The Student Housing Conundrum

Balancing Need with Community Implications

Georgia Planning Association Fall Conference 2018
September 6, 2018, 2:00 – 3:15 PM

Moderator:
Dana Johnson, Director
Cobb County Community Development Agency
Session Agenda

- Definitions and terms
- Introductions of Speakers
- Presentations
- Questions and Answers
- Wrap-up
Definition and Terms: PBSH

Purpose Built Student Housing (PBSH)

- Privately-built student housing with which no educational institution has involvement in the permitting, construction or management
  - a.k.a. private student housing
Definition and Terms: Key Distinguishing Factors

1. Units leased by the bedroom
   ◦ Contain 1 to 5 bedrooms

2. Lease terms aligned with academic calendar year

3. Traditional and student-friendly amenities
   ◦ Study rooms
   ◦ Swimming pools
   ◦ Exercise rooms
   ◦ Barbecue/picnic areas
The Conundrum: Student Body Growth

Kennesaw State University
- Commuter college → full-fledged residentially-based university
- Significant growth over the past 10-15 years
  - Result: shortage of on-campus housing for students

University of Georgia
- State’s flagship institution
  - Record-setting freshman enrollment on a near-annual basis
- On-campus housing is adequate; however,
  - Off-campus living is a popular option

“How has Athens-Clarke County kept up with the demand for off-campus student housing?”
The Conundrum: The Response

Kennesaw State University
• Shortage of on-campus housing has created a market for PBSH

University of Georgia
• Communities have been built for the student housing market
  • Marketed as an investment opportunity for parents/students to be owners/landlords
The Conundrum: The Response

Community Discord

Common complaints near PBSH:

- Excessive noise
- Light pollution
- Parking issues
- Increased vehicular traffic
- Frequent calls to police
Traditional Apartment vs. PBSH Unit

- Almost 1 – 3 Bedroom Typical
- One Half (48%) 2 bedroom
- Average floor area approximately 1075 sq.ft.
- Average lease $1,269 /mo / unit

- 1-5 Bedroom units available
- Average number of bedrooms not available.

**Of the 3 with available information:**
- 1 has 79.6%
- 2 have 100% 4 bed / 4 ba units

- Average floor area not available:
  - Floor areas range from 586 sq.ft. in a 1-bed
to 2,408 sq. ft. in a 5-bed detached cottage

- Lease by the bedroom
  - Ranging from $699 in a 4-bed unit to $1,020 for a 1 bed unit
Speakers

**Jason Gaines, AICP**  
*Planning Division Manager, Cobb County*

**Darryl Simmons**  
*Planning and Zoning Administrator, Kennesaw, GA*

**Bruce Lonnee, AICP**  
*Senior Planner, Athens-Clarke County, GA*
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Jason Gaines, Planning Division Manager
Cobb County Government
Presentation Outline

1. Background of PBSH in Cobb County/KSU Area
3. Moving Forward: Takeaways from the Study
Background of PBSD in Cobb County/KSU Area

Why PBSD?

◦ (Perceived) Lack of on-campus housing options at KSU
◦ Large demographic cohort in the age range of the “traditional” college student
◦ Lack of other investment opportunities during the economic downturn (’09-’13)
Background of PBSH in Cobb County/KSU Area

KSU: Nearly 39% growth rate in total enrollment 2004-2013

- Peak was 2006
  - Annual growth: nearly 7%
- 2012-2013
  - Annual growth rate slowed to less than 2%
Background of PBSH in Cobb County/KSU Area

**Newfound Concerns**

- Over-supply, softened demand
- Not easily absorbed into multi-family market due to floorplans/layouts
  - Pro-forma is based on boarding/multi-tenant living arrangement
Background of PBSH in Cobb County/KSU Area

continued
Background of PBSD in Cobb County/KSU Area *continued*

2013: Analysis of the PBSD market
- Town Center/KSU/Kennesaw submarket
Background of PBSH in Cobb County/KSU Area

2013 Study Key Findings

Market oversaturation
- Decreased enrollment growth at KSU
- Rebounding overall housing market

Softened rents
- All multi-family products across the submarket
  - Including PBSH and conventional apartments

(Potential) Failure of a PBSH development
- Devastating impacts on all real estate across the submarket
Current Status in Cobb County

Seven (7) PBSH complexes in the Town Center/KSU/Kennesaw submarket
- Marietta: 1
- Kennesaw: 2
- Unincorporated Cobb: 4

- Six built specifically as student housing
- One conversion from traditional apartment building

Two developments in the permitting process
- Adding 424 units with a minimum of 992 beds
Feedback & Opinions

Nearby Residential Communities
- Negative impact on quality of life
- Want to see PBSH regulated (i.e. zoned away from single-family residential)

Elected Officials
- More information needed to aid in creation of policy
- Request Staff to update and expand upon prior analysis from 2013

PBSH Moratorium
Currently in effect on new PBSH
- Zoning, Site Plans/Permits, Building Plans/Permits
PBSD Locations
Currently, colleges/universities have not invested in on-campus housing at a rate that keeps pace with growing student enrollment.

Density is necessary for PBSH production:
- Focus on creative design rather than separation via zoning (i.e., Euclidean Zoning).
Current PBSH Analysis
Findings To-Date (continued)

Implementation strategies employed in “college towns”
  ◦ Designate specific high-density zoning districts to allow PBSH
  ◦ Load up on zoning stipulations
  ◦ Require special permits with specific criteria
Some communities are at/approaching the point of being over-built with PBSH (The case of Greenville, NC)

“What will happen to PBSH if the market is not there to support it?”

Potential re-use options are unappealing to the public and community leaders

◦ Affordable housing
◦ Nursing homes/assisted living facilities
◦ Communal housing
Contact Information

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Private Student Housing

City of Kennesaw
Georgia Planning Association Fall Conference
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Student Housing Locations
Kennesaw State University

- Ranking: #231 National University (2018)
- Total Enrollment: 35,846
- Undergraduate: 32,945  
  Graduate: 2,901
- Full-time: 25,773  
  Part-time: 10,073
- Male: 52%  
  Female: 48%
- offers more than 150 undergraduate, graduate and doctoral degrees
West 22

- 245 units- 850 beds
- May 2011- Obtained rezoning approval to multifamily zoning district RM-12 with accompanying conditions and variances
- Shuttle service to Kennesaw State University West 22 Started 7/2012 to 8/2014
- Total acreage of site-23.98 Acres
- Construction completed in August 2014
September 2010-Obtained rezoning and annexation approval for multifamily zoning district RM-12 with conditions and variances

Project built in two phases

Phase I construction completed 7/2012

12.83 Acres

135 Units

504 Beds

Phase II construction completed 7/2014

6.315 acres

102 Units

408 Beds
UCLUB@Frey
Approval process, land use planning opportunities/partnerships

- Student housing use currently placed under multifamily zoning district with site specific conditions under zoning actions.
- City of Kennesaw unified development code (UDC) does not specifically address the density, infrastructure or design implications of this use.
- The City of Kennesaw will be addressing this issue with drafts of specific standards for this use that must be adopted into the zoning ordinance and the comprehensive plan.
- A continuous dialogue exists with the City of Kennesaw, Cobb County and Kennesaw State University to pursue future solutions that addresses this planning issue.
Community Desires and Challenges

- **Students** - sense of place, independence, less car dependency, security, campus connectivity, amenities, activities, town connectivity
- **Parents** - affordability, location, security, structured environment, increased life skills achieved by students
- **University** - alignment with university growth master plan, safety for the students, lowered impact for on-campus parking infrastructure, partnerships with local government authority
- **City of Kennesaw Planning and Zoning staff** - diversity of housing types, providing a community need, compliance with city comprehensive plan goals
- **Adjoining residents and business owners** - NIMBY, perception versus facts regarding safety, traffic, crime, character of the community
Emerging Trends

- City of Kennesaw in the short term continues to receive interest from student housing builders
- Diverse workforce and need for post graduate affordable housing
- Student housing and infrastructure needs will continue to increase
- Future infusion of demographic shifts with growing senior population, transplants and maturing young families
Conclusions and Goals

- City must plan for the future by diligent education through community outreach regarding this residential use.

- City of Kennesaw will identify areas of opportunities best suited for these uses that meet the planning goals of both Kennesaw State University, Cobb County and City of Kennesaw.

- Future adoption of purpose built student housing standards.
City of Kennesaw housing data

### Residential Units
- Apartments: 53%
- Student Housing: 21%
- Mobile Home Park: 17%
- Townhomes: 7%
- Single Family Detached: 2%

### Residential Acreage
- Apartments: 82%
- Student Housing: 6%
- Mobile Home Park: 9%
- Townhomes: 1%
- Single Family Detached: 2%
City of Kennesaw Housing Data

Acreage by Land Use

- Residential: 55%
- Vacant: 11%
- Commercial: 18%
- Industrial: 3%
- Institutional: 12%
- Utility: 1%
Questions

- Contact: City of Kennesaw

- Darryl Simmons-Planning and Zoning Administrator- 770-590-8268
dsimmons@kennesaw-ga.gov
- City website www.kennesaw-ga.gov

- Thank You GPA!
Purpose Built Student Housing

**Defined**

- Multi-unit and/or multi-structure format.
- Buildings designed for residential use only.
- 1:1 bedroom-to-bathroom ratio.
- Amenities that appeal to 18-24 year olds.
- 1:1 bedroom-to-parking space ratio
- 1-5 bedrooms per unit
University of Georgia (1946-2016)

On-Campus Housing & Enrollment

Source: UGA Office of Institutional Research
Purpose Built Student Housing

*Athens Timeline & Typology*

- **1940s-50s**: Subletted spaces; first low-rise apartments
- **1950s-60s**: Low-rise apartments away from campus
- **1960s-70s**: Duplexes and Mobile Home Parks
- **1970s-80s**: Large-tract, Suburban apartment complexes
- **1980s-90s**: Duplexes & Suburban apartment complexes
- **1993**: First HOPE Scholarships awarded
- **1990s-2000**: Condo Townhomes; Apartment complexes
- **2000s**: Detached cottage developments
- **2010s**: Downtown High-rise Apartments
Purpose Built Student Housing

Athens Regulatory Responses - Adopted

- Single-family Occupancy definition adopted
- Duplex zoning removed; Mixed Use in all C Zones
- Neighborhood Parking Permits
- Counting bedrooms instead of units
- 200 beds/acre in Commercial-Downtown district
- Multi-family design requirements
  - Architectural features; Block requirements; Landscaping & Open Space
Multi-family Development
Design Standards

c.1996
c.2006
Purpose Built Student Housing

Athens Regulatory Responses - Dropped

- Accessory Dwelling Unit standards
- Rental Registration Program
- Detailed Property Maintenance Code
- Enhanced Multi-Family Design Standards to encourage family occupancy
Recent Development #1: The Standard

- Former Athens Hardware site
- Two mixed-use buildings with structured parking
- Total of 483,800 s.f., and 612 bedrooms
- $40 million project.
- Completed Fall 2014
Recent Development #2: Georgia Heights

- Former SunTrust Bank Parking Lot
- 164,455 sq.ft. and 292 bedrooms
- Six-story mixed use development
- CVS is anchor commercial tenant
- $50 million project
- Completed in Summer 2015
Purpose Built Student Housing

Future Trends & Issues

- Housing cycle impact on older developments
- Zoned land available for new developments
- Emphasis on Redevelopment Sites
- Strain on infrastructure
- University enrollment & housing policy
- Community reaction & expectations

Athens-Clarke County Planning Department
Thank-You!

This presentation was prepared by the Athens-Clarke County Planning Department.

If you have questions, or desire additional information please contact us at

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