

VALENCIA COLLEGE

Student Housing Advisory Services

STRATEGIC ASSET VALUE
SESSION

September 24th, 2019



Introduction – Project Team



Brad Noyes
Executive Vice President

◆ 25+ Years of Experience



Eric Bram
Director

◆ 9+ Years of Experience



Kevin Mara
Associate

◆ 3+ Years of Experience



Candler Vinson
Project Analyst

◆ 2 Years of Experience

Introduction – Brailsford & Dunlavey



 **BRAILSFORD & DUNLAVEY**
Inspire. Empower. Advance.

Our mission is to make our clients the strongest owners possible throughout the development process.

440

Higher education clients

>1,000

College + University Projects

\$35B

In completed higher education facilities

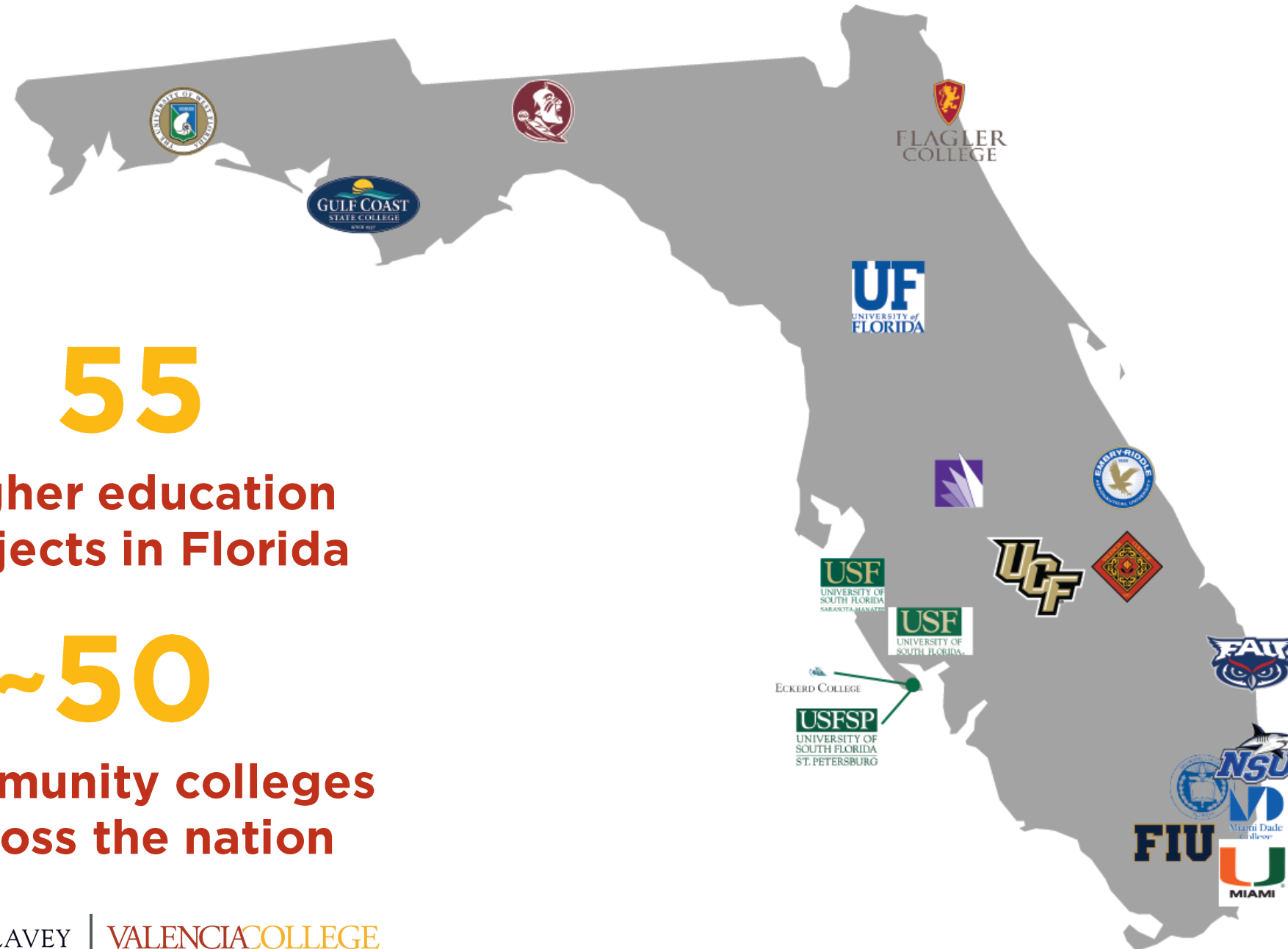
500+

Student housing projects

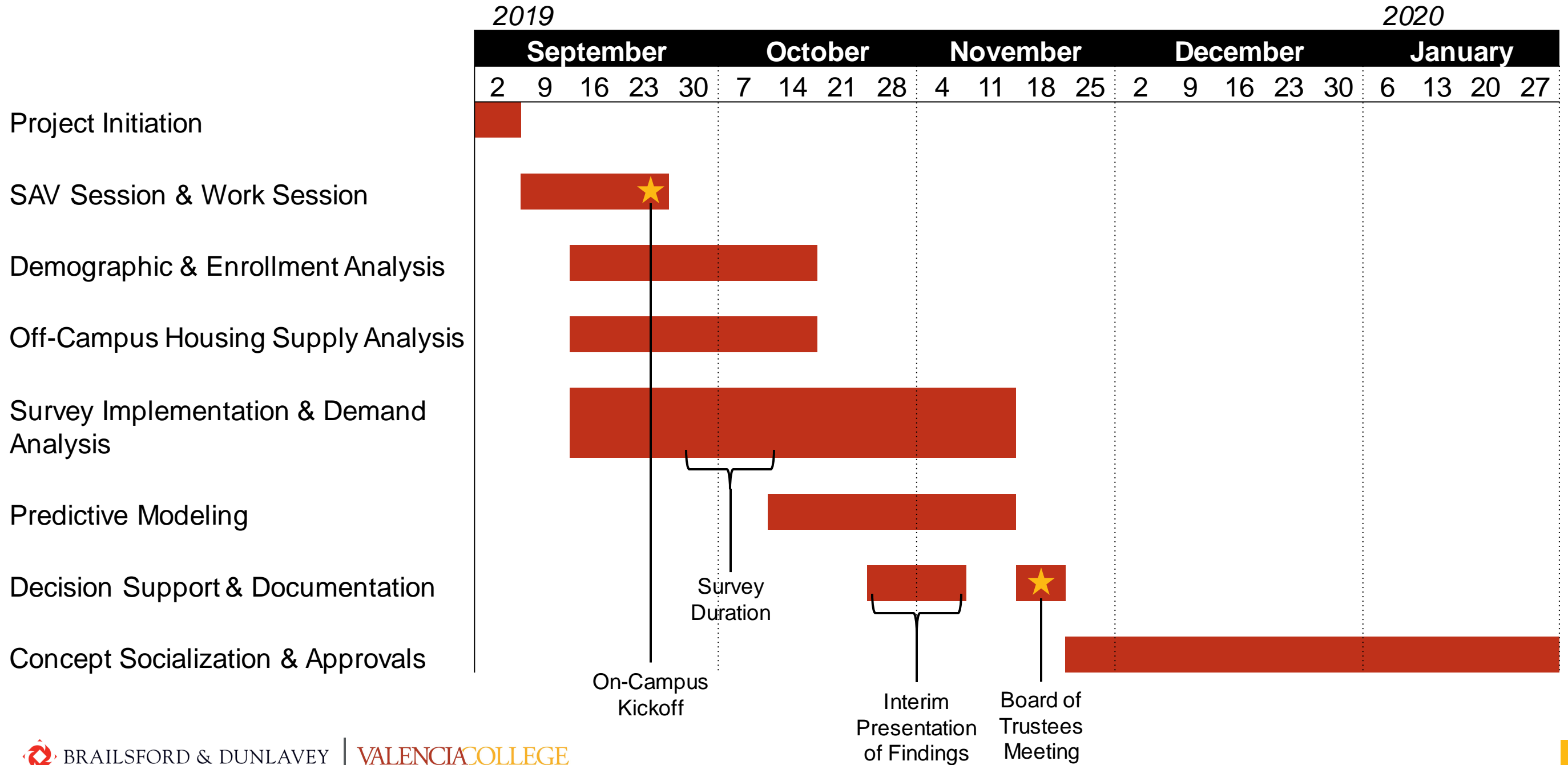
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Years of experience in delivering campus life solutions

Extensive History in Florida



Planning Process Overview



Purpose of Today's Meeting

THE SAV CONCEPT

THE SAV PROCESS DOES NOT...

Modify Valencia College's mission or introduce new values

THE SAV PROCESS SEEKS TO...

Facilitate diverse stakeholder involvement in the planning process

Create criteria that allow for innovative solutions and streamlined decision making

Align today's conversation in Valencia College's established strategic priorities to ensure consistency



Enrollment
Management



Educational
Outcomes



Campus
Community



Financial
Performance

B&D Internal Preparation



- › Valencia College Mission & Vision Statements
- › The Power to Serve 2016 – 2021: Valencia’s Five-Year Impact Plan Summary
- › College Strategic Initiatives Update (August 2019)
- › 2019 Valencia College Affordability Report
- › Student Housing Prospectus White Paper (September 2019)
- › C3 Research Focus Group Results (May 2017)
- › Fall 2016 Student Housing Survey

Strategic Plan – Five-Year Impact

- › **Vision** – Valencia is a premiere learning college that transforms lives, strengthens community, and inspires individuals to excellence.
- › **Mission** – Valencia provides opportunities for academic, technical, and lifelong learning in a collaborative culture dedicated to inquiry, results, and excellence.
- › **Valencia’s Commitment** – To improve quality of life through access, expanded opportunities, and well-being in Central Florida.

Foundational Pillars

- › **Build Pathways** – Design effective and efficient pathways to learning and education
- › **Learning Assured** – Implement optimal learning environments for students
- › **Partner with Community** – Coordinate student needs and college goals with community partners
- › **Invest in Each Other** – Establish operational systems based on collaboration and deep stewardship of our work

Housing Strategic Priorities – Prospectus White Paper

- › Provide safe, quality housing solutions for our students.
- › Establish a facility that will promote a learning environment and enhances student success.
- › Create an environment that improves the on campus student life.
- › Support the long term growth of our international student population.
- › Leverage private sector efficiencies in design, construction, operations and maintenance of student housing.
- › Provide the college with a consistent cash flow stream that will support the needed growth of student life needs on campus that will come with the development of housing.
- › Develop a long term relationship with a strong partner that can extend this opportunity to multiple locations.

Advance Towards Implementation

White Paper Potential Demand

<i>Summary</i> 44,572	East	38%	17,002	38%	6,535	679
	West	37%	16,709	32%	5,328	625
	Osceola	18%	8,226	39%	3,235	330
	Lake Nona	3%	1,480	36%	535	61
	Wint. Park	3%	1,155	35%	400	37

B&D is going to confirm demand and establish project solutions that align with Valencia's strategic priorities and evaluation criteria for success

Measuring Success for Student Housing

- › A positive cash flow and return on investment for the college and its investor.
- › Analyzing student growth and engagement related to experiences (campus activity / club participation), learnings (social activities), and performance (grades / UCF transfers)
- › Being financially stable while balancing the need for fair / affordable access

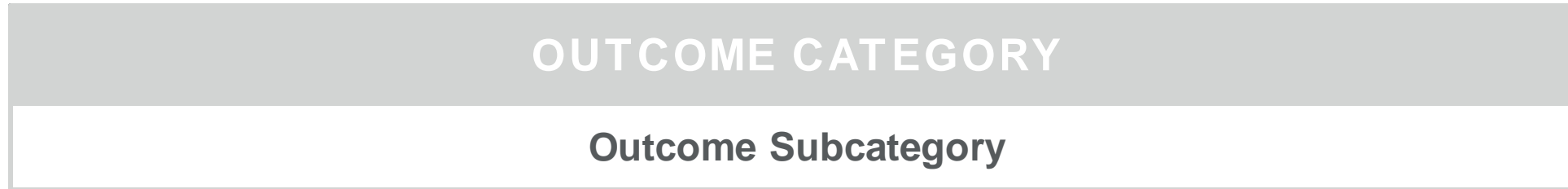
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SAV Work Session



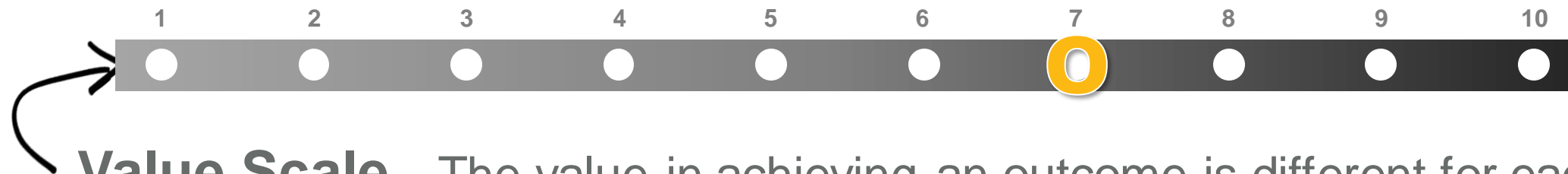
Identifying Strategic Objectives

THE SAV PROCESS



1 Scenario that serves as a benchmark for the institution to reference, on one end of a spectrum.

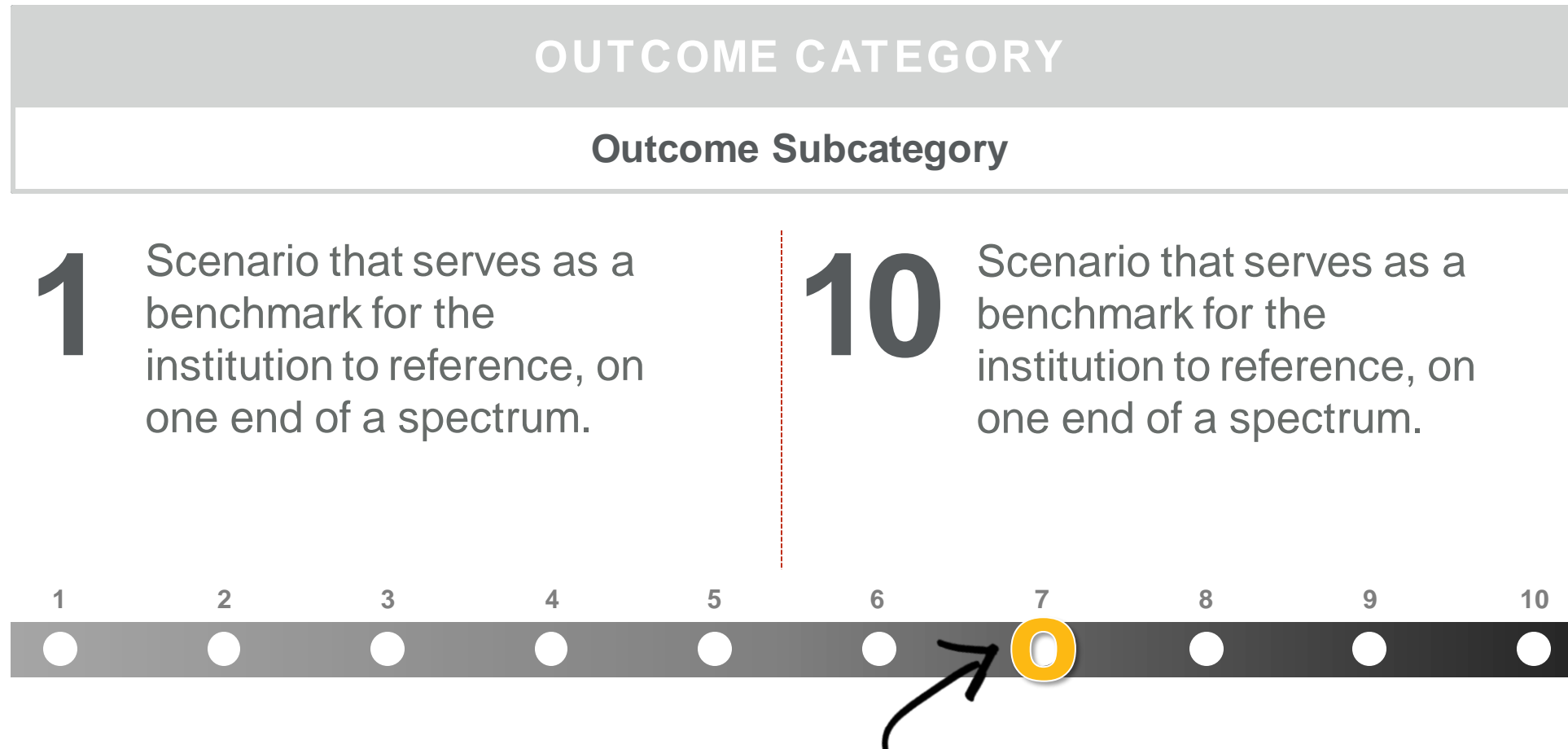
10 Scenario that serves as a benchmark for the institution to reference, on one end of a spectrum.



Value Scale – The value in achieving an outcome is different for each institution. The range of 1 to 10 represents a spectrum of approaches to achieving an outcome. Either a high or low number might be most appropriate.

Identifying Strategic Objectives

THE SAV PROCESS



1 Scenario that serves as a benchmark for the institution to reference, on one end of a spectrum.

10 Scenario that serves as a benchmark for the institution to reference, on one end of a spectrum.

Targeted Aspiration – An “O” is placed on the number that represents the institution's desired level of achievement for a given outcome driver.

SAV Ground Rules

THE SAV PROCESS

- › Adopt a Trustee's global perspective.
- › Consider each objective independently and only as housing-specific outcomes.
- › Treat the exercise as creating plan drivers and imposing filters - not predicting preferences or behaviors.
- › Do not be encumbered by current practices or conditions.
- › Do not be encumbered by perceived affordability.



SAV Work Session

HOUSING DEMAND ANALYSIS



ENROLLMENT MANAGEMENT

Housing Target Market

SAV Work Session

HOUSING DEMAND ANALYSIS



ENROLLMENT MANAGEMENT

Housing Target Market

1

(Local Students)

Housing is intended to serve and retain students from metro-Orlando who may otherwise struggle to find housing. Valencia does not view housing as a recruitment tool.

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(Non-Local & International Students)

On-campus housing is heavily marketed to perspective students and serves as a recruiting asset. Housing primarily facilitates Valencia's ability to enroll traditional-aged, full-time students from outside metro-Orlando.

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SAV Work Session

HOUSING DEMAND ANALYSIS



EDUCATIONAL OUTCOMES

Personal Development
Development Continuum
Direct Curriculum Enhancement
Proximity to Educational Resources

SAV Work Session

HOUSING DEMAND ANALYSIS



EDUCATIONAL OUTCOMES

Personal Development

1

(Self-Directed)

Residential programming is limited. A student's participation in campus housing is entirely self-directed.

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(Institutionally Directed)

Valencia College's housing plays a critical role in the personal development of its students. The College invests significant resources towards programming & support via housing.

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SAV Work Session

HOUSING DEMAND ANALYSIS



EDUCATIONAL OUTCOMES

Development Continuum

1

(Uniform)

Valencia College's unit-type mix is purely dictated by market demand. Younger students are allowed to live in apartments and there is no differentiation in programming/supervision across campus.

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(Segmented)

Multiple unit types with differentiated levels of programming/supervision (from parent to landlord) is available on campus. Younger students are not allowed to live in apartments and are instead placed in community-oriented housing with minimal in-unit amenities.

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HOUSING DEMAND ANALYSIS



EDUCATIONAL OUTCOMES

Direct Curriculum Enhancement

1

(Unrelated to Academics)

Valencia College's residential experience has no direct relationship with its academic curricula or objectives. There is no effort to assign buildings or rooms by major/program and a more general approach to residential programming/staffing is pursued.

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(Dependent on Academics)

On-campus housing is closely integrated with Valencia College's academic curricula and objectives, with room/building assignments being determined by major/program. The College emphasizes and "living/learning communities" and will devote significant resources to ensure their success.

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SAV Work Session

HOUSING DEMAND ANALYSIS



EDUCATIONAL OUTCOMES

Proximity to Educational Resources

1

(Disconnected)

Locating residence halls near academic buildings/resources is not a College priority. Land availability dictates site selection and housing may be provided at the campus perimeter. Housing facilities do not contain dedicated academic spaces/classrooms.

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(Residential Colleges)

Locating housing in close proximity to academic resources is a primary objective at Valencia College. Site selections are made to encourage "residential college" relationships, with each facility containing integrated academic support spaces/classrooms and convenient access to faculty.

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SAV Work Session

HOUSING DEMAND ANALYSIS



CAMPUS COMMUNITY

Out-of-Class Activity
Quality of Life System

SAV Work Session

HOUSING DEMAND ANALYSIS



CAMPUS COMMUNITY

Out-of-Class Activity

1

(Commuter-Oriented)

Providing primarily academic and related facilities on campus with minimal accommodation for student activities and events. Hours of operation cater to commuters.

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(Heavily Activated)

Providing extensive activities, event programming, and facilities to support student activities/programming with an evening and weekend focus.

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HOUSING DEMAND ANALYSIS



CAMPUS COMMUNITY

Quality of Life System

1

(Residential Facilities Only)

Dining, recreation, union, or athletics facilities are not considered essential to the on-campus experience. Proximity to academic resources is the primary benefit to on-campus housing.

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(Comprehensive Q-o-L System)

On-campus dining, recreation, union, and athletic facilities to leverage potential synergistic value. Multiple facilities support student life and activity on a 24/7 campus.

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SAV Work Session



FINANCIAL PERFORMANCE

Rental Rates & Affordability
Campus Development Standards
Service Delivery & Operations

SAV Work Session

HOUSING DEMAND ANALYSIS



FINANCIAL PERFORMANCE

Rental Rates & Affordability

Unit-Type	Bedroom Occupancy	Monthly Rent (Academic Year)
4-bed / 2-bath apartment	Single	\$1,030
2-bed / 1-bath apartment	Single	\$1,280
2-bed / 1-bath apartment	Double	\$860
Full-suite	Single	\$1,000
Semi-suite	Single	\$750

Semi-Suite



Full-Suite



2-bed / 1-bath



4-bed / 2-bath



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HOUSING DEMAND ANALYSIS



FINANCIAL PERFORMANCE

Rental Rates & Affordability

1

(Market Rates)

Housing affordability is of no concern to the College. On-campus rental rates are at or above market and more affordable options are provided by the local market. Valencia College's rental rates are differentiated according to demand by unit type and/or building.

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(Subsidized Rates)

Providing affordable on-campus housing is an institutional obligation and a primary decision-making factor for Valencia College. Rental rates are below market and unit types are selected to provide the most cost-efficient accommodation. The system is not required to generate a surplus or break even.

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HOUSING DEMAND ANALYSIS



FINANCIAL PERFORMANCE

Campus Development Standards

		NASF/Bed				
		90	100	110	120	130
Hard Costs / SF	\$160	\$874	\$917	\$959	\$1,001	\$1,044
	\$170	\$908	\$952	\$996	\$1,040	\$1,084
	\$180	\$941	\$987	\$1,033	\$1,078	\$1,124
	\$190	\$975	\$1,022	\$1,069	\$1,116	\$1,164
	\$200	\$1,009	\$1,057	\$1,106	\$1,155	\$1,203

		Increase in NASF/Bed				
		0	10	20	30	40
Increase in Hard Costs/SF	\$0	\$0	\$42	\$85	\$127	\$169
	\$10	\$34	\$77	\$121	\$165	\$209
	\$20	\$67	\$113	\$158	\$204	\$249
	\$30	\$101	\$148	\$195	\$242	\$289
	\$40	\$134	\$183	\$232	\$280	\$329

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HOUSING DEMAND ANALYSIS



FINANCIAL PERFORMANCE

Campus Development Standards

1

(De-Prioritized)

Valencia does not enforce strict development standards and building efficiency is emphasized over aesthetic considerations. Lower first costs may outweigh longer useful life.

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(Stringent)

Housing is built to institutional quality. Design decisions are made so that Valencia housing supports an aesthetic vision for campus. Building systems are selected for quality and longevity rather than lower development costs. There is little to no appetite for exploring alternative, low-cost options.

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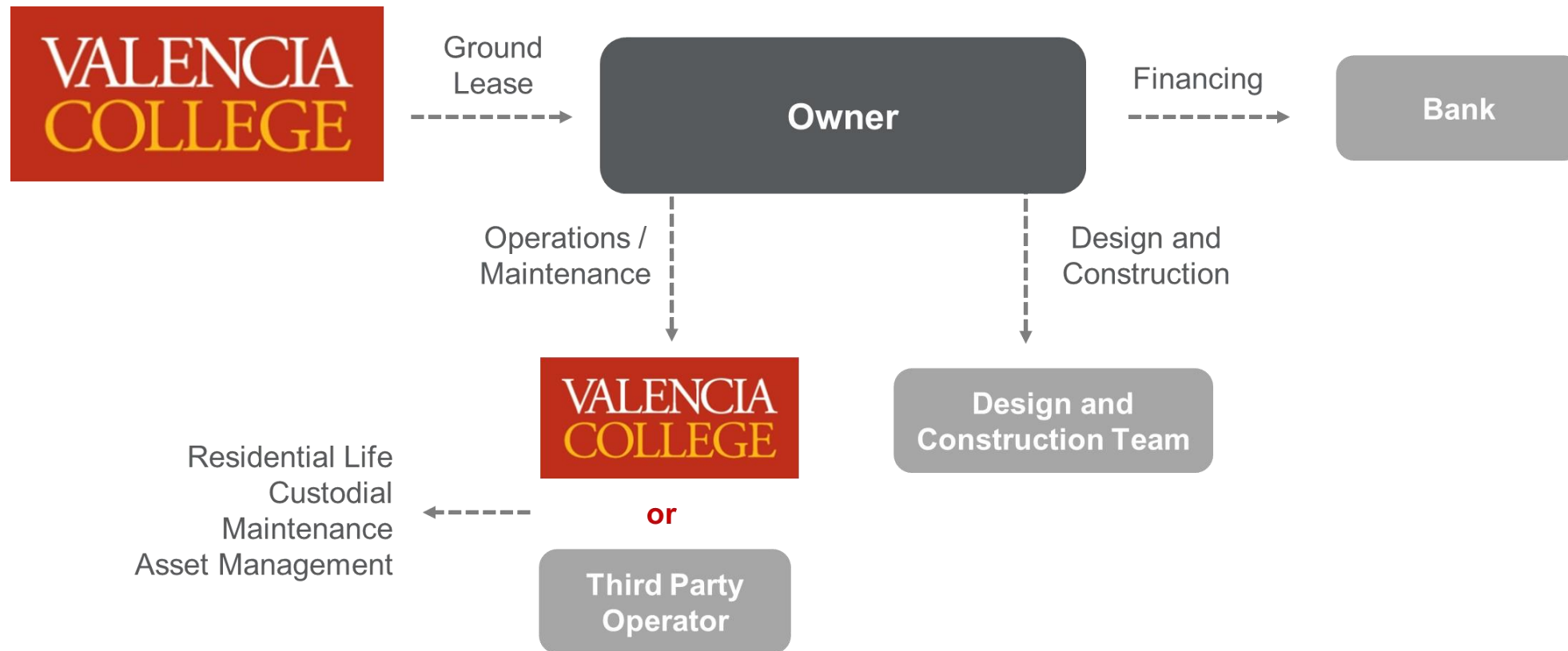
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HOUSING DEMAND ANALYSIS



FINANCIAL PERFORMANCE

Service Delivery & Operations



SAV Work Session

HOUSING DEMAND ANALYSIS



FINANCIAL PERFORMANCE

Service Delivery & Operations

1

(Third-Party)

Valencia College utilizes a third party housing operator to achieve the greatest possible cost efficiency. Existing facilities operations is unable to or not interested in supporting the housing development. Housing must fully bear all operating costs as a standalone system. on-campus housing.

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(College-Operated)

Valencia College carries out all res life, custodial, maintenance, and asset management functions for housing. The College operates on-campus housing as part of its facility portfolio and uses in-house expertise to provide quality, efficient services. Housing may not fully bear the cost of operations and maintenance.

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Discussion

HOUSING DEMAND ANALYSIS

Questions?

Comments?

Concerns?



Next Steps

HOUSING DEMAND ANALYSIS



Thank You.

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