

2010 Strategic Plan for SHHS

Pricing on the Vancouver campus

March 10, 2010



a place of mind

THE UNIVERSITY OF BRITISH COLUMBIA

UBC-V HOUSING BUSINESS PLAN PRINCIPLES

- Meet recognized student demand for On-campus Housing, both in number and type of bed spaces.
- UBC Student Housing rental rates are benchmarked against other Universities.
- Below local market comparables inclusive of utilities and ResNet.
- Rental revenues to cover all operating, debt service, and cyclical maintenance costs.
- Strong commitment to stewardship of assets/facility renewal.
- Provide an economic contribution to the university.
- Spread costs on a campus and system basis to support growth and enable lower rates.



Today's Student Housing Snapshot

	Total Bed Count	Traditional Single/Shared	Suite Style
UBC-V	8,650	\$429-542	\$518-616
UBC-O	1,308	\$452-527	\$505-627
Toronto	8,393	\$512-1,206	\$745-887
Waterloo	5,100	\$560-624	\$637-745
Guelph	4,953	\$604-705	\$724-800
Western	4,922	\$611-686	\$756-831
Alberta	4,553	\$328-517	\$550-633
Queen's	3,800	\$707-720	-
McMaster	3,686	\$602-678	\$803-835
Ottawa	2,889	\$526-613	\$764-958
McGill	2,800	\$703-1,019	\$683-782
SFU	1,831	\$554-595	\$554-640
Calgary	1,759	\$356-575	\$578-719



Unmet Demand at UBC-V as of June 2009 – internal analysis:	
8-month: 1 st Year	404
8-month: Upper	1,159
Year Round	550
Student Family	222
Faculty/Staff	93
Total	2,428



a place of mind

THE UNIVERSITY OF BRITISH COLUMBIA

UBC-V A CAMPUS HOUSING DEMAND STUDY

(completed between February – December 2009 by independent consultants)

The UBC On-campus and Off-campus Housing Demand Study demonstrated a demand and need for increased On-campus Housing.

Sample size of 5684 on and off campus students – findings:

- 81% of on-campus students view academic benefits as important.
- 76% of on-campus students report social benefits as a strong reason to live on campus.
- Increase of up to 6,300 new renters a year in City of Vancouver, however fewer than 500 new rental units created each year for last 10 years. Hence, shrinking affordable rental market in city.
- Rents average \$753 per month one hour from campus; \$969 per month 11 to 20 minutes from campus. Students who rent 2 hours from UBC pay more rent than rates for SHHS housing.
- 68% of off-campus students are not participating in student life as much as they would like, with 50% relating this to housing location.



UBC-V A CAMPUS HOUSING DEMAND STUDY

Report available at
Campus and Community Planning website at:

http://www.planning.ubc.ca/news_events/whats_new/articles263.php



a place of mind

THE UNIVERSITY OF BRITISH COLUMBIA

CURRENT SHHS SUPPLY - 2009

Residence	Contract Period	#Beds	Student Population					Type
			1 st Year	2 nd Year	3 rd Year	4 th Year	Grad	
Place Vanier	8 month	1,434	1,059	257	83	26	5	Traditional ("Dorm")
Totem Park	8 month	1,157	941	134	56	11	4	Traditional ("Dorm")
Walter Gage	8 month	1,350	83	538	386	267	52	Shared suite & Self-contained units
Rits-UBC House	8 month	205	22	90	62	25	6	Shared suite
Fairview Crescent	8+4 month	772	37	180	342	169	41	Shared suite
Marine Drive	8 month	656	67	280	157	112	34	Shared suite & Studios
Marine Drive	Year-round	965	59	108	216	182	367	Shared suite & studios
Thunderbird	Year-round	631	15	19	60	76	452	Shared suite & Self-contained units
Green College	Year-round	100	0	0	1	0	99	Shared suite & Self-contained units
Acadia Park	Year-round	514	7	7	28	40	432	Self-contained Family units



EXPANSION PHASING AND FINANCING

Step 1 – September 2011

- 567 Modified-traditional beds at Totem Park: \$47.6 million (\$84,000/bed space)
- 268 Student Family units: Conversion of existing Faculty/Staff housing
- Faculty/Staff: through Properties Trust, P3, Third Party

Step 2 – September 2012 & 2013

- Up to 960 Shared and Self-contained units at Ponderosa Hub: \$77 million (\$80,000/bed space)

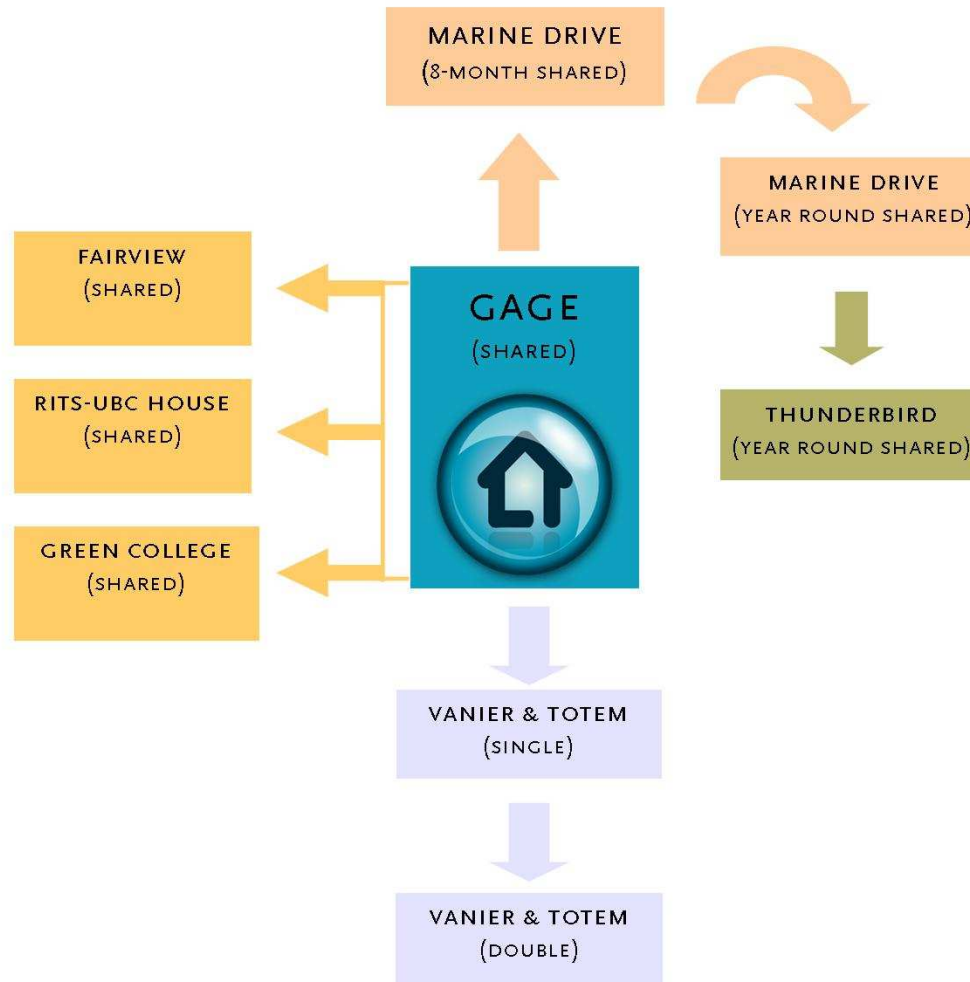
Step 3 – September 2014 & 2015

- 640 Shared and Self-contained units at Law Hub: \$51 million (\$80,000/bed space)
- Acadia Park infill – housing infill program to be established

Total – 2418 new beds & Acadia Infill – total capital - \$172 million



Revised Housing Pricing Matrix



PROPOSED RENTAL PRICING 2010/11

Cost per month	Current	Proposed	\$ Change
Totem/Vanier			
Shared	\$428	\$480	\$52
Single	\$497	\$550	\$53
Walter Gage	\$554	\$625	\$71
Rits-UBC House	\$591	\$625	\$34
Fairview Crescent			
Medium	\$564	\$625	\$61
Large	\$616	\$660	\$44
Thunderbird			
Shared	\$592	\$635	\$43
1 Bedroom	\$913	\$980	\$67
Green College	\$543	\$585	\$42
Acadia Park			
1 Bedroom	\$938	\$966	\$28
2 Bedroom	\$1,254	\$1,292	\$38
Marine Drive			
8-month	\$693	\$745	\$52
12-month	\$693	\$715	\$22



Weighted Average Rent Increase	
UBC-V:	7.5%
UBC-O:	9.2%
System-Wide:	7.7%



PROPOSED 2010/11 BUDGET

Student Housing & Conferences (UBCV & UBCO)
STATEMENT OF OPERATIONS AND CHANGES IN NET OPERATING SURPLUS
Year Ended March 31, 2010
(thousands of dollars)

	Actual 2008/2009	Approved 2009/2010	Projected 2009/2010	Budget 2010/2011	Forecast 2011/2012
Revenue					
Rentals	\$ 60,458.1	\$ 62,081.5	\$ 62,094.7	\$ 66,519.5	\$ 71,984.1
Investment Income	\$ 639.7	\$ 1,450.8	\$ 771.7	\$ 661.0	\$ 661.0
Miscellaneous Revenue	\$ 2,287.1	\$ 2,116.3	\$ 2,035.9	\$ 2,232.6	\$ 2,274.6
	<u>\$ 63,384.9</u>	<u>\$ 65,648.6</u>	<u>\$ 64,902.3</u>	<u>\$ 69,413.1</u>	<u>\$ 74,919.7</u>
Expenses					
Salaries	\$ 11,784.0	\$ 12,687.4	\$ 13,373.9	\$ 13,686.0	\$ 13,841.7
Employee Benefits	\$ 2,456.2	\$ 2,354.0	\$ 2,621.3	\$ 2,682.8	\$ 2,682.8
Bank Charges	\$ 904.0	\$ 845.8	\$ 869.3	\$ 842.3	\$ 887.1
Depreciation	\$ 13,405.8	\$ 14,496.8	\$ 14,192.4	\$ 15,702.9	\$ 18,790.8
General Municipal Services Levy	\$ 722.1	\$ 862.7	\$ 651.7	\$ 652.0	\$ 652.0
Interest	\$ 13,650.0	\$ 17,077.8	\$ 15,635.0	\$ 17,203.0	\$ 18,462.2
Professional and Consulting Fees	\$ 150.9	\$ 106.0	\$ 115.5	\$ 129.8	\$ 129.8
Repairs & Maintenance	\$ 3,426.6	\$ 3,559.0	\$ 3,544.9	\$ 3,550.7	\$ 3,706.4
Travel, Training & Registration	\$ 188.0	\$ 259.9	\$ 179.9	\$ 228.1	\$ 539.5
Utilities	\$ 7,441.0	\$ 8,157.8	\$ 7,767.7	\$ 8,210.8	\$ 8,903.5
Operational Supplies & Expenses	\$ 5,147.9	\$ 3,944.7	\$ 3,874.5	\$ 4,004.9	\$ 4,316.3
	<u>\$ 59,276.5</u>	<u>\$ 64,351.9</u>	<u>\$ 62,826.1</u>	<u>\$ 66,893.3</u>	<u>\$ 72,912.1</u>
Excess of Revenues over Expenses before Contributions	\$ 4,108.4	\$ 1,296.7	\$ 2,076.2	\$ 2,519.8	\$ 2,007.6
Dividend	\$ 1,878.6	\$ 1,911.6	\$ 1,923.9	\$ 4,443.4	\$ 4,623.2
Excess of Revenues over Expenses after Contributions	<u>\$ 2,229.8</u>	<u>\$ (614.9)</u>	<u>\$ 152.3</u>	<u>\$ (1,923.6)</u>	<u>\$ (2,615.6)</u>



Summary

1. Support aggressive growth plan to meet recognized demand.
2. Allow for capital renewal of existing assets.
3. Support core UBC function through economic contribution.
4. Aligns with below market rate principle.



Year-round Housing Expansion

- Marine Drive Building 6 moving from 8-month to year-round contracts.
- Price structure:
8-month contract monthly rate September to April is \$745, discounted to \$655 May to August. Average monthly rate is \$715.
- Provide benefit to your-round residents.
- Other benefits:
 - No moving costs
 - Exempt from lottery process
 - Great summer living location





a place of mind

THE UNIVERSITY OF BRITISH COLUMBIA