



What Millennials Want

Resident Preferences in Student Housing Design and Amenities

MFE CONCEPT
COMMUNITY

Exclusive research conducted for
Multifamily Executive's 2013 Concept Community

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About J Turner Research

Based in Houston, **J Turner Research** specializes in developing and executing innovative and affordable research services for the multifamily industry. The company utilizes email-based surveys to accurately measure perceptions of prospects and current residents to optimize operational and marketing efficiencies. J Turner Research is the largest provider of off-campus student housing surveys. With its monthly resident satisfaction surveys and real-time prospect feedback delivered in trending reports, J Turner Research provides actionable, operational intelligence to its multifamily real estate clients.

J Turner Research also has developed a new social media application which provides frequent, original resident content to property Facebook pages.

For more information, please call (281) 558-4840 or visit www.jturnerresearch.com.

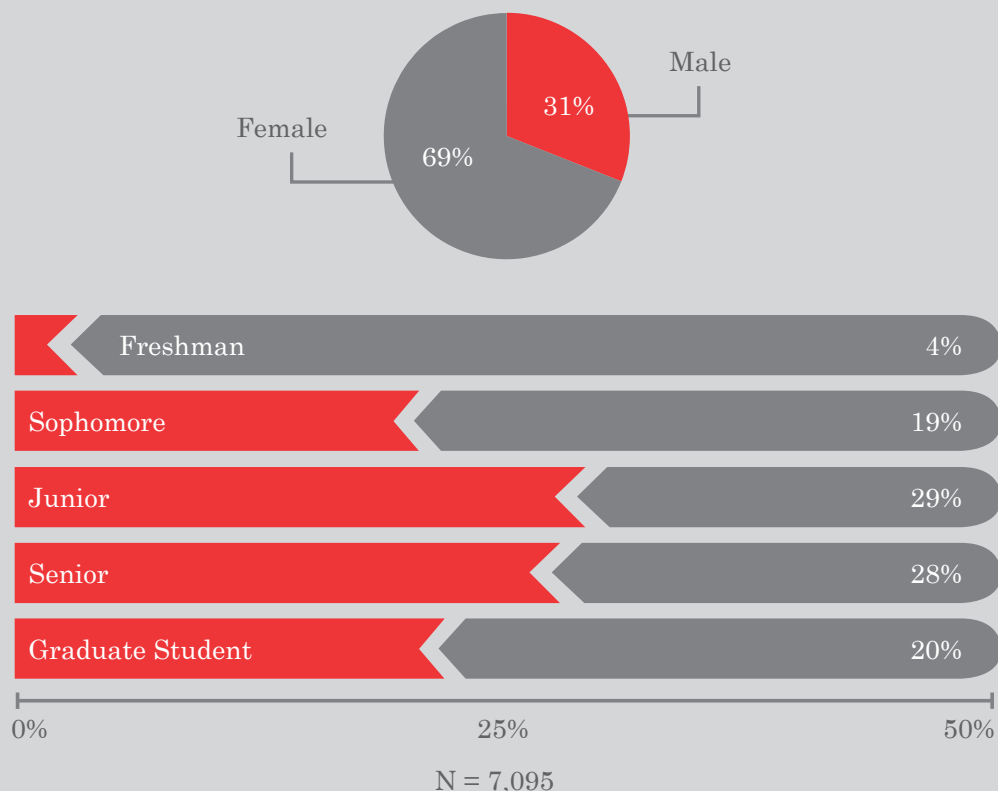
About the Survey

As an official partner of the 2013 Multifamily Executive Student Housing Concept Community, J Turner Research was engaged to survey college and university students across the country on their student housing location, design, and amenity preferences as well as the major influences on their housing selection. Survey questions were developed in concert with the MFE Concept Community partners, including the magazine's editorial staff and executives from American Campus Communities, Fountain Residential Partners, and multifamily architecture/design firms Humphreys and Partners and KTGy.

Participating firms providing data for the survey include Campus Apartments, EdR, and Peak Campus Companies. In total, 7,095 responses were received nationally and included in this executive summary. The results were released September 10, 2013 during an exclusive research presentation at the Multifamily Executive Conference in Las Vegas, NV.

What Millennials Want: Resident Preferences in Student Housing Design and Amenities indicates that, to satisfy both cost and quality of life requirements, most students have moved (or desire to move) off-campus into modernized student housing communities. The competition for their rent dollars among developers thus hinges around several key factors: build communities close to campus, provide residents with ample storage areas and their own bathrooms (even if they share a bedroom), and feature a fitness center among the common area and an amenities package. When delivered by the developer and operator as promised, students indicate a willingness to pay a premium for the amenity and design preferences guiding their housing decisions.

Demographic Breakdown

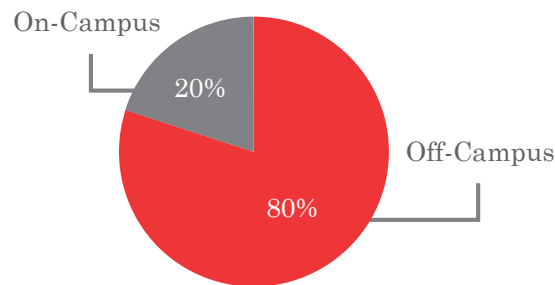


Exodus: The Huge Preference for Off-Campus Housing

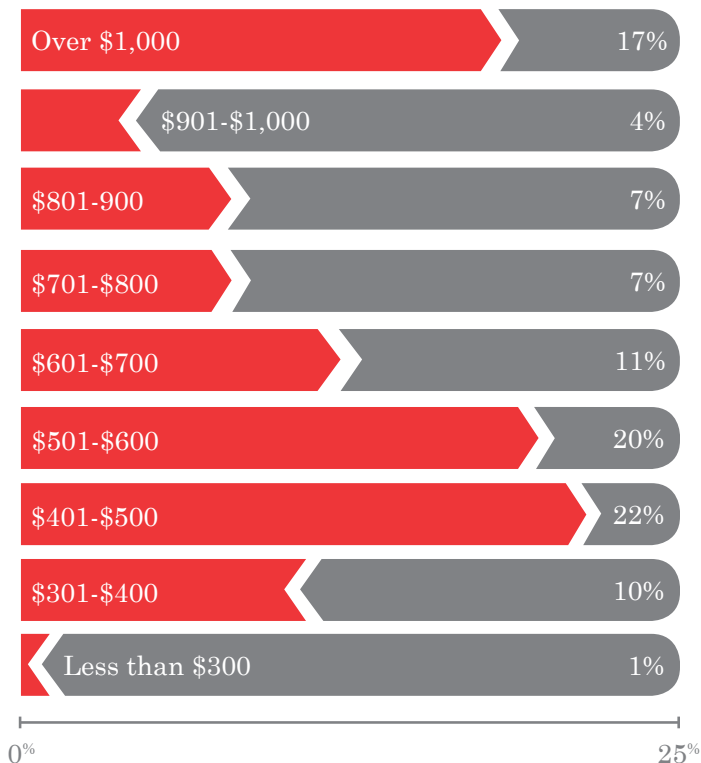
Dorm days are over. Across the country students are opting for off-campus, apartment-style living, typically with two to three roommates. In fact, 80 percent of students are already living off-campus, where average monthly rent is \$620, according to the Multifamily Executive Magazine Student Housing Concept Community Survey *What Millennials Want*.

While a significant portion (42 percent) of students pay rent in the \$400 to \$600 dollar range, the next largest group (17 percent) pay \$1,000 a month or more, indicating there may be opportunities to develop product into rent ranges of \$600 to \$800 per month, particularly for graduate students, who pay the highest rents at an average \$700 per month.

Where do you currently live?



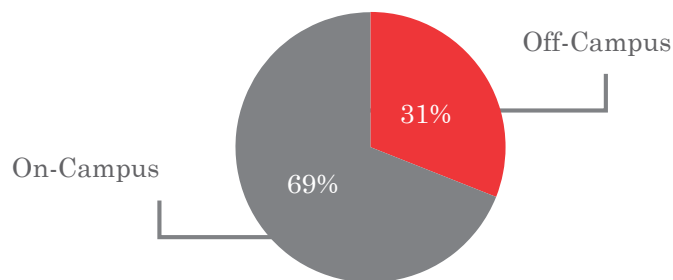
What is your monthly housing rent?



Graduate Students
Average Rent

When asked whether students' preferred to live on or off-campus, there was little deviation in response from the 80 percent of individuals that already report living off-campus: 76 percent *preferred* to live off-campus while 24 percent preferred to live on. If the 4 percent deviation indicates even a slim minority of off-campus dwellers would opt for on-campus housing, cost is likely the primary prohibitive, as 69 percent of respondents said on-campus housing at their college or university is more expensive than off-campus options.

On your campus, is it more expensive to stay on-campus or off-campus?



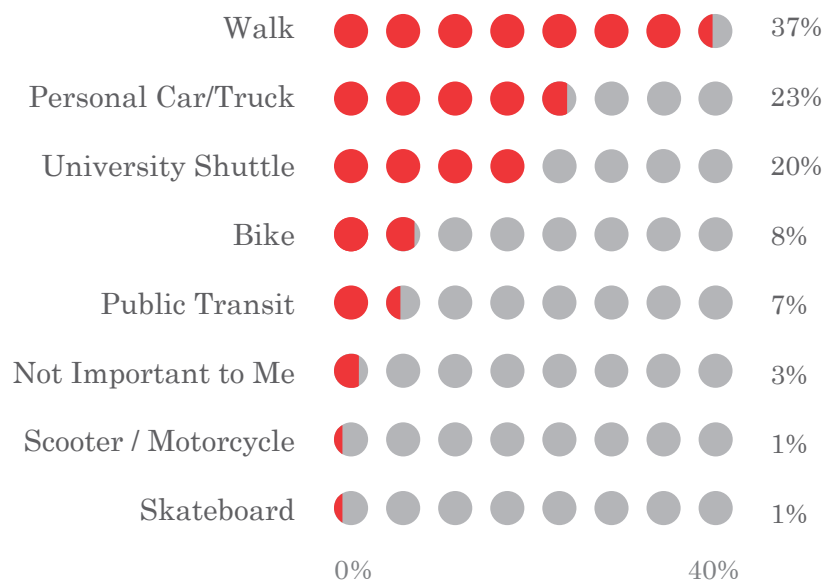
All things being equal, how much more in rent per month are you willing to pay to live off campus?



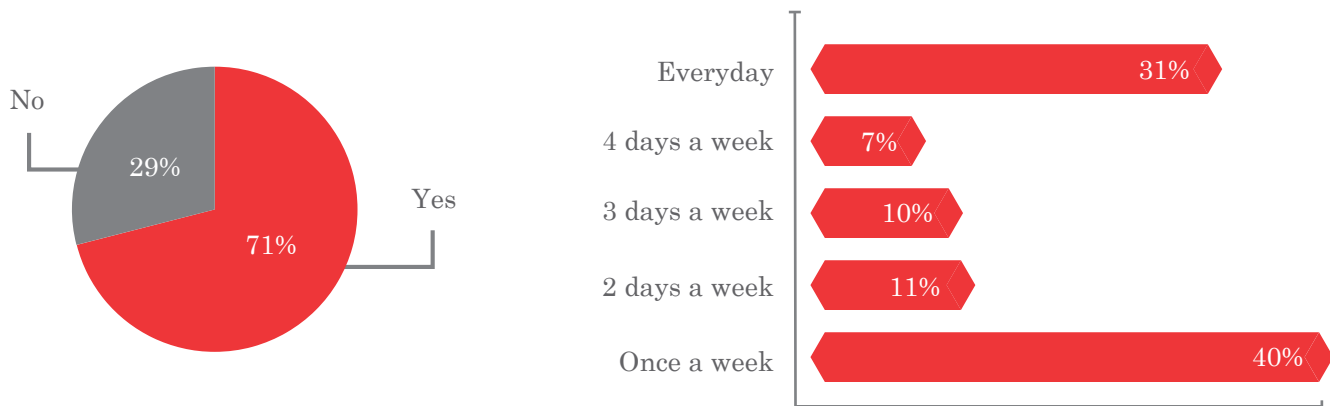
In fact, housing costs may not be a significant barrier to most students living off-campus to begin with, as survey respondents indicated a willingness to pay an average dollar premium of \$85.01 more in rent per month to live off-campus.

Proximity to campus remains critical for students as they seek off-campus housing, as 37 percent of students say walking is the ideal mode of transport to and from campus, with only 23 percent preferring to drive and another 20 percent preferring a university shuttle service. Only 8 percent of respondents say a bike is the ideal means of transportation to/from campus, and a mere 1 percent prefer using a skateboard or a motorcycle/scooter. Still, most students (71 percent) do have a car, even if the largest share of them (40 percent) only drive it once a week or less. In contrast, the next largest group (31 percent) said they drive every day.

In your opinion, what is the ideal means of transportation to and from campus?

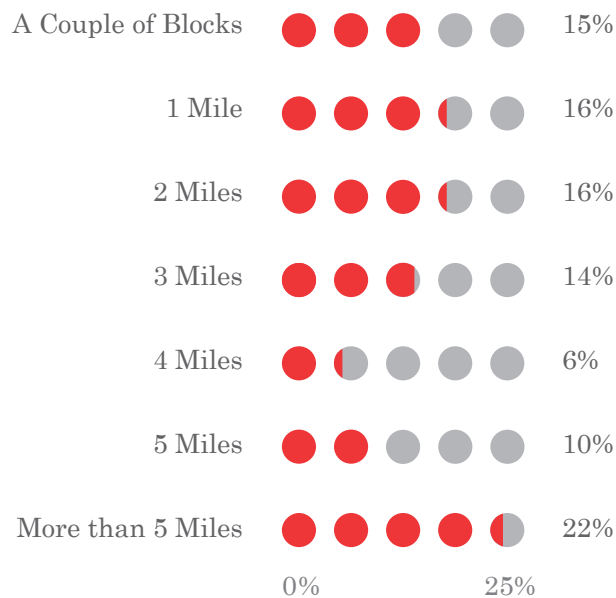


Do you have a car? If yes, how many days a week do you drive your car to school?



Either way, parking continues to be of paramount importance to student housing residents even as the largest number of residents prefer to leave their car at home when going to campus. Likewise, despite the high level of car ownership among students, they're often unwilling to move very far from campus. More than half of students said they would rather live just a couple of blocks from campus (15 percent), no more than one mile from campus (16 percent), no more than two miles from campus (16 percent), or no more than three miles from campus (14 percent).

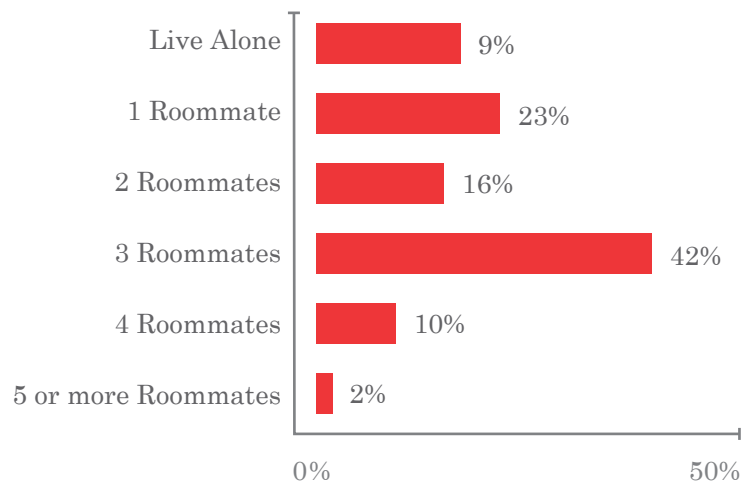
When considering a community, what is the furthest distance where you would no longer consider leasing at a particular property?



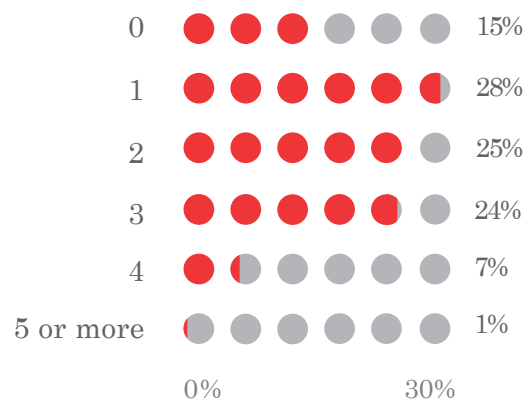
Three's Company: Roommates and Living Situations

Getting away from dorm life doesn't mean students are living alone. In fact, most (42 percent) survey respondents typically live with three roommates, with smaller numbers reporting living with two (16 percent) or one roommate (23 percent), and only 9 percent of students living by themselves (a larger, 18 percent share of graduate students live alone). Students don't necessarily seem to want to live alone either: only 15 percent say living alone is ideal, compared to a somewhat even split who feel living with one (28 percent), two (25 percent), or three roommates (24 percent) is the ideal living scenario.

How many roommates do you have in your apartment?

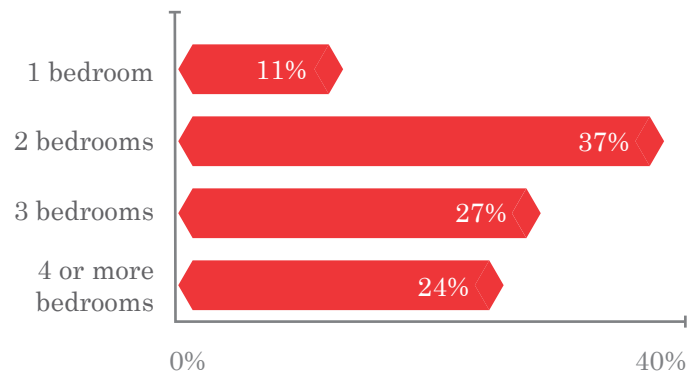


What is the ideal number of roommates?



Likewise, when asked to report the ideal number of bedrooms per unit, students more often selected two bedrooms (37 percent), three bedrooms (27 percent), or four bedrooms (24 percent) before opting for a single-bedroom unit (11 percent). Clearly, the days of bunking up appear largely over, with only 15 percent of survey respondents indicating they share a room with a roommate (and only 8 percent of graduate students indicated doing so).

In your opinion, what is the ideal number of bedrooms per unit?

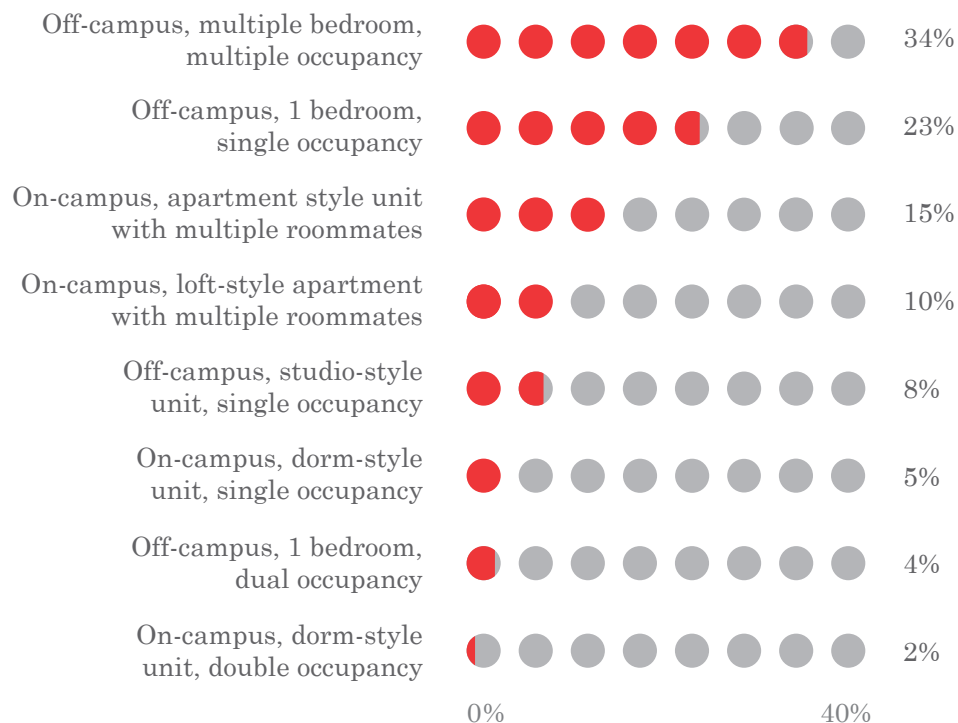


Do you share your bedroom with a roommate?



Indeed, when told price was not a factor in choosing their ideal apartment unit by both location and occupancy, students vastly preferred off-campus, multiple-bedroom, multiple roommate (34 percent), off-campus, single bedroom and single-occupancy (23 percent), and on-campus, multi-roommate “apartment style” units. One bedroom / dual occupancy options were selected least frequently by students, regardless of whether they were living in off-campus (4 percent) or on campus (2 percent) communities.

If price were not a factor, choose one of the following that best matches your ideal apartment?



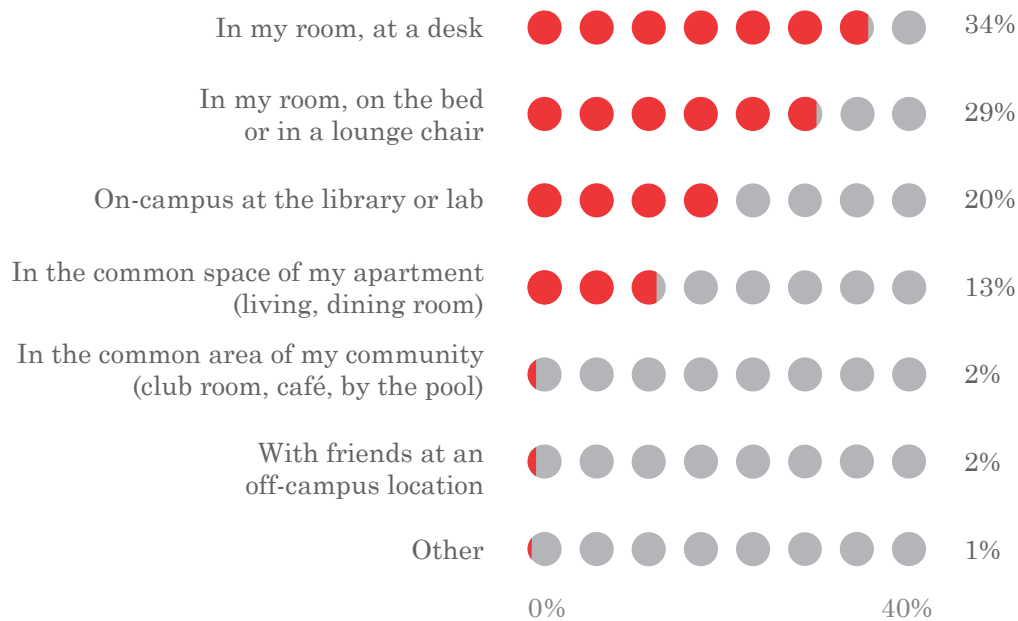
When in my apartment, I am most likely to be:

Fading out in order of priority, students responded:



When physically in their apartment, students are most likely to either be studying into the night or catching up on their zzz's, with sleeping and studying both ranking at the top of in-apartment activities. Students also showed a propensity for eating and just "hanging out," but were least likely to be engaged in either partying or gaming.

Where do you study most often?

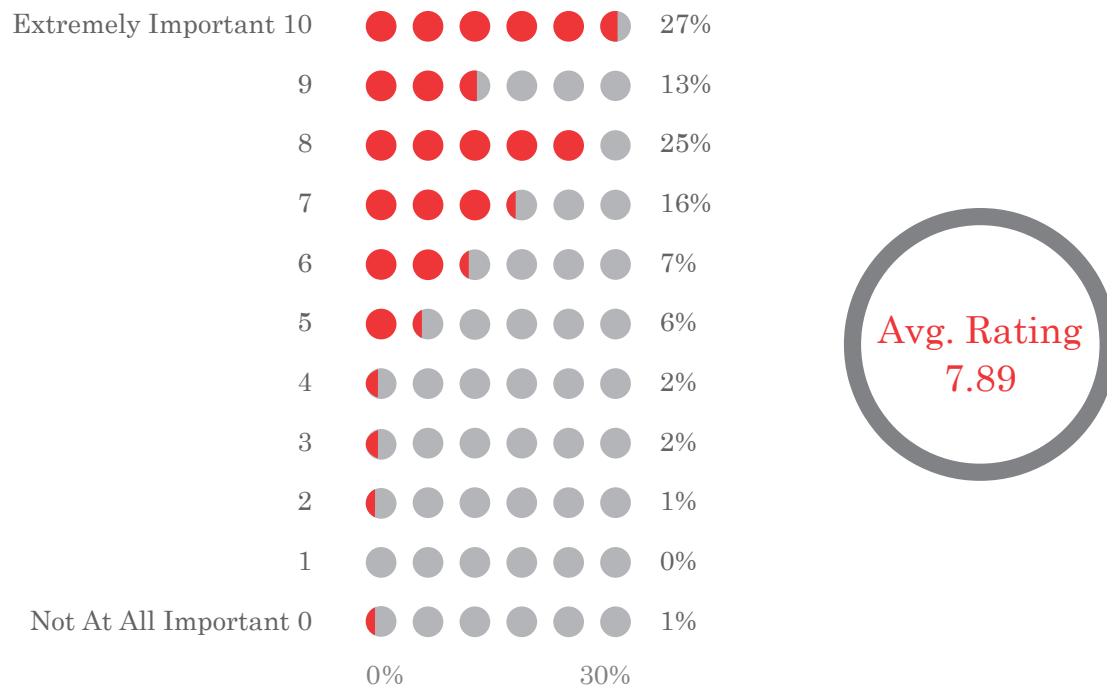


In fact, student housing bedrooms appear to be study central, with more than a third of students (34 percent) preferring to study in their room at their desk, with another 29 percent preferring to study in their room on a chair or bed. Only 13 percent of students say they prefer to study in an apartment common area such as a living or dining room, and an even smaller share (2 percent of students) elect to study at community common areas like a clubhouse or pool. In fact, when not in their room, the next largest number of students (20 percent) prefers to study on-campus at a library or university lab.

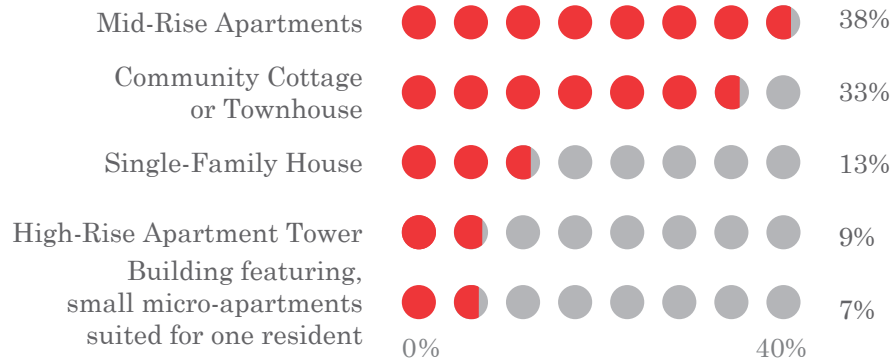
Pimp My Crib: Apartment Design and Amenities

Apartment size itself is also a significant driver behind student housing decisions, and was scored as an “extremely important” (eight, nine, or ten) by 65 percent of survey respondents when asked to rank the importance of apartment size to their housing decision on a scale of one to ten.

How important is apartment size in your housing decision?

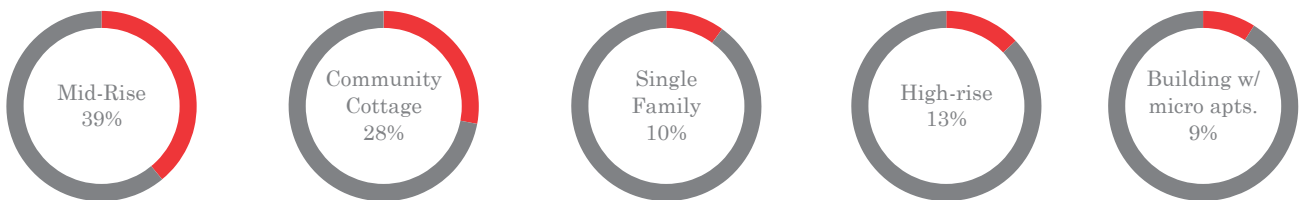


What type of building would you most like to live in?

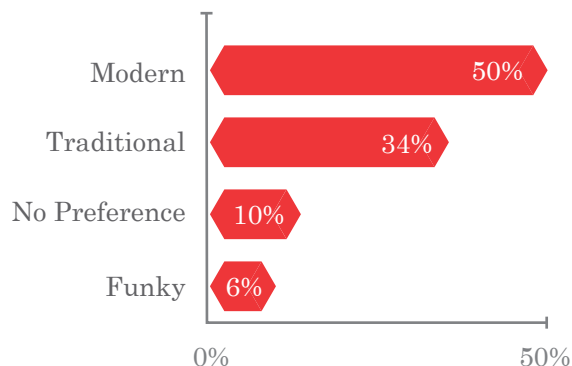


For the most part, students show a preference for either living in a mid-rise apartment building (38 percent) or a community cottage or townhouse (33 percent). Only 13 percent would most like to live in a single-family home, with an even smaller portion (9 percent) showing a preference for high-rise apartment towers. Only 7 percent of respondents said they'd be most interested in a community of so-called "micro" apartments.

Graduate students were similar in their building style preference.



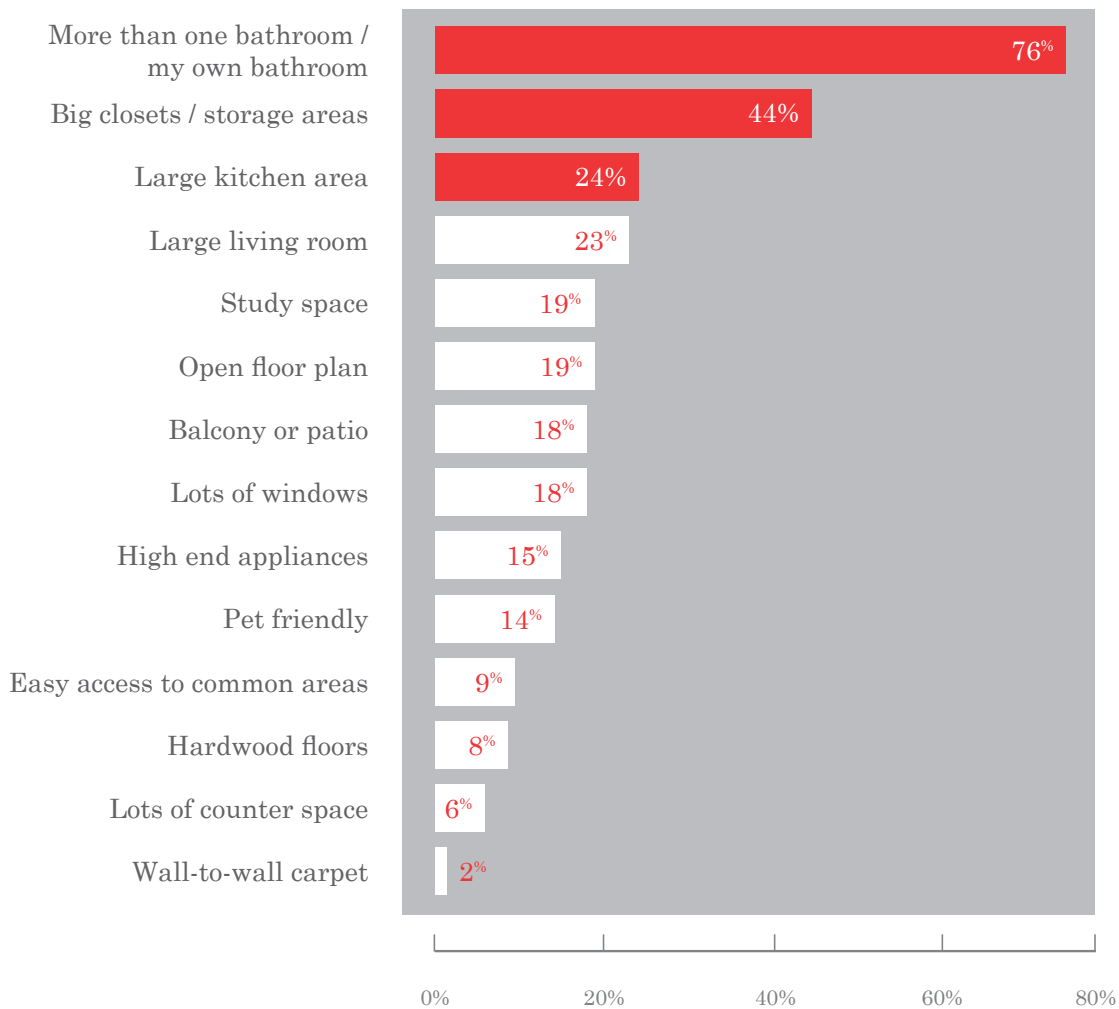
Aesthetically, what is your favorite design style?



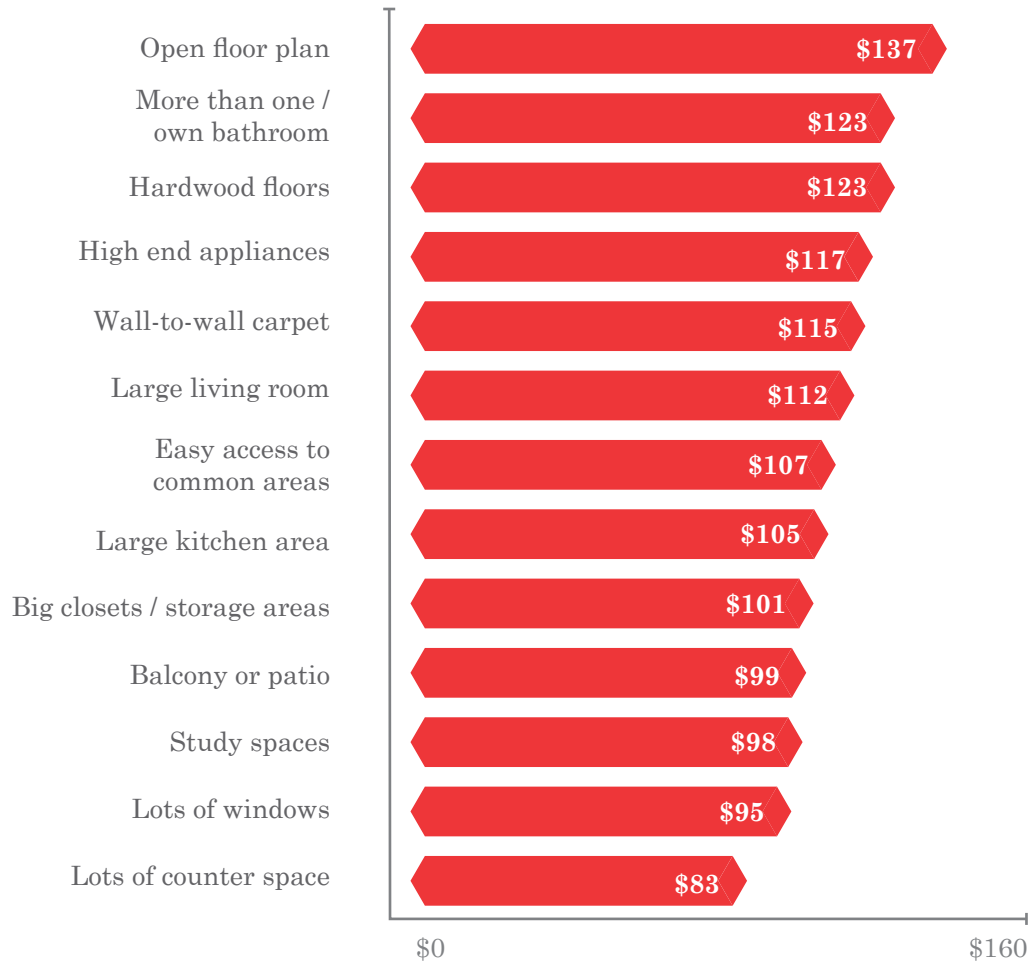
When asked what kind of design styles they prefer, the majority of respondents (50 percent) preferred sleek and clean modern design, with 34 percent opting for a more traditional "homey" design. Only 6 percent of students said they preferred funky, eclectic community design and another 10 percent indicated that they did not have a design style preference.

Beyond building and community design, having access to their own bathroom (76 percent) and big closets and storage spaces (44 percent) ranked as the top two design features in an ideal apartment for student housing residents. Other popular design features included large kitchen areas and large living rooms at 24 and 23 percent, respectively. Counter space at 6 percent and wall-to-wall carpeting at 2 percent were the least important design features for students.

What are the top three most important design features of your ideal apartment?

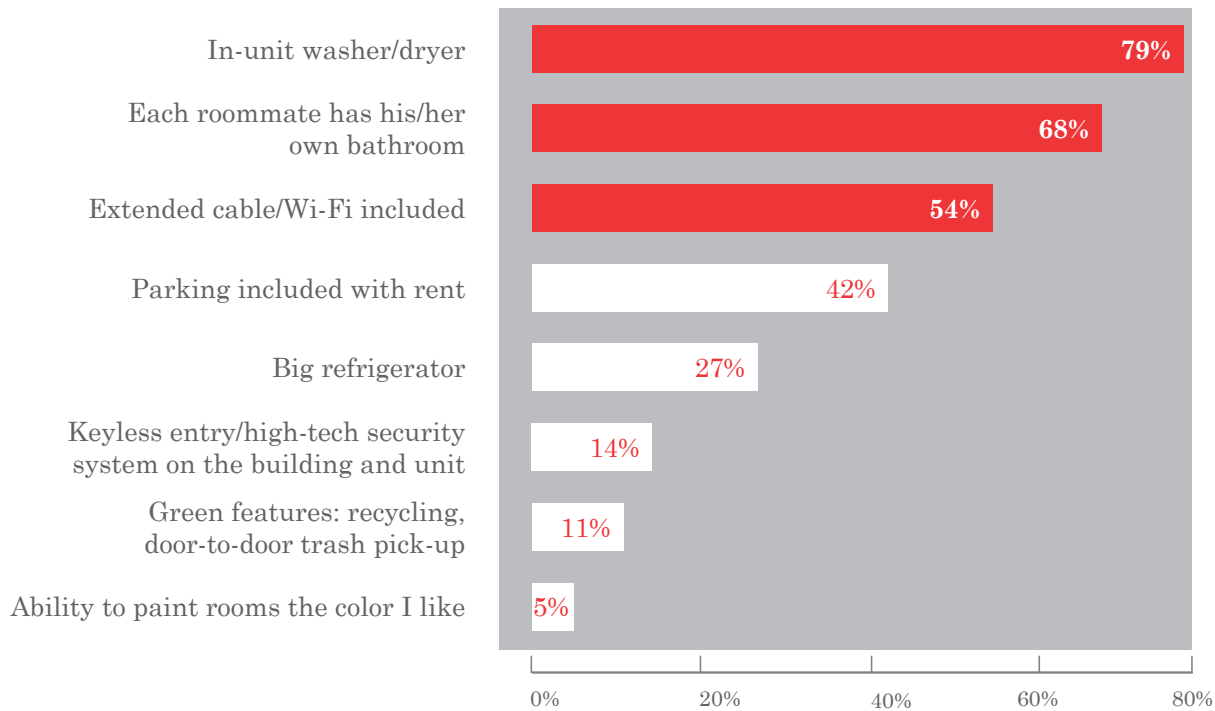


How much more are you willing to pay per month for this design feature?



Like location, students are also willing to pay for design: on average, survey respondents said they would pay \$123 more per month for their own bathroom, and \$101 more per month for larger closet and storage areas.

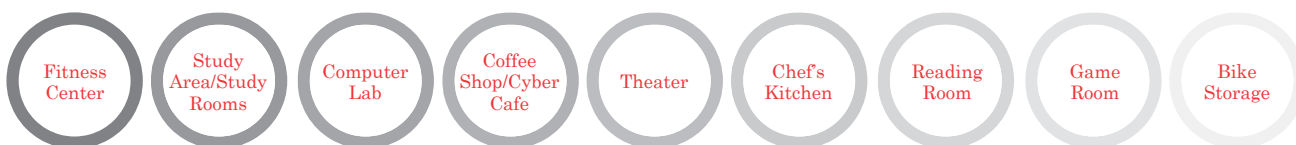
What are the top three most important amenities of your ideal apartment?



Even when paired with other, additional community amenities, bathrooms continued to score high among survey respondents, who mentioned having their own bathroom 68 percent of the time when asked to rank their top three most important apartment amenities. Only washers and dryers at 79 percent scored higher, while having extended cable / Wi-Fi (54 percent) or parking (42 percent) included in the rent came in third, and fourth, respectively. Rounding out the top five most important amenities, 27 percent mentioned big refrigerators.

What types of communal spaces would you be most likely to use?

Top nine communal spaces students would be most likely to use, fading out in order of priority.



When it comes to communal spaces, fitness centers top the list of apartment community common areas that students say they are most likely to use, followed by study areas and computer labs. Less preferred but still somewhat popular were coffee shop / cyber cafes and theaters, while game rooms and bike storage areas were ranked last in order of preference. Fitness centers also topped the list of community features most important to students other than location, just edging out the availability of parking and whether or not the community had a pool or spa. Ranking last in preferred community features were high-tech, resort-style clubhouses.

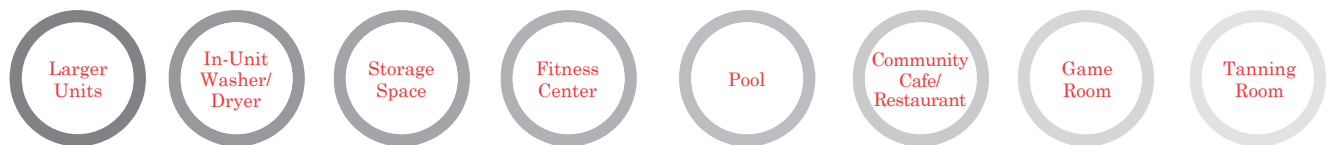
When deciding where to rent your apartment, besides location, what community features are most important to you?

Top six features, fading out in order of priority



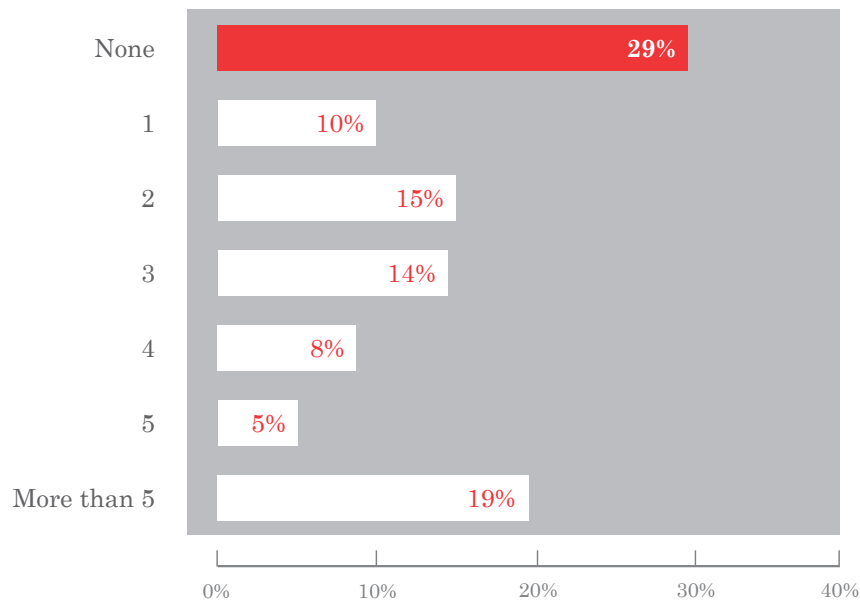
Which amenity has a larger impact on your housing decision?

Out of eight choices offered, students ranked their favorite amenities, fading out in order of priority.



Common areas and their associated amenities were less likely to have the largest impact on a student's housing decision, where respondents listed large units, in-unit washer and dryer, and storage space as their top three considerations (fitness centers were a close fourth).

How many community social events have you attended in the last 12 months?

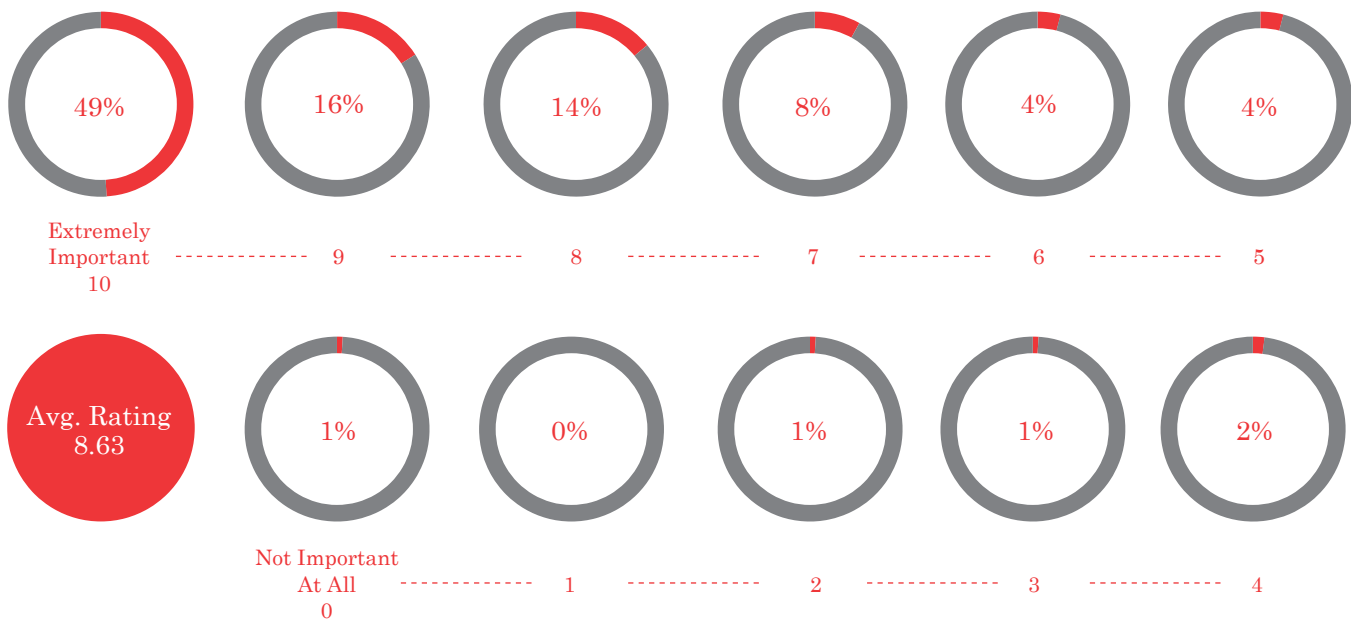


For student housing communities trying to better activate social spaces, it's feast or famine: when asked how many community social events they attended in the past year, the two largest groups either reported none (29 percent) or more than five (19 percent).

Technology and Parental Guidance

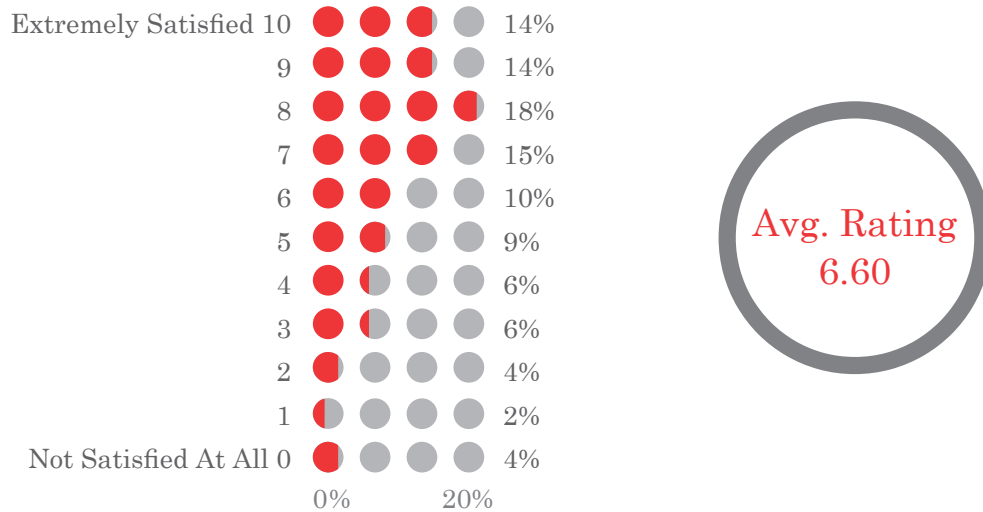
Beyond amenities and even apartment size, access to technology—and more specifically to cellular phone reception and Internet bandwidth—continues to play an extremely influential role in student housing community and apartment selection. When asked how important cell reception was to their apartment community selection, 49 percent of students ranked its importance at the highest level. In contrast, only 27 percent of students ranked large apartment units as highly important.

How important is cellular phone reception in your selection of an apartment community for college?



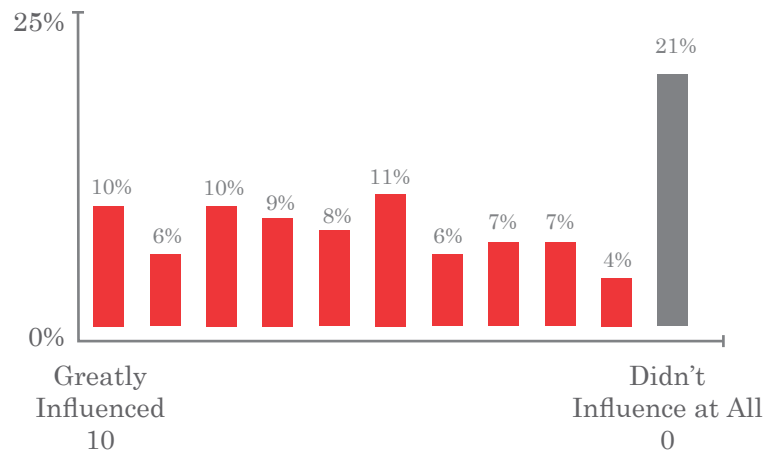
Student housing residents, do, however, seem mostly satisfied with the Internet bandwidth they receive, scoring their satisfaction at a mean 6.60 on a scale from 10 to 0. In fact, 71 percent of students rated their Internet bandwidth satisfaction at a six or higher, with only 4 percent indicating they are not at all satisfied with their bandwidth.

How satisfied are you with the level of Internet bandwidth available at your apartment?



Students seem much more ambivalent towards the role their parents played in selecting their college community, with somewhat equal shares of respondents indicating little, moderate, and great influence. The largest number of respondents (21 percent), however, reports that their parents did not influence their housing decision at all.

How much of a role did your parents play in selecting your collegiate housing?



Regardless of the influence parents play in student housing apartment selection, it's clear that developers and operators of student housing communities—particularly those in highly coveted, off-campus but close to campus locations—can establish competitive advantage by offering well-sized, modern apartment units featuring individual bedrooms and bathrooms for multiple occupancy.

Students could furthermore be wooed to communities with in-unit washers and dryers, community fitness and pool / spa areas, and the availability of dependable, high-speed Internet bandwidth and cellular phone reception. Ultimately, students are opting for off-campus, apartment-style living with upgraded privacy features, and are willing to pay a premium for the amenity and design preferences guiding their housing decisions.