

## The Myth of the "Dorm" Getting More Mileage From What You've Got

Despite nearly a decade of focused effort, there are a lot of residence halls that are still in need of attention. Sometimes solutions are driven by immediate need, like making repairs and installing technology; sometimes solutions are driven more by "irrational exuberance," like blowing up the brutalist high rise that everyone, from the Board to the newest freshman, hates. But coming up with a rational and affordable housing master plan that fits all the pieces together is an undeniable challenge.

Two primary issues in student housing today are: (a) old housing in need of reinvestment and (b) burgeoning enrollments causing institutions to pack students two and three to a room—in "unnatural doubles and triples" as some students have called them. Before looking at planning options to address these issues, it is instructive to look at housing from the student perspective. Most campuses are filled with 1960s double loaded corridor, double room, community bath, cinder block "dorms." It is hard to view this as the stuff of a year 2000 student's dreams, and in fact, conventional wisdom has it that modern students won't live in such housing.

### Myths

As is usually the case, conventional wisdom is at least partially myth. Some of the myths are:

**Myth 1:** Students have never shared a bedroom at home...they're not going to share one now.

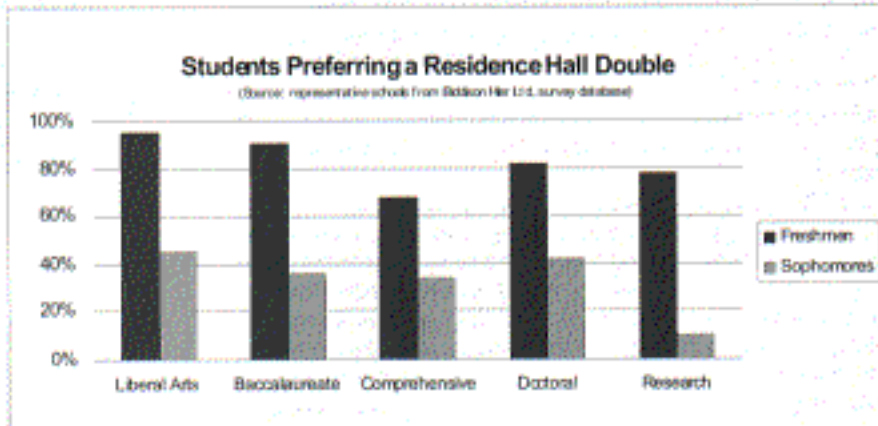
Although there are a number of students who have an absolute preference for a single room, there is one student population that expresses a preference for a shared room. In survey research that we have performed with thousands of first year students nationwide, on average, nearly 80% of all freshmen at all types of institutions prefer a double occupancy bedroom. (See chart.) Freshmen have commented that "it's cool to have a roommate," "it forces you to get along with people," and "it makes freshman year less scary." And although interest in shared rooms typically drops off steeply after the first year, at small private liberal arts institutions, interest continues into sophomore year and beyond.

**Myth 2:** Community baths are a thing of the past ... students hate them.

In fact, freshmen again often view community baths as another social opportunity and have a relatively high level of tolerance for them, with two caveats. The first, and this applies to all students, is that the bathrooms are clean, often a challenge given the age of the facilities and the fact that often there is no weekend housekeeping in the residences. The other caveat is that the student to bath ratios should be reasonable—typically in the 1:10 or 1:12 range. Huge bathrooms with ratios of 1:40 work against territoriality. Many people, not just students, go to health clubs and willingly use what are essentially "community baths." This is the "mental model" for students.

**Myth 3:** Today's students all want apartments.

There are students who express a clear preference for apartments, but the days of "one size fits all" housing on campuses are over. Students are not a single cohort, and, as noted earlier,



freshman preferences are typically very different than upperclass preferences. Campus culture is another significant factor; some students value the convenience of not having to buy food, cook, clean, and so on. A student colorfully commented that "just because you have a kitchen doesn't mean you want to cook." Others express concern that "apartments diminish the sense of community on campus." Choosing to offer apartments is a highly campus-specific decision.

**Myth 4:** Privatization can transfer the burden of housing from the university.

This is actually not a myth, up to a point. It is true that the private sector can provide housing that is developed off the university's balance sheet, but some aspects of university responsibility can never be transferred to anyone. Chief among these are legal obligations and exposure, but also included are student and parental expectations as to who is really responsible for student safety and behavior.

### So What?

The belief that existing housing is substantially mismatched to student preferences has been the rationale for large scale renovation of "dorms" to single rooms, suites, and even apartments. It has also been the rationale for demolition and rebuilding of large numbers of beds. The costs of these kinds of massive renovations or rebuilding projects are substantial. For example:

- A "moderate" reconfiguration, in which a relatively few number of room types are changed and common and amenity space is added, can result in the loss of one-third of the beds in a hall and up to one-third of revenues as well.
- Substantial reconfiguration, changing double loaded corridors to suites for example, can result in the loss of one half or more beds and, again, the associated revenues.

In addition to the loss of revenues incurred by removing beds, restoring the lost capacity is another substantial cost item. The cost to build a bed of student housing today can range from an average of \$38,000 to a high of \$100,000, and most projects must be self-supporting solely from rents and related income. The math is easy—the higher the cost to build each bed, the higher the rent. There is a delicate balance to be struck between quality and affordability, so minimizing the number of new beds that must be constructed is helpful.

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### *The Myth of the "Dorm" (cont.)*

And there are attractive alternatives to new construction. The key is the selective matching of housing types to housing populations. For many institutions, the residential population is comprised of large numbers of freshmen. Thus renovating existing double rooms—yes, double rooms—with state of the art technology, modern building systems and finishes, upgraded storage, lighting, furnishings, and other amenities is a cost effective way to satisfy this segment of the student population.

For upperclass students, the key to student satisfaction is diversity of choice. If you already have a good mix of singles, suites, and some apartments, you may find that high quality renovations of the best of these can satisfy a good portion of the upperclass demand without imposing crushing financial burdens on the system from the "rip 'em up and rebuild 'em" approach.

Finally, given the record enrollments that most colleges and universities are experiencing, there is still likely to be a shortage of beds. Some institutions, seeking to preserve institutional capital, are electing to enter into public private partnerships to develop off balance sheet housing. The off balance approach sheet undeniably has its advantages, but institutions should be aware that, regardless of who builds and owns the housing, the projects have to be financially self-supporting.

#### **Renovate, Raze or Replace: A Three Step Roadmap**

So, how do you address the thorny problems of fixing a housing system? Here are three key steps.

1. Get as much utility out of your existing housing as you can. The total cost to do the types of renovations that are required and to add new beds are high and translate directly to student rents. The concept of triage may be helpful—focus on

"cosmetics" in your best buildings; set aside the worst buildings and declare them dead (or perhaps candidates for new lives outside the housing arena); and focus your remodeling energies on the buildings in the middle. Our experience is that there are usually target markets that, with unit reconfiguration, addition of common space, and so on, can be happy in these buildings.

2. Understand your market segments and their housing preferences. Understanding student housing preferences helps in identifying ways to tweak the existing inventory to make it more marketable.

3. Fix the basics. Whatever else you do, satisfy students' basic needs. (Remember Maslow's hierarchy.) The top six offenders, according to our market research, are:

- furnishings
- lighting
- storage
- heating and cooling
- cleanliness and maintenance
- housing policies

The last boom in housing construction began 30 years ago with the baby boom enrollment surge. The legacy of that building spree is with us today and it is not all good, but it is not all going away either. Today's challenge is to renovate, raze, and replace responsibly, and not to let today's urgent needs for student housing sidetrack a careful planning process.

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