

## Here's what's fueling South Florida's student housing construction boom



James Smart, University of Miami's executive director of housing and residential life, at Lakeside Village on the Coral Gables campus.

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[Brian Bandell](#) November 21, 2019

South Florida is better known as an urban center than a college town, but the pull of campus life at its many universities has led to construction of more student housing.

The University of Miami, [Keiser University](#), [Florida Atlantic University](#) and [Palm Beach Atlantic University](#) are all building student housing on their main campuses. There are also many dedicated student housing projects under construction by private developers near the region's largest campuses.

Unlike small college towns where students have relatively few residential options, South Florida has a large stock of housing. But not all of it is suitable for students, said [Carl Whitaker](#), manager of market analytics for RealPage, which follows the student housing market.

"In many cases, students are price-sensitive renters [opting for purpose-built housing rented by the bed]," he said. "And properties nearby campus tend to outperform those

that aren't campus adjacent. If you are comfortable discarding the vehicle for a few years and can walk to class or the library, it's a valuable amenity."

### **Dorm development takes off**

UM has embarked on a transformation of its campus housing in Coral Gables, going from bulky concrete buildings dating back over 60 years to modern housing with a host of amenities for student activities.

Lakeside Village, currently under construction, will deliver 1,115 beds by the fall 2020 semester. An additional 2,150 beds are planned after that to replace the aging Hecht and Stanford residential college towers. When the entire project is done, on-campus housing will increase to about 5,500 beds from 4,500, said **James Smart**, UM's executive director of housing and residential life.

There's been a wave of student housing construction across the country because universities recognize their dorms have reached the end of their useful lifespans, Smart said. At UM, the dorms were too old and not ideally suited for modern students, he said.

### **RESIDENTIAL REAL ESTATE**

"When they were built in the '60s, people brought a record player or an AM radio. It was a very different world," Smart said. "Room for technology and an educational component didn't exist in the architecture of the older buildings. There were no recreation or study rooms."

The new student housing at UM will be an extension of the classroom, with many spaces for studying, activities and programs, Smart said.

UM also aims to provide more on-campus housing options for freshmen and sophomores. Living on campus is a more nurturing and supportive environment for them than fending for themselves off campus, especially for out-of-state students, he said. It also helps them avoid Miami's traffic, which has made it harder to live off-campus than it was decades ago.

"For both students and parents, the quality of student housing is of great consideration [in choosing a college] after they figure out what schools offer the academic programs they like," Smart said.

Aiming to enhance its campus culture and provide more support to students, Palm Beach Atlantic University decided to increase the number students living on campus from 45% to 65% of its undergraduates, President **William M.B. Fleming** said. It partnered with private developers to break ground on 510 beds in West Palm Beach, and it's looking to replace some of its older housing stock, he said.

Unlike most dorms, the new student housing at PBAU will feature kitchens in every apartment and food service with packaged meal delivery, Fleming said.

On-campus student housing will make attending PBAU more affordable, which is important because it's located in an urban market with pricey housing costs, he added.

"Students are interested in that urban vibe, and this allows them the opportunity to be in an engaged learning community where they can still have access to internships and be one-eighth of a mile from the beach," Fleming said.

### **In the student housing game**

PBAU turned to private developers to assist in building its student housing. The land was leased to Provident Resources Group. Pembroke Student Housing, which was spun off from **Hedrick Brothers Construction**, was hired as the developer.

Dale Hedrick, president of Pembroke Student Housing, said the student housing at PBAU was funded by a tax-exempt bond, which is often cheaper than conventional financing. Once the bond is repaid in 30 years, the university will own the building, he added.

"A public-private partnership is a great way to deliver student housing product for a university," said **Dean Butters**, VP of real estate development at Pembroke Student Housing. "It takes the burden of financing and bonding the project off of them."

Many universities would rather spend their capital on academic buildings, not student housing, Hedrick added.

The One at University City, a student housing complex under construction across from **Florida International University** in Sweetwater, also tapped a tax-exempt bond for construction. However, the 886-bed project is not on university land. The building will be owned by a nonprofit, while private developers complete it for a fee.

Global City Development, one of the developers behind the One at University Center, is also co-building the 1,086-bed Collegiate City II at FIU, and has proposed a 367-unit building nearby.

There's a need for about 12,000 student beds near FIU, said **Brian Pearl**, a principal at Global City Development. Sweetwater created a zoning district especially for student housing, so that has made it easier for developers to obtain approval there, said **Diego Procel**, another principal.

"A lot of people who go to the school, even if they are driving to the school, don't live at home," Pearl said. "If someone can live closer to the school and be in the same quality of housing as they would be on Brickell, it would be much more efficient for them."

Renting a bed in a unit with roommates would start at \$970, while a one-bedroom unit would cost \$1,550, Pearl said. In order to entice students to live there, the project will have amenities like study rooms, a pool and a large gym, plus fast internet speeds, he said.

Broward Student Housing identified a strong student living demand in Davie, a short drive from the campuses of **Nova Southeastern University**, Florida Atlantic University and **Broward College**. Its 780-bed University Pointe was built with conventional financing by contractor Current Builders. Project manager **Robert Konig** said Broward Student Housing chose the site because there was little purpose-built student housing in the area.

Renting a bed in a shared unit starts at \$769, Konig said, about half the cost of a typical apartment in Davie. About 60% of the units are furnished, so budget-conscious students don't need to worry about buying furniture. University Pointe has a shuttle to the nearby campuses.

"We are looking to do another one, if the opportunity presents itself," Konig said.

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### **Privately owned student housing**

Near Florida International University in Sweetwater:

\$999: 2019 average rent per bed

80.4%: 2019 occupancy

621: New beds delivered

1,244: Beds to be delivered by fall 2020

Near Florida Atlantic University in Boca Raton:

\$1,117: 2019 average rent per bed

96.4% : 2019 occupancy

(No construction activity)

Source: RealPage



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