUSING DEVELOPMENT

Gainesville, Fla. — The Bainbridge Cos. has acquired an 11-acre site located near the University of Florida for the development of a 492-bed student housing community. The property — to

be named Campus Circle Gainesville — will be developed in a joint venture with Diamond Realty Investments. The four-story, garden-style community will offer shared amenities including an outdoor lounge and study area; resort-style courtyards; a swimming pool with private cabanas; a 24-hour fitness center with a cardio theater and yoga studio; a clubhouse featuring lounge space and a game room; a 24-hour private study space with group study areas and a large conference room; and dog-walking trails. The property is set to open prior to the 2020-2021 academic year.

The University at Albany, SUNY

DMG INVESTMENTS OPENS 322- BED COMMUNITY

Albany, N.Y. — DMG Investments has opened a 322-bed student housing community at 1385 Washington Ave. near the University at Albany, SUNY. The 142,000-square-foot property offers one-, two-, three- and four-bedroom, fully furnished units with bed-to-bath parity. Shared amenities include a fitness center, study room, resident lounge, gaming room, on-site tanning and two courtyards. The community also features a 141-space, partially underground parking garage. The \$30.5 million project was built by Jersen Construction Group.

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The University of Alabama

CA STUDENT LIVING COMPLETES CAPITAL IMPROVEMENTS, REBRANDING OF 628- BED COMMUNITY IN TUSCALOOSA

Tuscaloosa, Ala. — CA Student Living has completed capital improvements on and has re-named Harbor on Sixth, a 628-bed property located near the University of Alabama in Tuscaloosa. Improvements to the community — now named Evolve Tuscaloosa — included a fitness center expansion with the addition of a new yoga studio; and upgrades to the pool area including the addition of cabanas, grilling areas and in-pool lounges. The property offers two- and three-bedroom fully furnished units with bed-to-bath parity. Additional shared amenities include a computer lab, study lounges, a club room with a kitchenette and fireplace, free tanning and a shuttle service to campus. The property originally opened in 2017.



The newly renovated and rebranded Harbor on Sixth in Tuscaloosa, Alabama.

Morehouse School of Medicine

MOREHOUSE SCHOOL OF MEDICINE, CARTER BREAK GROUND FOR \$52 MILLION MIXED-USE PROJECT

Atlanta — Morehouse School of Medicine (MSM) and Carter, an Atlanta-based developer, have broken ground for the first phase of Lee Street Campus, a \$52 million mixed-use development in Atlanta's Historic West End. The project will include MSM's first on-campus graduate student housing, offering 187 units in a mix of studio, one- and two-bedroom layouts; a 25,000-square-foot ambulatory health facility; 9,000-square-foot fitness/wellness center; 2,500 square feet of retail space; and a four-level parking deck at the corner of Lee Street and Westview Drive. The ownership joint venture for the project includes equity investments by MSM, Carter and Campus Life Fund, sponsored by Atlantic American Partners. Patterson Real Estate Advisors Group secured construction financing, which was provided by First Citizens Bank. Construction is slated for completion in time for the 2020 school year.

Blinn College

SERVITAS COMPLETES \$22.7 MILLION STUDENT HOUSING PROJECT FOR BLINN COLLEGE IN TEXAS

Brenham, Texas — Servitas has completed Mill Creek Residence Hall, a \$22.7 million student housing project serving Blinn College in Brenham, Texas. The 169,700-square-foot property features 464 suites in four- and two-bed configurations, as well as community study rooms, common areas and on-site laundry facilities. Moss Construction and Hunt Cos. provided general contracting and construction management services for the project, which Kirksey Architecture designed. The property welcomed its first student residents for the fall 2018 semester.

Emmanuel College

EMMANUEL COLLEGE OPENS 692-BED RESIDENCE HALL

Boston — Emmanuel College has opened a new 18-story, 692-bed residence hall on its campus in Boston. The university also welcomed its largest first-year class to date. The property — built with housing upperclassmen in mind — offers studio and two-bedroom apartments with in-unit bathrooms, living rooms and kitchens. Community amenities include retail space leased to Dunkin' Donuts and Joe Di's Food Mart; the Margaret L. McKenna '83 Media Center; a dance studio; a fitness center; lounges; group study rooms; and patio space.



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CAMPUS UPDATE

CAPSTONE DEVELOPMENT OPENS FIVE ON-CAMPUS COMMUNITIES TOTALING 3,000 BEDS



Calaveras Hall at the University of the Pacific offers 380 beds tailored to upper-level students.

Birmingham, Ala. — Birmingham-based Capstone Development Partners has opened five on-campus student housing communities totaling 3,000 beds. Development costs reached \$350 million, \$150 million of which was financed using private equity, with the remaining \$200 million financed through a 501c3 non-profit owner or a university using tax-exempt debt. Properties include The Village Phase 2 at The University of South Florida; the University of Massachusetts Boston Residence Hall and Dining Center; Vi Hilbert Hall at Seattle University; Montage on College at San Diego State University; and Calaveras Hall at the University of the Pacific. Phase 2 of development at the University of South Florida completed the Village, a 2,171-bed mixed-use community. The second phase included 1,300 beds in three buildings. Community amenities include retail space leased to Starbucks Coffee and Burger Fi; living-learning and activity spaces; classrooms; study rooms; and community kitchens. The University of Massachusetts Boston Residence Hall and Dining Center offers 1,077 beds for first-year and transfer students, with a new 500-seat dining center on the ground floor. Community amenities include community kitchens, gaming and television lounges, study lounges, a multipurpose conference room, and seminar and tutoring rooms. Vi Hilbert Hall at Seattle University offers 300 beds of upper-level, apartment-style housing. The property is also home to the university's admissions and enrollment services office and connects directly to the university bookstore. Shared amenities include a tenth-floor community lounge, seminar room, student lounge and individual floor lounges. Montage on College at San Diego State University was built through a ground lease with the San Diego State University Real Estate Foundation. The property offers more than 300 beds of apartment-style housing. Community amenities include a resort-style spa, barbecue area, an outdoor lounge and fire pit, a community kitchen, fitness center and various study spaces. The Montage is managed by Capstone Development Partners' management entity, Capstone Management Partners. Calaveras Hall at the University of the Pacific offers 380 beds tailored to upper-level students. Shared amenities include a community kitchen, indoor and outdoor lounges, various study areas, a fitness room, an outdoor fire pit and a pool.

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QUESTION OF THE MONTH

Student residents are receiving more packages than ever and owners/operators/management teams are over-run. What is your strategy when it comes to managing the proliferation of packages that are being sent to your properties?

We're averaging about 700 packages per month at our locations and the volume can be overwhelming; but rather than focus on the inconvenience to our teams, we look at this as an opportunity to interact with our residents. We've driven so much of their experience online with payments, leasing, etc., we look for positive touch-points with our residents. We hope that in a small way, we can generate a positive experience when picking up their package.



Jones

We're using technology to alert residents when their package is delivered to the office, we're installing monitors at our mail centers to remind them of the package status, and we've extended office hours later to accommodate their schedules. When we welcome them in the office to get their package, we take advantage of those moments to do a check-up on their experience with us.

We continue to explore other options such as concierge service of delivering packages to their rooms or installing lockers on-site, but we haven't been able to fully justify the costs and the lost opportunity to interact.

— Rick Jones, President, Caliber Living

At one of our average-sized assets, in 2017 alone, we processed over 16,500 packages and that was up 20 percent from 2016! It's an ongoing challenge that we're constantly navigating. At Peak, we typically recommend that properties use an app-based system. Use of these types of systems significantly cuts down on the amount of time spent logging packages and notifying residents. In addition, our on-site staff take into account the need for extra help around the holidays to accommodate increased package volume. We're designing our new properties to include package lockers or rooms to be able to handle the increased volume in deliveries.



Petersen

— Casey Petersen, Chief Operating Officer, Peak Campus

We've been able to handle the increase in packages through the addition of two different types of package lockers. We started with an Amazon Locker, which accepts packages ordered from Amazon. The best part of this partnership is that it costs us nothing. Amazon pays for the locker and installation. We have expanded that partnership with the addition of an Amazon Hub. The Hub is a more traditional package locker that will accept packages regardless of where the package is ordered from. The best feature for both these lockers is packages are placed into the locker by the delivery service and an email is automatically generated letting the resident know their package is available for pick-up. While there was a cost to purchase and install the Hub, the labor savings paid for the addition of this service in the first year.



Elordi

— Erik Elordi, Director of Housing, Cornish College of the Arts

Notification and quick follow ups are key! Greystar properties utilize a variety of different package solutions ranging from electronic locker systems, automated package rooms, package notification apps, etc. We would recommend any of these types of solutions based on the property budget. However, the most important piece of each of these solutions is the immediate notification and follow up to the residents. Our goal is to have the resident's package in their hand as quickly as possible. For this to happen we notify residents immediately and have automated systems follow up daily. It's a win-win for everybody!



Fraser

— Jennifer Fraser, Senior Director Real Estate - Student Living, Greystar

YUnion Student Living property package volume data from across the nation all tells the same story. At five minutes of handling time per package, one property employee can spend their entire day handling packages. While the idea of a leasing office 'package concierge' service is useful in building a relationship with residents, YUnion properties are migrating to a package locker solution. This generation of resident likes the convenience and views the amenity as a benefit.



Hogen

— James Hogen, Asset Manager, Student/Senior Housing, SmartStop Asset Management

It has been two months since move-in and our heads are still spinning with the amount of packages that are being delivered, with employees often wondering if they work in student housing or at UPS. Since September 1 of this year, 46,568 packages have been delivered to the 13,435 beds across our student portfolio. With an estimate of 10 minutes of lost productivity per package, the sites have spent nearly 7,760 hours managing packages. With package deliveries increasing year-over-year and college-aged students making up 30 percent of online shoppers, this will continue to be a growing concern.



Pinder

The current system we have in place allows for a relatively seamless process from delivery to resident pick-up. We utilize a software that allows our teams to log a package within minutes of it being delivered. Once a package has been logged, a notification is sent automatically to the resident letting them know that the package is available for pick-up. Our packages are housed in a designated and secure package room until the resident is able to retrieve their package(s). After a quick signature from the resident, the package is then closed out in our system and recorded as delivered.

Due to the increased package volume and the loss of productivity of manual management we are looking at the long term solution of package lockers. The lockers provide convenience, security and organization. I do, however, feel there should be some level of personal service with regard to packages as it offers a chance to engage with residents.

— Beth Pinder, Chief Operating Officer, Property Management, CA Ventures

Packages are a drain on staff time and keep our employees from performing other primary duties. We've found partnering with applications that specifically manage logging and picking up of packages are very helpful for staff. Some property management platforms include this as well. Package locker systems have also been a big benefit for many of our larger properties as packages became overbearing. Since we've installed lockers in some of our properties, staff has missed out on valuable "package-fort building" time. None of our managers are complaining about that!



Perez

— Erin Perez, Senior Vice President of Property Management, Core Spaces

Pierce has continued to review adding multiple amenity options at our communities where they would best fit our resident needs. From repurposing, and converting tanning bed, pool or billiard rooms and media centers into monitored package rooms, or possibly delivering packages directly to the unit.



Higginbotham

We've shopped competitive properties in our current markets hosting electronic package lockers, package rooms, and some that perform well only using package logging software.

With recent announcements by Amazon, Target and others that they're also offering free and expedited shipping services for online shoppers, package deliveries will not be slowing down anytime soon. Now is the time to be proactive in increased package service amenities. It is almost a must to install some type of 24-hour access for a package room or package lockers at our student housing properties to continue to offer cutting edge resident service and amenities.

We are currently utilizing three resources — Postal Solutions, Luxer One Package Room and Amazon — offering storage lockers and package rooms and 24-hour access, resident package delivery and pick up notification along with extended customer service.

These new resources offer package lockers or a room with 24-hour access including surveillance to ensure packages go home with the correct resident. The carrier has a code that allows them into the room and they simply enter the package into the software integrated program and then place the package on the respective shelf. Once this has been completed, the resident receives notification via email with a code to the room, good for one entry, then they grab their package and go!

These package storage options have taken a time-consuming task off management and allow our property teams to focus more on customer service and leasing velocity to ensure the highest possible fall occupancy!

— Tana Lee Higginbotham
Senior Vice President
Pierce Education Properties

The best situation is to set up a crude bartering system wherein residents may gain access to their packages from the on-site team in exchange for rent paid in advance, a squeaky clean apartment, and overall model behavior! The second best situation is package lockers. While the upfront cost of package lockers can be high, it seems to be outweighed by the benefits to management and to the residents. Those benefits include a permanent property amenity that adds value to residents and allows them to retrieve their packages around the clock — not just during office

hours. We have seen benefits with our staff in time saved by not having to contact residents and retrieving packages for them. Maybe the bigger problem is wading through the hellscape of empty boxes filling dumpsters and recycling centers at the beginning of the year.



— Grant Collard, CEO,
Redstone Residential

Collard

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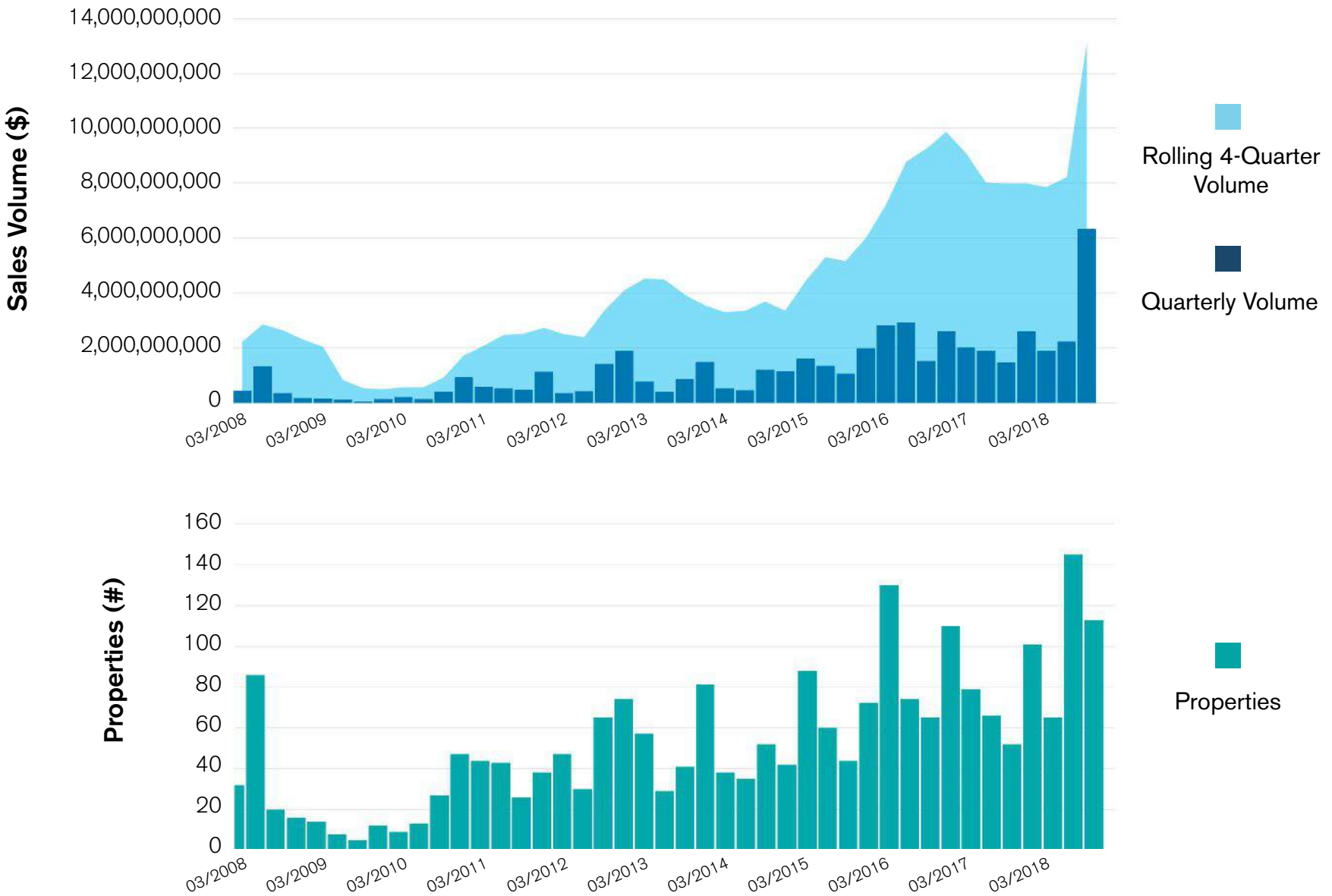
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INVESTMENT MARKET REAL-TIME SNAPSHOT

Volume, pricing and performance statistics for the student housing investment market.

Information courtesy of Real Capital Analytics and updated as of 11/19/18. www.rcanalytics.com

HISTORICAL INVESTMENT TRENDS



MARKET SNAPSHOT

	Last Four Quarters	YOY Change	Q3 '18	YOY Change	Q4 '18 to Date & Pending
Volume (\$)					
Individual Property Volume	5,286,502,574	22.5%	1,100,353,230	0.9%	290,277,400
Portfolio Volume	7,799,075,365	111.9%	5,246,716,717	357.1%	10,999,999
Total Volume	13,085,577,939	63.7%	6,347,069,947	183.6%	301,277,399
# Props	424	38.1%	113	-22.1%	11
Units	66,743	50.1%	22,660	118.3%	1,328
Pricing					
Avg Price per units	208,684	7.7%	222,214	-4.3%	337,782
Avg Cap Rate	5.8%	5 bps	6.0%	12 bps	

INVESTMENT SALES VOLUME BY MARKET

Vol (\$)	2015	2016	2017	2018 (YTD)
Tallahassee	123,835,000	218,644,712	369,134,020	189,143,893
Chicago	231,650,000	115,919,350	277,499,864	173,600,000
Austin	442,856,194	432,748,485	271,755,452	961,074,562
DC Metro	35,500,000	285,054,262	255,990,000	-
Minneapolis	86,500,000	87,375,000	241,348,863	583,948,619
Seattle	27,723,108	12,737,810	215,930,143	94,800,000
Fort Collins	82,150,000	140,918,891	202,631,284	129,121,068
Phoenix	165,849,000	194,083,380	197,812,500	200,522,959
Tampa	64,800,000	107,408,333	185,915,563	31,000,000
Madison, WI	-	188,500,000	184,163,656	158,868,186

# Props	2015	2016	2017	2018 (YTD)
Tallahassee	8	21	17	5
Chicago	3	11	7	3
Austin	14	11	7	16
DC Metro	1	4	2	0
Minneapolis	4	4	6	5
Seattle	1	1	3	2
Fort Collins	3	5	3	5
Phoenix	5	3	4	6
Tampa	3	3	7	2
Madison, WI	0	1	5	1



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Savvy Split

Asset Campus Housing has split its business in to two firms; one to focus on management, the other on ownership of multifamily properties.

Interview by Richard Kelley and Randall Shearin

Asset Campus Housing (ACH) has been the largest third-party student housing manager since *SHB* began ranking the industry in 2011. Owned and operated by the father and son team of Mike and Ryan McGrath, the company has consistently had strong growth in third-party management as the industry became more attractive to institutional buyers who didn't want to manage properties, yet required professional management of an institutional class for their student housing properties.

Recently, Mike McGrath split a portion of the company to become McGrath Real Estate Partners, an entity that will focus on ownership and acquisition of conventional multifamily, student housing and seniors housing properties. Ryan McGrath will run Asset Campus Housing with the existing executive team, and has brought in a capital partner to reinvigorate and continue the company's commitment to the student housing industry. *SHB* recently spoke to Ryan McGrath from ACH's headquarters in Houston to see what changes are afoot at the company.

SHB: Why are Asset Campus Housing and McGrath Real Estate Partners splitting into two firms? Why now? What led to it? How do you and your father, Mike McGrath, feel about it?

McGrath: When I chose to leave Goldman Sachs over 10 years ago to join Asset Plus, the long-term plan was always to buy my dad out of the business to continue the family legacy. Over the years there has been a natural transition where I have focused more on the management business while my dad has focused more on the investment business. Ultimately 'the



RYAN MCGRATH
President
Asset Campus Housing

split' was more formalizing two divisions that already existed. My dad and I are both excited about the new frontier for our businesses and believe that we have positioned both companies for tremendous success into the future. My dad continues in the business as CEO of McGrath Real Estate Partners, which will sharpen its focus on the acquisition and development of multifamily, student housing and seniors housing.

SHB: How large is Asset Campus Housing now? How many beds do you operate? How many total units do you manage?

McGrath: Currently Asset has over 3,000 employees, managing in 40-plus states, with a portfolio that consists of approximately 140,000 beds and a total unit count of more than 60,000 units. Asset represents more than 80 clients ranging from large institutional investors to one off owners. The deals I am most excited about right now are the new senior living deals and the international developments. As you can imagine, it has been pretty easy to convince our staff to travel to Dubai or the Bahamas to work on these new developments.

SHB: Going forward, who are the principal investors of Asset Campus Housing?

McGrath: As part of the transition, I brought in a private equity partner called Trilantic Capital Partners to back me in buying out my father's interests in the company. Trilantic is a multi-billion-dollar private equity firm with a specialty in backing high-growth, family- and founder-run businesses with strong teams. With the experience and resources Trilantic brings to the table, I am more excited about the Asset of tomorrow than I ever have been.

SHB: How is Trilantic's investment going to help Asset Campus grow?

McGrath: Our growth plan is very similar to our historical growth plan — produce results and clients will continue to select us as their choice manager. The majority of our growth has always come from current clients buying more deals and/or consolidating their portfolios to just us. We expect that to continue as more investors are drawn to the student hous-



Asset Campus Housing manages Nine at Louisville near the University of Louisville.

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in Student Housing Real Estate Transactions Since 2012

FOURTH QUARTER INVESTMENT SALES / EQUITY ACTIVITY



ON THE MARKET

The Pointe at MSU

Mississippi State University
408 Units / 1,392 Beds
Property Sale



ON THE MARKET

Village West

Purdue University
360 Units / 1,134 Beds
Property Sale



ON THE MARKET

Spectrum

University of Arkansas
270 Units / 504 Beds
Property Sale



ON THE MARKET

Aspen Heights College Station

Texas A&M - College Station
233 Units / 797 Beds
Property Sale



ON THE MARKET

Villas on 26th

University of Texas
49 Units / 182 Beds
Property Sale



ON THE MARKET

Westerly Place

Pennsylvania State University
428 Beds / 81,000 SF of Retail
Mixed-Use Development Opportunity



ON THE MARKET

Quarters at Rochester

Rochester Community College
63 Units / 246 Beds
Property Sale



ON THE MARKET

Campustown Portfolio

University of Illinois
93 Units / 272 Beds
Property Sale



ON THE MARKET

Missouri State Portfolio

Missouri State University
140 Units / 353 Beds
Property Sale



ON THE MARKET

University of Alabama Land Site

University of Alabama
1.25 Acres
Development Site Sale



UNDER CONTRACT

13 Twenty-Four

Western Michigan University
302 Units / 641 Beds
Property Sale



UNDER CONTRACT

Grandmarc Trailside

University of Washington
268 Units / 724 Beds
Equity Placement



UNDER CONTRACT

Villas San Gabriel

University of Texas
92 Units / 396 Beds
Property Sale



UNDER CONTRACT

Fig 31

University of Southern California
73 Units / 187 Beds
Development Site Sale



UNDER CONTRACT

Fifty-Twenty Five

San Diego State University
260 Units / 942 Beds
Property Sale



CLOSED

Aspen Heights Sam Houston

Sam Houston State University
183 Units / 648 Beds
Equity Placement

DEBT PLACEMENT | INVESTMENT ADVISORY | EQUITY PLACEMENT | FUNDS MARKETING | M+A & CORPORATE ADVISORY | LOAN SALES | LOAN SERVICING

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PITTSBURGH PORTLAND SAN DIEGO SAN FRANCISCO SEATTLE TAMPA WASHINGTON, D.C. LONDON

THE SHB INTERVIEW

ing space. Our portfolio is a healthy balance of large institutional clients and individual owners. Our focus has always been to provide a boutique style feel while providing large firm resources regardless of client size or scope. Project sizes change year to year, but on average we aim to add approximately 15,000 net beds to our portfolio every year on the student side of our business. I think we will see much larger growth in our student housing portfolio than that on the multifamily side of the business in the next year.

SHB: Will there be any changes in Asset Campus Housing's approach to the industry, or how you look forward for growth?

McGrath: We hired Bain & Co. to do a comprehensive review of the student housing market and we are leveraging those findings as we make executive level strategic decisions. Our strategy is something that we always keep close to the vest, but suffice it to say that we believe we have identified some key areas where we can create a stronger foothold of dominance given the current environment of the industry. With our new partners, we are now in a position to acquire other high-performing management companies as well, and this will enable us to better serve our clients as their portfolios expand in student and other asset classes.

SHB: Will there be changes internally?

McGrath: Yes, we started making changes immediately. The plan with our new partner is to invest heavily to make sure Asset is the best manager for the next decade and beyond. We have made some very strategic team additions — we have added a new chief financial officer, new chief technology officer, and a new vice president of business intelligence. We have completely revamped our marketing department so that our core processes are centralized. We are building out a custom intranet with an executive level dashboard that produces real time decision critical key performance indicators. We have consolidated some of our overlapping student housing and multifamily functions. In short,

we are prioritizing investments in marketing, technology and data but the changes will not stop there.

SHB: How are you communicating these changes to the field? What impacts will your managers, leasing agents and other field employees be able to see?

McGrath: We are communicating these changes via virtually every avenue possible. Those include global conference calls, in-person training and meetings at our headquarters, Skype-based town-hall meetings with question-and-answer sessions. I think the biggest immediate changes the sites will see are increases in connectivity and the efficiency of process. From a corporate standpoint, it will be the visibility into daily operations and performance.

SHB: With all this change, are there plans to rebrand the company?

McGrath: Yes. We have already begun the rebranding process and expect to roll out the new brand in the first quarter of 2019. We recently gave a sneak peek to our employees at our annual managers' meeting in October. The feedback has been extremely positive.

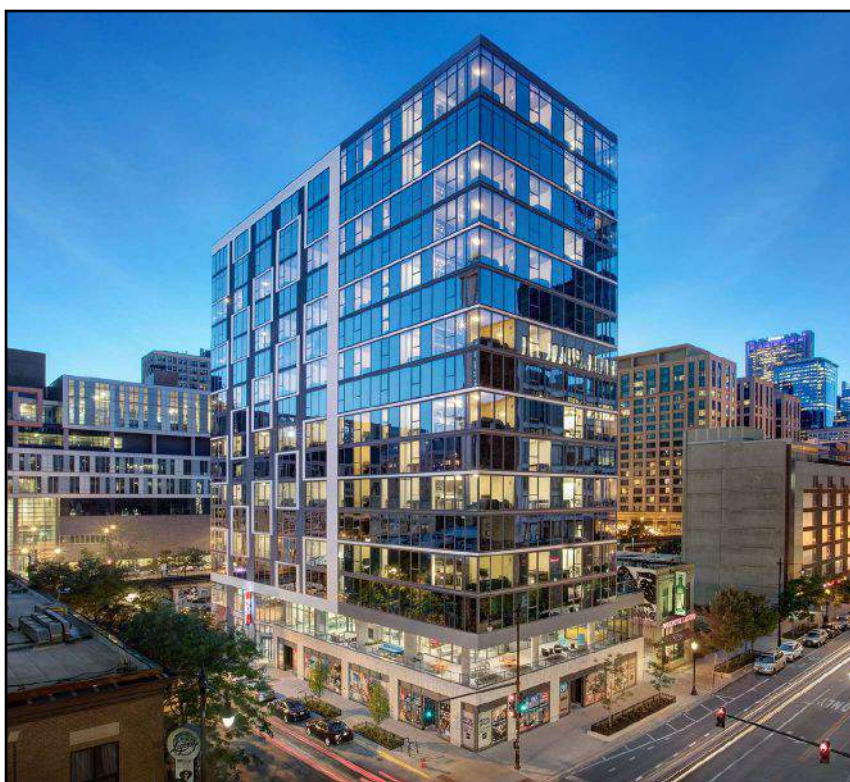
SHB: As the largest third-party manager representing so many owners, you have a unique view of the industry. What is your take on the industry at present? How will the change in the company help you grow towards where the industry is going in your view?

McGrath: We are still very bullish on student housing, for one. In today's market, we see an even greater demand for a company like Asset Campus Housing. As solid deals become harder to find, the last thing an owner wants is a property manager that is competing with them to try to buy the same deal. We are seeing this happen more and more lately. None of the employees of Asset own any real estate projects, which prevents any conflict of interest. At the end of the day, we compete for our clients, not against them.

SHB: You have to have a lot of data with all those owners and projects. How do you feel about sharing data for the good of the industry,



ACH manages the View at Montgomery, a high-rise student housing project near Temple University in Philadelphia.



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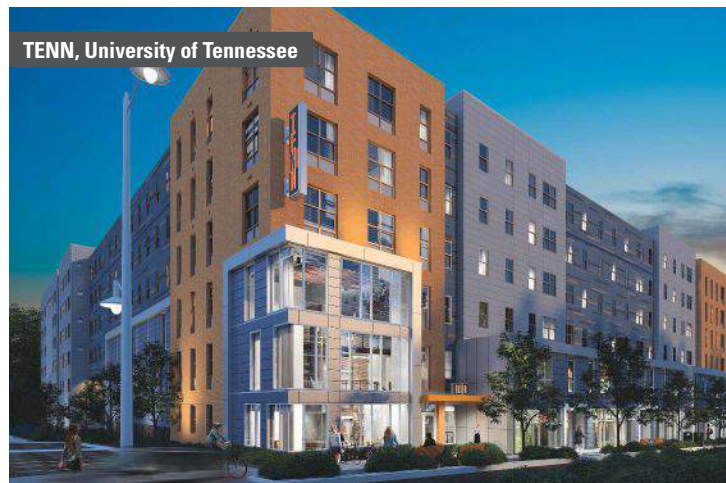
Six11, University of Michigan



114 Earle, Clemson University



TENN, University of Tennessee



The Yard, University of Michigan



Village on Telluride, Texas State University



THE SHB INTERVIEW

especially now that EdR is out of the picture?

McGrath: To be honest, we are not too keen on sharing data with folks who are not our clients. We have a longer track record and a portfolio size that is three times larger than our closest competitor. We continue to outperform because of our proprietary data, so we are not in a rush to give up that competitive advantage. In fact, we are going to make this data work even harder for our clients. We recently hired a new team of data scientists to carve up our data even further, to make it increasingly more valuable.

SHB: Back to the industry, how do you feel that the EdR/Greystar deal will impact the student housing sector, in your view?

McGrath: We have always viewed EdR as more of an on-campus player so we see this deal making Greystar a contender in the on-campus space. In my opinion, it leaves the off-campus property management land-

scape relatively unchanged.

SHB: Let's switch gears and talk about some pertinent topics in student housing management. Revenue management — the practice really of demand-based pricing through analytics — has been a hot topic. Some companies have been implementing this in the student space, while others have their own methods. Is ACH a believer in revenue management?

McGrath: We are not believers in revenue management. In our opinion, it requires access to information in the market that just does not readily exist within the student space. We have taken over several assets where clients have been hurt badly by using revenue management systems. It is a quintessential example of something that works well in the conventional multifamily and hospitality spheres but does not translate to student housing.

SHB: How does ACH work with owners who might have paid a high

price and now need everything to go perfectly at a property, such as an owner who might have a 'rough' pro-forma for a new asset or newly purchased asset?

McGrath: Our job is to maximize the value of an asset regardless of the purchase price. We always prefer to be involved with clients during the underwriting phase of a deal, but this is not always feasible. We often inherit properties where the clients were led astray in the budgeting process. However, we believe absolute honesty in these situations is critical, even if it costs us the potential business.

SHB: Labor has been a critical issue at the property level for several years. How is ACH coping with staffing challenges at all of its properties?

McGrath: Staffing challenges have always plagued this industry. Just as we want to be the best manager out there, we also want to be a strong employer in the industry. We have been named a 'Best Place to Work,'

we have a 10-year track record of year-over-year growth, and we have a team of senior vice presidents that are loyal and dedicated. These facts have really helped us overcome many of the challenges in keeping and rewarding our employees. Employees want to join a firm that is larger and growing because it offers them stability and the opportunity to grow in their careers. We offer that in spades. I really believe that we do not just offer jobs at properties, we offer careers with our company.

SHB: What do you like to do outside of running the largest third-party student housing management company?

McGrath: The short answer is probably anything but sit still. I love to travel, hike and hunt. My favorite thing to do on the other hand is to spend time with Sako, my black lab. He loves to hunt and he can regularly be found roaming the halls at Asset, stopping in anyone's office who will offer a belly scratch. **SHB**

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Big Operation

With close to 13,000 students in housing, 3,000 employees and a \$155 million budget, housing at Indiana University is a big deal.

Interview by Randall Shearin

Housing nearly 13,000 students, Indiana University has a strong residential program. Like many large state academic institutions with a housing program, IU is not without its challenges. Leading the charge at IU is Patrick Connor, executive director, residential programs and services. Connor's responsibilities include overseeing the housing department, which has 3,000 employees, and a \$155 million budget. *SHB* recently spoke with Connor from his office in Bloomington.

SHB: Tell us about the current state of housing at IU. What are some of your challenges?

Connor: This fall, we opened with the largest number of students living on-campus in about four years, including about 125 students living in temporary accommodations. We have now been able to place them all in permanent space. We have a new residence hall coming online in fall 2020, and we're also operating by having at least 500 beds offline for renovation or improvement during an academic year for the past few years. What sets Indiana University's housing apart from many state universities is that almost all of our housing complexes are at least 1,000 beds. To go and do a renovation project is usually a two-year effort where we take half a building down for 15 months, work on it, then bring it online and take the other half down for 15 months until we've fully renovated.

SHB: How many new beds of housing do you have planned?

Connor: Our new building for fall 2020 will be 700 beds. It just went into the design stage in September. We're also developing a dining hall. It's kind of a combined project; adjacent to the residence hall, we're making a reinvestment in a dining facility that is going to add additional square footage. The two projects are going on in the same space, with two architectural firms — they were financed as one large project.

SHB: Prior to this project, when was the last new housing built on-campus?

Connor: We have completed three this decade, beginning with an 827-bed, on-campus apartment complex in 2010. We opened a new, 440-bed residence hall in 2013, which was completed as one of three of the ACHUO-I 21st Century Project. Last fall, we re-opened through an interior gut and remodel two original women's residence halls that were built back in the 1920s and '30s and had been used for academic purposes for 40 years. Those are the new or additional beds to campus in the last decade.

SHB: You have delivered quite a few projects — what is the state of the rest of the housing? How would you describe the housing stock?

Connor: We're like most other campuses. The housing we have on-campus was mostly finished in the late 1960s. The last new housing that we had built prior to 2010 was finished in 1968. The majority of our stock is '60s stock — we have two buildings that were built in the '50s, one building that was built in the '40s and one that was built in the 1930s. For the last 15 years, we've been engaged in looking at each of the buildings and doing improvement projects. We've spent a lot of money on about four buildings doing major improvements. We've taken out the old style community bathrooms, and put in bathrooms that are more private — they're still shared by the community, but down the hall there is a bank of bathrooms where you have a sink, shower and toilet behind a locked door that would be yours instead of being in a community bath situation.

In 2012, we gutted a building and created suite-style housing. We likely won't do that again; it just didn't work for our campus. We're almost to the point where we've air conditioned every room that's on our campus — we have two buildings that are not air conditioned, but we will add that over the next eight years, then all of our residence halls across campus will be air conditioned. We are trying to change the interior building design to create better space for community development, whether it's adding informal gathering spaces or kitchenettes, we're just building better space to support students living on the floors.

enettes, we're just building better space to support students living on the floors.

SHB: With all of the older buildings on campus, is maintenance a big part of the budget?

Connor: On our campus, we're averaging \$15 million per year out of our fund to continue to improve buildings. We have a 25-year plan, so we schedule out these large infrastructure upgrades, using a reliable cost estimator based on type of work planned, to determine money we have to set aside to continue to do those remodeling projects. Then there are other projects where we are borrowing money, like the dining hall, which is going to be bonded. The cap room is pretty tight at most universities in terms of the ability to develop and upgrade and in terms of how many times you can take funding through bonds.

SHB: You've still done all of your development through bonds, correct?

Connor: We actually use a mixture of R&R funds and bonds back to when we created the first long-range funding model for housing in 2002. When I started at IU in April 2000, during that year we looked and saw that we needed to do a comprehensive plan. We engaged with an outside firm to conduct a complete facilities audit. They generated what our options were in terms of what buildings should be demolished, and what buildings would be ideal for a full renovation. For example, we gutted one project because with the structure of the building it was easy to tear the whole inside apart. Some buildings presented that opportunity because of how they were designed and constructed. That long-range planning was



PATRICK CONNOR
Executive Director,
Residential Programs
Indiana University

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approved by the CFO, upper administration and our board of trustees in 2002; it has been our guideline ever since. As with any long-range plan, our projects haven't met the sequence to the exact same year, and sometimes that's because of pushing projects back, but we've kept the initial principles of the plan intact and we have incorporated new projects and initiatives.

SHB: You have had some pretty substantial projects with housing; a lot of public universities are a little behind IU. What do you attribute that to?

Connor: I attribute it to investing the time to create the first long-range plan 16 or 17 years ago, and getting it through all levels of campus management — it went through the CFO, central administration and trustees. Through that process, we identified what needed to occur and got the major decision-makers on campus invested in the philosophical concept and campus leadership decided we are going to do this stuff ourselves. It is great to have a CFO and treasurer say — through our decision process — that we can do this based on the strength of the housing program, that it's important to reinvest and to take it on ourselves because that is how the system works. Subsequently, every year our rate proposals and rate increases and our whole budget process is built around knowing when we are most likely going to take on debt and the amount we are going to have take on. The plan informs how much debt service we will have to pay on projects as well as the consistent funding of the replacement projects. We have instances where we will do \$18 million to \$20 million in project out of cash because we plan for that investment to occur. We started that 16 years ago, and all along the way we have been supported by campus and central administration to continue on that pathway of financing everything to improve campus from a housing and dining perspective.

“We've been strategic in continuing to make spaces better. We have created a series of different options so that students and families, when they're thinking about housing on-campus, can determine what type of residence they'd like and what they're willing to pay for.”

— Patrick Connor, Executive Director of Residential Programs, Indiana University

SHB: Do you think your housing program there is attractive for students? A lot of students today have housing as a deciding factor. IU has a long legacy of people coming there whose parents and relatives went there, like any state institution. How does the housing add to the attraction?

Connor: We've been strategic in continuing to make spaces better. We have created a series of different options so that students and families, when they're thinking about housing on-campus, can determine what type of residence they'd like to have and what they're willing to pay for. We have several suite-style buildings and residence halls with higher privacy in terms of bathroom accommodations. In some of our most recent new developments, we've built small community bathrooms assigned to certain rooms with card access. We've done things to provide a balance of community living and getting to know the other people on your floor while also providing a higher level of bathroom privacy, which has been appreciated by students. Bathroom privacy is very important to students and families, and that has been a focus in our reinvestments.

SHB: Do you have a live on-campus requirement?

Connor: Yes, we have a first year residency requirement. We've had that for about 15 years, and our freshman class this past year was 8,097 students.

SHB: How many students in total are you housing on-campus?

Connor: This year we had just over 12,800.

SHB: So you have a lot of retention?

Connor: We feel pretty good about our retention which in part has been accomplished by changes in who rents space. On our campus, we had built family housing, over 1,200 apartments, as a number of other large public universities have done. That housing was maybe not as attractive to families today as it was 40 years ago because of all of the growth in that sector of the market; now we rent those two- or three-bedroom apartments to two or three undergraduates. A two-bedroom apartment goes for \$1,090 per month, so each student pays \$545 a month for rent. We're housing 35 percent of undergraduate students on our campus. We've created quality, affordable choices for students who would like to stay on campus, but who are also looking for apartment-style housing to live in junior and senior year.

SHB: You are also involved in student and resident life. What are some of your initiatives there? How are you going about instilling those in university housing?

Connor: One of our biggest advantages is our strong program with living-learning centers on campus. We have a student housing program with every academic department on

campus except for one, and all of those programs are engaged with a faculty director who is employed by that school. Each director has office space in the residence hall where the program is and within those residence halls we have repurposed space to support the unique teaching experiences which the specific academic program has to support the continuation of the program at the residence hall. Last year, we spent \$1.8 million on IU's School of Informatics, Computing and Engineering, which created a high tech classroom, conference room, an innovation center, and program support space. The innovation center was key to their program to create a space where students could work on projects but to also showcase to industry leaders the type of hands on experience students were involved with. When a program comes to us with an idea, it gets vetted by the provost's office and then we work collaboratively to figure out exactly what the needs are and see what we can repurpose to accentuate their academic program in one of our residence halls. We have an academic program with our business school that is over 700 students strong. These are very competitive programs, and students are vying to get into these living-learning centers as a first-year student.

SHB: Have you pushed through any other student life initiatives?

Connor: The American College Personnel Association has an Institute of the Curricular Approach that is focused on



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rethinking the practices around student learning and student success beyond the classroom. Our residential life team has adopted this curricular approach and believe that this intentional approach to identifying specific engagement strategies has positively impacted our residents out of classroom learning. A more comprehensive and focused experience in helping first year students on the way to get them to year two, understanding that seventy-five percent are going to be living somewhere off-campus their second year and beyond at large universities like ours. We want them to have a good foundation for their four year IU experience based on experiences in their first year. That's the key thing. Also, we philosophically have tried to create within our new or renovation projects more informal space on floors where students can meet each other. For example, the decision to not build additional suite-style residence halls is connected to

investing in community space for the whole community, instead of limiting it for four to six students inside the suite. Most buildings in our new design will have three or four areas on a floor that are informal and open where people can gather and hang out. It gives students the opportunity to put themselves out there. We provide some study rooms and collaboration rooms in our residence halls that are closed, of course. We have found that having these common area spaces that are without doors helps facilitate students getting to know one another better.

SHB: When you look around at your peers at other universities, what are some of the challenges overall in on-campus student housing that you see?

Connor: The challenge is spending the money to make the buildings we have more friendly, more usable and better environments for students to live in. Every

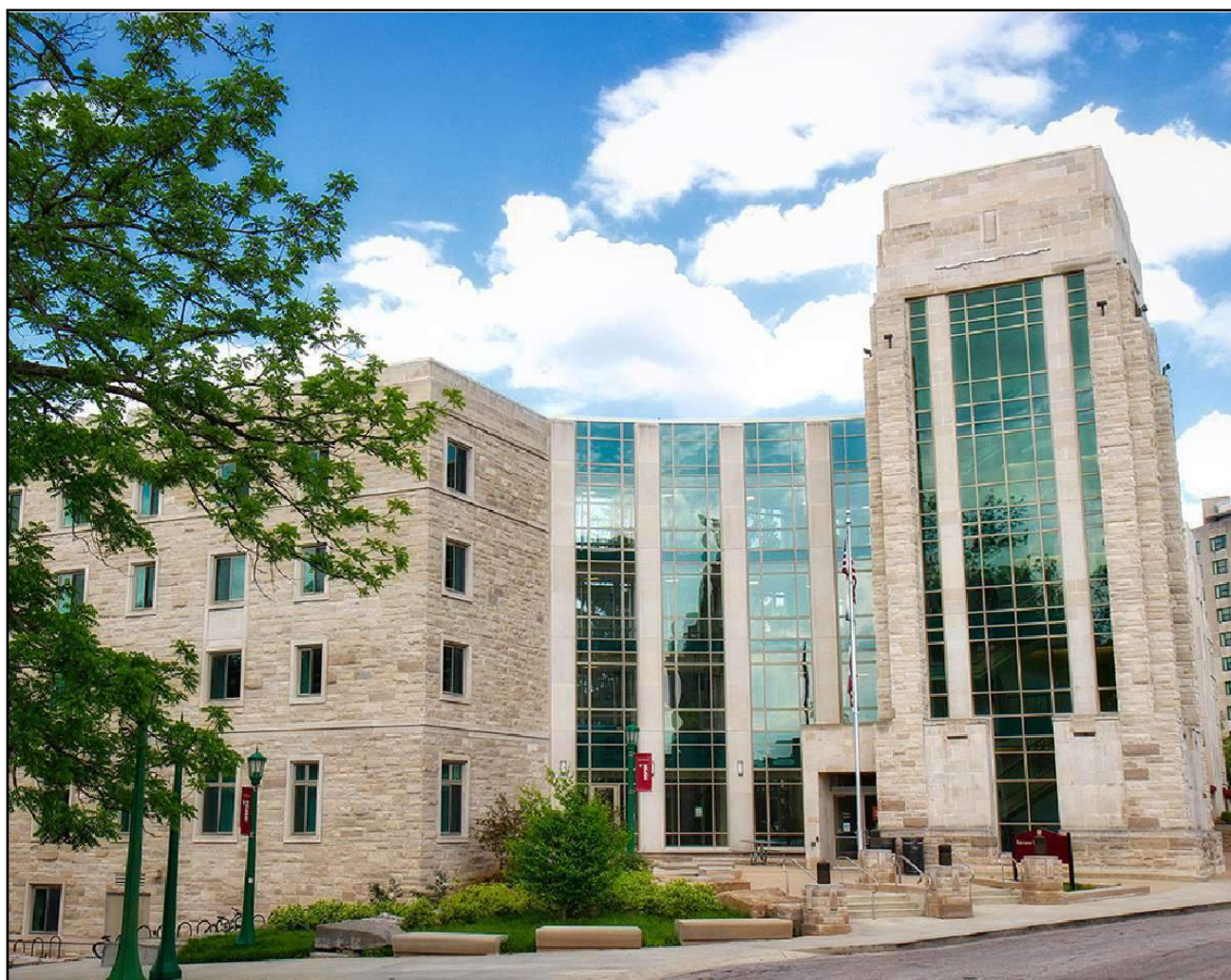
year in Bloomington, we see new off-campus housing developed. This fall, around 1,200 to 1,500 new beds came online off-campus. Almost every new project is going to be 100 percent occupied. We have been able to hold our own by consistently making improvements. We house 35 percent of all undergrads. The struggle that we have is our buildings, most of which have been built to last 100-plus years, and our challenge is to make them better. Some universities make the decision to tear them down in order to make a better building, and we have razed a few buildings. For the most part, we have very strong exterior shells and we have to see what we can do with the interior to make it a better building.

SHB: You have been at IU since 2000. Tell us a bit about your career, what led you to IU and what you've done since you've been there?

Connor: I started as a residence life professional — I worked at some of the regional campuses in the state of Wisconsin system. I ended up taking a job at Rutgers College, which is one of the largest of the residential campuses within Rutgers University, the flagship campus of New Jersey. Exposure of working at a large campus was impactful, but the key about most jobs in student housing is meeting someone that is going to be your mentor, in my case, Bruce Jacobs. He hired me at Rutgers, left for IU, and then recruited me to come to Indiana University and work for him. It was a great eight years in residence life — I did all of the staffing and training for residence life, including entire selection process from undergraduate to graduate systems. I chose to get back to the Wisconsin system in 1997. I knew I eventually wanted to be a director of housing and residence life, but the area that I didn't really have was a lot of the operational side of the equation. The position at University of Wisconsin-Oshkosh covered all operational facets: facilities, technology, contract assignments, the budget planning. Those three years helped prepare me for when Bruce Jacobs reached out to convince me that IU should be again where I chose to work. I oversee all aspects of housing — today we are a department of 3,000 employees, and a \$155 million operation. Two of my major responsibilities are the continued long range planning and leadership on all of the projects we're doing and my uncovered passion for leading a self-operated dining program from a big picture view.

SHB: Let's talk about IU's dining program, because it is very innovative.

Connor: Our dining system is structured to feel as close to off campus retail dining as you can be. Most of our food is prepared to order, and it is all a la carte pricing, so all of our students have spending power and they make decisions on what they're going to eat, how much they're going to eat and what they're going to pay every day. It is distinctively different than most



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dining programs where you either buy block of meals or an all access plan where you can go in as many times as you want. We're open from 7:30 a.m. to midnight, until 2 a.m. on the weekends, and

students can come during hours of operation and purchase what they want. We have positioned ourselves to be where students are at throughout their fast paced day. That plays out in operating

a number of cafes in academic buildings and this past year taking on operation of food service in our student union and returning to strong residential dining venues in the evening. We have

understood of students desire to be on the go, so everything they buy, they can take with them to their next destination, our surveys indicate that nearly 50 percent of our student purchases are for consumption on the go. The success of our on-campus housing is 50/50 — it's 50 percent on your residential life and facilities and 50 percent on our dining program. We have made continued strategic improvements over time on the dining front this decade including a \$22 million dining facility in 2013, we've had three other full rebuilds of smaller dining facilities which is probably \$15 million worth of investments. With the new 700-bed residence hall, we are doing a \$29 million dining renovation/expansion that will open in at the same time in fall 2020. It is equally important that we are as strategic in our dining rehabilitation as we have been in our residence hall rehabilitation.

SHB: Tell me what you like to do when you're not working. What are your hobbies?

Connor: I play racquetball a lot — that's one of my big stress relievers, I play that at least three days a week. My wife and I have three children who are 28, 26 and 23. Our oldest is a PhD candidate here at IU in the Media School. We travel as often as we can to Canada, first Montreal and now Vancouver, where our middle child lives and works in the animation industry. Our youngest is the last year of the doctor of physical therapy program; she just finished a clinical rotation in Cincinnati, will complete an internship in spring and graduates in May. Our big thing is just being connected with each of our three daughters' lives. Staying involved professionally is also important and enriching to me. I recently served a three and half year term on the executive board for ACUHO-I in the role of finance and corporate records officer from July 2014 to December 2017. **SHB**

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Expanding Housing Options

Gender-inclusive housing provides space for growth and support.

By Gabrielle Cohen

Georgia State University in downtown Atlanta has long been regarded as a commuter school by most Georgians. Contrary to that belief, there is a thriving on-campus community located in the heart of Atlanta, complete with housing.

When looking at my housing options the summer before freshman year, I knew more than anything else that I wanted to live in the University Commons. As a freshman, that reality seemed unlikely. At the time freshmen had three housing options: Patton Hall, Piedmont Central, or Piedmont North. All of those were fine options, but the full kitchen and the private bedrooms offered by the Commons was what I really wanted.

The odds did not seem to be in my favor, but somehow it happened. Honestly, I think the housing office just got tired of me calling and complaining, so they just gave up and placed me there. Living at the Commons freshman year was great. I knew that if I stayed on campus the following year I would need to live there again. It was simply a matter of figuring out who would live there with me. I found my three friends and as we were looking into our housing options we came across something called gender-inclusive housing.

By definition, gender-inclusive housing means people of different genders living in the same apartment together. However, GSU intended for it to be used as an option for people of various gender identities and sexual orientations so that a safe space is

created in on-campus housing. For our little group it ended up being exactly what we needed. The process to sign up to live in gender-inclusive housing was involved to say the least. Someone signing up has two options. If they know who they want to live with — like we did — they must sign many forms before appearing at the housing office in person to basically declare who you want to live with before going further with the process. If a person wanted to sign up, but didn't have someone to live with, the process is much simpler. They sign the same forms, but housing takes care of the rest. The department does its best to put people that have signed up for gender-inclusive housing in rooms and units together.

For us, the whole process took about a month, and after that we seemed to be set. At least we thought we were until one of our roommates backed out of the arrangement to take an apartment off-campus. At the same time, news of Georgia State's housing crisis had begun to circulate. Apparently, housing had been overbooked and no one



GABRIELLE COHEN

knew what the school's plan would be to house all students. At this point, we became worried. Would some intolerant stranger end up in our room? As the new school year began we were informed that students without rooms would be put in a nearby hotel temporarily while permanent rooms were found for them. We had a vacant room, but we were unsure when, or if, it would be filled due to the restrictions applied to our unit by signing up for gender-inclusive housing.

For about a month, the room stayed empty, until one day our new roommate walked in. He was a nervous freshman with an insane talent for cosplay and a huge heart. For the first time, our apartment felt complete. Together we were able to provide for each other a space of unconditional love and support for us all to grow in our own ways. Gender-inclusive housing provided that for us.

While it may have taken a lot to get there, in the end the outcome was well worth the wait. It is unfortunate that students at other universities may not have access to housing options like these. I'm grateful that Georgia State recognizes the importance of gender inclusive housing. Programs like these only aide in student success. A diverse student body requires diverse housing opportunities.

Gabrielle Cohen is a junior in the College of Arts and Sciences at Georgia State University.

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Location First

Aptitude Development is growing its footprint with a focus on building opportunistic yet sophisticated communities in prime locations across the country.

By Katie Sloan

For Jared Hutter, principal and co-founder of Aptitude Development, working in student housing was a dream that took hold in his junior year at Syracuse University. While Syracuse did not have any purpose-built student housing at the time, many of Hutter's friends at other universities were moving into communities he likened to five-star resorts, brimming with luxurious amenities like resort-style swimming pools with lazy rivers and spas.

"I remember thinking how amazing it seemed to have hundreds of students living in one building — the concept sounded incredible," says Hutter. "It led me to look around at where I was living in Syracuse at the time, and while I didn't have any complaints, demand was palpable for purpose-built communities and there wasn't any supply in the market. Seeing that pent-up demand was

enough incentive to keep my eye on the space over the years."

After college, Hutter began a career in the commercial real estate industry where he worked in retail, multifamily and industrial development, all the while keeping a close eye on the student housing industry. "While student housing is certainly a competitive industry, I always felt that I'd like to branch out on my own, make a name



for myself and compete for these ground-up developments," he says. "I left my previous employer in April 2014, and started a business focused on ground-up development with my partner Brian Rosen."

The team broke ground on its first student housing development in Syracuse shortly thereafter, the six-story project was quickly acquired by American Campus Communities upon completion. "While we were under construction on our first community, we closed on another piece of land in Syracuse for our second development, The Marshall," says Hutter. "This community provides an opportunity for students to live on the main street in Syracuse, which had never been done in the market. It really changed the dynamics of the school."

The company just broke ground on its newest development — a 10-story, 591-bed community located near the University of Louisville in Kentucky — and is set to break ground by year's end on a garden-style, 554-bed community titled The Pier at CCU near Coastal Carolina University in Conway, South Carolina.

"We are looking to build two brands of properties," says Hutter. "Our primary focus will be our Marshall brand, which will include mostly high-rise properties in urban, core locations pedestrian to campus. Our garden-style developments will be on more of a one-off basis. There will certainly be a number of those in our portfolio in locations where the market commands that type of product."

From a location standpoint, when looking for new development sites, Hutter deems the company, "geographically agnostic." Aptitude's approach places a focus primarily on finding a great location in terms of distance to the university's campus and nightlife. The surrounding market is analyzed second. "We are very much focused on the quality of the dirt, first and foremost," says Hutter. "Once we identify the best locations that we can get, we dive into the market and determine whether or not it is one that we would like to be in for years to come."

"We're out pounding the pavement every single day looking for great locations," he continues. "We have an excellent network around the country feeding us market intel. We are also looking to source off-market opportuni-



Aptitude Development has broken ground on a 10-story, 591-bed community located near the University of Louisville in Kentucky.

COMPANY PROFILE

ties — we tend to shy away from deals that are mass marketed by brokerage shops. While we can be competitive in those arenas, we prefer to be more creative.”

The company’s developments are described as opportunistic, yet sophisticated, by Hutter. “We are working on several land lease deals, and a few local partnerships where we bring the capital and expertise,” he says. “We try to be as creative as possible. One of the advantages of utilizing this business model so far has been that we are very different from the big, corporate machines. When we meet with land owners or people that want to work with us, they can tell very quickly that we’re all in on a deal once we get going and that we’re not going to steamroll them with our plans.”

Aptitude has carried this creativity into its financial relationships as well, preferring to join with capital sources that have allowed it to work in a nimble and strategic manner. “We want to give ourselves flexibility on every deal to make strategic decisions along the way,” Hutter says. “As we grow and become more institutional, those initial timelines may have to be accelerated a bit where we’re looking at stricter five- and seven-year guidelines in accordance with fund regulations, but our goal is to maintain space to be as adaptable as we can.”

As far as design is concerned,

the company places a heavy focus on amenities that promote health and wellness. Aptitude also plans each community to be specific to wants and needs of the local market. Hutter believes that party-centric, luxury amenities are



on the way out, as the student demographic today continues to be more focused on academic pursuits.

“I think the industry as a whole is headed towards a focus on health and wellness,” says Hutter. “We put a lot of money into our fitness centers and we work closely with several fitness on-demand buyers. We are also currently considering the addition of Peloton bikes to our gyms. We really want to facilitate the wants of today’s student population.”



The company’s latest development in Syracuse, The Marshall, provides an opportunity for students to live on the city’s main street near Syracuse University.

The company’s second focus is on wellness, with a specific emphasis on promoting improved academic performance. “We are incorporating study spaces into our developments, which we have

branded ‘The Thought Center,’” says Hutter. “These areas include single study corrals for those seeking to work alone, as well as conference rooms for group projects that include walls that can be written on for brainstorming. We’re trying to make study spaces as fun as they can be.”

The goal for Aptitude is to build 10,000 beds over the next three to five years. “We’re looking to break ground on three projects next year, and hopefully three the next,” says Hutter. “We see value in a major portfolio sale, so we are building towards that.”

“Aptitude’s ability to entitle, construct and deliver projects is and will continue to be the cornerstone of its success,” adds Brian Rosen, co-founder of Aptitude Development. “Both Jared and I are hands-on developers, which gives us the ability to oversee all aspects of development. We are excited to be executing with the capital invested with us in a space that we see has tremendous growth ahead.” **SHB**



Aptitude is currently developing a garden-style, 554-bed community titled The Pier at CCU near Coastal Carolina University in Conway, South Carolina.



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Strategies For Value-Add

Every student housing investor puts its own spin on what exactly is “value-add,” and what improvements can lead to higher rents.

By Lynn Peisner

Value-add investments have long been prized for their high-yield capabilities, but they seem to be even more en vogue today. “These deals are so popular that every broker in the business tries to label their listings as a value-add regardless of its actual play,” says Christopher Epp, co-founder of FourPoint Investments. “I’ve seen core offerings that are labeled value-add. Honestly, the term is vastly overused, but that’s because it sells.”

Why so popular? The demand is partially fueled by the preferences of new investors coming into the sector looking to park money. “There’s been this wave of capital that’s chasing the risk-adjusted returns of student housing,” says Eric Frank, chief investment officer for Cardinal Group Investments. “To benefit from the

macro capital market tailwinds of student housing, you need to be buying product that those types of capital sources are looking to buy from you on the back end.”

Such capital sources are currently being courted by Campus Advantage, which is on a fundraising roadshow seeking a partner who wants to put a \$200 million allocation into student housing through a strategic program of 60/40, core-plus to value-add.

“We believe that given how late in the cycle we are and the likelihood for a downturn in the late-near-term and early mid-term that a strategic allocation to student housing provides some good downside protection for a large institutional pension plan, life insurance company or sovereign wealth fund,” says Michael Orsak, senior vice presi-

dent of investments for Campus Advantage.

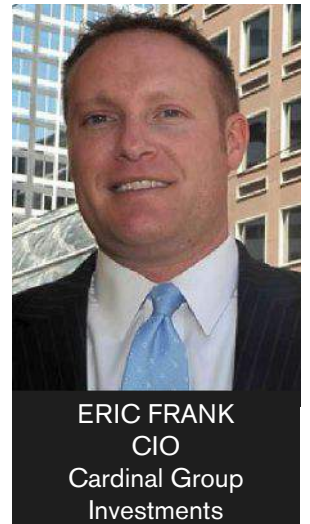
The value-add sweet spot, risk-wise, for most of today’s buyers will be a property usually not more than 15 years old, relatively close to campus, with bed-bath parity. Pierce Education Properties President and CEO Fred Pierce, for example, prefers properties built before 2010, which is a variety that’s plentiful. He says more than 250,000 beds of purpose-built student apartments were delivered prior to 2010, representing 32 percent of the current inventory in the Axiometrics’ “Axio 175.”

“Some of these complexes have been upgraded, but plenty more are ripe for renovation,” he says.

Buyers for such properties aren’t always who you’d expect. “On a good value-add deal, you’ll have 10 to 15 offers, but the winning bidder is typically not a household name,” Epp says. “Generally, it’s a new entrant desperately trying to deploy capital in the space.”

Epp calls value-add buyers “glass-half-full kind of people” because IRR, not pricing or cap rates, drives most trades. “I believe there are a lot of buyers willing to shoot the arrow at a price and then paint the target around it with their financial model,” he says. “Price per pound, a.k.a. replacement cost, is also a good back-stop metric for these buyers. We see a lot of buyers say, ‘even if we don’t make money immediately, you can’t build the property for what we’re paying, so we’ll be OK long-term.’”

Pierce points out that a slowdown in ground-up development also helps value-add acquisitions remain popular. “New



ERIC FRANK
CIO
Cardinal Group
Investments

construction is on the decline since the peak delivery years of 2013 and 2014 when 56,287 and 54,202 beds respectively were completed in the Axio 175 top student housing markets,” he says. “Between 2015 and 2018, new deliveries declined to between 40,000 and 44,000 per year. Forecasts for fall 2019 indicate that the market may deliver fewer than 40,000 beds for the first time since 2012.”

Different Deals, Different Strategies

While most buyers favor similar markets and similar assets — roughly around the same age — and distance from campus, every company puts its own stamp on the strategic steps to take that will result in higher rents post-investment. Cardinal Group, for example, leans on the expertise of having four operating businesses under one umbrella.

Cardinal Group Investments is a private equity and asset management platform. Cardinal Group Management is the property manager on all the company’s owned assets as well as the parent to a third-party business. Cardinal Group Construction



This “after” photo shows the improvements Texla Housing Partners made to The Element Sacramento. Texla acquired the property in December 2015 and sold it in October 2017. The property was built in 2005, so only cosmetic touches were necessary to push rents.



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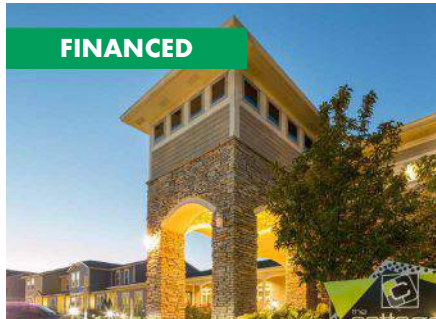
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INVESTMENT STRATEGIES

runs all renovations, from light touch ups to ground-up construction, for owned and third-party managed assets. And Agency FIFTY3 is Cardinal Group's marketing partner.

"Having best-in-class component parts and then sewing them together in a tightly integrated and strategic way is an enormous value for us and gives us a huge advantage in our ability to execute on these deals," Frank says. "When we're hired as a partner, we don't have the luxury of pointing the finger at someone else when something goes wrong because we do it all."

Over the past year, Cardinal Group has acquired approximately \$200 million of student housing assets, comprising about 3,400 beds. Across all those beds, the company set an approximate cap-ex budget of about \$18.3 million or, on average, \$5,400 per bed. These improvements target a range of a \$60 to \$70 per bed rent increase, which equates to about 11 percent more rent.

The company also is engaged on an additional \$210 million worth of assets that closed over the past few months or are currently under contract, which make up another 1,800 beds. A range of \$1,600 to \$7,500 per bed is earmarked for renovations on this batch of beds, targeting an almost 20 percent increase in asking rent.

For Cardinal Group, the strategy for the cap-ex spend varies by project, but overall a project's location will define the ceiling: The better the location, the more money Cardinal is willing to spend to upgrade the asset.

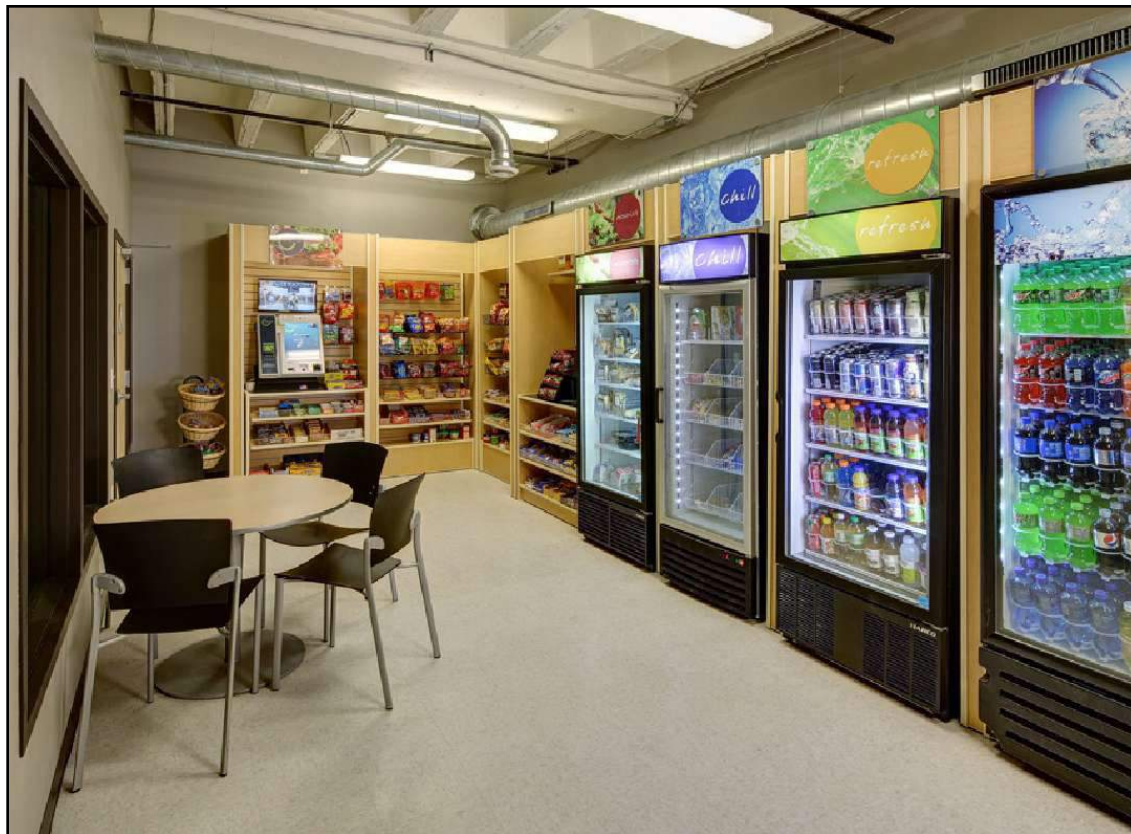
Frank explains that, with today's prices for development and acquisitions so high, Cardinal Group's strategy is to position its assets in a market at a significant discount to the new product while still offering a rental option that doesn't look or feel all that different from the most expensive properties in the market.

"Value is a tradeoff between the risk you're taking and the upside you get," Frank says. "You have to climb the risk curve to achieve a higher IRR. In our estimation, the risk you take for the last 200 to 300 basis points of return today is just not worth it. We think it's a better risk-adjusted place to go after deals that are higher quality and accept a slightly lower return because the last few points of return entail so much more additional risk."

Having won awards for its turnaround efforts, Cardinal Group has whittled down its upgrade strategy into five essential categories: deferred maintenance, infrastructure, common areas and amenities, unit interiors and marketing and



FRED PIERCE
CEO
Pierce Education
Properties



Clerkless convenience stores are one way Campus Advantage is setting itself apart in a market, not just in value-add turnarounds, but in new developments.

operating efficiencies.

Certain upgrades — such as a resort-style common area with interior design "wow" factors or an updated fitness amenity — can justify higher rents, while other investments are made to simply fortify the buildings' bones. "There's often a significant capital investment to modernize IT infrastructure," Frank says, "even in deals built around 2005. Bandwidth is the number one thing students want. It's a defensive move more than an offensive move. You're not necessarily going to get more rent, but no one's going to live there if you don't have it."

According to Andrew Marshall, CEO of Campus Technologies, it's important to understand your project's baseline bandwidth capabilities as far in advance as possible. "The best advice I could give owners and developers is that they should do a technical survey before purchase and understand what they may be facing," he says. "We see many garden-style student properties built in the 70s and 80s with coaxial cable-only infrastructure that can be difficult and expensive to bring close or up to levels of service offered by newer properties."

In addition to technology, Frank adds that it's also important to spend dollars on renovations in common areas and to avoid school-spirit décor, which can come off as pandering to the tastes of Gen Z. "Rarely do we find that going super high-end in the units is a good pay off for us," he says. Typical unit upgrades include new paint, furniture replacement, new flooring and, depending on the age, new energy-efficient

appliances.

"The big goal with the units is to make them feel clean and modern and to deliver upgrades that have the dual benefit of reducing operating costs, whether through energy efficiency or through reduced turnover costs." However, Frank cautions against radical attempts at cost savings, which can result in unintended consequences. "If you focus your value-add strategy on expense-reduction rather than revenue generation you end up cutting more muscle than fat," he says. "If you try to cheapen up your payroll or reduce maintenance-related costs, all of a sudden your property doesn't look good anymore."

For Pierce, value-adds are split between two categories — acq-rehab, which involves renovating unit interiors and/or clubhouses and amenities — or a value-add for an underperforming property. This is generally a fundamentally sound asset that may be underperforming due to an inexperienced or undertrained management team.

"The return expectations for this type of value-add investing have compressed in recent



MICHAEL ORSAK
Senior Vice President
Campus Advantage

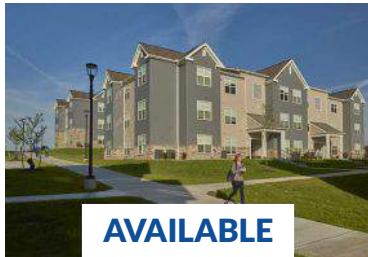


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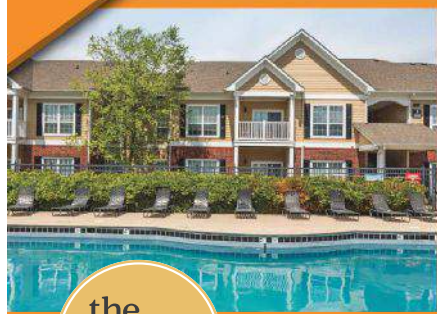
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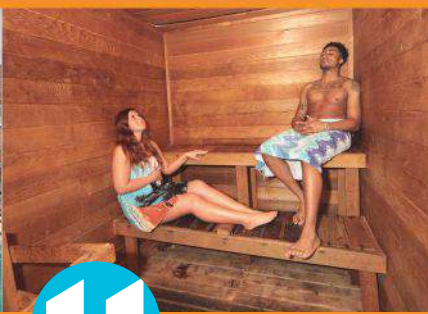


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years and are currently in the 11 percent to 13 percent IRR range based upon 65 percent leverage and a hold period of three to five years," he says. "The risk profile is higher than stabilized, core property investment, but lower than severely distressed opportunistic assets or ground-up development. The risk factors typically involve completing the upgrades on time and on budget, but with a fairly modest scope to the improvements, and in accurately pegging the level of rental increase the market will support."

Pierce's asset selection process begins with the market. PEP invests at public universities with 15,000 or more students that play NCAA Division I athletics. This accounts for more than 100 universities. Within that range, Pierce says he prefers assets that range from 400 to 1,000 beds located no more than a 15-minute shuttle ride to campus.

The average rent-per-bed-increase PEP targets is in the \$500-per-month range. The unit renovation program typically involves new faux wood floors, resurfaced countertops and cabinets, new appliances and new furniture. An approximate cap-ex budget on properties between 400 and 800 beds ranges from \$1 million to \$2 million.

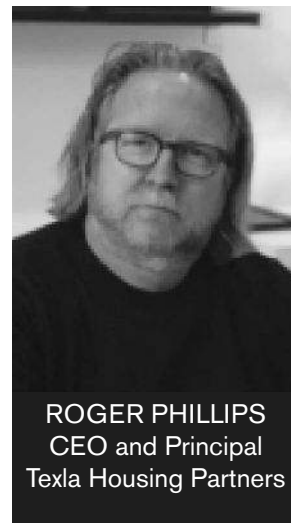
The upgrades create a contemporary look while still offering rent at approximately \$200 per bed less than new properties. "This produces a strong value-add return at very low risk," Pierce says. "Our cost basis and rent structure leaves us largely insulated from the impact of new developments being delivered at significantly higher rents. Our philosophy is to stay in touch at any given point in time as to what students value most and, accordingly, what they are willing to pay for and what they are not."

Roger Phillips, CEO and principal of Texla Housing Partners, has been involved with value-add projects for more than 15 years. His strategy involves making light, cosmetic improvements to a property and modestly raising rents.

"By and large, we're comfortable with increasing rent between \$50 and \$75 per bed. We're not up in the \$700 to \$800 range. We have

to be cognizant of that because we are dealing with a more price sensitive sector of the market."

In addition to bringing a property closer to the look and feel of



ROGER PHILLIPS
CEO and Principal
Texla Housing Partners

a core competitor, a good value-add renovation program should also include something to set the property apart. Campus Advantage, for example, is adding clerkless convenience stores to the mix. "We're working them into every new development we're doing and as many value-add refreshments as we can," Orsak says. Package management systems and keyless locks are also typically part of the company's turnaround program.

Campus Advantage's strategy with value-add is to identify second-generation assets no more than 15 years old, with bed-bath parity, less than one mile from campus. The company also seeks properties owned by the same group for a minimum of five years.

"We believe that core, pedestrian-to-campus assets are currently overpriced in the marketplace," says Orsak. "They don't provide the risk-adjusted return when acquiring assets well above replacement cost." Campus Advantage evaluates how far it can drive rents by benchmarking the quality of their asset to both direct comparables, as well as a more recently delivered property.

Cutting The Cord?

Some owners, such as Cardinal Group, renegotiate cable and internet contracts as soon as they go into a value-add play to improve service and reduce costs.

This also presents an ideal opportunity to address the question: Is now the right time to cut cable completely?

While Gen Z has proven to be an academically-focused group with refined design preferences, they've also shown that cable is not on their radar.

"In the past two years, I have been asking people under 30 if they would view cutting cable as a big negative," Frank says. "Almost universally they say, 'I don't even use cable.'"

Phillips considered eliminating cable in 2017 but ultimately decided it was a little premature to make that move.

"Demand for cable in general has been diminishing in favor of internet through streaming options," Phillips says. He adds that internet service has been steadily improving in recent years but, of equal importance, price has been coming down.

"In terms of cost, this is a material impact upwards of \$35 per unit per month or more. Cable contracts are usually your longest duration. As you start to see some of those burn off, you're going to see owners not renewing them. It will provide a value enhancement when that \$8,000 to \$12,000 a month bill goes away. It's going to have an immediate impact to the bottom line."

Pierce concurs: "The cable industry is in upheaval, and that has brought the discussion to student housing," he says. "In fact, it is probably more relevant in student housing than other sectors because of how much more connected our customers are to mobile devices. I predict that in less than five years, cable as we know it will not be provided in student housing rent."

Orsak says Campus Advantage is not including cable in rent in any new developments and will begin to evaluate cutting cable in 2019 to other properties.

"It's contingent on being able to increase the bandwidth appropriately so we can provide residents the ability to stream high-quality video. You will see more taxing of your internet bandwidth when you do reduce cable. A lot of our residents tell us they don't watch cable." **SHB**

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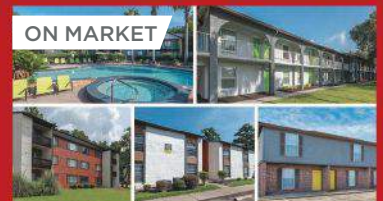
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Lending Goes With The Flow In Fourth Quarter

For industry lenders, as long as sponsorship, occupancy, operators and location tick boxes, financing can be had.

By Randall Shearin

Lending activity is steady in the fourth quarter as the student housing industry caps off another strong year in 2018. While there are some warning signs that concern lenders in the long run, all remain bullish on the industry for the year to come, despite some minor headwinds.

While investment sales won't have a record year in 2018, lending was still strong since many one-off deals transacted in the market, as well as a large number of refinancing transactions. One might think that rising interest rates, coupled with increased construction and land costs would make borrowing more difficult, but many developers have priced those into their proformas and adjusted their return expectations, to the delight of many lenders.

"Rising rates have certainly not impacted the availability of financing, though they have had an impact for borrowers looking to maximize leverage as higher rates and debt service coverage constrain loan proceeds more than in prior years," says Ben Roelke, senior vice president of CBRE Capital Markets. "The offset to index rate growth has been a very competitive market for student housing lending, which has, in many cases, seen spread compression offset and keep all-in rates growing at a slower pace than expected."

Many of the intermediaries and lenders that SHB spoke to for this article reported volumes over \$1 billion for 2018, with some much larger than that. And while the industry will have a strong year this year with regard to investment sales — at an estimated \$8 billion in volume, the second highest ever — it has to be slightly discounted for the EdR/Greystar transaction that will account for \$4.6 billion of that volume. Even so, that will still amount to a relatively strong year for the industry.

Agencies Take The Prize

The two government sponsored entities (GSEs) that do most student housing debt are feeling fine about the sector. Both will likely top the leading lenders to the sector again in 2018, with strong volumes.

Freddie Mac is having a record year with student housing, according to Rich Martinez,

director of multifamily for the agency, with its estimated 2018 volume at over \$2 billion. Freddie is the largest provider of student housing finance in the country.

"This will be, by far, the biggest year we've ever had for student housing," says Martinez. "What is interesting about it is that it has been mostly one-off deals; there have been no large portfolios."

Fannie Mae, has also seen stronger volume in 2018.

"As of the second quarter 2018, our quoting activity has nearly surpassed our entire 2017 quoted activity," says Vince Mejia, customer account manager for Fannie Mae.

Freddie's deals have been concentrated in the Southeast, Texas and California. As the agency has grown and lent more to the sector, it has become more astute about what it will and will not lend on, says Martinez. About 65 percent of Freddie Mac's total deals, including conventional multifamily, are refinancings, with the balance being acquisitions. In student housing, Martinez says that figure is closer to 70 percent of deals and 30 percent acquisition financings. Martinez says Freddie Mac does more fixed rate financing than floating rate financings.

"As the years have progressed, we have become more focused on sponsorship, location and markets than we were four or five years ago," says Martinez.

The agencies do have some concerns with student housing in the big picture, but that hasn't curtailed their interest. Freddie Mac has no plans to change its appetite, approach or its underwriting criteria, says Martinez.

"We are concerned about the oversupply in



BEN ROELKE
Senior Vice President
CBRE Capital Markets

some markets," he says. "We are clearly seeing more markets that are in distress, and as a result, the number of loans on our watchlist has increased. The percentage of loans in default in student housing is higher than the percentage on the conventional side; 10 years ago that was the exact opposite. With the oversupply in certain markets, properties are stressed and we have seen a few defaults, and some properties that are underperforming at occupancy in the 60s and 70s (percent leased). While we are not changing our criteria, we are more focused on market supply and the experience that a sponsor has in managing student housing properties in a challenging market."

For its part, Fannie Mae is closely monitoring markets like Columbia, Missouri, and College Station, Texas, while keeping an eye on Lubbock, Texas, Statesboro, Georgia and Baton Rouge, Louisiana, says Mejia.

"We are constantly monitoring different markets in order to help us make the best credit decisions," he adds.

In addition to the agencies, lenders are concerned about oversupply, report intermediaries.

"Lenders are definitely focused on the supply pipeline now," says Peter Benedetto, senior



RICH MARTINEZ
Director of Multifamily
Freddie Mac



PETER BENEDETTO
Senior Managing Director
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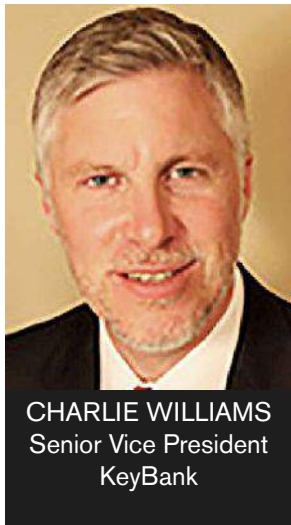
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CAPITAL MARKETS UPDATE

managing director of Berkadia. "That said, it is generally only a few markets that are oversupplied and with enrollment growth and limited deliveries, those markets will restabilize."

"A fair amount of analysis goes



CHARLIE WILLIAMS
Senior Vice President
KeyBank

into evaluating current and future supply in individual markets," says Joel Heikenfeld, senior vice president of NorthMarq. "Lenders are much more cautious in markets that have gotten oversupplied.

There is more consideration given now that there have been markets that have experienced issues due to oversupply."

And while there are competitive lenders out there, the GSEs still offer some of the strongest programs for permanent debt.

"When clients are looking to put projects to bed long-term with fixed interest rates, Fannie and Freddie are still the best ball game in town, and should continue to be," says Charlie Williams, senior vice president at KeyBank Real Estate Capital.

Terms and Alternatives

From a lender's perspective, quality product leads the criteria they most desire. Many cited top tier universities with strong enrollments as their leading criteria. From a borrower's perspective, there's a choice of products, even among the same lender. Over the past three to six months, there have been more debt funds moving into the industry, offering compelling pricing for short-term money. Some banks have gotten into this act, launching debt funds that

can compete with these products.

"We have a debt fund which is involved in a deal that is still in lease-up," says Williams. "The debt fund is able to remove the construction loan and park the debt into a fund for a few years until the project has some operating history and can be moved into the permanent loan market. The debt fund space has been competitive in entering and competing with other long term sources of capital like the agencies and CMBS."

With the expansion of large portfolio purchases over the past few years, credit facilities have become another popular product with borrowers. The flexibility that the facilities offer — chiefly being able to move individual properties in and out of the cross-collateralized pool — is appealing to borrowers who have multiple assets with similar characteristics, according to Will Baker, managing director at Walker & Dunlop.

"We have seen an increase in credit facility requests," he says.

Loan terms have remained relatively constant throughout 2018, and the fourth quarter sees them holding steady.

"We are seeing loans on the permanent debt side up to 75 percent loan-to-value," says Dan Eibler, director with Hunt Mortgage. "Through the agencies, that can be a term from five to 30 years. Hunt, and other firms, have bridge financing available for repositioning plays that are available for student housing."

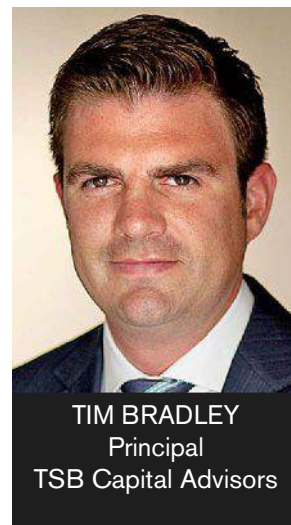
Lenders also continue to prefer properties that are pedestrian-to-campus at top universities, with very strong operators as sponsors of the loan.

"We want to see larger universities; for the agencies, it is 10,000 students or more," says Eibler. "The bigger the university, the better. Student housing is specialized on the management side, with turnover and leasing."

Further down the road, lenders are keeping their eyes on demographic changes that could impact the industry, especially the total number of students anticipated to head to college over the next decade.

"Perhaps once the millennial wave has gone through we will see a total reduction in the number of students going to college," says Eibler, adding that is an issue of concern for borrowers long-term.

In addition to agency funding, traditional bank financing and CMBS and insurance products, private capital is



TIM BRADLEY
Principal
TSB Capital Advisors

also a viable option for today's student housing owners.

"Today's market has attracted more institutional lenders interested in financing student housing," says Tim Bradley, principal and founder of TSB Capital Advisors. "Agencies have been the lifeline for student housing to-date, but we are seeing bank term loans and life companies compete for 60 to 65 percent of value financing. In addition, the plethora of debt fund capital has also become

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more receptive to student housing. This is due to the institutionalization of student housing and the scale of single deals in today's market."

Bradley adds that for borrowers who want to look beyond the agencies, there are a number of options. "Capital is getting comfortable with the risk adjusted return for student housing and we have a lot of pent up capital in the queue looking for a home in the sector," says Bradley.

Fourth Quarter Performance

The fourth quarter is typically a strong time of year for investment sales — and thus financing — in the industry, though more activity has been trending to take place in the third quarter in recent years.

"Agencies are winding down business credited to 2018 and most new originations will be for 2019 at this point, if not already," said Bradley at the beginning of November. "We are not seeing properties run into loan-to-value constraints but we are seeing debt service coverage ratios pull back proceeds a bit."

"2018 thus far has been as busy or busier than 2017 or 2016," adds Baker with Walker & Dunlop. "For the first half of 2018, interest rates remained low enough to make the term rates relatively low. Over the past month [October], the Treasury rate has been up, which has slowed things down a bit. We keep wondering how high rates are going to go before cap rates are impacted. We haven't seen that yet, but we may be hitting that point."

What is getting more difficult? "Development deals are getting more difficult as we continue to see land costs and construction costs rise," says Bradley. "We think this is a positive as it will help curb supply overall."

Another disappearing act is the premium that student housing used to have to pay compared to conventional multifamily.

"There is not that much of a delta between student housing loan pricing and market rate conventional multifamily pricing," says Williams with KeyBank. "There always has been a little bit of a risk premium for student housing. That has been a concern with all of the new players entering the industry."

Despite rising interest rates, land

and construction costs and pending demographic shifts, lenders remain confident that student housing lending will have strong performance over the next few years.

"Everyone is still very optimis-

tic that everything will continue as is," says Williams. "There will definitely be an adjustment based on the rise in interest rates. There has been spread compression, so while the Treasury rate may have risen 70 or 80 basis points, lend-

ing rates have only gone up about 30 to 40 basis points. There will be a ripple at some point, and I think we will see some cap rate expansion, but overall, the market remains healthy." **SHB**

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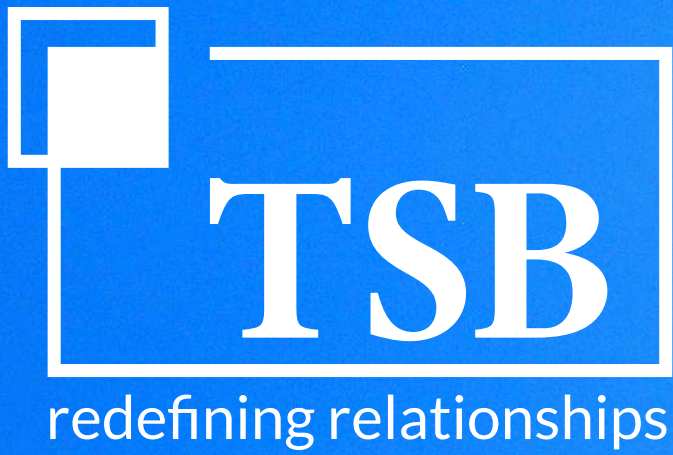


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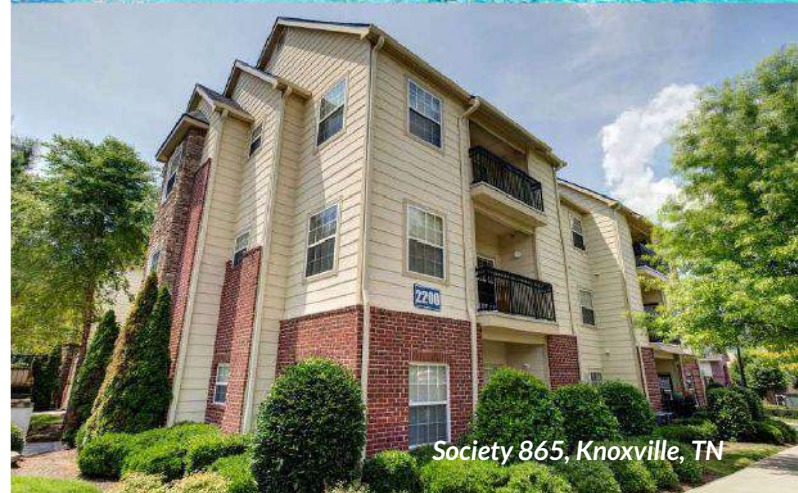
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78 Easton, New Brunswick, NJ



Hub on Campus Champaign, Champaign, IL

What Amenities Do Students Actually Care About?

By Atish Doshi and Addie Lazzell

In this new section of the magazine, *SHB* has partnered with The Black Sheep to collect insights on a variety of topics on an every issue basis. This month, The Black Sheep surveyed over 1,000 students across the nation to gain information on how student housing properties should market their amenities. With the leasing season underway on most campuses, it's important to know what actually matters to students so owners can capture their attention, get them in the door and showcase your communities.

About the Survey

This survey was distributed via social media at more than 60 schools for 10 days in October, garnering 1,063 total responses. The schools with the most responses were Michigan State, Virginia Tech, Florida State, Grand Valley State, and Virginia Commonwealth University. The incentive for finishing the survey was to be entered into a drawing where there would be four winners, each receiving a gift card of \$25 to the retailer of their choice.

Consistencies help bolster the validity of this survey by showing its accuracy in several cases. For example, the year and living situation breakdowns of students is similar to those of previous surveys we have conducted. Those indicators along with a representative sample size leads us to the conclusion that the results seen are valid and should be interpreted as representative of the population of all college students.

You Must Alter Your Marketing Message Based on the Demographic

After analyzing the data, our major takeaway is the need for student housing providers to adjust their marketing message based on the audience. Students who live on-campus, which in this case includes residence halls and Greek life, have different expectations than those currently living off-campus in other apartment communities. Since this is the first time those living on-campus will be living in an amenitized space, it's all new to them. The opposite is true of students living in off-campus apartments — they've been there and done that, so they have a more refined sense of what they want in their next living situation. It also takes more convinc-

ing to get students to move to a new apartment whereas those coming from an on-campus location are often itching to move.

Bottom line — with so many amenities to offer and properties to compete with, it's important to find the key differentiators that will resonate with your audience.

When marketing to students currently living on-campus (dorms, Greek houses, etc.)

For students currently living on-campus, here are the amenities to promote and those that don't matter as much:

Amenities that are important
WiFi: Students are used to consistent, great wifi. Communicating that your property has high-speed wifi available everywhere ensures a seamless transition for the student.

Utilities Included: Students living on-campus aren't used to paying for utilities separately. If you offer utilities as part of your rent, this will go over well

Laundry: Students living on-campus are used to shared laundry rooms or taking their laundry home on the weekends. By marketing in-unit laundry you will gain their attention.

Furniture: For students living in residence halls, they have never had to furnish a room, and most in Greek houses have only furnished parts of their rooms. With that experience, it can be daunting for students to think about furnishing an apartment, so by marketing "fully-furnished" apartments a pain point is eliminated.

Amenities that aren't as important

Pools / Hot Tubs / Club Rooms: Most students realize that every apartment has these amenities,

The Breakdown of Importance

	All Students	On-Campus	Off-Campus
Wi-fi	78.08%	90.68%	66.85%
Laundry	77.33%	79.30%	76.04%
Utilities	71.68%	78.88%	64.68%
Parking	63.97%	50.31%	75.50%
Furniture	47.88%	56.73%	40.00%
Dishwasher	42.24%	27.95%	54.05%
Study areas	29.35%	43.48%	16.04%
Pets allowed	22.48%	15.73%	27.75%
Fitness room	22.30%	24.64%	20.00%
Roommate matching	15.90%	19.46%	12.25%
Pool or hot tub	12.70%	9.73%	14.77%
Resident events	6.68%	9.94%	3.42%
Club room	6.49%	9.32%	3.78%
Other	1.32%		



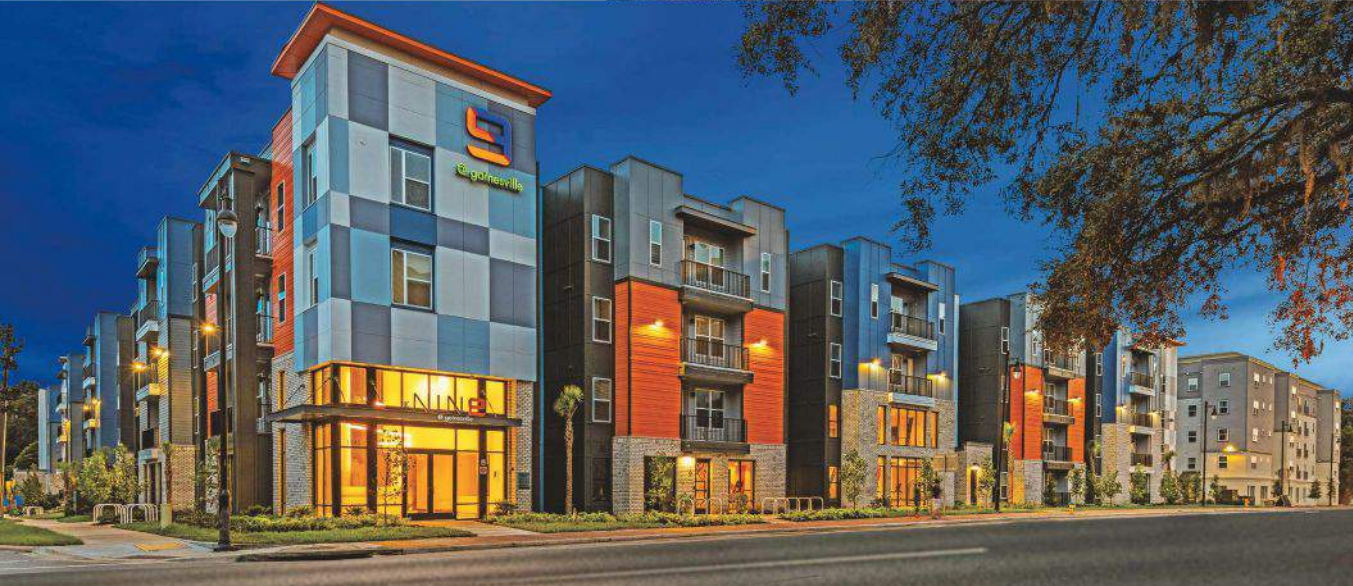
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therefore they aren't as important as students don't discern there are any major differences from one to the other.

Roommate Matching: Students living in residence halls and especially those living in Greek houses have a good sense of who they will be signing a lease with, therefore this service is rarely used.

Pet-Friendly: If a student is currently living on-campus, they will most likely not have a pet nor be thinking about having a pet, so this amenity isn't seen as critical.

The Wild Cards: Parking and Study Areas

Students living on-campus are used to not being able to park nearby, therefore they might not even have a car on-campus. At the same time, they may have a car at home they want to bring, so it's worth marketing the parking options. For study areas, students may value this amenity because they are used to being in confined/loud spaces such as their dorm room or Greek house.

When marketing to students currently living in an apartment

When targeting students who currently live in another student housing community, here are the amenities that matter most and those that aren't as important:

Amenities that are important

Laundry: These students are used to having easy access to laundry, ideally in-unit, so offering this amenity only helps.

Parking: Students living in an off-campus apartment are more likely to already have a car, therefore ensuring this audience that there is free/available parking is important.

WiFi: This feature isn't as important to this audience as they are used to setting up their own WiFi networks, but still ranks high as an amenity they deem important.

Utilities: For students living off-campus, being clear about utilities is important. Some are used to utilities being included, some are used to a capped amount and some are used to having to pay for all utilities out of pocket.

Dishwasher: Although lower on the list, students don't want to go from having a dishwasher to not having one.

Amenities that aren't as important

Pools / Hot Tubs / Club Rooms: Once a student is living off-campus they come to expect that these amenities will be available and therefore aren't seeking them out.

Roommate Matching: Most students who move from one apartment to another are doing it with friends, so roommate matching is a service that they will not need.

Study Rooms: Since these students have lived off-campus and are generally a little older, they have already figured out their study habits and also are comfortable utilizing their own room.

Demographics of the Survey

Years of all participants:

	Count	% of Total
Freshman	273	25.68%
Sophomore	290	27.28%
Junior	249	23.42%
Senior	204	19.19%
Alumni	26	2.45%
Grad Student	21	1.98%
	1,063	

Where the students currently live:

	Count	% of Total
Off-Campus	555	52.21%
On-Campus	459	43.18%
Greek House	24	2.26%
Commuter	25	2.35%
TOTAL	1,063	
Apartment	411	74.05%
House	123	22.16%
Residence Hall	21	3.78%
TOTAL Off-Campus	555	
Residence Hall	385	83.88%
Apartment	74	16.12%
TOTAL On-Campus	459	

- Notes:
- One noteworthy statistic is that 82 percent of students who have ever lived off-campus have lived in a private, off-campus apartment or condo.
 - For the rest of the survey, we include students who live in Greek houses to be considered "on-campus;" though not all schools have Greek houses located within campus limits, the nature of these houses being institutional and structured aligns them closer to being on-campus housing than off-campus.
 - Additionally, students who commute were omitted from certain information because their housing status does not offer input to certain topics, such as how they heard about housing, etc.

The Wild Cards: Dishwashers and Furniture

The data shows these two amenities being right in the middle when it comes to their importance. For both of these amenities, most students who already live in an apartment expect these services to be provided, therefore you may not need to feature it.

In the next issue, we will analyzing the amenities students are willing to pay more for when leasing.

Atish Doshi is founder and Addie Lazzell is marketing research manager at The Black Sheep, a college marketing and media company that helps student housing properties and national brands reach college students at over 150 schools across the nation. The Black Sheep combines strategic campus marketing and outreach with local social media, influencers and data to help owners and operators of student housing reach 18- to 24-year-olds both on and off campus and online.

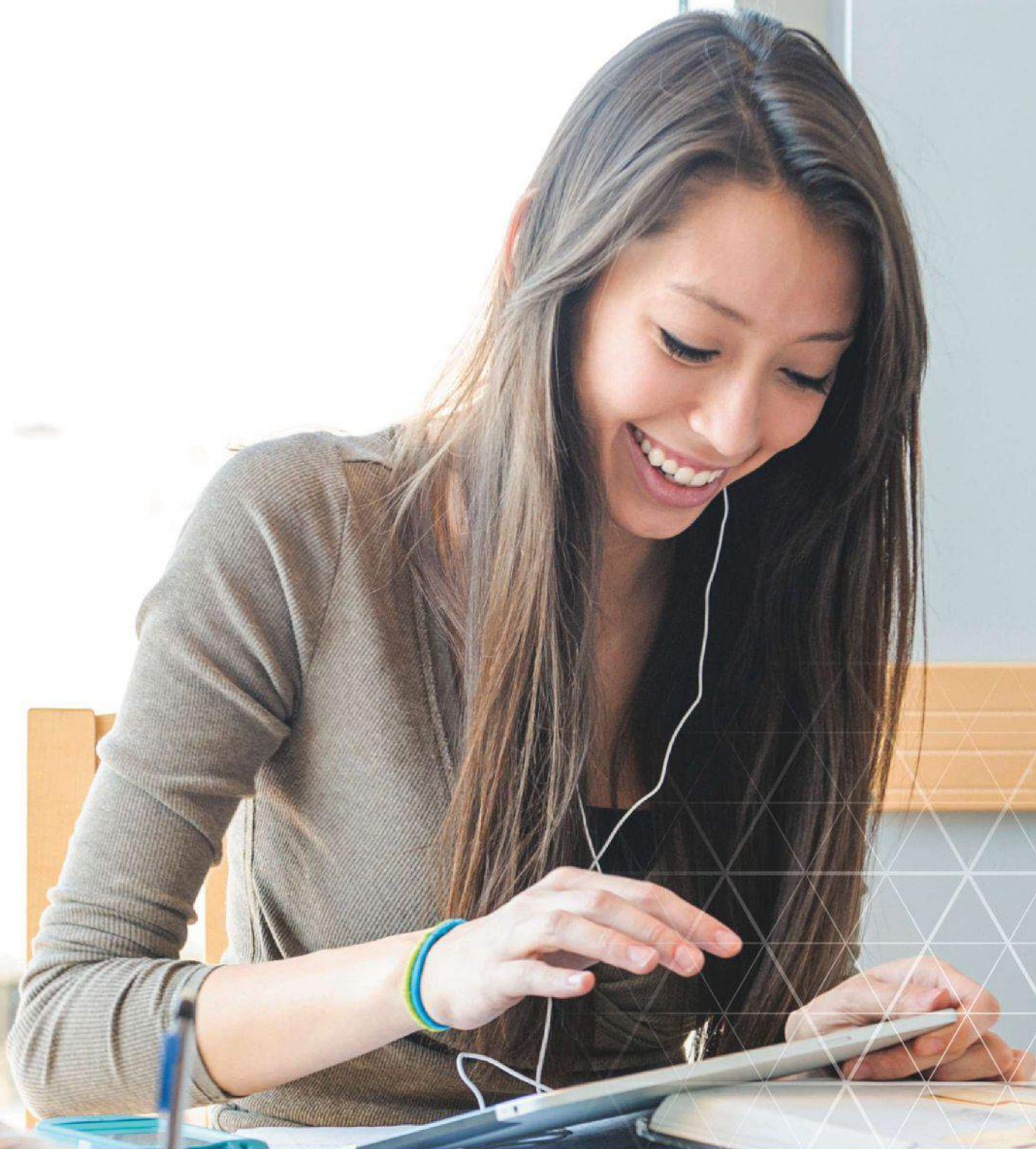
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Tricks Of The Trade

Making leasing and marketing work together to ensure you are maximizing efforts, creating dollars and generating the most leases.

Transcribed by SHB Staff

Generating leases today requires more than just developing a stellar property. Attracting students to your community requires an adept use of social media, on the ground marketing and the creation of a website that represents your brand. At this year's LeaseCon, A Social Media, Digital + Traditional Marketing Bootcamp, *Student Housing Business* brought together a team of experts to discuss tips and tricks to maximizing leasing and marketing efforts. This panel included Tiffaney Alsup, group marketing manager at Cardinal Group; Billy Wilkinson, CEO of Threshold/Carve; Felipe Beraldo, senior director of business development at LoftSmart; and moderator Ashly Poyer, director of sales at Peak Campus. What follows is an edited transcription of the conversation.

Poyer: When we were preparing for the panel, we thought that we would start at the top of the funnel and try and understand our best practices and tools that we can share with you guys for generating leads and driving traffic.

Alsup: In our industry, we already have our target demographic settled for us — we are working with students. From there, it's important to consider your property's brand positioning and what your property is best at, and then work off of those strengths to generate leads. Be consistent with those strengths throughout the entire year of leasing — that really helps to send the message to your prospects so that they know what the property is all about. That is going to pull in your marketing more than just having a presence on everything. We really try to tie everything into our brand and position, and we create moments around that brand positioning at our communities.

Beraldo: I think there are a number of ways to get your property or portfolio's brand out there. What we've seen is that digital is and always will be a big part of that. In the audience that we're trying to capture — students — a lot of it is word of mouth, so having a balance between digital and on the ground marketing is important. Whether it's a school partnership or a partnership with the student body or Greek Life, it really helps a lot in organically tapping into student's own social

networks. We found these partnerships to be very successful in getting someone's brand, messaging and marketing out there to get feet onto your property.

Wilkinson: It is really exciting because a lot of what is going on in B-to-B and B-to-C in general is this combination of sales and marketing. Many of you have seen Chief Revenue Officer roles pop up — a lot of companies are doing that. I think that is because there is a history of disconnect between sales and marketing. There is an opportunity here to tie leasing and marketing together so that we're working together in concert to really drive occupancy. At Threshold/Carve, we like to have a blend of employees that have a deep history in properties, but we also believe in adding something that is completely different. We want people to take a fresh look at what we're doing. I look at websites, and I'm really intrigued by the websites I see out there — these are meant to be lead generating tools. Websites should really give the whiz-bang that drives someone through the door. People are going to start leasing online soon. Websites have got to be a tool to drive leads. A second big trend that we are watching is attribution. This is how you can really understand where your leases are coming from. Are they coming from Google advertisements? Or your website? Or a walk-in? It's important to be fully integrated to where your property management system can measure this information and tell you, and you get your cost-per-lease. Attribution is something that you should put in your toolbox and be on the lookout for in the future.

Poyer: You touched on something that we're really passionate about, which is the separation of marketing and sales. One thing that we really try to focus on is following leads, identifying their quality and measuring them so that we can really tell where we're dropping the ball.

Alsup: When things are down, people like to pinpoint marketing as the problem. A lot of times when you dig in, you can see that either you're not getting enough leads or you are getting plenty of leads, but the on-site team doesn't know how to turn those around. It can also be price, or the market itself. That is

something that we take a deep dive into. We listen to our phone calls and what our agents are saying and how they're representing the community. We figure out where our leads are coming from, what people are saying about our community and how they found us. We then leverage that information.

Beraldo: Whenever we discuss qualifying why a lead falls through, we break it down into three buckets — top of the funnel, middle of the funnel and bottom of the funnel. The top of the funnel is marketing and the way that we're messaging our properties. An example would be if our messaging is not sticking with students, perhaps we're harping on our pool when every other property in the market has a pool. The middle of the funnel is interactions with the property. I read a study the other day that said 60 percent of students won't sign a lease if they don't like the leasing agent that they're speaking to. Interactions matter — whether it's the leasing agent, or someone acting on behalf of the property, it's very important in qualifying a lead and getting them through the funnel. The bottom of the funnel is closing. Once you have students there and interested, why are they choosing to sign or not to sign? Taking deep dives into each of those thirds of the funnel and taking a holistic view of what is going on is integral.

Poyer: It is interesting that your study said 60 percent. We did a focus group last fall, and our results were that 85 percent of the leasing decision can be attributed to the likability factor and the experience at the property. It's important to make sure you are creating an experience, and providing Instagram-able moments. How do you incorporate the experience factor into your marketing?

Alsup: First impressions are everything. A student's experience with the leasing agent is very important. If they don't feel welcomed or if students don't feel a vibe when they walk through the door, they will not sign a lease. There is not a lot that separates one community from the other. What sets you apart are the people that represent your community. We really put an emphasis on that. People may not remember going in and looking at your luxury amenities, but they will remem-



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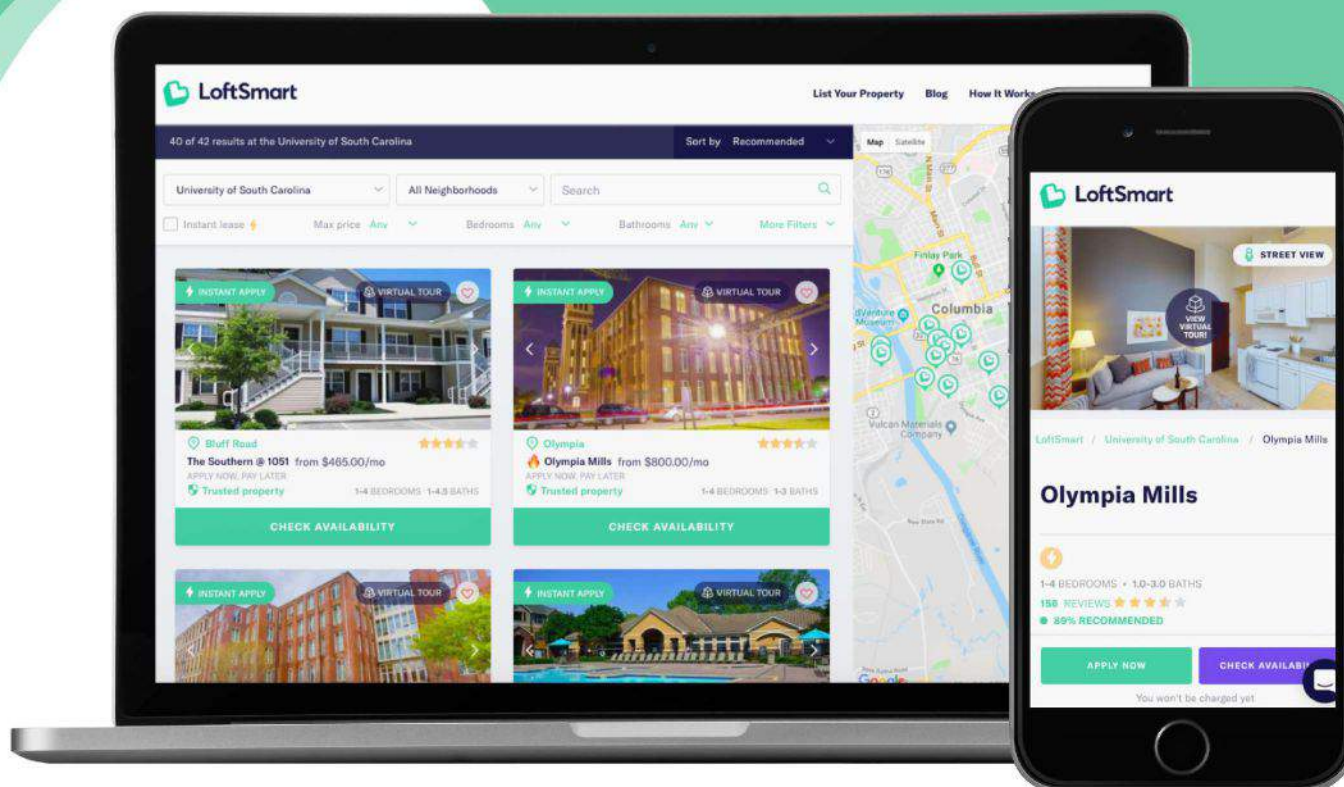
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LEASING & MARKETING

ber an awesome doughnut wall or the communities name spelled out where you can take a photo with it. That will be on their phone and they will remember that. We try to emphasize creating moments that people want to capture in our leasing and resident events.

Beraldo: There is big value in a top of the funnel branding event where you're not asking someone to sign a lease.

Alsop: It's not always about the sale.

Beraldo: Exactly. It's creating an experience that they can share with their friends and let other people know about. One of our most popular events was a tailgate at the University of Texas in partnership with one of the school organizations. It had nothing to do with what we do other than getting our brand out there and relaying fun and student-centered as our message to the university popu-

lation. We also throw conversion events — one of our most popular ones was at Blaze Pizza. We set up VR goggles, and students were able to come in and tour 15 or 20 apartments within 30 minutes and grab a slice of pizza. There's more intent on their end whenever they're doing that, whether its submitting an inquiry or an application, or talking to a property about what they're offering. They're both equally important in establishing your brand.

Wilkinson: Creating your brand is very important. Depending on how that brand is going to come alive through every single one of these channels, you build a persona and then you activate in a particular way. If we're talking about how we really want people to think about creativity and what they're going to do, it's important to start with a plan from the very beginning of the process. You can give out backpacks with some things inside to inspire the student when

they sign the lease. It all goes back to starting with a great plan at the very beginning.

Poyer: To shift topics a bit, something that Billy [Wilkinson] was very passionate about was identifying the right talent to do the right jobs. We all know that it takes a special type of person to market, sell or operate a property. What are some of the tools that you use to help identify the right people or that right personality for those core functions?

Wilkinson: Coming from a background of hiring a lot of sales people in the past, it's extremely important. Someone that is great at being in the finance department is not necessarily who you want on the front line trying to communicate with someone on why they should sign a lease. Just by the sheer nature of the budget, a lot of these positions have a shared focus on sales and operations, which is really challenging because those

are two different skillsets. People want to find their career path and they're better at one thing than another. In the past, we have created particular tests that identified the best sales and leasing people for these roles. The important thing isn't the test itself; it's the data that comes from it. Survey all of your leasing agents, figure out the ones that are performing at the top and understand the data compared to the information gleaned from those performing the worst. The key is finding tests that fit your people, your culture and your role and ensuring you have data to support your future hires.

Alsop: In our industry, we tend to hire based on someone's class schedule instead of what the property actually needs. It's important to look at what your community's needs are — do you need someone that is really good at outreach? If so, go out and find that. Look at student's social media accounts. If someone has a great following and

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presence, maybe they would be interested in helping out. Do you need someone that is really great at taking photos or videos? Find a student that has that skill and leverage it. Figure out how students can help you build up your property and its presence.

Beraldo: The number one thing to look for is behavior and if it fits the role that you are trying to hire for. Process, learning data and memorizing facts about the property can all be taught. It's important to find someone who behaves in the way a successful leasing manager or touring specialist might.

Poyer: Jumping back a bit, you touched on attribution. That can be sticky, and every company has their own way of giving credit where credit is due to marketing sources. On the digital side, is there any room for improvement on the attribution side of the house?

Wilkinson: Absolutely. Part of the challenge is that you're asking a person—specifically someone who might not be as detail-oriented—to go in and choose where the lead came from. You might say, 'how did you see us?' and the response might be, 'I drove by.' Did they start the experience before that? Did they search you a year ago when looking at what college they were going to attend? It's difficult to figure out where leads are coming from. We also have people that will go in, and maybe IT has created the options to where there are 30 to choose from on where the lead came from. Who is going to look through and choose one of those? Realistically speaking, you want about 10 to 12 choices that give you a reasonable amount of certainty as to where the lead comes from. The whole idea is how much more quantifiable can we be about our marketing.

Poyer: When we launched our CRM (customer-relationship management) a couple of years ago, we really made sure to be intentional with keeping marketing sources that could scale across 50,000 beds. They have to go through sales and corporate marketing before they can add a new source, and we're

really protecting that data so that we can analyze cost per-lead and cost per-lease.

Alsop: We narrow it down to our top 10 lead sources. It's important to teach your teams to ask the right questions and say, 'okay, you heard about us this way, can you go a little bit deeper?' We try to explain to them the importance of knowing where your dollars come from, knowing lead sources and understanding how they are allocated. We want to be able to spend money efficiently and move dollars in a certain direction if it's working for us. If we're getting more traction from a certain source, we want to be able to move more money in that direction. The lead game is a hard game to play.

Beraldo: One of the biggest challenges that people always ask us is on the ground front. Quantifying and attributing on the ground leads is a lot harder than digital. I remember when I was an RA at Texas A&M University—they used to send me on-campus to hand out flyers, and after 30 minutes walking around the campus, that was over and the trashcan was where they would end up. There are certain things that you can do, like custom landing pages for certain campaigns and customer referral codes, and it is something that I think many companies are starting to do a lot better. Having more creative on the ground campaigns that actually allow for understanding internally on how many leads came from it and how expensive it was is important.

Poyer: When it comes to nurturing the leads, how do you evaluate the performance of your teams for conversion and caring for the leads that the company is spending a lot of money to generate?

Alsop: It's all about a deeper dive. We have an awesome program called CWOL—Cardinal Way Of Leasing—and our teams live and breathe by that. They know exactly what they should say and what they should do in certain situations. It's all about being authentic and creating that trust factor. We want to make sure that our prospects coming through the door

and our residents actually trust us because that's going to lead to renewals and long-term residents. We focus on nurturing and honing in on that. We listen to calls through the CRM to see what lead sources are working for us, but it is very interesting to hear what people are saying and be able to provide that feedback to our onsite teams.

Wilkinson: There's a calculation that I've used over and over again—A times E equals R, or activity times effectiveness equals results. If you use that as a foundation for measurement when you're looking at someone, it's how much are they doing a particular thing? Are they doing enough tours? Are they getting enough opportunities to get in front of someone? If they are, are they effective at it? Are you getting enough sales and leases? That's a sales and training issue where someone needs to come in and help the team get better at probing and peeling the onion. That equation is a wonderful foundation and measurement for defining each of those categories.

Poyer: On the vendor side of the house, how are you measuring that effectiveness and reporting it back? How often does that happen? Is there something we can do on our end to make sure that we're getting the most out of the money we're spending?

Beraldo: We supplement a lot of the efforts that your on the ground teams are doing, whether it's on the renter side or helping the property to nurture leads to get them through the door. Whether you're a freshman or a junior, finding a place to live is a pretty big decision. For a lot of kids, it is their first big decision, even though mom and dad might still be paying for it. The trust element and creating an experience and personal moments with the students is extremely important. A lot of the time, their questions aren't difficult—it is making them really feel heard and validated as they go through the funnel.

Wilkinson: We want your occupancy reports. We do this with many of our clients over and over, and it is so hard to get. We can see

how many conversions we're getting through the digital side, and we can look at how these campaigns are performing and say, 'yes, this is great,' but the problem is that there may be a complete disconnect at the property level that we don't know about. Clients will call us hot under the collar saying, 'I'm getting heat from my regional and my vice president,' and without that insight, we can't get it. We're striving towards the same end goal of heads in beds. Please send us your velocity and occupancy reports.

Beraldo: Especially when it comes to an ILS, it's usually Apartments.com and Zillow. You turn on the lights and then you have to self-manage and remember to do it every day, every week. At LoftSmart, we've taken the initiative to take on a role as strategic consultants. We want occupancy reports; we want market surveys that everyone contributes to. At the end of the day, we're making this big push to say, 'we're not trying to bug you, but we want an update because pricing is wrong or we received a question about a two-bedroom, are you sold out of that?' It's just making sure that they're being responsive and interacting at the property level in a symbiotic way with the vendor.

Poyer: That's a great visual for how leasing and marketing works—turning on the leads, and then measuring effectiveness. Are there any cool tools that are in your toolbox that you are able to share for the people in this room to take advantage of?

Alsop: Something that really works for us—especially with resident retention—is creating Facebook groups as soon as the student base moves in. We create private groups where they are able to communicate with each other. We can see what they're talking about, but it's more of them communicating with each other and saying, 'hey does anyone want to grab brunch?' or, 'I've got this text book for sale if anyone is interested.' When we host resident events, more people show up because they're all talking about it amongst themselves. Creating a community where they're

meeting neighbors on their own without it being forced has helped us a tremendous amount. It makes residents want to stay. Another thing that's huge right now that we've recently started doing is working with influencers. Our base is students, and they have a very short attention span. They're on their phones, and if we can capture them while they're scrolling on Instagram and they see one of their classmates or a blogger that's relevant to them talking about our community, that really helps. It doesn't seem as sales-y.

Beraldo: The VR events that we throw are always very popular. You can tour 15 to 20 properties in 20 minutes and get the same experience as if you were walking around the property, but in a very short amount of time. LoftSmart is a tech platform, beyond anything else, so we're always trying different things. Time-based incentives and offers are also very successful. Any time you're running a concession or incentive, really driving urgency results in a lot of conversions and leads coming through the door.

Wilkinson: The first I'd say is geofencing — that is a product that is outside the Google network that we are using with a lot of clients where you can go in and specifically draw a line around a particular building and serve ads to people that are inside that. Then, you can tell within that whether or not they go back to a leasing office and signing a lease. It's amazing technology that is continuing to grow. It's the ability to be more specific in your ability to serve ads. The second is something that we developed called ThreshBoard, which is a reporting tool. We have so many clients that we needed flexibility in reporting, and we couldn't find a tool that we really wanted to use. The idea is that you look at your digital world in one place. This aggregates your entire digital world — whether it is reputation management, Google analytics or advertising campaigns — all in one place and it benchmarks against your peer group.

Poyer: One of our passions on the

sales side of the house is not just evaluating the quality of the leads that come through, but also evaluating how we handle those leads. Really looking at our individual prospect surveys and making sure that we are constantly moni-

toring what is coming up in our word cloud and what residents and prospects are saying about us, and fixing it in real time so that it doesn't become a performance issue later once it snowballs is important. The reporting side of

that is very near and dear to my heart. There are so many great tools available for you to build your own reports and make sure that you're looking at the right metrics so that you're fixing the right problem. **SHB**

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Trust-Building Projects

Universities are increasingly relying on the private sector to help them modernize their campuses.

By Lynn Peisner

Trapped by the futility of paying deferred maintenance costs just to keep outdated buildings running, universities increasingly look to the private sector for help. Outsourcing the construction of new housing and other campus buildings enables schools to preserve debt and focus on their academic missions. Today's public-private partnerships (P3s) are growing in size and complexity. More importantly, many universities are exploring new ways that P3s can be used to do more than just build beds.

Some high-profile P3 precedents, such as the University of Kentucky's housing replacement with Greystar or American Campus Communities' extensive work with Arizona State University, have been well received and are likely part of the tailwind propelling transaction velocity.

"P3s used to be more of a last resort if the school couldn't finance projects themselves," says Ann Volz, senior project executive for Scion Advisory Services. "Whereas today, it's not just on the list of options — it's the majority of institutions that want to consider P3 projects."

Financing Campus Development

Tax-exempt bond financing was a go-to financial model in the beginning, but according to Michael Baird, managing director of privatized higher education with RBC Capital Markets, equity became more prevalent as issues arose, such as credit impact and balance sheet treatment. "Of course, there has always been an effort to find lower cost financing options that led to the utilization of certain federal programs," he

says.

For example, at Shepherd University in Shepherdstown, West Virginia, Greystar, then EdR, utilized a 40-year USDA Rural Development Office loan for Potomac Place, an 80,866-square-foot, \$22 million residence hall that opened in 2017 and was Shepherd's first public-private partnership.

Volz says it's challenging to pinpoint which colleges or regions are experiencing the most activity today because interest is swelling everywhere. Scion is currently working with private colleges, public universities and even two-year colleges, such as Orange Coast College (OCC) in Costa Mesa, California.

Scion is providing pre-opening advisory services on the OCC project, which is part of a Servitas-led P3 development for a new



MICHAEL BAIRD
Managing Director
RBC Capital Markets

814-bed housing community. George K. Baum & Company was the underwriter for the approximately \$123.4 million of California Community College Financing Authority college housing revenue bonds that funded the project. Ground broke on the new facility in October.

Orange Coast College is part of the Coast Community College District, which serves more than 60,000 students. College leaders conducted analyses for years and concluded that adding housing would substantially improve the student experience.

According to George K. Baum & Company, the college opted for a P3 that utilized tax-exempt bond financing equal to 100 percent of the cost of the project. Going this route enables the college to achieve its goals of delivering affordable rents at or below market; reverting the property back to the college after just 35 years; controlling student life; and preserving its credit with a transaction that is off balance sheet.

Matching the right kind of financing to the unique needs of the institution remains a through-line in all P3 conversations. "A university that is looking for a faster, more cost-effective development solution than its traditional state procurement process



With the opening of American Campus Communities' Greek Leadership Village at Arizona State University this fall, ACC's ASU partnership consists of seven projects, 7,700 beds and more than \$542 million in development.

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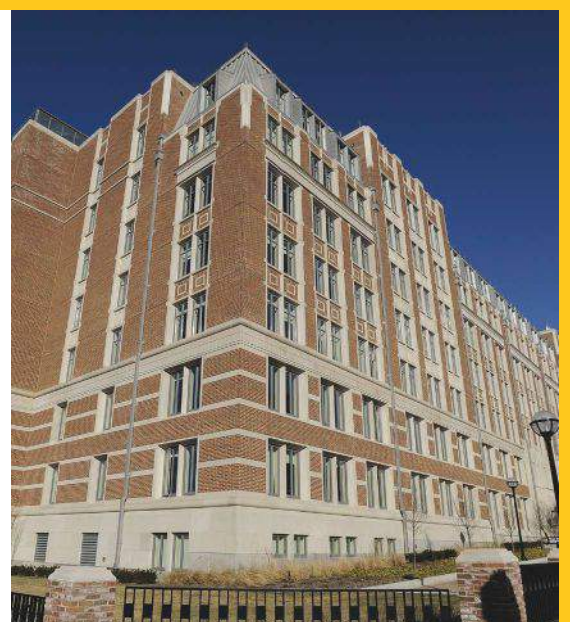
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PUBLIC-PRIVATE PARTNERSHIPS

often benefits from a tax-exempt, P3 approach to financing," Baird says.

"However, a university that is looking to transfer more of the leasing, operating and maintenance risks to a development partner with some skin in the game may find an equity solution or concession model more beneficial. The type of student housing also plays a role in this decision. A freshman suite style facility that requires more student services from the university may work best with a tax-exempt financing, while a complex, multi-purpose facility that not only includes apartments for upperclassmen, but also has extensive retail, dining and other non-academic space may be better served by an equity structure."

Baird notes, however, that a project need not be pigeonholed. He says the type of housing doesn't always have to directly correlate to the type of financing used and that tax-exempt and taxable debt, equity and concession models can be used for any type

of student housing. "The art of P3 student housing is structuring the right financing model to meet the goals of a specific project."

Jason Taylor, senior vice president of university partnerships with Greystar, concurs that P3 projects have become highly customizable to a college or university's needs.

"There is no one-size-fits-all, and that's the beauty of where we've evolved to in campus housing partnerships," he says. "It depends on the institution and the reasons why they're engaging a partner."

Extending Partnership To Facilities Maintenance

Greystar is currently engaged in a partnership with the University of Massachusetts at Dartmouth (UMass Dartmouth) to replace first-year student resident halls. The housing and dining portions of the project are part of a \$188 million capital improvement plan to also renovate the university's science and engineering building, which is the largest academic

building on campus.

The \$107.8 million, 267,500-square-foot housing development will also feature general academic classrooms, maker spaces, recreation space, music practice rooms, and multimedia study lounges as well as lounges with demonstration kitchens. The project will open in fall 2020.

"This P3 assists the university in unlocking its master plan to strengthen its STEM education and research leadership," Taylor says.

Volz is also observing a similar trend of universities asking for a third-party to handle facilities management. "The division of responsibilities is determined through an extensive matrix that outlines responsibility allocation," she explains.

And this, too, is exactly how Baird says P3s are growing today: "The most interesting development to watch in the coming years will be how the traditional P3 structure that transfers more of the operating and maintenance



JASON TAYLOR
Senior Vice President
Greystar

risk to for-profits will evolve. This structure has been used for years in Europe and Canada, where they don't have the benefit of tax-exempt bonds. Here in the United States, there will be a learning curve for many universities before they fully understand the potential benefits of such a structure."

Institutions' long-held concern that the private sector didn't have the university's best interest in mind is fading. But a remaining consequence of that belief is that housing officials now struggle with a knowledge gap.

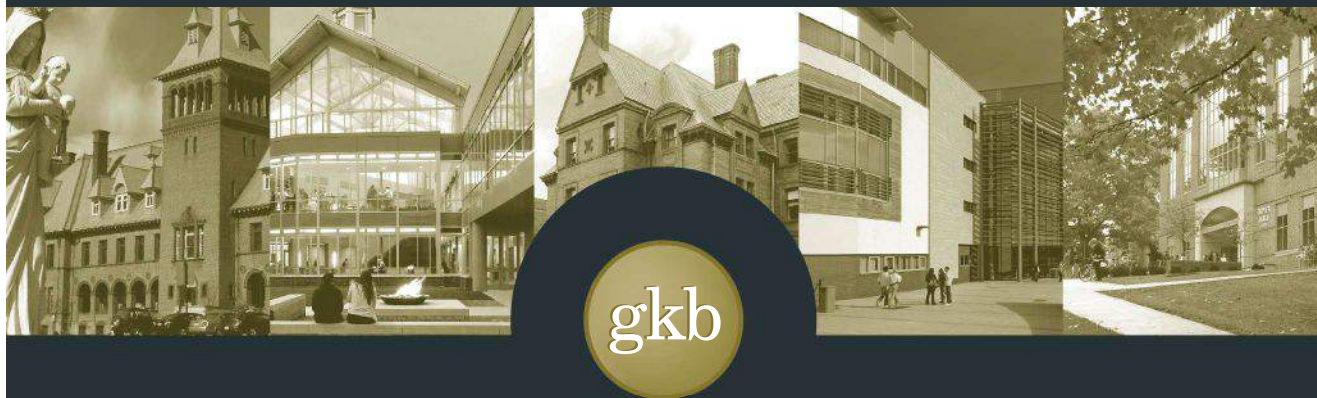
So universities are mobilizing to educate themselves in order to most efficiently apply partnerships to their needs and protect their interests. The Association of College & University Housing Officers – International (ACUHO-I) has formed a public-private task force that will launch in January 2019. ACUHO-I declared P3s a priority after senior housing officials sought clarity and education from the organization about how best to work with private partners. Maintaining control over student life continues to be a major concern coming from institutions.

Growing in Scope

The increasing pace in P3s is a bit of a domino effect. Taylor says certain first-movers in various geographical or higher-education categories inspire their peer campuses to act. "We did the first P3 of its kind at a public institution at Northern Michigan University, where the final phase opened this fall. Within two years, RFPs have come out from the University of Michigan, Wayne State University and Lake Superior State University."

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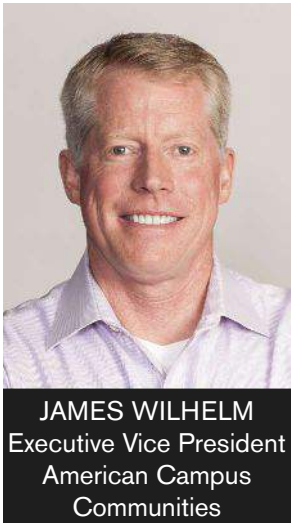
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For American Campus Communities (ACC), P3s remain a strong focus. ACC divides projects under one of two broad categories, according to James Wilhelm, executive vice president of public-private transactions: owned developments and third-party services. Owned developments include P3 projects where ACC will develop, own and operate the project in partnership with a university under its ACE (American Campus Equity) program.

"Quite often, we are engaged as a university's partner before the ultimate ownership/financing decision has been made," Wilhelm says. "As a matter of practice, we don't disclose projects under the third-party category until the structural decision has been made by the university."

ACC's partnership with Arizona State University exemplifies the depth of the ACE program. With the opening of the Greek Leadership Village this past fall, ACC's ASU partnership consists of seven projects, 7,700 beds and more than \$542 million in development.

"Our projects with ASU include modern, market-based apartments, Greek housing, a major renovation of a 1960s-era residence hall, an in-residence honors college and two newly constructed modern residence halls including Tooker Hall, ASU's college of engineering's first-year community," says Wilhelm.

"While ACC is careful to maintain the consistency of the essential structural elements required to make an investment under our ACE program, each of these projects involved some form of customization as the types of housing



American Campus Communities' project at San Francisco State University (SFSU) represents the first private, developer-owned, on-campus P3 transaction within the California State University System.

are so diverse."

ACC is also in predevelopment on a fourth phase of housing for Drexel University. And at San Francisco State University, ACC recently commenced construction on a 584-bed ACE development. The \$192.2 million apartment community will feature a mix of private and shared accommodations and a mix of rental rates. The project also includes an academic success center, fitness center and programmed common space. "Our SFSU partnership represents the first private developer-owned, on-campus P3 transaction within the California State University System," Wilhelm says.

California is teeming with P3s today, due in large part to an initiative launched in 2016 by University of California System President Janet Napolitano. The goal is to add approximately 14,000 new affordable student housing beds to the UC system's 10 campuses by fall 2020, either by accelerating the delivery of beds already in the pipeline or by engaging private developers and/or third-party financing options.

On November 15, 2016, an RFI (request for information) was released to about 3,000 student and multifamily housing develop-

ers, and in February 2017, eight developers were selected to subsequently bid on future P3 student housing project RFPs across the UC system. Those developers are American Campus Communities; Greystar; Capstone Development Partners; Balfour Beatty; Hunt Companies; Servitas; CA Student Living; and University Student Living.

University Student Living, the student housing company of The Michaels Organization, was selected by UC Davis to enter exclusive negotiations to develop two major housing projects on campus, at Orchard Park and at West Village. These developments would add 2,775 beds for graduate students, transfer students and families. University Student Living was selected from among six developers previously vetted through the UC System Housing Initiative.

In addition to University Student Living's P3 at UC Davis, two other projects are currently under development — Capstone is working with UC Santa Cruz and ACC is developing at UC Riverside. Ned Williams, senior vice president of student living with the Michaels Organization, tells SHB that the UC System is set to award projects at UC Berkeley

before the end of 2018, and UC Santa Barbara will follow early in 2019.

"The California State universities are also starting to become active again in the P3 sector," Williams says. "CSU Dominguez Hills put out an RFP this past summer, CSU Northridge is exploring a potential project, as is CSU San Diego. Cal Poly and several other CSU schools have used the P3 process in the past, and the CSU System is likely to be the next wave of on-campus P3 projects we see in California."

With universities and colleges looking more extensively to the private sector, P3s are becoming more complex. "Stating the obvious, the less of a revenue stream associated with a building the more challenging it is for the project to be financed through P3," says Volz. "With that said, through in-depth research on potential revenue streams and funding sources that may include the monetization of existing assets, we are seeing several building types being financed through a P3. There is also a trend toward a bundling of assets to generate required revenue streams to achieve the necessary debt-service-coverage ratios." **SHB**

Hurdling Barriers To Entry

Land assemblage, zoning and entitlement for core properties require a particular finesse.

By Lynn Peisner

"It's not rocket science."

"There's no secret recipe."

This is how some busy student housing developers sum up their experiences managing zoning, entitlement and land assemblage issues today.

If it were that simple, every project would be a success story. It isn't that easy, of course, and sometimes investors get deep into a potential development before losing millions on costs associated with zoning and entitlement or other required pre-construction tasks that can easily go awry.

When a majority of investors and developers demand coveted close-to-campus locations, land costs can become overinflated due to heavy competition. In addition, if a municipality isn't amenable to student apartments, building in that market — or being among the first to build in that market — can be a nonstarter.

With the odds stacked so high, Tier 1, high-barrier-to-entry developments usually have fascinating site acquisition or zoning backstories that aren't often told in great detail. Developers are tasked with demonstrating care and reverence for a city's smart growth

that serves both town and gown while also getting what they need to make the numbers work on a new project. Pulling this off might not be rocket science after all. It's primarily all about old-fashioned relationship-building, doing your homework and persevering. But that doesn't mean it's easy.

Nothing Personal, We Just Don't Like You

Most community residents are on guard when developers of any ilk come to town. Multifamily developers, especially, are unpopular, but student housing developers scrape the bottom of the barrel in the estimation of some communities.

"Most cities do not like multifamily at all, but they like student housing the least," says Brent Little, president of Fountain Residential Partners, which recently completed student housing communities in Houston and Chico, California; is under construction at UT-Arlington in Texas; and is about to start a project serving UMass Amherst, all while rezoning properties in Bloomington, Indiana, and Charlotte, North Carolina.

"The student is not a desirable person in

many of the cities they dwell in." Little adds that much of the resistance to building new projects aimed at students can sometimes be boiled down to a simple fear of change.

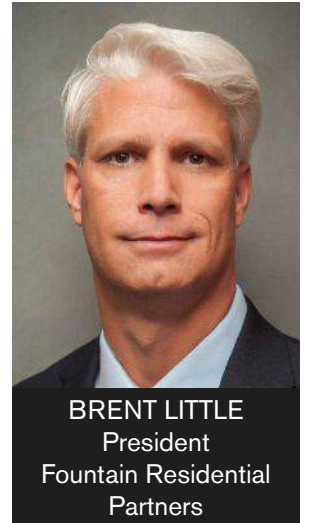
"It is a new age form of NIMBYism, where they love living in a bucolic collegiate village, and they cheer on the growth of the school, but they hate the additional students and traffic. They like the way it was when they went to school and it was half the size it is today. Now, these schools have doubled in size. It is just growing pains for towns that can grow by 100 percent when school is in session."

Little says student housing zoning used to fly under the radar of multifamily apartments, but now most know the difference between conventional apartments and purpose built student housing. Armed with this knowledge, cities now will impose stringent requirements about what they will and will not let developers do.

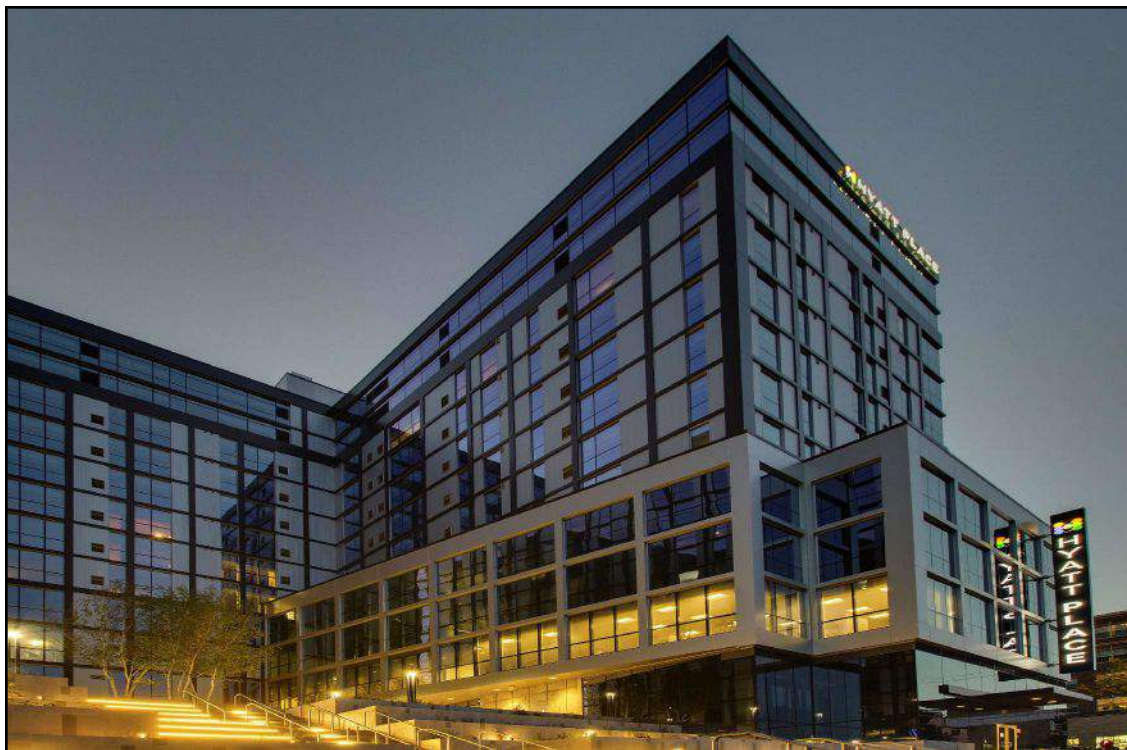
"There are a few cities that recognize the need and work with it appropriately, but many just try to push back, which exacerbates the lack of housing and increases costs," Little says.

Being associated with an unpopular demographic comes with a price tag. As universities grow, so do a city's infrastructure needs, and someone has to pay for that expansion. According to Steve Simonetti, president of Simonetti Development and director of development for Wagenbrenner Development Company, that someone is often the student housing developer.

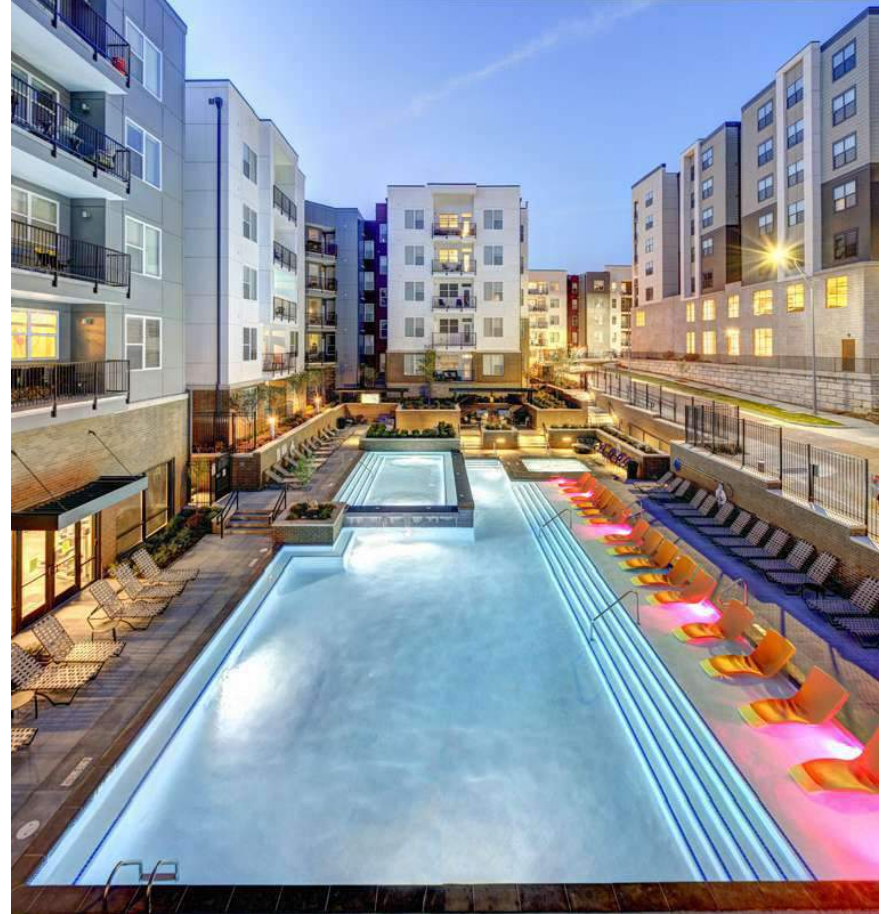
"The market, competition, construction costs and government regulations are the most significant factors that have changed the game," Simonetti says. "Jurisdictions and municipalities often demand more from developers than can sometimes reasonably be provided, which makes projects extremely difficult. The market has changed dramatically over the past five years, and if a developer is unwilling to lead change or at least follow



BRENT LITTLE
President
Fountain Residential
Partners



Rise at Riverfront Crossings in Iowa City was developed by CA Ventures and was completed July 31, 2018. The 585-bed student property also includes a 151-room Hyatt Place. CA Ventures was shortlisted from the original seven applicants, and was eventually awarded the project in 2015.



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change, then he will likely be watching from the sidelines.”

Leading change can mean being part of the solution to a community’s expansion woes and concerns. If, for example, a flagship university’s growth is overwhelming the city’s sewer system, it’s not uncommon for the local government to charge those growth fees for additional capacity or new sewer plants to developers of new properties, which can cost \$3,000 to \$5,000 per bed or more, Simonetti explains. “But if that land is more expensive than it was for the previous developer, and you’ve got the incremental capacity fees from the city, you put yourself at an automatic competitive disadvantage and inability to compete with existing product because of the higher cost.”

This is where most developers might come up with a creative alternative to tailor a solution that meets the city’s concerns. In exchange, the developer could ask for concessions needed to make the project work, such as a variance to build taller for example — as height, density and parking tend to dominate these conversations. Also, projects that break the typical mold of the four-bedroom, four-bath floor plan can be more palatable to some local governing bodies.

“In highly dense urban environments, you’re starting to see things like micro suites being built, studios or projects with only one and

two bedrooms because students would rather have them and they are more marketable if it doesn’t stay student housing,” Simonetti says. He also adds that projects close to campus have become smaller both because of available land and based on the higher risk associated with filling, for example, an 800-bed property versus a 450-bed property.

Seeing The Big Picture

The regulatory environment of a city can be defined by next-generation, pro-development leadership or it can be riddled with obstacles set by the old guard. Regardless, every market has its distinct restrictions on growth that will vary from city to city. While the markets can be as unique as snowflakes, officials can oftentimes press for solutions that are simply too broad and not a perfect match.

“The regulatory process is growing in every market and especially in the pedestrian-to-campus locations,” says James Rouse, director of acquisitions and development for LandPro Development Group. “Planners and city staff draw their inspiration from both coasts, which heap regulation on developers. We are going to continue to see planners push for mixed-use projects even in areas where the market may not support them.”

In addition to knowing what type of product

is going to work best for a community, regardless of what’s on trend, developers have to be savvy and creative about simply getting on the site in the first place. “They are making no new land, so you have to be more and more creative to find a site to develop close to campus,” says Little. “You are always tearing something down. This brings issues of not only zoning, but environmental remediation, utility relocation, tenant relocation or replatting. You can have six to eight months of construction duration just for these issues — another reason for increased late deliveries. And, yes, the cost of the urban sites is five times what we used to spend on a typical site.”

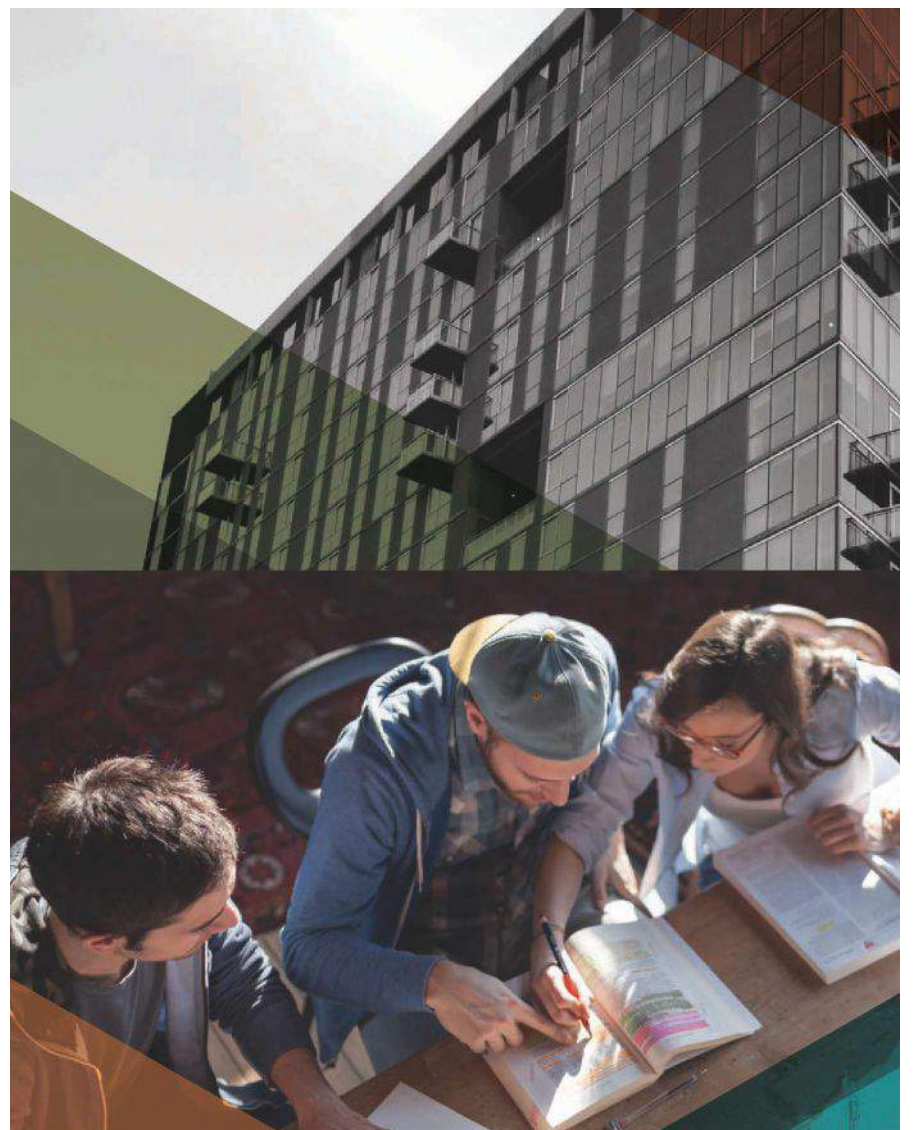
Developers didn’t have to worry so much about these problems, building during the golden days of the garden-style apartments, miles from campus. But today, many are on-boarding land-use attorneys, civil engineers and architects much earlier in the process than ever



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before.

"The front end of our developments, including zoning and entitlement, has become so critical that we have created a dedicated pre-development team," says Sean Spellman, chief development officer for CA Ventures, which, under CA Student Living, has 31 active student projects delivering between 2019 and 2021.

"It used to be something that our development managers would do. But to keep up with the volume of deals we are pursuing, we created new roles that solely specialize in zoning, entitlements and design. We've put a much bigger effort on the front end of the business."

Relationship Experts

Site acquisition and entitlement companies such as LandPro offer specialized expertise in order to supplement the pipelines of large student housing companies by handling the bulk of difficult early negotiations, studies and site plans. This enables the company to sell a fully approved project or in some cases remain in the deal as a limited partner.

"We're only as good as the properties we find," says Rouse. "We spend many years cultivating relationships with landowners and families so that we might be their first call when they decide to sell their property. If you think the entitlement process is hard now, it's only going to get worse. The best advice I would give is that this pro-



JAMES ROUSE
Director of Acquisitions
LandPro Development
Group

cess is much more than engineering, studies and approvals. You have to find the time to personalize your interactions with elected officials, city staff and state agencies. Most importantly, you have to be visible in the community you are seeking to develop in."

Rouse says LandPro moved one of its employees to Boise when the company began its first project at Boise State. "It helped gain our first approval and led to us doing a second project there," Rouse says. Simonetti agrees: "I'm a big believer that this is a relationship business and not an individual site business," he says.

Navigating the Process

Acquiring land and getting it ready for construction is a complex and costly part of the development process. Each market has its own restrictions on building heights,

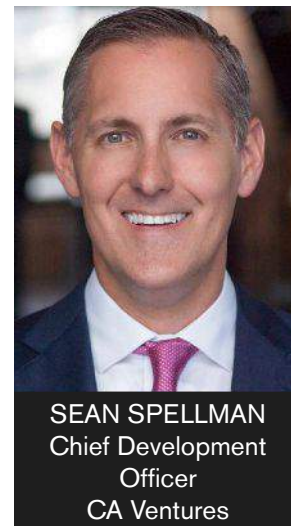
setbacks, parking and other costs such as water or sewer. And because student housing developments are so much more beholden to firm, unwavering delivery dates than other types of projects, it's important to have a qualified team locked in.

Land planners, engineers, attorneys and architects are usually engaged early, and ultimately, these soft costs can comprise up to 30 to 40 percent of the entire cost of a project, Simonetti says. "In addition to buying the land, you darn well better do your homework on how much it's going to cost to get it zoned."

For CA Ventures, site identification, acquisition, entitlement, design management and construction are constant focuses of business. "We're always thinking 24 to 36 months ahead, so our pipeline comes into clear focus very early in the process," Spellman says. "With the depth of our pipeline, we are constantly addressing every part of the development process on any given day."

Spellman says the key is to engage local counsel, local architects and local advocacy groups. "We make sure we align with decision makers very early in the process to determine what they want. We do our best to deliver a by right development, which means asking for minimal, if any, zoning changes."

CA Ventures completed Rise at Riverfront Crossings in Iowa City, Iowa, in July 2018. The city had



SEAN SPELLMAN
Chief Development
Officer
CA Ventures

issued a public request for proposals for a site previously containing a religious school that sustained tornado damage in 2006. CA Ventures was shortlisted from the original seven applicants and was eventually awarded the project in 2015. Rise at Riverfront Crossings was the first development to conform with the city's newly released "form-based zoning code," which promotes progressive urban forms and pedestrian environments. Beyond just student housing, the competitive nature of the pursuit included extended program elements such as street level retail, a hotel, 25,000 square feet of office space, and affordable housing, all of which were negotiated into a municipal development agreement in exchange for height and area bonuses.

In instances where zoning changes are required, Spellman says, CA Ventures/CA Student Living ensures there is a precedent to follow. "We don't often want to be the first mover in looking for significant zoning changes. Sometimes it's good to be a leader, but it's also often smart to be the first follower."

With the intricacy of negotiating approvals and tightening environmental reviews, not to mention community resistance, which in some cities can even lead to a zoning referendum put before voters, it's no wonder not everyone can successfully build exciting, modern student housing in great locations at top-tier universities.

"It's always important to remain positive," says Rouse, "because there is still a huge need for purpose-built student housing. After all, once a project has received all of the needed approvals and gets completed, all of the burdensome obstacles become barrier to entry for the competition." **SHB**

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Student Housing Business's list of the

TOP 25 OWNERS OF STUDENT HOUSING

Student Housing Business conducted its annual survey of the industry's Top 25 Owners during the fall of 2018. The industry has seen a number of one-off transactions and small portfolio sales this year, and more developers are holding new product for the long term. As a result, most moves among the top owners on our list this year are relatively moderate. The notable exception to the modest acquisitions is, of course, Greystar's \$4.6 billion acquisition of EdR. Since Greystar previously did not rank on our Top 25 owners, we have opted to use EdR's historical numbers in comparing Greystar's property ownership holdings from 2017 to 2018. American Campus Communities remains our Number 1 student housing owner (and has been since the ranking's inception in 2010) with more than 104,000 beds owned.

SHB requested numbers accurate as of October 31, 2018. Beginning in 2017, we began ranking fund owners alongside operating owners and no longer "net" the beds owned by the funds in joint ventures. In some instances, this could allow for double-counting of beds, but the co-mingling of beds owned by funds and operators makes tracking the ownership of beds difficult.

Big movers among this year's Top 25 include The Preiss Company, on a buying spree, who moved from number 11 in 2017 to number 7 in 2018, with nearly 19,000 beds owned. While it remained at #3 The Scion Group also continued to grow with a 28.9 percent increase over its 2017 bed count. Scion exhibited the most growth year-over-year by number of beds, with more than 13,000 added since our last survey in 2017.

New on the Top 25 Owners this year are Park7 Group (#13) and Capstone Collegiate Communities (#16) who have previously not participated in the survey; and San Francisco-based FPA Multifamily (#20), who did not participate in 2017. University Communities also rejoined the Top 25 in 2018 after not ranking for several years. Two companies missing from our rankings who own a significant number of beds (and who likely would rank in the top 25) are Vie Management and Timberline Real Estate Ventures. Both companies do not participate in the survey due to internal investor disclosure rules.

Data for the survey was completed for properties owned as of October 31, 2018. In some cases, *SHB* had to contact companies for further information after the survey was complete, but requested numbers accurate as of October 31, 2018. This survey is produced by *Student Housing Business* staff. For footnotes on the survey results, please see page 94. For collection methodology, please see page 92.

2017 RANK: 1

1 AMERICAN CAMPUS COMMUNITIES

12700 Hill Country Blvd, Ste T-200, Austin, TX 78738

www.americancampus.com

Top Executive: Bill Bayless, CEO

Number of Beds Owned: 104,078

Total Number of Properties Owned: 169

Number of Properties Owned Off-Campus: 131

Number of Properties Owned On-Campus: 38

Number of Beds Owned Off-Campus: 73,134

Number of Beds Owned On-Campus: 30,944

Number of Properties Owned in Joint Ventures: 13

Percentage of Beds Owned In Joint Ventures: 8%

Percentage of Portfolio Operated by the Unit: 3%

Percentage of Portfolio Managed by the Bed: 97%

Number of Colleges/Universities Where Properties are Located: 73

Sample Campuses: Florida State University, Arizona State University, Texas Tech University, University of Texas-Austin, Northern Arizona University.

2017 RANK: 2

2 HARRISON STREET REAL ESTATE CAPITAL

444 W Lake Street, Suite 2100, Chicago, IL 60606

www.harrisonst.com

Top Executive: Christopher Merrill, Co-Founder, President & CEO

Number of Beds Owned: 76,664

Total Number of Properties Owned: 136

Number of Properties Owned Off-Campus: 128

Number of Properties Owned On-Campus: 8

Number of Beds Owned Off-Campus: 71,332

Number of Beds Owned On-Campus: 5,332

Number of Properties Owned in Joint Ventures: 58

Percentage of Beds Owned In Joint Ventures: 43.5%

Percentage of Portfolio Operated by the Unit: 0%¹

Percentage of Portfolio Managed by the Bed: 100%¹

Number of Colleges/Universities Where Properties are Located: 109

Sample Campuses: Texas A&M University, University of South Florida, Central Michigan University.

2017 RANK: 3

3 THE SCION GROUP

444 North Michigan Avenue, #2600, Chicago, IL 60611

www.TheScionGroup.com

Top Executive: Robert D. Bronstein, President

Number of Beds Owned: 60,085

Total Number of Properties Owned: 90

Number of Properties Owned Off-Campus: 90

Number of Properties Owned On-Campus: 0

Number of Beds Owned Off-Campus: 60,085

Number of Beds Owned On-Campus: 0

Number of Properties Owned in Joint Ventures: 89

Percentage of Beds Owned In Joint Ventures: 99%

Percentage of Portfolio Operated by the Unit: 0%

Percentage of Portfolio Managed by the Bed: 100%

Number of Colleges/Universities Where Properties are Located: 56

Sample Campuses: University of Alabama, University of Florida, Arizona State University, University of South Carolina, Florida State University, Purdue University.

2017 RANK: 4²

4 GREYSTAR

18 Broad Street, Suite 300, Charleston, SC 29401

www.greystar.com

Top Executive: Robert Faith, Founder and CEO

Number of Beds Owned: 49,136

Total Number of Properties Owned: 87

Number of Properties Owned Off-Campus: 63

Number of Properties Owned On-Campus: 24

Number of Beds Owned Off-Campus: 35,386

Number of Beds Owned On-Campus: 13,750

Number of Properties Owned in Joint Ventures: 28

Percentage of Beds Owned In Joint Ventures: 33%

Percentage of Portfolio Operated by the Unit: 2%

Percentage of Portfolio Managed by the Bed: 98%

Number of Colleges/Universities Where Properties are Located: 54

Sample Campuses: University of Kentucky, Arizona State University, University of Minnesota, University of Mississippi.



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Director, Client Services
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jbiehunko@greystar.com

TOP 25 OWNERS

2017 RANK: 5

5 THE COLLIER COMPANIES

220 North Main Street, Gainesville, FL 32601

www.colliercompanies.com

Top Executive: Nathan S. Collier, Chairman & Founder

Number of Beds Owned: 25,801

Total Number of Properties Owned: 48

Number of Properties Owned Off-Campus: 48

Number of Properties Owned On-Campus: 0

Number of Beds Owned Off-Campus: 25,801

Number of Beds Owned On-Campus: 0

Number of Properties Owned in Joint Ventures: 7

Percentage of Beds Owned In Joint Ventures: 16%

Percentage of Portfolio Operated by the Unit: 61%

Percentage of Portfolio Managed by the Bed: 39%

Number of Colleges/Universities Where Properties are Located: 17

Sample Campuses: University of Florida, Santa Fe College, St. Johns River State College, Oklahoma University, University of South Florida, Hillsborough Community College, Central Florida University, Rollins College, Florida State University, Florida A&M, University of Georgia, Tallahassee Community College, Central Florida College, Piedmont College, Athens Tech School, East Georgia State College, Ogeechee Tech College, Valencia College, Bethune Cookman University, Daytona State College, Embry-Riddle University.

2017 RANK: 6

6 CAMPUS ADVANTAGE

110 Wild Basin Road, Suite 365, Austin, TX 78746

www.campusadv.com

Top Executive: Mike Peter, President and CEO

Number of Beds Owned: 20,413

Total Number of Properties Owned: 35

Number of Properties Owned Off-Campus: 35

Number of Properties Owned On-Campus: 0

Number of Beds Owned Off-Campus: 20,413

Number of Beds Owned On-Campus: 0

Number of Properties Owned in Joint Ventures: 35

Percentage of Beds Owned In Joint Ventures: 100%

Percentage of Portfolio Operated by the Unit: 0%

Percentage of Portfolio Managed by the Bed: 100%

Number of Colleges/Universities Where Properties are Located: 41

Sample Campuses: University of Missouri, Louisiana State University, Pennsylvania State University, East Carolina University, University of Central Florida.

2017 RANK: 11

7 THE PREISS COMPANY

1700 Hillsborough Street, Raleigh, NC 27605

www.tpco.com

Top Executive: Donna Preiss, Founder & CEO

Number of Beds Owned: 18,889

Total Number of Properties Owned: 37

Number of Properties Owned Off-Campus: 37

Number of Properties Owned On-Campus: 0

Number of Beds Owned Off-Campus: 18,889

Number of Beds Owned On-Campus: 0

Number of Properties Owned in Joint Ventures: 37

Percentage of Beds Owned In Joint Ventures: 100%

Percentage of Portfolio Operated by the Unit: 0%

Percentage of Portfolio Managed by the Bed: 100%

Number of Colleges/Universities Where Properties are Located: 43

Sample Campuses: North Carolina State University, University of North Carolina at Charlotte, University of North Carolina at Wilmington, Florida Atlantic University, University of Central Florida, Georgia Southern University, Texas State University.

TOP 25 STUDENT HOUSING OWNERS RANKING

2018 Rank	Company	# of Props	# of Beds	YOY Change	2017 Rank
1	American Campus Communities	169	104,078	1.3%	1
2	Harrison Street Real Estate Capital	136	76,664	-9.7%	2
3	The Scion Group	90	60,085	28.9%	3
4	Greystar	87	49,136	28.2%	4 ²
5	The Collier Companies	48	25,801	0.5%	5
6	Campus Advantage	35	20,413	10.3%	6
7	The Preiss Company	37	18,889	24.1%	11
8	CA Ventures	36	18,757	18.2%	9
9	Vesper Holdings	45	17,296	5.7%	8
10	Campus Apartments	34	17,064	-4.9%	7
11	Blue Vista Capital Management	30	16,135	9.3%	12
12	Pierce Education Properties	21	14,601	3.6%	14
13	Park7 Group	21	14,421	N/A	NR
14	Aspen Heights Partners	21	13,507	-12.3%	10
15	Coastal Ridge Real Estate	21	13,486	45.7%	18
16	Capstone Collegiate Communities	13	13,000	N/A	NR
17	Landmark Properties	21	12,917	56.1%	20
18	Horizon Realty Advisors	24	12,828	-11.0%	13
19	Campus Living Villages	19	11,258	-6.3%	15
20	FPA Multifamily	30	10,775	N/A	NR
21	Sterling University Housing	16	10,699	5.0%	17
22	University Communities	30	8,300	N/A	NR
23	Core Spaces	16	8,003	3.0%	21
24	Student Quarters	31	7,043	27.0%	24
25	Zimmer Development Company	13	7,025	16.7%	23

Year-over-year change is based on number of beds reported in 2018 versus 2017.

NR = not ranked in 2017

Source: Student Housing Business research

2017 RANK: 9

8 CA VENTURES

130 E. Randolph St., Suite 2100, Chicago, IL 60601

www.ca-ventures.com

Top Executive: Tom Scott, CEO

Number of Beds Owned: 18,757

Total Number of Properties Owned: 36

Number of Properties Owned Off-Campus: 36

Number of Properties Owned On-Campus: 0

Number of Beds Owned Off-Campus: 18,757

Number of Beds Owned On-Campus: 0

Number of Properties Owned in Joint Ventures: 34

Percentage of Beds Owned In Joint Ventures: 95%

Percentage of Portfolio Operated by the Unit: 20%

Percentage of Portfolio Managed by the Bed: 80%

Number of Colleges/Universities Where Properties are Located: 43

Sample Campuses: University of Texas, Pennsylvania State University.



FEELS GOOD TO DO GOOD.

Aspen Heights Awake is a human development initiative which inspires and equips individuals to awaken their greatest potential by experiencing first hand, the personal fulfillment that comes from helping others in need. We want to be Awake to the needs of local and global communities, inspired to take Action, and Engage others to do the same.

Aspen Heights Awake actively volunteers in **LOCAL** communities in every city where we have properties across the United States, partnering with our residents and contributing time and resources to see our communities change for the better. Our passion extends past our national boundaries into East Africa, where even the smallest effort creates abundant aid. Being engaged in **GLOBAL** communities expands our worldview and inspires the way we serve locally. Our efforts help provide relief from the burden of poverty and access to a brighter future through child sponsorship, education, and job creation. Today, our employees sponsor 118 children, paving a path for brighter futures for them and generations to come.

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We invite you to follow our team on our upcoming Africa trip January 8 to 17 to see what passion, impact, and work-life balance is all about at AHAWAKE.ORG.



TOP 25 OWNERS

2017 RANK: 8
9 VESPER HOLDINGS
595 Madison Avenue, 37th Floor, New York, NY 10022
www.vesperholdings.com
Top Executive: Isaac J. Sitt & Elliot J. Tamir, Co-founders and Co-CEOs
Number of Beds Owned: 17,296
Total Number of Properties Owned: 45
Number of Properties Owned Off-Campus: 45
Number of Properties Owned On-Campus: 0
Number of Beds Owned Off-Campus: 17,296
Number of Beds Owned On-Campus: 0
Number of Properties Owned in Joint Ventures: 8
Percentage of Beds Owned In Joint Ventures: 29%
Percentage of Portfolio Operated by the Unit: 0%
Percentage of Portfolio Managed by the Bed: 100%
Number of Colleges/Universities Where Properties are Located: 22
Sample Campuses: University of Michigan, University of South Florida, Texas Tech University, Georgia Southern University.

2017 RANK: 7
10 CAMPUS APARTMENTS
4043 Walnut Street, Philadelphia, PA 19104
www.campusapartments.com
Top Executive: David J. Adelman, Chief Executive Officer
Number of Beds Owned: 17,064
Total Number of Properties Owned: 34
Number of Properties Owned Off-Campus: 31
Number of Properties Owned On-Campus: 3
Number of Beds Owned Off-Campus: 16,216
Number of Beds Owned On-Campus: 848
Number of Properties Owned in Joint Ventures: 6
Percentage of Beds Owned In Joint Ventures: 18%
Percentage of Portfolio Operated by the Unit: 24%
Percentage of Portfolio Managed by the Bed: 76%
Number of Colleges/Universities Where Properties are Located: 60
Sample Campuses: University of Pennsylvania, University of Arizona, Texas A&M University, University of Michigan.

TOP PRIVATE EQUITY FUND OWNERS

Rank Among Fund Owners	Top 25 Rank	Company	Headquarters	Number of beds
1	2	Harrison Street Real Estate Capital	Chicago	76,664
2	NR	Saban Real Estate Capital	Los Angeles	20,138
3	NR	Heitman	Chicago	18,886
4	11	Blue Vista Capital Management	Chicago	16,135
5	NR	Blackstone	New York City	10,604
6	NR	Kayne Anderson Real Estate Advisors	Boca Raton, FL	4,403
7	NR	Virtus Real Estate Capital	Austin, TX	1,800

NR = not ranked

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TOP 25 OWNERS

11 2017 RANK: 12
BLUE VISTA CAPITAL MANAGEMENT
 353 N Clark St. Suite 730, Chicago, IL 60654
www.bluevistallc.com
 Top Executive: Peter Stelian, CEO
 Number of Beds Owned: 16,135
 Total Number of Properties Owned: 30
 Number of Properties Owned Off-Campus: 30¹
 Number of Properties Owned On-Campus: 0¹
 Number of Beds Owned Off-Campus: 16,135
 Number of Beds Owned On-Campus: 0¹
 Number of Properties Owned in Joint Ventures: 7
 Percentage of Beds Owned In Joint Ventures: 24
 Percentage of Portfolio Operated by the Unit: 0%¹
 Percentage of Portfolio Managed by the Bed: 100%
 Number of Colleges/Universities Where Properties are Located: 25
 Sample Campuses: University of Southern California, Texas A&M, Chicago Area Colleges/Universities.

12 2017 RANK: 14
PIERCE EDUCATION PROPERTIES
 8880 Rio San Diego Drive, Suite 750, San Diego, CA 92108
PierceEducationProperties.com
 Top Executive: Frederick W. Pierce, IV, President & CEO
 Number of Beds Owned: 14,601
 Total Number of Properties Owned: 21
 Number of Properties Owned Off-Campus: 21
 Number of Properties Owned On-Campus: 0
 Number of Beds Owned Off-Campus: 14,601
 Number of Beds Owned On-Campus: 0
 Number of Properties Owned in Joint Ventures: 21

Percentage of Beds Owned In Joint Ventures: 100%
 Percentage of Portfolio Operated by the Unit: 0%
 Percentage of Portfolio Managed by the Bed: 100%
 Number of Colleges/Universities Where Properties are Located: 21
 Sample Campuses: University of South Florida, University of Florida, Florida State University, University of Georgia, Georgia Tech, University of South Carolina, East Carolina University, University of Virginia, West Virginia University, Western Kentucky University, The Ohio State University, Miami University (OH), Central Michigan University, Indiana University, Purdue University, Ball State University, Kansas University, University of Nebraska, Iowa State University, Sam Houston State University, University of New Mexico.

13 2017 RANK: NR
PARK7 GROUP
 461 Park Avenue S, Floor 4, New York, NY 10016
www.Park7group.com
 Top Executive: Ronald Gatehouse, President & CEO
 Number of Beds Owned: 14,421
 Total Number of Properties Owned: 21
 Number of Properties Owned Off-Campus: 21
 Number of Properties Owned On-Campus: 0
 Number of Beds Owned Off-Campus: 14,421
 Number of Beds Owned On-Campus: 0
 Number of Properties Owned in Joint Ventures: 1
 Percentage of Beds Owned In Joint Ventures: 5%
 Percentage of Portfolio Operated by the Unit: 0%
 Percentage of Portfolio Managed by the Bed: 100%
 Number of Colleges/Universities Where Properties are Located: 19
 Sample Campuses: University of South Carolina.

10,000 BEDS COMING!!

AD

**APTITUDE
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www.AptitudeRE.com

Student Housing Business conducted the Top 25 Owners of Student Housing survey during the fall of 2018. More than 150 companies were invited to participate, with 45 completing the survey. *SHB* requested the exact numbers and percentages for beds and properties owned as of October 31, 2018. We requested information based only on properties owned in the United States. The answers given to the survey were done so by representatives of the companies, and therefore *Student Housing Business* has no warrants on the accuracy of the data. Where data has been calculated or assumed by *Student Housing Business* due to an error in submission or omission by the source and based on other data given and not presented in these pages, a footnote has been made.

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Paul Cullen CEO

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Kimberly Hodge President & CEO

Preferred Campus Communities is a wholly-owned indirect subsidiary of Preferred Apartment Communities, A Publicly Traded Company.

**APTS
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TOP 25 OWNERS

2017 RANK: 10
14 ASPEN HEIGHTS PARTNERS
 1301 S. Capital of Texas Hwy, Suite B-201, Austin, TX 74746
www.ahpliving.com/
 Top Executive: Greg Henry, CEO
 Number of Beds Owned: 13,507
 Total Number of Properties Owned: 21
 Number of Properties Owned Off-Campus: 21
 Number of Properties Owned On-Campus: 0
 Number of Beds Owned Off-Campus: 13,507
 Number of Beds Owned On-Campus: 0
 Number of Properties Owned in Joint Ventures: 21
 Percentage of Beds Owned In Joint Ventures: 100%
 Percentage of Portfolio Operated by the Unit: 0%
 Percentage of Portfolio Managed by the Bed: 100%
 Number of Colleges/Universities Where Properties are Located: 20
 Sample Campuses: N/A.

2017 RANK: 18
15 COASTAL RIDGE REAL ESTATE
 2200 W. 5th Ave., Columbus, OH 43215
coastalridgere.com
 Top Executive: Jay Harkrider, Managing Partner
 Number of Beds Owned: 13,486
 Total Number of Properties Owned: 21
 Number of Properties Owned Off-Campus: 21
 Number of Properties Owned On-Campus: 0
 Number of Beds Owned Off-Campus: 13,486
 Number of Beds Owned On-Campus: 0
 Number of Properties Owned in Joint Ventures: 18
 Percentage of Beds Owned In Joint Ventures: 86%
 Percentage of Portfolio Operated by the Unit: 0%
 Percentage of Portfolio Managed by the Bed: 100%
 Number of Colleges/Universities Where Properties are Located: 18
 Sample Campuses: N/A.

2017 RANK: NR
16 CAPSTONE COLLEGIATE COMMUNITIES
 431 Office Park Drive, Birmingham, AL 35223
www.capstonecollegiatecommunities.com
 Top Executive: Rob Howland, Principal
 Number of Beds Owned: 13,000
 Total Number of Properties Owned: 13
 Number of Properties Owned Off-Campus: 13
 Number of Properties Owned On-Campus: 0
 Number of Beds Owned Off-Campus: 13,000
 Number of Beds Owned On-Campus: 0
 Number of Properties Owned in Joint Ventures: NR
 Percentage of Beds Owned In Joint Ventures: NR
 Percentage of Portfolio Operated by the Unit: 0%
 Percentage of Portfolio Managed by the Bed: 100%
 Number of Colleges/Universities Where Properties are Located: NR
 Sample Campuses: N/A.

2017 RANK: 20
17 LANDMARK PROPERTIES
 315 Oconee Street, Athens, GA 30601
www.landmark-properties.com/
 Top Executive: J. Wesley Rogers, President & CEO
 Number of Beds Owned: 12,917
 Total Number of Properties Owned: 21
 Number of Properties Owned Off-Campus: 21
 Number of Properties Owned On-Campus: 0
 Number of Beds Owned Off-Campus: 12,917
 Number of Beds Owned On-Campus: 0
 Number of Properties Owned in Joint Ventures: 19
 Percentage of Beds Owned In Joint Ventures: 99.1%
 Percentage of Portfolio Operated by the Unit: 5%
 Percentage of Portfolio Managed by the Bed: 95%
 Number of Colleges/Universities Where Properties are Located: 16
 Sample Campuses: Pennsylvania State University.

2017 RANK: 13
18 HORIZON REALTY ADVISORS
 2003 Western Ave., Suite 445, Seattle, WA 98121
www.horizonra.com
 Top Executive: Greg Beckel, Tim Smith, Mike Strand, Rob Marshall, Principals
 Number of Beds Owned: 12,828
 Total Number of Properties Owned: 24
 Number of Properties Owned Off-Campus: 24
 Number of Properties Owned On-Campus: 0
 Number of Beds Owned Off-Campus: 12,828
 Number of Beds Owned On-Campus: 0
 Number of Properties Owned in Joint Ventures: 01
 Percentage of Beds Owned In Joint Ventures: 0%
 Percentage of Portfolio Operated by the Unit: 20%
 Percentage of Portfolio Managed by the Bed: 80%
 Number of Colleges/Universities Where Properties are Located: 14
 Sample Campuses: North Carolina State University, University of Oregon, Oregon State University, Brigham Young University, Washington State University, University of North Texas.

2017 RANK: 15
19 CAMPUS LIVING VILLAGES
 1001 Fannin Street, Suite 1350, Houston, TX 77002
www.campuslivingvillages.com
 Top Executive: Thelma Edgell, Chief Executive Officer, CLV U.S.
 Number of Beds Owned: 11,258
 Total Number of Properties Owned: 19
 Number of Properties Owned Off-Campus: 3
 Number of Properties Owned On-Campus: 16
 Number of Beds Owned Off-Campus: 2,639
 Number of Beds Owned On-Campus: 8,617
 Number of Properties Owned in Joint Ventures: 0¹
 Percentage of Beds Owned In Joint Ventures: 0%
 Percentage of Portfolio Operated by the Unit: 0%
 Percentage of Portfolio Managed by the Bed: 100%
 Number of Colleges/Universities Where Properties are Located: 17
 Sample Campuses: University of Illinois-Urbana Champaign, Temple University, Texas Tech University.

2017 RANK: NR
20 FPA MULTIFAMILY
 368 Jackson Street, San Francisco, CA 94123
www.fpamf.com
 Top Executive: Greg Fowler, Managing Principal
 Number of Beds Owned: 10,775
 Total Number of Properties Owned: 30
 Number of Properties Owned Off-Campus: 30
 Number of Properties Owned On-Campus: 0
 Number of Beds Owned Off-Campus: 10,775¹
 Number of Beds Owned On-Campus: 0
 Number of Properties Owned in Joint Ventures: 0¹
 Percentage of Beds Owned In Joint Ventures: 0%
 Percentage of Portfolio Operated by the Unit: 43%
 Percentage of Portfolio Managed by the Bed: 57%
 Number of Colleges/Universities Where Properties are Located: 23
 Sample Campuses: Florida State University, University of Iowa.

Footnotes:

¹ In some cases, respondents omitted data or had errors in their submissions that could be calculated from other data provided. This answer has been assumed by SHB based on data provided by the company.

² Greystar's 2017 rank and change from 2017 is based on EdR's 2017 rank and beds owned. Greystar acquired EdR in September 2018. Since Greystar owned a negligible amount of U.S. student housing beds prior to the transaction, SHB felt the better comparison was to use EdR's ranking in 2017 to show year-over-year growth of owned properties.



WISHES EVERYONE A

healthy Holiday

AND A

prosperous New Year!

TOP 25 OWNERS

2017 RANK: 17
21 STERLING UNIVERSITY HOUSING
3070 Locke, Houston, TX 77019
www.dinersteincompanies.com
Top Executive: Brian Dinerstein, President
Number of Beds Owned: 10,699
Total Number of Properties Owned: 16
Number of Properties Owned Off-Campus: 16
Number of Properties Owned On-Campus: 0
Number of Beds Owned Off-Campus: 10,699
Number of Beds Owned On-Campus: 0
Number of Properties Owned in Joint Ventures: 36
Percentage of Beds Owned In Joint Ventures: 100%
Percentage of Portfolio Operated by the Unit: 0%
Percentage of Portfolio Managed by the Bed: 100%
Number of Colleges/Universities Where Properties are Located: 11
Sample Campuses: University of Michigan, Texas A&M, University of Arizona.

2017 RANK: NR
22 UNIVERSITY COMMUNITIES
4500 Cherry Creek Dr. South, Suite 1200, Denver, CO 80246
www.ClosestToCampus.com
Top Executive: Lee Ryder, President
Number of Beds Owned: 8,300
Total Number of Properties Owned: 30
Number of Properties Owned Off-Campus: 30
Number of Properties Owned On-Campus: 0
Number of Beds Owned Off-Campus: 8,300
Number of Beds Owned On-Campus: 0¹
Number of Properties Owned in Joint Ventures: 30
Percentage of Beds Owned In Joint Ventures: 100%
Percentage of Portfolio Operated by the Unit: 30%
Percentage of Portfolio Managed by the Bed: 70%
Number of Colleges/Universities Where Properties are Located: 20
Sample Campuses: University of Washington, Arizona State University, University of Utah, University of Minnesota, University of Oregon.

2017 RANK: 21
23 CORE SPACES
1643 N. Milwaukee Blvd., 5th Floor, Chicago, IL 60647
www.corespaces.com
Top Executive: Marc Lifshin, Managing Partner
Number of Beds Owned: 8,003
Total Number of Properties Owned: 16
Number of Properties Owned Off-Campus: 16
Number of Properties Owned On-Campus: 0
Number of Beds Owned Off-Campus: 8,003
Number of Beds Owned On-Campus: 0
Number of Properties Owned in Joint Ventures: 4
Percentage of Beds Owned In Joint Ventures: 13%
Percentage of Portfolio Operated by the Unit: 3%
Percentage of Portfolio Managed by the Bed: 97%
Number of Colleges/Universities Where Properties are Located: 16
Sample Campuses: University of Arizona, University of Alabama, University of Florida.

To order an instant PDF of this list,
please visit:

www.studenthousingbusiness.com/top-25

2017 RANK: 24
24 STUDENT QUARTERS
206A Edgewood Ave. NE, Atlanta, GA 30303
www.livesq.com
Top Executive: Andy Feinour, President and Chief Executive Officer
Number of Beds Owned: 7,043
Total Number of Properties Owned: 31
Number of Properties Owned Off-Campus: 31
Number of Properties Owned On-Campus: 0
Number of Beds Owned Off-Campus: 7,043
Number of Beds Owned On-Campus: 0
Number of Properties Owned in Joint Ventures: 31
Percentage of Beds Owned In Joint Ventures: 100%
Percentage of Portfolio Operated by the Unit: 0%
Percentage of Portfolio Managed by the Bed: 100%
Number of Colleges/Universities Where Properties are Located: 20
Sample Campuses: NR.

2017 RANK: 23
25 ZIMMER DEVELOPMENT COMPANY
111 Princess Street, Wilmington, NC 28401
www.zdc.com
Top Executive: Jeffrey Zimmer, President
Number of Beds Owned: 7,025
Total Number of Properties Owned: 13
Number of Properties Owned Off-Campus: 9
Number of Properties Owned On-Campus: 4
Number of Beds Owned Off-Campus: 5,706
Number of Beds Owned On-Campus: 1,319
Number of Properties Owned in Joint Ventures: 0¹
Percentage of Beds Owned In Joint Ventures: 0%
Percentage of Portfolio Operated by the Unit: 25%
Percentage of Portfolio Managed by the Bed: 75%
Number of Colleges/Universities Where Properties are Located: 19
Sample Campuses: Arkansas State University, Grand Valley State University, Florida State University.

WHO'S CLOSE?

Narrowly missing our Top 25 rankings were these companies:

26
CROW HOLDINGS CAPITAL - REAL ESTATE
Number of Beds Owned: 6,781
Total Number of Properties Owned: 8

27
GILBANE DEVELOPMENT COMPANY
Number of Beds Owned: 5,976
Total Number of Properties Owned: 11

28
MJW INVESTMENTS
Number of Beds Owned: 5,897
Total Number of Properties Owned: 16

29
NB PRIVATE CAPITAL
Number of Beds Owned: 5,400
Total Number of Properties Owned: 22

30
UNIVERSITY STUDENT LIVING
Number of Beds Owned: 5,084
Total Number of Properties Owned: 11

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Student Housing Business's list of the

TOP 25 MANAGERS OF STUDENT HOUSING

Student Housing Business ran its annual survey of the Top 25 Managers of Student Housing during the fall of 2018. With all kinds of ownership moving increasingly to professional operators, many managers saw strong growth year-over-year. Big movers during the year included Cardinal Group Management, who grew by more than 30 percent; Redstone Residential, who grew by 39 percent; and Landmark Properties, who grew by nearly 24 percent. The move also catapulted Cardinal into being a Top 5 Third-party Manager. The big mover of the year, of course, was Greystar, through its acquisition of EdR. With the addition of the EdR portfolio, Greystar's student housing management grew from 16,778 beds in 2017 to 63,559 beds in 2018, a change of 73.6 percent. Using EdR's portfolio in 2017 as the basis, that number rises from 46,200 beds to 63,559 when combined with the Greystar U.S. student housing portfolio (an increase of 37.6 percent from EdR's 2017 managed beds).

Joining the Top 25 Managers this year are Corvias, Park7 Group and Foresite Realty Partners, who are participating in the survey for the first time. Two large managers not on the Top 25, and who likely would rank, are Campus Life & Style, the management entity of Vesper Holdings, and Vie Management. These companies do not participate due to internal disclosure rules. For a breakdown of the methodology, please see page 102. For footnotes related to some of the data, please see page 104.

2017 RANK: 1

1 AMERICAN CAMPUS COMMUNITIES

12700 Hill Country Blvd., Ste T-200, Austin, TX 78738

americancampus.com

Top Executive: Bill Bayless, CEO

Total Number of Beds Managed: 132,751

Total Number of Properties Managed: 204

Number of Properties Managed Off-Campus: 131

Number of Beds Managed Off-Campus: 77,780

Number of Properties Managed On-Campus: 73

Number of Beds Managed On-Campus: 54,971

Percentage of Managed Portfolio Owned by Company: 83%

Number of Beds in Third-party Management Portfolio: 28,673

Percentage of Portfolio Managed by the Unit: 2%

Percentage of Portfolio Managed by the Bed: 98%

Number of Campuses Portfolio is On/Near: 93

Sample Campuses: Arizona State University, University of California-Irvine, Texas Tech University, University of Texas at Dallas, University of Texas-Austin.

2017 RANK: 2

2 ASSET CAMPUS HOUSING

950 Corbindale Road, Suite 300, Houston, TX 77024

assetcampushousing.com

Top Executive: Ryan McGrath, CEO and President

Total Number of Beds Managed: 132,356

Total Number of Properties Managed: 254

Number of Properties Managed Off-Campus: 254

Number of Beds Managed Off-Campus: 132,356

Number of Properties Managed On-Campus: 0

Number of Beds Managed On-Campus: 0

Percentage of Managed Portfolio Owned by Company: 0%

Number of Beds in Third-party Management Portfolio: 132,356

Percentage of Portfolio Managed by the Unit: 0%

Percentage of Portfolio Managed by the Bed: 100%

Number of Campuses Portfolio is On/Near: 125

Sample Campuses: Texas State University, Texas A&M University, University of Texas at Austin, Florida State University, Pennsylvania State University, University of Iowa, Northern Arizona University.

2017 RANK: 14²

3 GREYSTAR

18 Broad Street, Suite 300, Charleston, SC 29401

www.greystar.com

Top Executive: Robert Faith, Founder and CEO

Total Number of Beds Managed: 63,559

Total Number of Properties Managed: 112

Number of Properties Managed Off-Campus: 81

Number of Beds Managed Off-Campus: 45,865

Number of Properties Managed On-Campus: 31

Number of Beds Managed On-Campus: 17,694

Percentage of Managed Portfolio Owned by Company: 72%

Number of Beds in Third-party Management Portfolio: 18,121

Percentage of Portfolio Managed by the Unit: 2%

Percentage of Portfolio Managed by the Bed: 98%

Number of Campuses Portfolio is On/Near: 67

Sample Campuses: University of Kentucky, Arizona State University, University of California Davis, University of Minnesota.

2017 RANK: 4

4 THE SCION GROUP

444 North Michigan Avenue, #2600, Chicago, IL 60611

www.TheScionGroup.com

Top Executive: Robert D. Bronstein, President

Total Number of Beds Managed: 61,885

Total Number of Properties Managed: 95

Number of Properties Managed Off-Campus: 90

Number of Beds Managed Off-Campus: 60,085

Number of Properties Managed On-Campus: 5

Number of Beds Managed On-Campus: 1,800

Percentage of Managed Portfolio Owned by Company: 97%

Number of Beds in Third-party Management Portfolio: 1,800

Percentage of Portfolio Managed by the Unit: 0%

Percentage of Portfolio Managed by the Bed: 100%

Number of Campuses Portfolio is On/Near: 57

Sample Campuses: University of Alabama, University of Florida, Purdue University, Florida State University, Arizona State University.

2017 RANK: 3

5 PEAK CAMPUS

2970 Clairmont Rd. NE, Suite 310, Atlanta, GA 30329

www.PeakCampus.com

Top Executive: Bob Clark, CEO

Total Number of Beds Managed: 52,472

Total Number of Properties Managed: 98

Number of Properties Managed Off-Campus: 91

Number of Beds Managed Off-Campus: 48,747

Number of Properties Managed On-Campus: 7

Number of Beds Managed On-Campus: 3,725

Percentage of Managed Portfolio Owned

by Company: 0%¹

Number of Beds in Third-party Management

Portfolio: 52,472

Percentage of Portfolio Managed by the Unit: 0%

Percentage of Portfolio Managed by the Bed: 100%

Number of Campuses Portfolio is On/Near: 68

Sample Campuses: University of Southern California,

Arizona State University, University of Minnesota,

Georgia Tech, Texas A&M University.

2017 RANK: 6

6 COCM (CAPSTONE ON CAMPUS MANAGEMENT)

1500 Urban Center Drive, Suite 400

Vestavia Hills, AL 35242

www.cocm.com

Top Executive: Doug Brown, President

Total Number of Beds Managed: 35,850

Total Number of Properties Managed: 62

Number of Properties Managed Off-Campus: 0

Number of Beds Managed Off-Campus: 0

Number of Properties Managed On-Campus: 62

Number of Beds Managed On-Campus: 35,850

Percentage of Managed Portfolio Owned

by Company: 0%¹

Number of Beds in Third-party Management

Portfolio: 35,850

Percentage of Portfolio Managed by the Unit: 3%

Percentage of Portfolio Managed by the Bed: 97%

Number of Campuses Portfolio is On/Near: 41

Sample Campuses: University of Maryland, Florida

Atlantic University, East Stroudsburg University.

2017 RANK: 7

7 CAMPUS ADVANTAGE

110 Wild Basin Road, Austin, TX 78746

www.campusadv.com

Top Executive: Mike Peter, President & CEO

Total Number of Beds Managed: 33,287

Total Number of Properties Managed: 64

Number of Properties Managed Off-Campus: 60

Number of Beds Managed Off-Campus: 31,968

Number of Properties Managed On-Campus: 4

Number of Beds Managed On-Campus: 1,319

Percentage of Managed Portfolio Owned

by Company: 55%

Number of Beds in Third-party Management

Portfolio: 14,979

Percentage of Portfolio Managed by the Unit: 6%

Percentage of Portfolio Managed by the Bed: 94%

Number of Campuses Portfolio is On/Near: 43

Sample Campuses: Louisiana State University,

University of Missouri, Pennsylvania State University,

University of Texas, University of Oregon, University

of Washington, Michigan State University, University of

Central Florida, Auburn University.

TOP 25 STUDENT HOUSING MANAGERS

2018 Rank	Company	Total Beds Under Mgmt.	% Change From 2017	2017 Rank
1	American Campus Communities	132,751	0.9%	1
2	Asset Campus Housing	132,356	8.2%	2
3	Greystar ²	63,559	73.6%	14
4	The Scion Group	61,885	20.9%	4
5	Peak Campus	52,472	1.0%	3
6	COCM	35,850	7.7%	6
7	Campus Advantage	33,287	5.8%	7
8	Cardinal Group Management	32,846	30.3%	10
9	The Preiss Company	32,838	14.5%	8
10	Landmark Properties	28,539	23.7%	11
11	The Collier Companies	25,825	0.6%	9
12	Redstone Residential	23,854	39.0%	17
13	Campus Apartments	22,060	1.9%	12
14	Pinnacle Campus Living	18,528	20.8%	16
15	Corvias	18,064	N/A	NR
16	CA Student Living	17,085	7.2%	15
17	Pierce Education Properties	16,212	12.4%	19
18	Aspen Heights Partners	16,122	-18.0%	13
19	Campus Living Villages	14,692	18.2%	22
20	Park7 Group	14,421	N/A	NR
21	Coastal Ridge Real Estate	13,486	2.0%	20
22	Horizon Realty Advisors	12,828	-12.4%	18
23	Foresite Realty Partners	12,456	N/A	NR
24	RISE: A Real Estate Company	10,643	-22.2%	21
25	Sterling University Housing	10,000	-1.9%	24

NR = not ranked in 2017

TOP 15 THIRD-PARTY MANAGERS

Third-Party Rank	Top 25 Mgmt. Rank	Company	Beds Under Third-Party Mgmt.
1	2	Asset Campus Housing	132,356
2	5	Peak Campus	52,472
3	6	COCM	35,850
4	8	Cardinal Group Management	29,122
5	1	American Campus Communities	28,673
6	12	Redstone Residential	23,854
7	14	Pinnacle Campus Living	18,528
8	3	Greystar	18,121
9	7	Campus Advantage	14,979
10	9	The Preiss Company	13,949
11	23	Foresite Realty Partners	12,456
12	10	Landmark Properties	10,221
13	24	RISE: A Real Estate Company	8,288
14	13	Campus Apartments	4,996
15	NR	Servitas	4,696

Source: Student Housing Business research

TOP 25 MANAGERS

2017 RANK: 10

8 CARDINAL GROUP MANAGEMENT

4100 E. Mississippi Ave., Floor 15, Denver, CO 80246
www.CardinalGroup.com
Top Executive: Del de Windt, CEO
Total Number of Beds Managed: 32,846
Total Number of Properties Managed: 95
Number of Properties Managed Off-Campus: 93
Number of Beds Managed Off-Campus: 32,313
Number of Properties Managed On-Campus: 2
Number of Beds Managed On-Campus: 533
Percentage of Managed Portfolio Owned by Company: 11%
Number of Beds in Third-party Management Portfolio: 29,122
Percentage of Portfolio Managed by the Unit: 18%
Percentage of Portfolio Managed by the Bed: 82%
Number of Campuses Portfolio is On/Near: 48
Sample Campuses: University of Oregon, University of Minnesota, University of Illinois-Champaign, Sam Houston State University.

2017 RANK: 8

9 THE PREISS COMPANY

1700 Hillsborough Street, Raleigh, NC 27605
www.tpc.com
Top Executive: Donna Preiss, Founder & CEO
Total Number of Beds Managed: 32,838
Total Number of Properties Managed: 69
Number of Properties Managed Off-Campus: 69
Number of Beds Managed Off-Campus: 32,838
Number of Properties Managed On-Campus: 0
Number of Beds Managed On-Campus: 0
Percentage of Managed Portfolio Owned by Company: 58%
Number of Beds in Third-party Management Portfolio: 13,949
Percentage of Portfolio Managed by the Unit: 0%
Percentage of Portfolio Managed by the Bed: 100%
Number of Campuses Portfolio is On/Near: 43
Sample Campuses: North Carolina State University, East Carolina University, University of North Carolina at Charlotte, University of North Carolina at Wilmington, Florida State University, University of Central Florida, Florida Atlantic University, Texas State University, University of Texas at Austin, Georgia Southern University.

2017 RANK: 11

10 LANDMARK PROPERTIES

315 Oconee St., Athens, GA 30601
www.landmarkproperties.com
Top Executive: Wes Rogers, President & CEO
Total Number of Beds Managed: 28,539
Total Number of Properties Managed: 56
Number of Properties Managed Off-Campus: 56
Number of Beds Managed Off-Campus: 28,539
Number of Properties Managed On-Campus: 0
Number of Beds Managed On-Campus: 0
Percentage of Managed Portfolio Owned by Company: 64%
Number of Beds in Third-party Management Portfolio: 10,221
Percentage of Portfolio Managed by the Unit: 98%
Percentage of Portfolio Managed by the Bed: 2%
Number of Campuses Portfolio is On/Near: 45
Sample Campuses: University of Georgia, Pennsylvania State University, University of Florida, Florida State University, Texas A&M University.

2017 RANK: 9

11 THE COLLIER COMPANIES

220 North Main Street, Gainesville, FL 32601
www.colliercompanies.com
Top Executive: Nathan S. Collier, Chairmain and Founder
Total Number of Beds Managed: 25,825
Total Number of Properties Managed: 49
Number of Properties Managed Off-Campus: 49
Number of Beds Managed Off-Campus: 25,825
Number of Properties Managed On-Campus: 0
Number of Beds Managed On-Campus: 0
Percentage of Managed Portfolio Owned by Company: 100%
Number of Beds in Third-party Management Portfolio: 0¹
Percentage of Portfolio Managed by the Unit: 61%
Percentage of Portfolio Managed by the Bed: 39%
Number of Campuses Portfolio is On/Near: 23
Sample Campuses: University of Florida, Santa Fe College, St. Johns River State College, Oklahoma University, University of South Florida, Hillsborough Community College, Central Florida University, Rollins College, Florida State University, Florida A&M, University of Georgia, Tallahassee Community College, Central Florida College, Piedmont College, East Georgia State College, Valencia College, Bethune Cookman University, Daytona State College, Embry-Riddle University.

2017 RANK: 17

12 REDSTONE RESIDENTIAL

1168 South 1620 East, Provo, UT 84604
redstoneresidential.com
Top Executive: Grant Collard, CEO
Total Number of Beds Managed: 23,854
Total Number of Properties Managed: 77
Number of Properties Managed Off-Campus: 77
Number of Beds Managed Off-Campus: 23,854
Number of Properties Managed On-Campus: 0
Number of Beds Managed On-Campus: 0
Percentage of Managed Portfolio Owned by Company: 0%
Number of Beds in Third-party Management Portfolio: 23,854
Percentage of Portfolio Managed by the Unit: 10%
Percentage of Portfolio Managed by the Bed: 90%
Number of Campuses Portfolio is On/Near: 28
Sample Campuses: Brigham Young University, BYU-Idaho, Utah State University, Utah Valley University, University of Oregon, Washington State University, Dixie State University, Arizona State University, Northern Arizona University, Sacramento State University, University of California at Santa Barbara.

2017 RANK: 12

13 CAMPUS APARTMENTS

4043 Walnut St., Philadelphia, PA 19104
www.campusapartments.com
Top Executive: David J. Adelman, Chief Executive Officer
Total Number of Beds Managed: 22,060
Total Number of Properties Managed: 43
Number of Properties Managed Off-Campus: 38
Number of Beds Managed Off-Campus: 18,848
Number of Properties Managed On-Campus: 5
Number of Beds Managed On-Campus: 3,212
Percentage of Managed Portfolio Owned by Company: 79%
Number of Beds in Third-party Management Portfolio: 4,996
Percentage of Portfolio Managed by the Unit: 28%
Percentage of Portfolio Managed by the Bed: 72%
Number of Campuses Portfolio is On/Near: 60
Sample Campuses: University of Arizona, University of Pennsylvania, Texas A&M University, University of Michigan.

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TOP 25 MANAGERS

2017 RANK: 19

17 PIERCE EDUCATION PROPERTIES
 8880 Rio San Diego Drive, Suite 750, San Diego, CA 92108
www.PierceEducationProperties.com
 Top Executive: Frederick W. Pierce, IV, President & CEO
 Total Number of Beds Managed: 16,212
 Total Number of Properties Managed: 24
 Number of Properties Managed Off-Campus: 24
 Number of Beds Managed Off-Campus: 16,212
 Number of Properties Managed On-Campus: 0
 Number of Beds Managed On-Campus: 0
 Percentage of Managed Portfolio Owned by Company: 90%
 Number of Beds in Third-party Management Portfolio: 1,611
 Percentage of Portfolio Managed by the Unit: 9%
 Percentage of Portfolio Managed by the Bed: 91%¹
 Number of Campuses Portfolio is On/Near: 23
 Sample Campuses: San Diego State University, University of Arizona, University of New Mexico, Sam Houston State University, University of Nebraska, Iowa State University, Ball State University, Indiana University, Purdue University, Central Michigan University, Ohio State University, Miami University (OH), University of Kansas, Western Kentucky University, University of West Virginia, Virginia University, East Carolina University, University of South Carolina, University of Georgia, Georgia Tech, University of Florida, Florida State University, University of South Florida.

2017 RANK: 13

18 ASPEN HEIGHTS PARTNERS
 1301 S. Capital of Texas Hwy, Suite B-201, Austin, TX 78746
www.ahpliving.com/
 Top Executive: Greg Henry, CEO
 Total Number of Beds Managed: 16,122
 Total Number of Properties Managed: 31
 Number of Properties Managed Off-Campus: 30
 Number of Beds Managed Off-Campus: 15,909
 Number of Properties Managed On-Campus: 1
 Number of Beds Managed On-Campus: 213
 Percentage of Managed Portfolio Owned by Company: 70%
 Number of Beds in Third-party Management Portfolio: 2,135
 Percentage of Portfolio Managed by the Unit: 0%
 Percentage of Portfolio Managed by the Bed: 100%
 Number of Campuses Portfolio is On/Near: 28
 Sample Campuses: NR

2017 RANK: 22

19 CAMPUS LIVING VILLAGES
 1001 Fannin Street, Suite 1350, Houston, TX 77002
www.campuslivingvillages.com
 Top Executive: Thelma Edgell, Chief Executive Officer, CLV U.S.
 Total Number of Beds Managed: 14,692
 Total Number of Properties Managed: 22
 Number of Properties Managed Off-Campus: 3
 Number of Beds Managed Off-Campus: 2,639
 Number of Properties Managed On-Campus: 19
 Number of Beds Managed On-Campus: 12,053
 Percentage of Managed Portfolio Owned by Company: 87%
 Number of Beds in Third-party Management Portfolio: 3,436
 Percentage of Portfolio Managed by the Unit: 0%
 Percentage of Portfolio Managed by the Bed: 100%
 Number of Campuses Portfolio is On/Near: 19
 Sample Campuses: Northwestern State University of Louisiana, Weber State University, Academy of Art University.

Footnotes:

¹ In some cases, respondents omitted data or had errors in their submissions that could be calculated from other data provided. This answer has been assumed by SHB based on data provided by the company.

² Greystar acquired EdR in September 2018. With the addition of the EdR portfolio, Greystar's student housing management grew from 16,778 beds in 2017 to 63,559 beds in 2018, a change of 73.6 percent. Using EdR's portfolio in 2017 as the basis, that number rises from 46,200 beds to 63,559 when combined with the Greystar U.S. student housing portfolio (an increase of 37.6 percent from EdR's 2017 managed beds).

³ Corvias' beds are operated in public-private partnerships with universities.

2017 RANK: NR

20 PARK7 GROUP
 461 Park Avenue S., Floor 4, New York, NY 10016
www.park7group.com
 Top Executive: Ronald Gatehouse, President & CEO
 Total Number of Beds Managed: 14,421
 Total Number of Properties Managed: 20
 Number of Properties Managed Off-Campus: 20
 Number of Beds Managed Off-Campus: 14,421
 Number of Properties Managed On-Campus: 0
 Number of Beds Managed On-Campus: 0
 Percentage of Managed Portfolio Owned by Company: 100%
 Number of Beds in Third-party Management Portfolio: 0
 Percentage of Portfolio Managed by the Unit: 0%
 Percentage of Portfolio Managed by the Bed: 100%
 Number of Campuses Portfolio is On/Near: 19
 Sample Campuses: University of South Carolina.

2017 RANK: 20

21 COASTAL RIDGE REAL ESTATE
 2200 W. 5th Ave., Suite 120, Columbus, OH 43215
www.coastalridgere.com
 Top Executive: Jay Harkrider, Managing Partner
 Total Number of Beds Managed: 13,486
 Total Number of Properties Managed: 21
 Number of Properties Managed Off-Campus: 21
 Number of Beds Managed Off-Campus: 13,486
 Number of Properties Managed On-Campus: 0
 Number of Beds Managed On-Campus: 0
 Percentage of Managed Portfolio Owned by Company: 86%
 Number of Beds in Third-party Management Portfolio: 1,584
 Percentage of Portfolio Managed by the Unit: 0%
 Percentage of Portfolio Managed by the Bed: 100%
 Number of Campuses Portfolio is On/Near: 18
 Sample Campuses: NR.

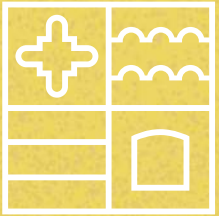
2017 RANK: 18

22 HORIZON REALTY ADVISORS
 2003 Western Ave., Suite 445, Seattle, WA 98121
www.horizonra.com
 Top Executive: Greg Beckel, Tim Smith, Mike Strand, Rob Marshall, Principals
 Total Number of Beds Managed: 12,828
 Total Number of Properties Managed: 24
 Number of Properties Managed Off-Campus: 24
 Number of Beds Managed Off-Campus: 12,828
 Number of Properties Managed On-Campus: 0
 Number of Beds Managed On-Campus: 0
 Percentage of Managed Portfolio Owned by Company: 100%¹
 Number of Beds in Third-party Management Portfolio: 0
 Percentage of Portfolio Managed by the Unit: 20%
 Percentage of Portfolio Managed by the Bed: 80%
 Number of Campuses Portfolio is On/Near: 14
 Sample Campuses: North Carolina State University, Texas A&M University, University of Oregon, Oregon State University, Brigham Young University, Washington State University.

2017 RANK: NR

23 FORESITE REALTY PARTNERS
 5600 North River Road, Suite 925, Rosemont, IL 60018
www.foresiterealty.com
 Top Executive: Donald Shapiro, CEO/President
 Total Number of Beds Managed: 12,456
 Total Number of Properties Managed: 26
 Number of Properties Managed Off-Campus: 26
 Number of Beds Managed Off-Campus: 12,456
 Number of Properties Managed On-Campus: 0
 Number of Beds Managed On-Campus: 0
 Percentage of Managed Portfolio Owned by Company: 0%¹
 Number of Beds in Third-party Management Portfolio: 12,456
 Percentage of Portfolio Managed by the Unit: 0%
 Percentage of Portfolio Managed by the Bed: 100%
 Number of Campuses Portfolio is On/Near: 35
 Sample Campuses: University of Indiana.

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Jeff Githens, President of Development
jgithens@peakcampus.com | 404-920-5361

Management Contact

Ryan Hand, VP of Business Development
ryan@peakcampus.com | 404-920-5320

TOP 25 MANAGERS

2017 RANK: 21
24 RISE: A REAL ESTATE COMPANY
129 N. Patterson Street, Valdosta, GA 31601
www.risere.com
Top Executive: Ryan Holmes, CEO
Total Number of Beds Managed: 10,643
Total Number of Properties Managed: 21
Number of Properties Managed Off-Campus: 15
Number of Beds Managed Off-Campus: 3,510
Number of Properties Managed On-Campus: 6
Number of Beds Managed On-Campus: 6,671
Percentage of Managed Portfolio Owned by Company: 24%
Number of Beds in Third-party Management Portfolio: 8,288
Percentage of Portfolio Managed by the Unit: 1%
Percentage of Portfolio Managed by the Bed: 99%
Number of Campuses Portfolio is On/Near: 45
Sample Campuses: Louisiana State University, University of North Carolina at Charlotte, Embry-Riddle Aeronautical University, Temple University.

2017 RANK: 24
25 STERLING UNIVERSITY HOUSING
3411 Richmond, 5th Floor, Houston, TX 77046
www.dinersteincompanies.com
Top Executive: Brian Dinerstein, President
Total Number of Beds Managed: 10,000
Total Number of Properties Managed: 16
Number of Properties Managed Off-Campus: 16
Number of Beds Managed Off-Campus: 10,000¹
Number of Properties Managed On-Campus: 0
Number of Beds Managed On-Campus: 0
Percentage of Managed Portfolio Owned by Company: 100%
Number of Beds in Third-party Management Portfolio: 0
Percentage of Portfolio Managed by the Unit: 0%
Percentage of Portfolio Managed by the Bed: 100%
Number of Campuses Portfolio is On/Near: 13
Sample Campuses: University of Michigan, Texas A&M University, University of Arizona.

WHO'S CLOSE?

Rounding out the Top 30 Managers:

26	27	28	29	30
HOMESTEAD U	UNIVERSITY COMMUNITIES	CAPSTONE COLLEGIATE COMMUNITIES	CORE SPACES	UNIVERSITY STUDENT LIVING
Total Number of Beds Managed: 9,933	Total Number of Beds Managed: 8,300	Total Number of Beds Managed: 7,040	Total Number of Beds Managed: 6,972	Total Number of Beds Managed: 6,204
Total Number of Properties Managed: 15	Total Number of Properties Managed: 30	Total Number of Properties Managed: 8	Total Number of Properties Managed: 14	Total Number of Properties Managed: 11

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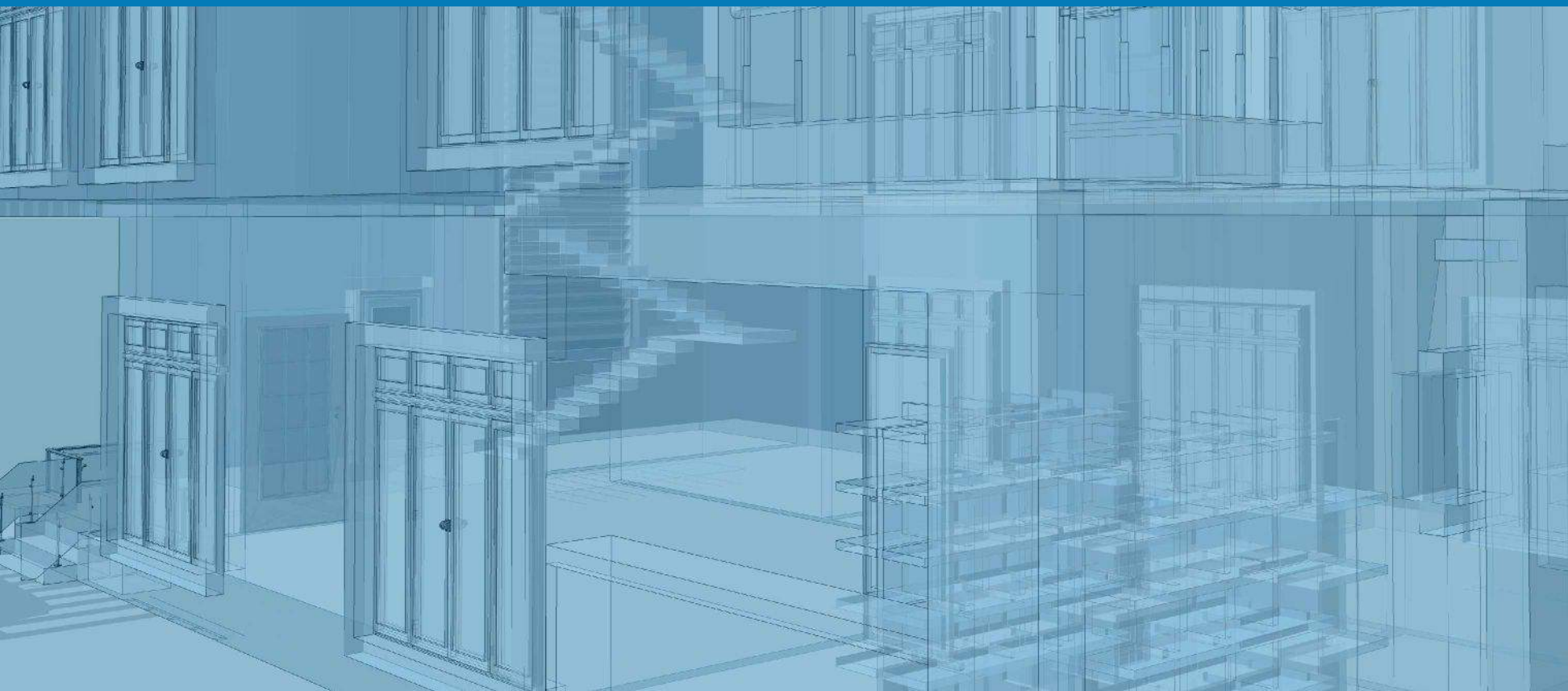
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In this special section, *Student Housing Business* profiles some of the leading firms in student housing architecture and design, featuring their projects and the people behind them.



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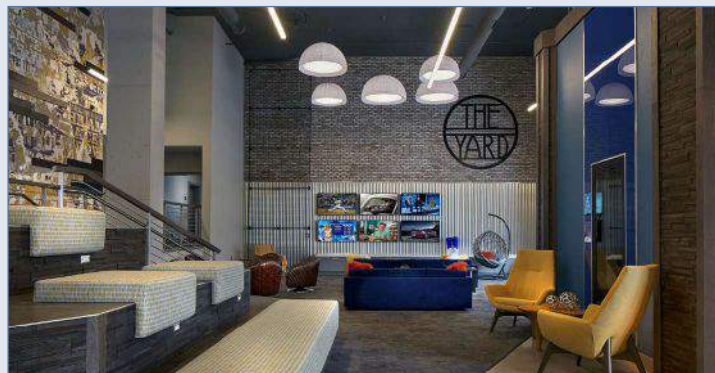


Theory Syracuse | Syracuse, NY

Beds: 600

Project: 409,062 SF

Client: Peak Campus



The Yard on South Main | Ann Arbor, MI

Project Interiors: 255,000 SF

Client: Collegiate Development Group

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Nik Middleton, RIBA
Partner/CEO

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ecommerce division, We Are Stellar Designs, finally allows us to say "YES!"

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Altamonte Springs, FL 32714

407-830-1400

#AA0002731



The 9 @ Gainesville

Gainesville, FL

Units: 179

Beds: 627

Developer: 908 Group

Year Built: 2018



The 9 @ Tallahassee

Tallahassee, FL

Units: 104

Beds: 438

Developer: 908 Group

Year Built: In progress 2019

Forum Architecture & Interior Design, Inc.

Forum Architecture & Interior Design, Inc. is an employee-owned, full service architectural firm based in Altamonte Springs, Florida (Orlando), specializing in planning, architecture and interior design. Founded in 1986, Forum is a recognized national leader and award-winning design firm. The firm focuses primarily on multi-family, student housing, senior housing, clubhouses, resort, hospitality and commercial markets.

Forum's student housing designs are always forward thinking and address a wide variety of demographics and regional preferences. Our recent student housing work includes NINE at Tuscaloosa and NINE at Gainesville. NINE at Tallahassee is currently under construction. Our apartment designs efficiently balance students' personal and shared space and are conducive to individual lease management.

Forum understands the residential needs of students, and we design based on these expectations. Technology, safety, eco-friendly living spaces, socialization areas, privacy versus communal spaces, transportation and parking, all play major roles throughout our design process.

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The Local
San Marcos, TX

Units: 96
Beds: 304
Completion Date: July 2017
Developer: EdR



City Center
Ithaca, NY

Units: 192
Beds: 231
Completion Date: Spring 2019
Developer: Newman Development Group

Humphreys & Partners Architects

Dallas-based Humphreys & Partners Architects (HPA) is a full service architectural and planning firm that also offers civil engineering, landscape architecture and interior design services for the top private student housing developers in the country. **With student housing totaling 25 percent of the company's work**, HPA has provided design services on **over 125,000 student beds** to date.



Greg Faulkner
President

"We work with each client individually to meet their program, goals and budget – project by project. We are always looking at each client interaction as a relationship-building opportunity, not a one-time deal. That is how we've built our company for 27 years."

- Greg Faulkner, President of HPA

Student housing has evolved dramatically over the past 12 years. The competitive environment makes it vital to have the most experienced architect and consulting team to deliver cutting-edge, cost-effective designs that beat the competition.

Why do long-time clients and new ones from across the US partner with HPA for their student housing projects? Simple. **Our team of student-housing design experts provides high-quality products – on time, on budget.**

The company currently has eleven U.S. office locations: Charlotte, Chicago, Dallas, Denver, Los Angeles, New Orleans, New York, Newport Beach, Orlando, Houston, and Scottsdale. International offices include Chennai, Hanoi, Ho Chi Minh City, London, Mexico City, and Montevideo.

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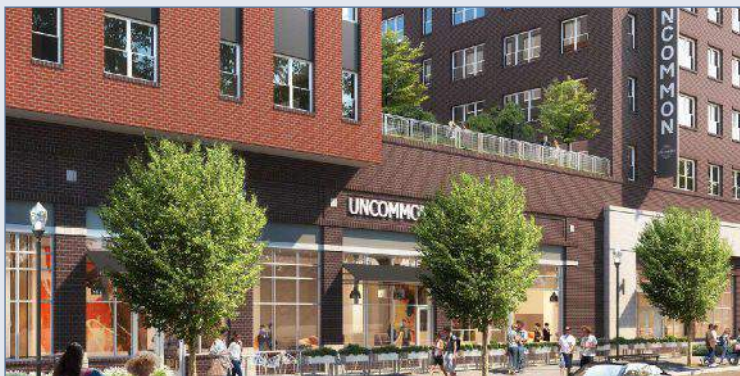
Architecture Planning Design



Nicholson Gateway

Louisiana State University
Baton Rouge, LA

Units: 763
Beds: 1,529
38,000 sf retail
Completed: July 2018
Developer: RISE: A Real Estate Company



Uncommon Auburn

Auburn University
Auburn, AL

Units: 221
Beds: 610
10,000 sf retail
Completion Date: Fall 2020
Developer: CA Ventures

Niles Bolton Associates

Founded on its work in the residential sector, Niles Bolton Associates (NBA) rapidly made a name for itself in multifamily residential design. Being awarded the housing design for the 1996 Summer Olympics in Atlanta helped establish their name in the area of institutional housing. Today, Niles Bolton Associates, with offices in Atlanta and Alexandria, Va., has designed 60,000+ beds on over 70 campuses and 40,000+ beds of off-campus housing nationwide.



Ray Kimsey
AIA, LEED AP,
President

The company is currently involved with on-campus projects at Louisiana State University, Nova Southeastern University, Norfolk State University and Appalachian State University. In addition, NBA is currently involved with off-campus developments at more than 15 universities and colleges across the country, including Auburn University, Georgia Institute of Technology, Temple University, Northern Arizona University, George Mason University, University of Arkansas, University of Virginia and Mississippi State University.

"It has been an exciting year for NBA's student housing studios and our work on projects ranging from 10,400 beds to 96 beds," says Ray Kimsey, President of Niles Bolton Associates. "This experience has given us a unique perspective on the most desirable features for student housing and has allowed us to solve the thorny issues of package delivery and ride-share integration while continuing to deliver state-of-the-art recreational amenities."

With a goal to be a national planning and design resource for the student housing market, NBA plans to continue to attract and retain talent to serve its clients and strengthen its already deep team.



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Terrapin Row, University of Maryland College Park (Toll Brothers Campus Living)

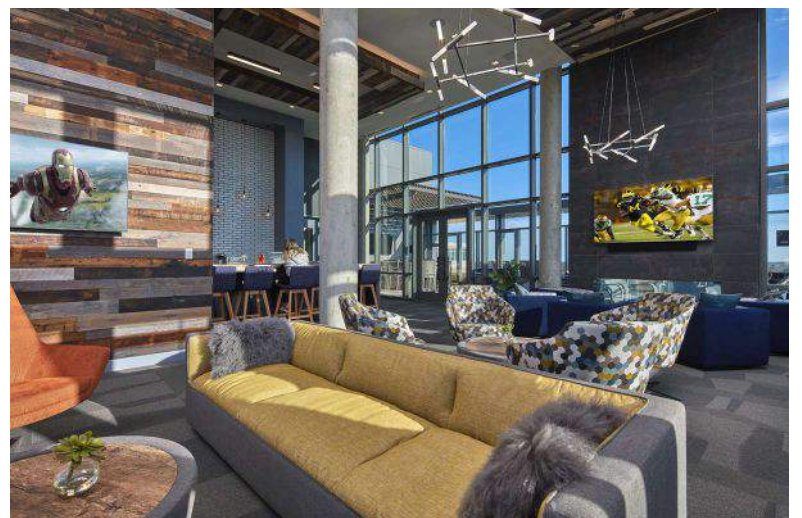
LIVING ON THE EDGE

Creating dynamic student living environments

At WDG, living on the edge is more than a prime location. Our mixed-use edge campus communities are grounded in place making, community building, safety, wellness and student growth. Whether urban infill or multiple buildings, WDG understands the vital importance of schedules and construction costs for student living projects. Our refined project delivery systems achieve swift entitlement approvals, highly efficient building layouts, and amenity planning focused on the leasing walk and social engagement. Our edge campus projects have a proven track record of success, measured by client satisfaction, rapid lease up, low turnover and high resale value.

Under the leadership of Bob Keane, AIA, our Higher Education studio has master planned and designed over 4.8 million-sf of student living environments providing public and private clients over 12,000 beds and a wide range of trendsetting amenities.

WDG's design process leverages the unique knowledge and strengths of stakeholders, consultants, and teammates. Each assignment is a journey leading project teams down a path that is broad yet focused. Beginning with a clear understanding of our clients' needs and values, our design process is exploratory, environmentally sensitive, contextually responsive and integrates owner goals and aspirations with technology, art and craft to uncover a singular, thoughtful, innovative solution.



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**HELIX at Starkville**Mississippi State University
Starkville, MSUnits: 252
Completion Date: 2016
Beds: 790
Developer: Homestead
Development Partners**Aspen Heights at Syracuse**Syracuse University
Syracuse, NYUnits: 132
Completion Date: 2017
Beds: 490
Developer: Aspen Heights Partners**Charlan • Brock • Architects**

From the beginning, Charlan • Brock • Architects (CBA) has been driven by a mission to assist clients in fulfilling their vision through a collaborative, empowering environment. Established in 1980, the Florida-based full-service architectural firm specializes in all forms of multi-family residential, student housing, and mixed-use developments.

Over the past four decades, CBA has developed a laser sharp focus on meeting the ever-changing needs of the development industry with attention to all markets, pricing and intensities in the housing industry. Due to their dedication, CBA has proudly become the go-to firm for integrating housing of all types into mixed-use and town centers throughout the nation. In addition, CBA also concentrates on assisting both private and municipal clients as they determine how to arrange a multitude of various uses into cohesive, vibrant, successful communities, or design solutions.

Through each and every project, CBA has the same overall goals: to nurture and maintain a clear project vision, to maximize the effectiveness of every team member, and maximize access to technical expertise and creativity. As a result, CBA has created a highly collaborative process flow, forming close relationships with their clients as well as outside consultants, before and during construction. The majority of CBA's design and construction document work is performed in REVIT, which provides a much more comprehensive design documentation and allows everyone on the team to understand the solution through three-dimensional modeling.

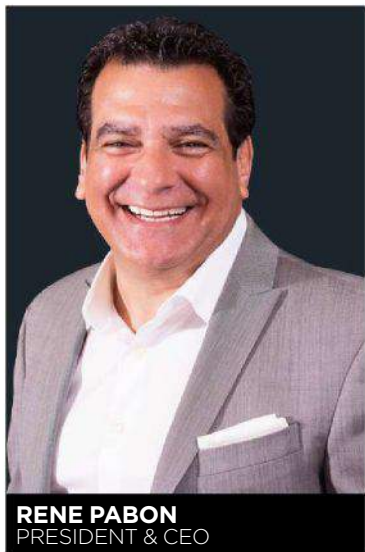
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RENE PABON
PRESIDENT & CEO

With an emphasis on student housing, multi-family, urban revitalization, mixed-use and high rise developments, The Childs Dreyfus Group has created thought provoking designs that focus on context, local culture, lifestyles, and the needs of each demographic they target.

CDG has designed dozens of universities - *off-campus student housing* - with a focus on facilitating community, establishing smart technology and enhancing the student living experience... all while continuing to foster an award-winning culture driven to exceed expectations in interior architecture, merchandising and design.

In a world where we are surrounded by technology, it's no surprise student housing and generation Z students are demanding smart technology be incorporated not as an afterthought, but as a cornerstone of their living experience on campus.

Smart technology is shaping the very layout, structure, design, and functionality of new student housing. CDG places an importance on student security, constant connectivity, student privacy, sustainability and design that meets and exceeds the expectations of the student, parent and university.

CDG's dedication to Student Housing inspires us to push our own design limits to design resources that help students live better and keep them moving toward their objective....Understanding the balance between comfortable living and a smart infrastructure.

Where we work with says it all...**Illinois State University of Illinois, Florida State University, Ohio State, Texas State, Penn State, Mississippi State, University of Delaware, Florida Atlantic University and University of Texas** - are a few of the schools CDG has had the honor of being a part of.

OHIO STATE UNIVERSITY



University Village
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Beds: 2250

UNIVERSITY OF ILLINOIS



Campus Circle
Developer: Bainbridge
Units: 181

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WaHu

University of Minnesota
– Twin Cities
Minneapolis, MN

Units: 313
Year Built: 2015
Beds: 826
Developer: The Michaels
Organization & CPM Cos.



The Standard at Auburn

Auburn University
Auburn, AL

Units: 219
Year Built: In progress
August 2019 (est.)
Beds: 683
Developer: Landmark Properties

BKV Group

BKV Group is an award-winning national design firm established in 1978. The firm provides integrated architecture, engineering, interior design, landscape architecture and construction administration services to public and private clients. With offices in Minneapolis, Chicago, and Washington, D.C., our combination of insight, innovation and inspiration provides successful solutions to reach our clients' goals. We engage clients, value their objectives, and develop design solutions to make meaningful contributions to the built environment. Our collaborative approach strives to support our mission of "Enriching Lives and Strengthening Communities."



Jack Boarman
AIA, Partner
& CEO

BKV's multifamily experience and innovative approach to urban construction enables us to deliver projects that meet the unique location, design and capacity needs of developers, campuses and students nationwide. At BKV Group, we understand trends in the industry, delivery of services, marketplace, operations, financing and competition. We create meaningful contributions that support residents and their need for both privacy and community. Our designs are inspired by each university's campus environment, and we often borrow themes or color schemes from the school. The resulting communities are colorful, spacious and creative, and adaptive to each environment, setting them apart from other developments around campus.

Our process and work environment is driven by building technology, which fosters a highly innovative and forward-thinking team culture. We are dedicated to applying the latest technology trends and techniques to improve both our work and our own knowledge. These include trends in energy efficiency and sustainability, and innovative ways to produce cost-effective residential environments.

Quality Projects On Time

Two projects serve as design and construction how-to guides on delivering on-campus housing on time.

By Sam Rajamanickam, Design Collective

As the nation's student housing stock continues to age, more and more universities need new and renovated housing that better aligns with their academic mission and student needs. Design and construction schedules for these living and learning facilities are often compressed by immediate demand and the need to build and move students in as soon as possible.

Many universities are accustomed to a step-by-step, linear decision-making process that involves extensive stakeholder input, often resulting in a design-bid-build approach to project execution. But immediate demand for live-learn facilities often leaves little room in the schedule for this traditional approach to project execution. Universities recognize this but believe that shortchanging this well-established approach may affect their control over the process or affect their level of input, resulting in a project that does not meet all of their objectives.

At the same time, however, the design and construction team is expected to successfully deliver the project in an extremely compressed timeframe without any compromises to achieving project goals and the desired level of quality.

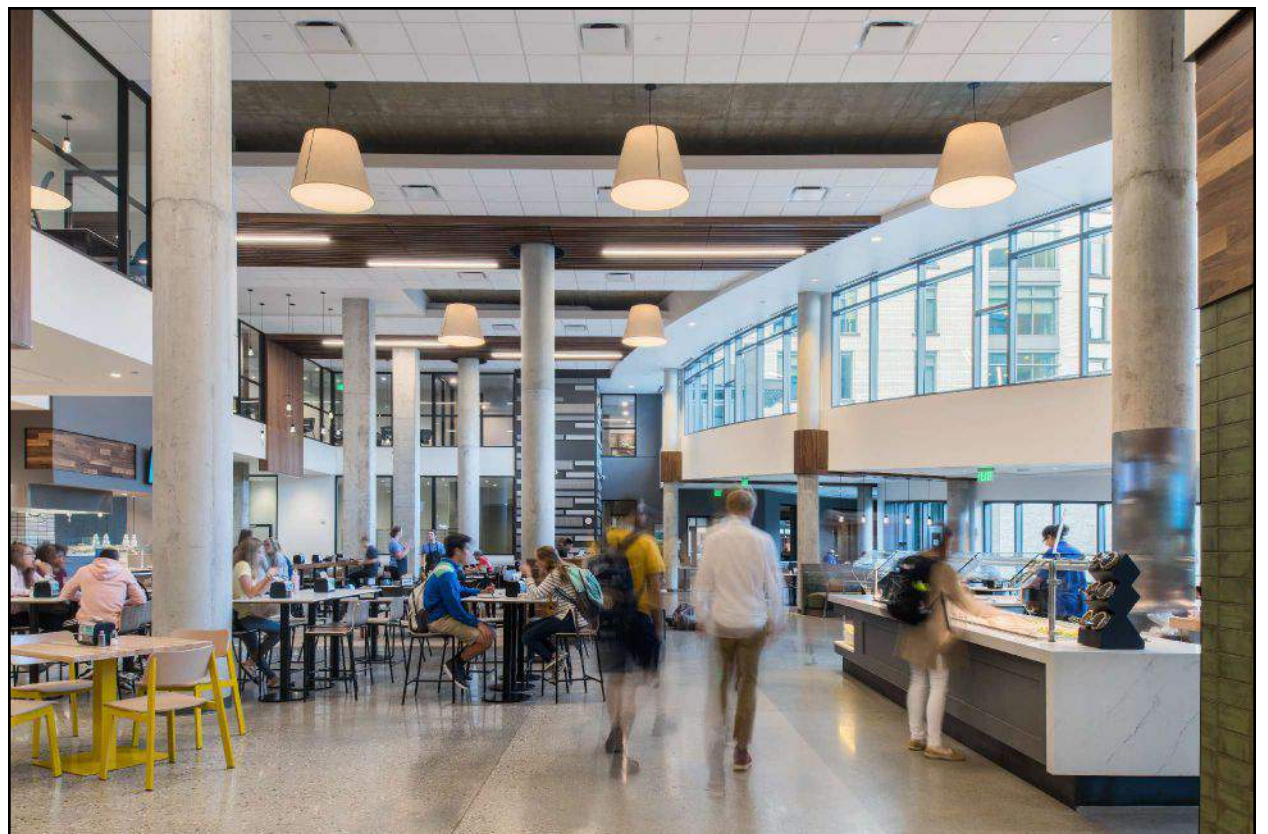
So how does a design team go about meeting these expectations, which at times seem extremely at odds? A practical, thoughtfully developed project and communication plan allows time for addressing all the project challenges, while optimizing the momentum to meet the demands of a compressed schedule. Here is how two universities used clear, precise planning methods and coordination techniques to avoid delays and effectively navigate compressed schedules on recently completed student housing projects.

The Commons at Marquette University

Located in an urban context within the city of Milwaukee, Marquette University's enrollment is projected to rise, but the university had not



Marquette University's project design, documentation, and construction phases were all to be carried out in just 24 months. The project delivered on time and features a 12-story building to house approximately 890 beds and a 700-seat dining facility with related food service components and a large student commons.



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PROJECT PROFILE

built any new student housing on campus in 50 years. The need to control the rising cost of maintaining existing facilities and the desire for flexible spaces to offer live-learn programs and amenities that today's students expect created an immediate need for a new student housing facility with a large dining component.

Marquette has a long-term master plan for the campus, and this new student housing facility was the first initiative to come out of this plan. The project kicked off in August 2016, and successfully opened in August 2018. The project design, documentation, and construction phases were all carried out in just 24 months. Designing and constructing a 12-story building to house 890 beds and a 650-seat dining facility with related food service components and a large student commons within that timeframe was ambitious.

Working with the Marquette team from day one, the design team (Design Collective with local partner Workshop Architects) hit the mark by tailoring the design not just to meet the university's programmatic needs, but to be "transformative," an objective that was specifically emphasized by the university. The student housing component was designed as two separate communities over a common two-story base that included student amenity/communal spaces, dining and foodservice spaces. The U-shaped building footprint, designed in response to the site and urban context, creates a south facing lawn, and adds a large courtyard to the overall campus pedestrian experience. The university is already thinking of ways to program and use this lawn as a major gathering place on campus.

This project was delivered under a con-

struction manager at risk (CMAR) method, which allowed for early and close collaboration between the design and the construction teams. The extremely aggressive nature of Marquette's schedule did not leave any time for the typical "design, estimate, value-engineer, and repeat cycle" approach to advance through the design phases. Multiple strategies were implemented to support a non-sequential approach that was needed to meet the schedule:

- The design team had to work on several aspects concurrently and advance the design in close collaboration with the construction manager, J.H. Findorff & Son, and the estimates were vetted on an ongoing basis.
- The team assembled and issued multiple bid packages, such as an early footings and foundation package, structural package, core and shell package and an interiors package to make the schedule work.
- At the beginning of the project, the design team met for a pull planning session with the CM and the university, establishing milestone dates for each package, and identifying long lead items in advance to prevent them from becoming potential schedule snares. Additional sessions were held after each milestone submission to ensure the project stayed on track.
- The visual representation of the work flow at these pull planning sessions helped the entire team — the university, design team and the contractor — to buy into the process. This was particularly important for the university stakeholders, as it helped them understand that an aggressive schedule and their control over the process are not mutually exclusive. Instead, it is possible to have check-ins at criti-

cal milestones and to enhance their role as an engaged partner.

- Product and systems selections were made with the schedule in mind. For example, limestone, a major exterior cladding material, was locally sourced, ensuring immediate availability.

- Techniques such as prefabrication of exterior wall panels and prefabrication of MEP system runs were used to allow for these portions of the work to advance while the concrete frame was still being poured.

This close collaboration between the university and the design and construction teams allowed for the advancement of design documents, procurement of scope, and mobilization of construction crews to happen in sync.

The successful completion of this project demonstrates that with clear, careful planning and continuous collaboration, even a major transformational project such as The Commons at Marquette can be designed and constructed within a compressed schedule to meet the university's pressing needs, without sacrificing the university's desire for stakeholder participation.

Potomac Place at Shepherd University

Unlike Marquette University, Shepherd University located in Shepherdstown, West Virginia, is a small, rural institution with a large commuter population. Facing a projected decline in student enrollment, university officials set out to bolster the on-campus student housing portfolio to attract more students, create stronger first impressions and help address some of the enrollment challenges.

Shepherd invited leading on campus student housing developers in the student housing sector to submit a public-private partnership proposal for a 300-bed facility with associated live-learn components and a small dining and food service component. The project was awarded to EdR (now Greystar), as the developer, and Design Collective, as the architect, providing architecture, interior design, and landscape architecture services. At the interview, the design team presented a conceptual design based on research performed during the RFP phase: a simple "L" shaped building that would reinforce the campus master plan, character of the school, and its surrounding context.

The design complements the University's 2014 master plan by siting the building to seamlessly tie into pedestrian pathways linking existing residence halls and the campus core and by providing a quad-like outdoor space for student social activities. The ground floor amenity spaces, which include the dining space, open up to the oval-shaped, south-facing lawn located off the pedestrian pathways, to help knit the building into the campus fabric.

The project was awarded and kicked-off in



The design of Potomac Place at Shepherd University in Shepherdstown, West Virginia, complemented the university's master plan with a quad-like outdoor terrace space for student social activity. The concept provides a south-facing lawn that knits the building into the campus fabric.

January 2016 and the university wanted to move students into the building by August 2017, leaving just 19 months for design and construction. Here are some of the steps the design team put in place to meet this aggressive schedule, in collaboration with other team members:

Streamlined Decision-Making: Schedule management starts with good design. Case in point, the initial concept presented during the interview was based on sound design principles and metrics developed over years of experience working on similar projects. This design was embraced with very few changes by the university and gave the project a head start for the rest of the design phases. Upon award, the university empowered three to four members of its team to coordinate internally and make decisions, rather than having every decision vetted by a full committee of 15 to 20 people. Using this streamlined approach to solicit and incorporate feedback from the university, the final design direc-

tion was approved expeditiously, which allowed the team to complete the design and documentation phase in less than six months.

Code Review: Early consultation with local authorities is essential to stay on schedule. At Shepherd, the design team consulted with authorities from the local jurisdiction to address local code amendments and ensure that the preliminary design met all the requirements. For example, the amendments to the fire code in West Virginia consider any building taller than 40 feet from fire truck access to be a high-rise, compared to a standard 75 feet in most other jurisdictions. Without researching these critical requirements during the early phases of design, the team would have risked adding many weeks of redesign time to the schedule.

Communication: Good communication and coordination with the construction team from the very outset is crucial. Shepherd's housing was also delivered under a construction manager at risk format. The design team worked closely

with the construction manager (CM), Harkins Builders, during the design phase to ensure an efficient process through construction, as contractors are more aware of the construction labor pool and practices in local jurisdictions. Given the location of the project site and a limited pool of skilled labor, the design team collaborated with the CM to identify building systems that aligned with local market conditions and skill sets. Having to go out of town to procure sub-contractors with a specific expertise, or having to ship materials from far-flung destinations, would have added cost and time to the project.

The new residence hall opened in summer of 2017 ahead of schedule and within the targeted budget.

Success in Crunch Time

When project schedules are tight, good design principles are more important than ever. An experienced team that can hit the ground running will make or break a project in crunch time. Leveraging this expertise and employing strategies

learned from past projects enables the team to develop schedule- and budget-responsive design solutions that reduce time-consuming changes and rework.

In terms of managing the process, laying the foundation with early planning and uniting the team behind a common goal is important. Getting all the stakeholders on board at the outset and keeping everyone updated throughout the rapid progression of such projects helps to avoid errors that can result from miscommunication. A seasoned contractor who knows the local market and sub-contracting climate can optimize resources, and a team with experience can execute tasks in parallel to beat tight schedules.

Only with this field-tested expertise, clarity in planning, and excellent communication can a university, design and construction team reliably lead a project through crunch time successfully. **SHB**

Sam Rajamanickam, AIA, LEED AP, is a Principal with Baltimore-based Design Collective, Inc.



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AGENDA AT A GLANCE:

TUESDAY, FEBRUARY 12TH

Noon-1:30 pm - **Registration and Networking**
1:40-2:15 pm - **"Be Cool Or Die" Keynote Session**
2:15-3:15 pm - **Successfully Integrating Entertainment Into Retail And Mixed-Use Properties**
3:30-4:30 pm - **Food & Beverage In Retail Environments: Learning From The Best & Brightest**
4:30-5:30 pm - **Open Spaces: The Invisible Anchor**
5:30-7:00 pm - **Opening Cocktail Reception**

WEDNESDAY, FEBRUARY 13TH

7:30-8:25 am - **Breakfast Networking Roundtables**

8:40-9:30 am - **Using Social Media, Alternative Reality And Virtual Reality To Attract And Retain Consumers**
9:30-10:30 am - **New Entertainment Retail Concepts: Adding Experience And Entertainment**
10:45-11:45 am - **To Food Hall Or Not To Food Hall**
11:45 am-12:45 pm - **Old Formats To New Formats: What Works, What Doesn't Work**
12:45-1:45 pm - **Networking Luncheon**
1:45-2:45 pm - **Experiences Per Square Foot - New Metrics & Lessons From Owners/Operator**
3:00-4:15 pm - **Cinema? Entertainment Center? Restaurant? What Is The Right Formula For Success For Theatre Anchors Of The future?**
4:15 pm - **EEE Conference Concludes**

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David Paul Kirchhoff
CEO
iFLY Indoor Skydiving



Rogers Clayton
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Eduardo Acuna
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Robert Thompson
CEO & Founder
Punchbowl Social



Eric Hohmann
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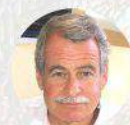
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Ensuring Proper Tax Valuations

Education and partnering with experienced student housing property tax advisors is a critical step to ensuring accurate property tax valuations.

By Amy Bigley Works

While there's typically little property owners can do on the front-end of the assessment process, it's critical for owners to understand the importance of reviewing property tax valuations to try and ensure a fair and accurate assessment, as well as be prepared to appeal any initial assessment that may be incorrect or that they view to be unfair.

"A property owner's true power with property taxes comes during the appeals process — whether informally or in court," says Benjamin Blair, an associate and attorney with Indianapolis-based Faegre Baker Daniels, "so it's critical for owners to have an in-depth understanding of property taxes within the student housing space."

Student Housing Business spoke with three property tax experts to gain better insight on what is the responsibility of property owners, how to educate assessors and select a property tax advisor partner, and the best way property owners can protect themselves from incorrect value assumptions.

Burden on the Owners

Much of the burden of ensuring a property receives a proper assessment and valuation falls on the property owners. From education to reviewing assessment results, property owners typically must appeal initial assessments to safeguard against over valuations of their property.

Assessors and appraisers synthesize a variety of data points to create property valuations, and it's the property owners responsibility to review the notified valuation and request their work-up analysis — whether based on income, sales or cost



BENJAMIN BLAIR
Associate
Faegre Baker Daniels

approach to value.

"Request, where appropriate, the comparable properties the assessor would use for a uniformity comparison — although the properties may not be the right comparable properties; it's always good to know what properties are being used and how assessors are adjusting those properties," explains Kevin McCune, director of property tax with Dallas-based Ryan.

While assessment processes may vary from state to state, assessments in Texas are derived using a mass appraisal practice that essentially equates to the assessor assigning market rents, expenses and cap rates to a software program that will generate a value for each of the thousands of properties they must appraise in a jurisdiction, explains Gilbert Davila of Austin, Texas-based Popp Hutcheson, which provides full-service property tax consulting and legal services.

It is the property owners or its tax representative's duty to "tell the story" about the property and show the municipality why the assumptions used in the assessment may be incorrect, notes Davila.

"In this regard, it is imperative that student housing owners educate the assessor on the differences between traditional multifamily properties and student housing projects," says Davila.

Being the Teacher

One of the biggest challenges in student housing property taxes is the lack of experience and education on the part of assessors regarding the differences in valuations between student housing and conventional multifamily assets.



KEVIN MCCUNE
Director of Property Tax
Ryan

Property tax valuations for student housing assets require an in-depth market knowledge and experience to properly assess, and oftentimes properties are assessed on their recent acquisition price, which takes into account all revenue streams beyond the brick-and-mortar physical building and site. With that in mind, it's critical that property owners and their representation educate assessors and appraisers about a property's different revenue streams and the importance of removing those from the appraisal process.

"From included utilities and furnished rooms to unique renting structures and amenities, student housing properties have a variety of revenue streams that are included in acquisition valuations but should be excluded for property tax valuations," explains Blair.

As the student housing market continues to grow, educating jurisdictions and assessors on the sector's intricacies is key to ensuring the assessment process evolves to correctly value student housing properties.

McCune echoes the importance of an owner's responsibility to educate jurisdictions and assessors on the significant valuation differences between conventional multifamily and student housing properties.

Differences between these two seemingly similar property types are significant and may include additional amenities, increased turnover and on-going maintenance, increase in employee units and other risk factors that drive student housing cap rates above that of multifamily properties.

"This [lack of understanding] often leads



GILBERT DAVILA
Partner
Popp Hutcheson

to the over-valuation of these properties by local assessors," explains McCune. "We recommend owners monitor these assessments by partnering with a representative with an understanding of student housing operations and local-level property tax administration."

Overabundance of Data

Although the increasing availability of data, statistics and research can be helpful for the commercial real estate marketplace, especially attracting new investors to the space, it is often a double-edged sword when it comes to assessments and property tax appraisals.

This access to information gives assessors a better understanding of the price points at which many properties are trading and how aggressive underwriting has gotten in many markets. But that's often only a portion of the valuation equation and not necessarily a true indication of a property's physical building valuations, says

McCune.

"Sources such as CoStar, Axiometrics, REIS, RCA, Fannie Mae and Freddie Mac have provided the data that compels assessors to become much more aggressive in valuations," notes McCune. "This in turn means owners need to be all that much more aggressive in their appeals of their assessments to manage their liabilities."

Blair cautions property owners to be restrained with providing data upfront to assessors and appraisers, due to the lack of understanding of the nuances in student housing property revenue streams.

McCune adds investors should avoid speaking with local assessor's offices prior to an acquisition and obtain non-disclosure agreements with all parties involved in the transaction.

"There is a lot of sales data available on student housing transactions that shouldn't be," he says, "This oversharing of data is a primary cause in the large increases in

property tax assessments in a number of markets — keep your purchases confidential, when possible."

Cultivating a Partnership

"Property tax valuation is a distinct beast," says Blair. "Teaming up with a tax service provider who has experience in property tax appeals, especially in student housing property, is key to ensuring proper valuations."

Property tax servicers and advisors that specialize in student housing combine understanding of the sector's nuances and property tax experience, knowledge that can be invaluable to ensuring a proper and accurate property valuation.

"More importantly, service providers, have created and nurtured relationships with assessors, appraisers and opposing counsel across their service area," says Davila. "These relationships give property owners automatic credibility with the opposing side if the service protected its reputation through the years."

McCune's advice for partnering with a property tax advisor or consulting team focuses on the importance of selecting a partner that understands the niche student housing market and has in-depth knowledge of the local marketplace, as well as extensive resources and technology to allow for 24/7 portfolio access and real-time status updates.

Without the experience and insight of property tax experts, whether in-house or a third-party service, it is difficult to navigate the choppy waters of property tax and assessments. Sorting through the multiple revenue streams and understanding the impact of increasing acquisition prices in a strong market are key to ensuring an accurate assessment that is focused on the true physical value of the building and site, which is not necessarily the overall business valuation of asset. **SHB**

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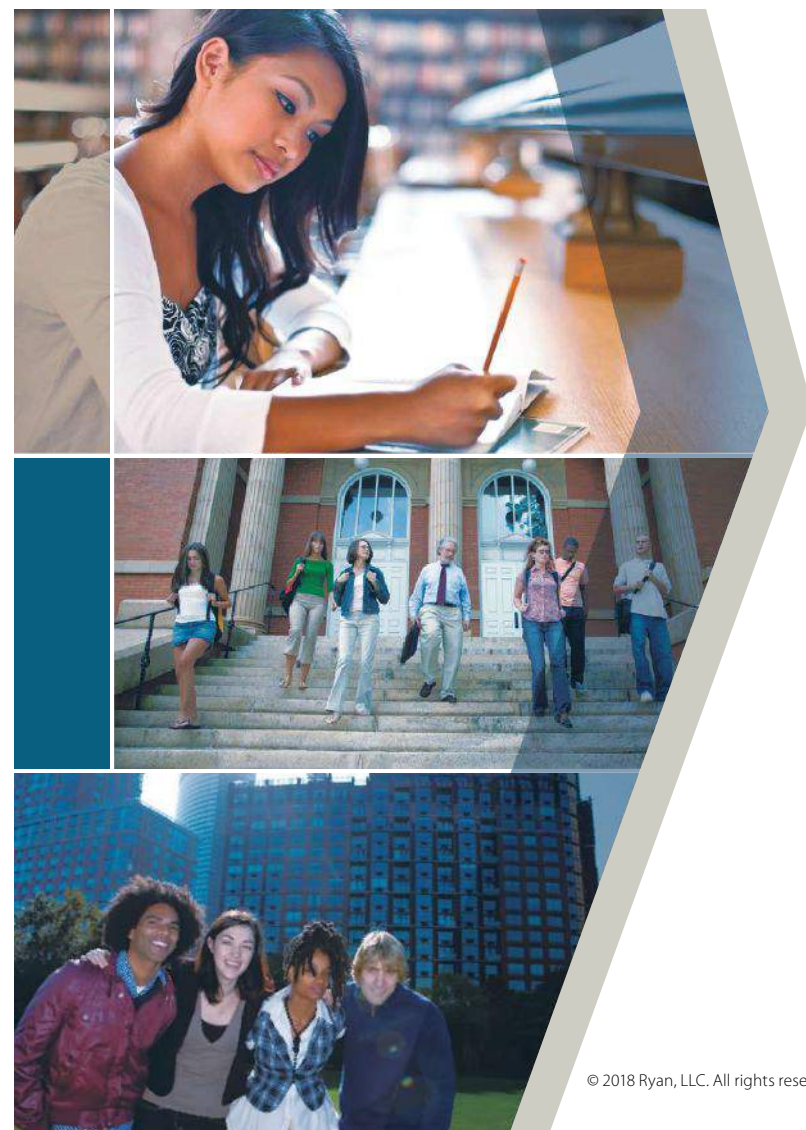
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Quality Research Needed

With a lack of publicly available data, now is the time for the industry to create a solution.

By Frederick W. Pierce, IV

Research and data are the lifeblood for investment analysts, underwriters, lenders and institutional investors in virtually every form of lending and investing. A solid foundation of market research, empirical data and independent studies inform the development of investment strategies and lending decisions. This is certainly the case in the arena of public stocks and bonds but is equally important in the world of commercial real estate.

For the four main commercial real estate “food groups” — multifamily, office, industrial and retail — there are scores of domestic public REITs and decades of historical research data. Demographic information, largely forecasts predicated on U.S. Census data, has long been relied upon as the basis for assessing and projecting market demand. National brokerage firms all have established research divisions that assimilate market information on rents, absorption, investment sales, cap rates and the like. Industry organizations like ULI, BOMA, NAIOP, IREM, NMHC, NAA, ICSC and others are valuable sources of annual data on revenues and expenses, as well as specialized research studies. Other organizations such as PREA, NAREIT, MSCI and S&P have established indexes that track investment return metrics. Wall Street analysts are also a steady source of data and analysis to support publicly traded REIT stocks and sectors. However, for the emerging niche sectors of commercial real estate — student housing, senior housing, healthcare/medical office real estate, self-storage, data centers, etc. — supporting data and research is far less available.

Over the last decade, the availability of data to support the student housing sector has been bolstered by the existence of four publicly-traded student housing REITs (ACC, EdR, GMH and Campus Crest). However, with ACC’s purchase of GMH’s student housing portfolio several years ago and the more recent privatizations of Campus Crest by Harrison Street and EdR by Greystar, ACC remains the sole public data point.

There is a foundation of existing student housing research to build upon. More than a decade ago, Real Capital Analytics made a commitment to the sector when it started separately tracking investment sales of student apartment properties. A few years later, Axiometrics invested in the sector and launched monthly surveys of student housing markets (now up to 175 markets nationwide known as the “AXIO 175”) available to subscribers. Axiometrics separately tracks purpose-built and “student-competitive” apart-

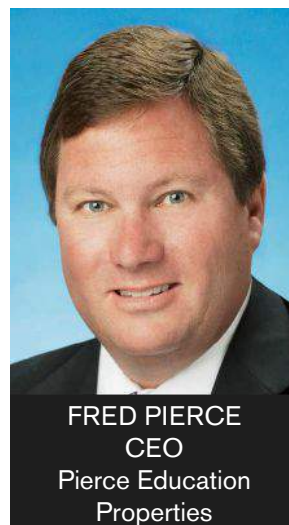
ment projects in each market providing information on rents/rent growth, pre-leasing, occupancy and new supply, as well as preparing reports on the supporting universities including enrollment history and projections. Both of those research platforms are now part of the research offerings of parent company RealPage, Inc.

Since 2013, real estate brokerage firm Triad Real Estate Partners has prepared more than 70 market research reports on university markets and also authored selected specialty studies including a “Student Housing Market Conference Showdown” report on the SEC (2017-18) and an “International Student Enrollment Report” (2017) amongst others.

As it relates to international students and trends, the U.S. Department of Homeland Security’s Immigrations and Customs Enforcement (ICE) division publishes bi-annual reports on international student trends called “SEVIS by the Numbers” — SEVIS is the Student and Exchange Visitor Information System. This provides interesting macro-economic information regarding the volume of international students in the U.S. The Institute of International Education (IIE) annually publishes a report called “Open Doors,” which provides more detailed current and historical information regarding international student migration to the U.S. Finally, the National Association of Foreign Student Advisors (NAFSA) is a great source to identify the economic impact that international students have on universities.

All student housing research should necessarily start with an evaluation of the feeder colleges and universities in the market. The motherlode of information comes from the annual submission by universities of the Common Data Set survey to the National Center for Education Statistics (NCES). NCES compiles this information into its annual “Condition of Education” report which is a statistical abstract with hundreds of pages of tables and charts with historical data on K-12 and higher education going back 70-plus years, and in some areas projected forward for a decade.

But all of this available baseline informa-



FRED PIERCE
CEO
Pierce Education
Properties

tion still leaves student housing wanting for the meaningful application and interpretation of data in a manner that would parallel the information available to the primary sectors of commercial real estate. In this context, the NMHC Research Foundation has recently announced the formation of a Student Housing Research Fund with initial funding of more than \$500,000 from leading companies comprising and serving the student housing industry. NMHC, together with the Student Housing Research Fund Advisory Board, are now actively looking to get more industry participants involved and increase that endowment to \$750,000.

The NMHC Student Housing Research Fund Advisory Board is developing an agenda of research projects that will be funded annually by the endowment going forward. The goal is to provide new and meaningful student housing specific research that will enable current and potential future market participants — equity investors, lenders, investment bankers, developers, operators, etc. — greater and more specific information on the student housing sector to better evaluate this increasingly appealing sector. Research topics under consideration include:

- Continue income and expense benchmarking survey on a recurring basis.
- Study to evaluate how the sector has performed during economic down cycles.
- Measure investment returns in the sector and compare against various return benchmarks.
- Establish a definition of what constitutes student housing and analyze the sector’s size and other trends.
- Prepare future industry growth and demand projections — establish a demand model.
- Analyze the correlation between on- and off-campus student housing.

The industry is invited to provide suggestions on future student housing research topics that could be of interest to the NMHC Student Housing Research Fund Advisory Board. Please forward any feedback or suggestions to Fred Pierce, advisory board chairman (fpierce@pierceeducationproperties.com), Matthew Berger, NMHC VP (mberger@nmhc.org) or Dave Borsos, NMHC VP (dborsos@nmhc.org).

Frederick W. Pierce, IV is president and CEO of Pierce Education Properties (PEP) and also chairman of NMHC’s Student Housing Research Fund Advisory Board.

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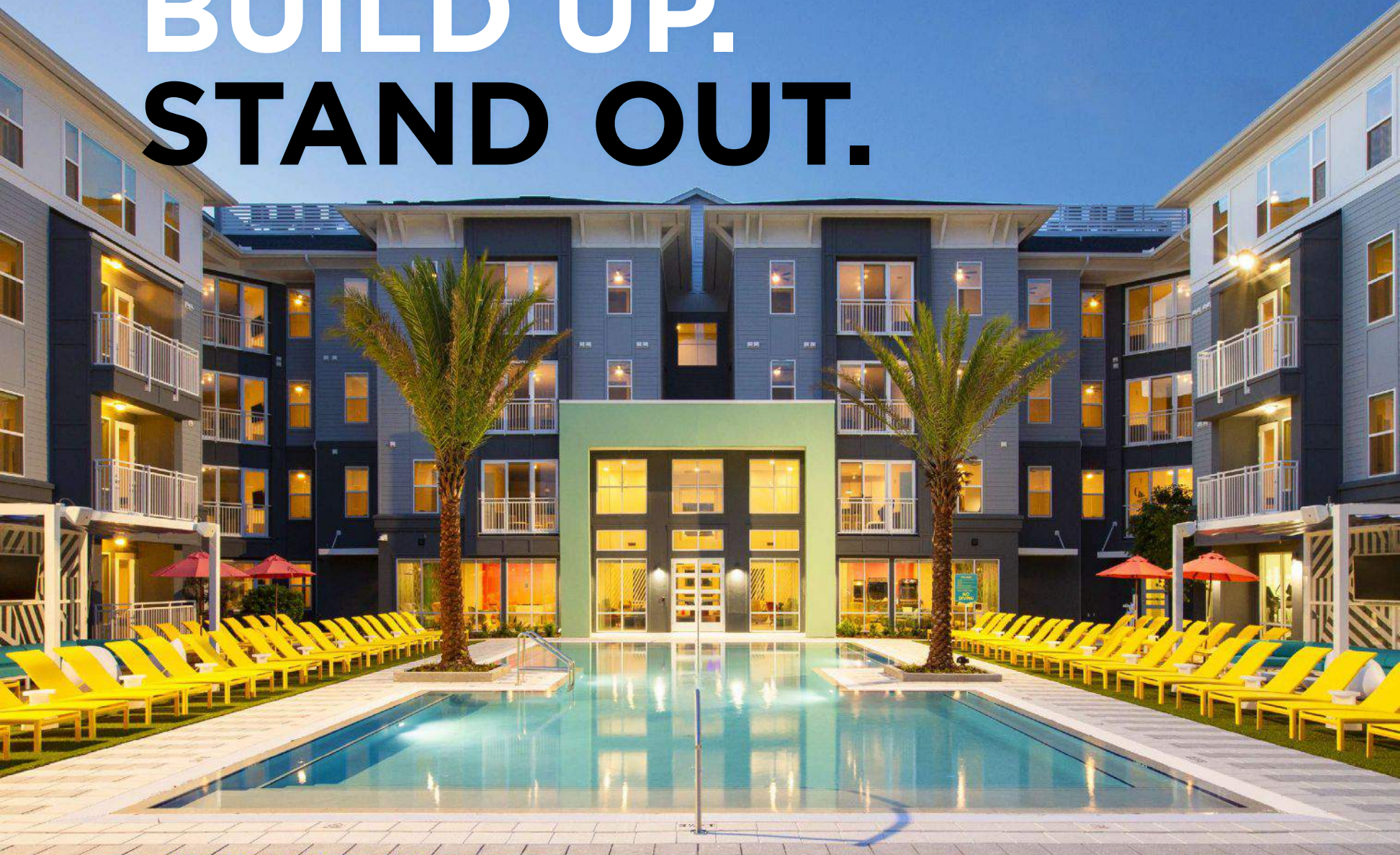


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