

# Chapel Hill Planning Commission Report on Student Housing

June 2023

## Key Takeaways

- UNC-CH does not have the money or the regulatory authority to construct new dorms due to:
  - a large maintenance backlog
  - state restrictions on permissible funding sources for new dorms
  - refusal from the Board of Governors to approve new dorms or to endorse requests to the state to fund new dorms
- UNC students compete in the Town housing market for workforce housing
- Housing designed to appeal specifically to students tends to be built in certain configurations that do not appeal to other groups
  - e.g., 4-6 bed suites typically only appeal to students
- Typical workforce housing configurations appeal to everyone
- Since 2000, the UNC student population has grown by an average of ~390 students per year. Because there will be no new dorms on campus, **the Town can expect similar growth in student demand for off-campus housing for the foreseeable future**

## Capacity

- There are many more students at UNC than beds on campus
  - ~9,000 beds for 20,000 undergraduates
  - ~1,000 beds for 11,000 graduate and professional students
  - a total of ~10,000 beds for 31,000 students
- Student population grows slowly and steadily
  - there were 23,000 students in 2000
  - there are 31,000 students in 2023
  - average growth rate comes out to ~390 students / year over the last 23 years

## Occupancy

- The current occupancy rate is 96.5%; the goal is 98%
- Some dorms will have to be shut down for critical repairs in the next five years; this will temporarily increase the demand for off-campus housing

## Operating Challenges

- The Housing division has \$330 million in deferred maintenance. Housing costs increase every year as:
  - students demand new amenities (failing to provide these increases the demand for off-campus housing)
  - buildings become unsafe or unusable due to maintenance issues
  - inflation occurs
- The Housing division has funding restrictions:
  - it **can** spend money generated by student rents
  - it **can** spend money specifically appropriated for housing in the state budget
  - it **cannot** spend money from other campus divisions
  - it **cannot** spend money generated by tuition
- Housing does not make enough money to substantially reduce the deferred maintenance backlog or to build new dorms:
  - student rents produce ~ \$70 million per year
  - the Housing division spends ~\$70 million per year on operations and maintenance
- The university could increase the Housing budget by materially hiking student rent, but:
  - this would produce parental backlash
  - it would also produce a mass exodus of students into off-campus housing
- Even if UNC-CH had the money for new dorms, it does not have the authority to build them: approval rests with the UNC System Board of Governors
  - the current Board of Governors has prioritized renovation and restoration and is mostly denying requests for new dorms

## Student Demand

- Only freshmen are required to live on campus
- Students otherwise fall into three groups:
  - extremely price-conscious (usually **on-campus**)
  - price-conscious and amenity-conscious (usually in **houses** or **cheaper apartments**)
  - non-price-conscious, highly amenity-conscious (usually in **houses** or **expensive apartments**)
- Students do not like the housing configurations on campus (shared hall bathroom, roommates, no kitchen, no en-suite washer/dryer, etc.)