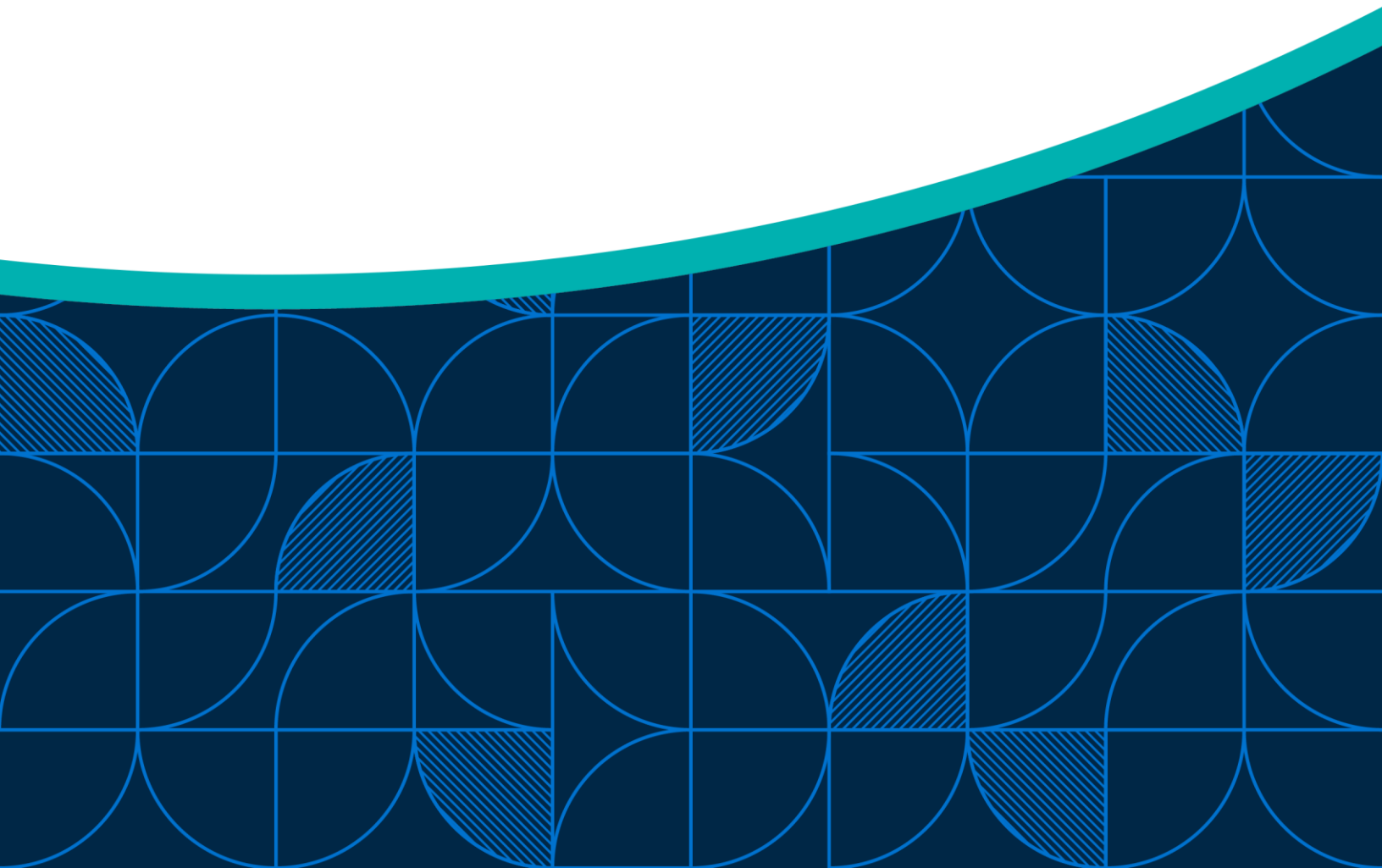
EAB

RESEARCH REPORT

Putting the Built Environment to Best Use

Strategies to Optimize Campus Space and Activate the Real Estate Portfolio



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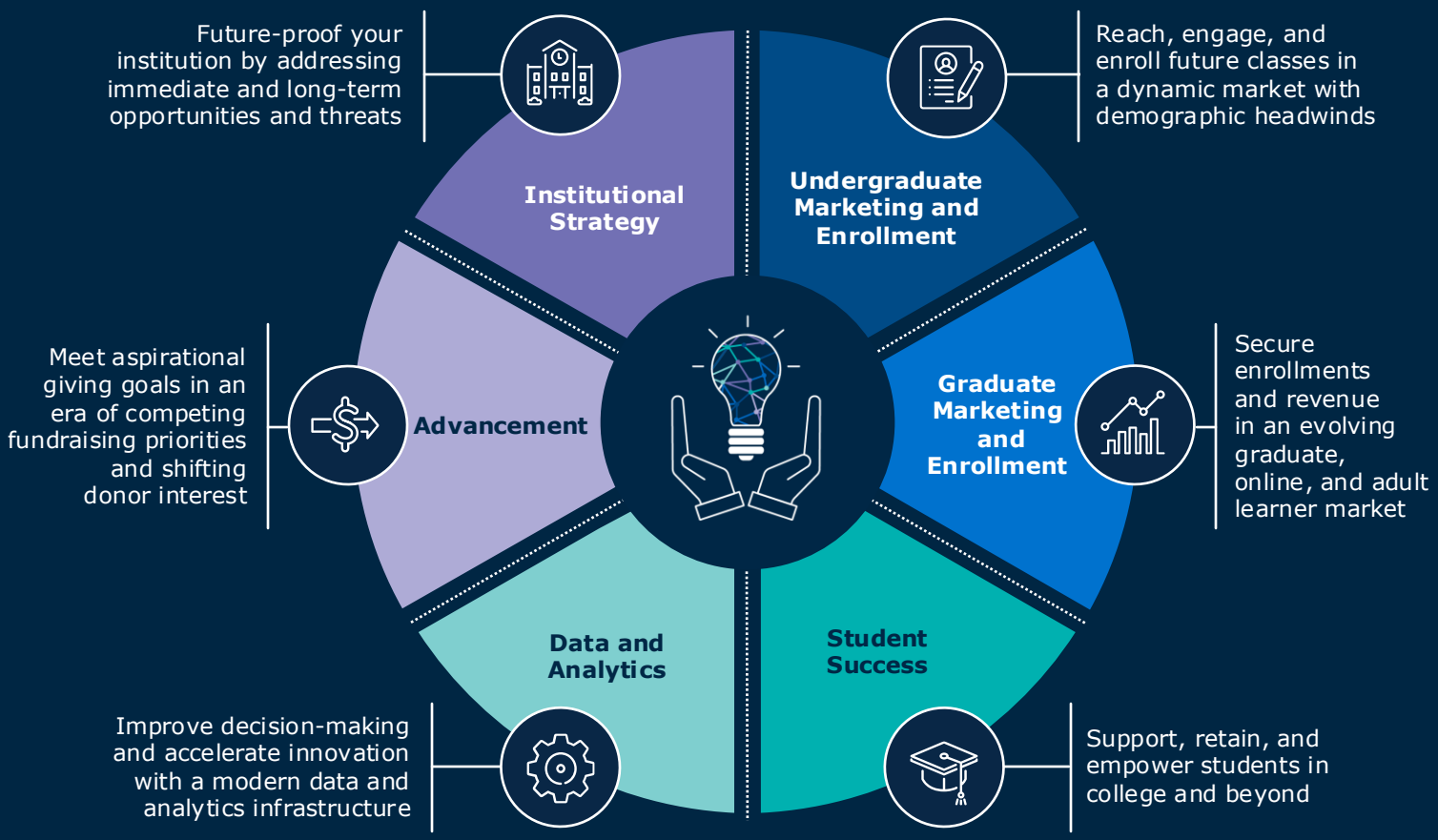

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Executive Summary

The Financial Burden of Empty Space

In an era of rising costs and shrinking margins, colleges and universities can no longer afford to ignore one of their most significant (and underleveraged) assets: physical space. Although labor expenses make up most of operational costs, the facilities footprint remains a silent driver of institutional financial stress, with new construction often exceeding $600 per square foot and long-term maintenance consuming scarce resources. Despite this, campus space continues to grow, even as utilization declines, creating a disconnect that now threatens institutional sustainability.

Low Space Utilization Weakens Institutional Strategy

Over the past 15 years, campus space has grown at a rate that outpaces enrollment, increasing net assignable square footage per student by 26% (and even as hybrid work, shifting academic needs, and changing student expectations reduce actual usage). Academic offices remain vacant for large portions of the week, labs are rarely reallocated, and classrooms sit empty during off-peak hours. No matter the manifestation, underutilization has negative implications on the strategic priorities like, student success and sustainability, of the institution.

Culture and Misaligned Incentives

Most leaders recognize the inefficiencies, but few institutions have succeeded in reversing the trend. Cultural resistance, misaligned incentives, and lack of shared ownership often stymie progress. Space is still viewed as a proxy for prestige and power, and units are reluctant to relinquish what they have, even when the business case is clear. Provosts seek room to grow programs, enrollment leaders want attractive environments, and presidents worry that shrinking footprints signal financial decline.

Optimizing Campus Space

EAB's research shows that change is possible and increasingly necessary. Institutions that successfully optimize space adopt an approach that starts with foundational governance and data practices, then progresses to targeted interventions across high-cost space types, including:

- Downsizing underutilized space and improving service alignment
- Capping net new space growth and reallocating existing square footage
- Adjusting office, lab, and classroom space based on actual use
- Monetizing real estate assets and engaging donors in the full cost of ownership

This work requires coordination across the cabinet. Optimizing campus space is not only a financial imperative—it supports progress toward sustainability, research productivity, student success, and long-term institutional health.

The Path Forward

Space is no longer just a backdrop to the mission: it is a strategic lever that can either propel or impede progress. Leaders must act now to reframe how space is planned, managed, and used. This report offers strategies to optimize the built environment, supported by real-world examples.

Source: EAB interviews and analysis.

Introduction

There's No Stakeholder Problem Space Won't Solve

Despite widespread underutilization, the demand for space remains persistent and difficult to curb. Campus leaders continue to advocate for additional square footage, often citing the need to attract students, faculty, and donors. Historically, new construction served as a signal of institutional growth and ambition—an approach many institutions are still inclined to pursue. Yet even amid today's uncertain higher education landscape, space continues to expand.

I'll Have Whatever They're Having

"I have a dean that asks for everything. I could announce we're building an addition to the football stadium and he'd say, 'I need that for my program.'"

CBO, Public University

All Senior Leaders Can Make Case for More Space

VP Enrollment

"Prospective students will flock to campus with a new library and student center."

CAO[1]

"The easiest way to inspire donors to give is to put their name on a new building."

CRO[2]

"Top research talent is most enticed to campus with new labs."

Athletics Director

"The conference shake-up requires investment in new locker and training facilities."

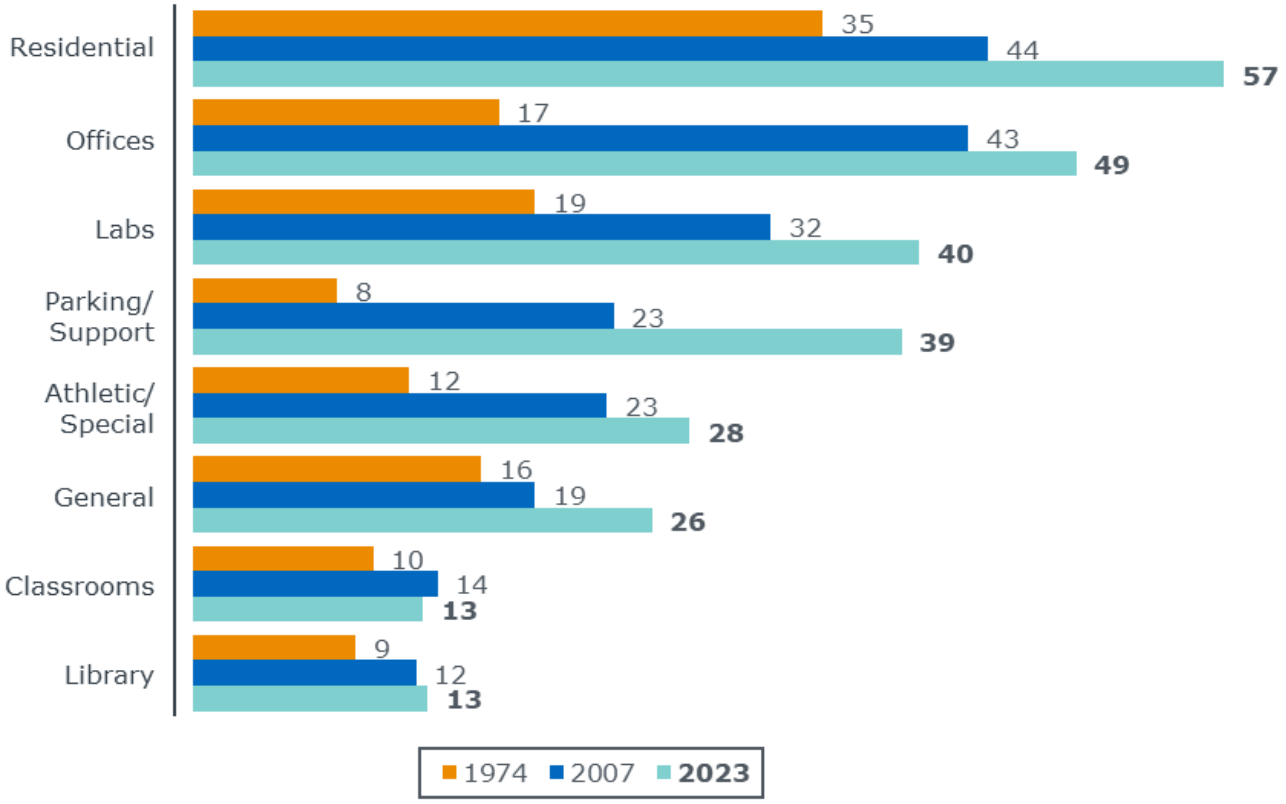
Source: EAB interviews and analysis.

Natural Consequences of Insatiable Demand

When every stakeholder views space as the answer to their needs, unchecked growth becomes inevitable. Over the past five decades, institutions have more than doubled space per student: a 110% increase in total NASF since 1974, including a 26% jump in just the last 15 years. This expansion spans nearly every functional area, from residential halls and faculty offices to labs and athletic facilities.

Campus Space Has Grown Across Functional Types

Mean NASF[1] per Student by Space Type[2]



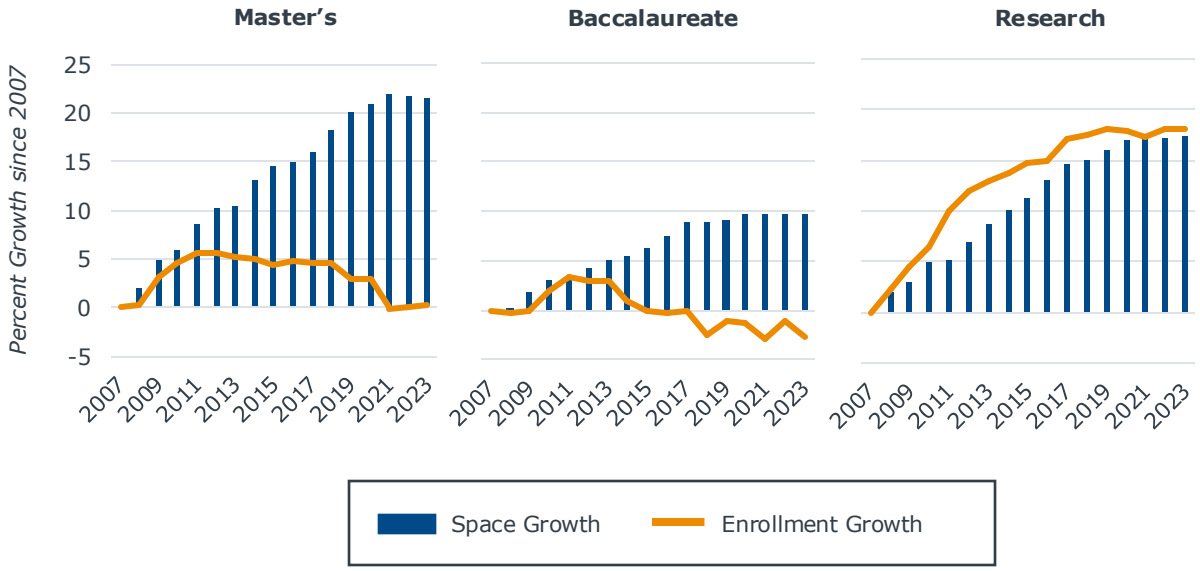
1) Net Assignable Square Feet.
2) Excludes healthcare, non-student residential, and inactive categories.

Source: Society for College and University Planning, Campus Facilities Inventory Reports from 2003, 2007, 2021, and 2023; EAB interviews and analysis. Source: Gordian, "The State of Facilities in Higher Education 2024"; EAB interviews and analysis.

A Growth Mindset, Even When We Don't Need It

This pattern of unchecked growth has not been driven by enrollment needs. As the charts below show, across master's, baccalaureate, and research institutions, space growth has outpaced enrollment growth since 2007. In many cases, enrollment has remained flat or declined while campuses continue to add square footage. The result: institutions are managing significantly more space per student than ever before, further straining operational budgets and compounding long-term financial risk.

Growth in Space vs. Enrollment by Institutional Classification, 2007-2023



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Shooting Ourselves in the Foot(print)

Unconstrainted Space Growth Presents Serious Risks to Institutional Strategy

Space is one of the most expensive assets a university both builds and maintains. Yet institutions continue adding buildings without aligning with actual usage or institutional priorities.
The true risk isn't just financial—it's strategic. When new space is added without clear strategy, institutions incur long-term costs without improving outcomes. Reversing this trend requires leadership willing to question assumptions and take control of space decisions.

Increased Cost Basis

Cost of new construction in higher education has risen to **more than $600/SF**, and inflation and wage pressure have driven up Facilities Management costs by **nearly 20%**.

Burdened Long-Term Stewardship

More than two-thirds of the overall financial costs of a building **occur after construction**, through operations, maintenance, and renewal.[1]

Undermined Sustainability Goals

More than two-thirds of EAB-surveyed institutions have committed to achieving carbon net zero, yet the average new building adds **1.6 metric tons per m²** of CO2 over its lifetime.[2]

Ownership over Strategic Impact

Facilities leaders estimate they could eliminate on average 20% of office space and **12% of total campus space** without reducing student success, satisfaction.

Warped Sense of Need vs. Actual

While classrooms rank among the top three additional space campus leaders desire, existing classroom utilization is **less than 60%** of standard hours.

Space Usage Not "Top of License"

An institution discovered that one of their most expensive labs by classification was being used as a **furniture storage unit.**

1) Based on EAB analysis of lifetime costs of buildings from 22 universities.
2) Assuming a 50-year lifespan

Source: "Higher Education Construction Costs", Building Design and Construction, April 13, 2023; R Kumanayake, "Life Cycle Carbon Emissions Assessment of a Multi-purpose University Building,", *Frontiers of Engineering Management*, 2018; "The State of Facilities in Higher Education 2024", *Gordian*, 2024; EAB interviews and analysis.

Success Is Possible, But Leaders Still Face Challenges

While many institutions face persistent barriers to space optimization, success is possible. Institutions like the University of Missouri and Ohio University (despite cultural resistance, financial pressure, and operational complexity) have found ways to take meaningful action.

University of Missouri

Impetus for Change

- Revenue risks related to fluctuation in state appropriations and enrollment
- $900M in facility needs, growing at least $30M annually

University Action

Strategic Space Reduction and Relocation Plan:

- **730K** square feet space demolished or divested from
- **$147M** avoided capital construction/ renewal spending
- **$5.1M** reduction in annual operating costs

OHIO UNIVERSITY

Impetus for Change

- Presidential concern in 2023 about increasing financial pressures
- Desire to proactively reduce excess space to avoid future labor cuts

University Action

Campus Optimization Initiative:

- Reclaimed spaces to be **managed and allocated centrally**
- Eliminated departmental **space charges**
- Consolidating **scheduling technologies**
- Launched **new space model** pilot in Fine Arts renewal project

Despite cases like Missouri and Ohio, many institutions remain stuck on optimizing campus space, despite clear costs and visible challenges. The barriers aren't technical; they're cultural. Space still signals status, and leaders often hesitate to act without proof of financial benefit. Across higher ed, there's a common reluctance to go first.

1 Space = Prestige

Space ownership considered proxy for success and influence; reduction of space seen as losing campus prestige

"Pay is stagnant, pensions have vanished, and tenure's days may be numbered. Is it too much to ask that we let the faculty keep their private offices?"

Dean, Public University

2 Lack of Trust in Real ROI

Units incur significant financial and cultural costs when optimizing space; units may not trust they will concretely benefit in long run from sacrifices

"The benefit of new space to a program or function is well-documented. There's less trust—and less clear an incentive—to an occupant to reduce their space footprint."

CBO, Private College

3 Hesitation to Lead

Risk aversion and concerns about day-to-day disruptions suppress units' willingness to initiate optimization efforts

"The cabinet agreed to launch an initiative to reduce private office space. But when it came time to implement, no VP wanted their units to go first."

Senior Facilities Officer, Public University

Source: A Souza, "Space Reduction and Strategic Relocation at University of Missouri," *Tradeline*, November 2, 2022; Campus Space Optimization Initiative, Ohio University, Athens, OH; University of Missouri, Columbia, MO; EAB interviews and analysis.

Foundational Space Optimization Imperatives

SECTION 1

- Obtain and Maintain Accurate Space Data
- Align Space Governance to Institutional Conditions
- Articulate Best Practices in Space Policies
- Standardize the Space Request Process

Start with a Strong Foundation

Many institutions have space management structures in place, but these frameworks are not always effective. Establishing a strong foundation is essential for any institution seeking to maximize the use of existing resources. To support this effort, EAB has identified four core practices that are critical to effective space governance.

Obtain and Maintain Accurate Space Data

Gather data on campus spaces such as utilization, condition, and purpose to gain a more complete picture of campus and make informed decisions about space ownership and resource allocation

Align Space Governance to Institutional Conditions

Establish formal management groups to integrate cross-departmental perspectives that ensure consistency and alignment in space management decisions with the intensity of the structure tailored to the maturity of your institution's governance

Articulate Best Practices in Space Policies

Define "best-case scenario" expectations in standards such as space type and total allocation based on role/job type

Standardize the New Space Request Process

Create and enforce a formal process for space requests that includes collecting evidence for space needs; the goal is to prevent ad-hoc approvals and allocations

Source: EAB interviews and analysis.

Obtain and Maintain Accurate Space Data

Effective campus space optimization requires accurate, up-to-date data on how space is used. Institutions can gather this data through a variety of methods, including physical walkthroughs and occupancy sensors. Broadly, these collection approaches fall into three categories: manual, self-reported, and automated. Each method has its strengths and limitations, so institutions should select the approach that best aligns with their space management goals.

> “We have enterprise-level management systems for faculty and staff, academics, and finances but we didn’t have one for space, our second largest asset.”
>
> *Director of Facilities Management, Private R1*

Three Approaches to Space Data Management

Manual

THE UNIVERSITY OF ARIZONA

- Uses “boots on the ground” approach where Facilities staff conduct inspections to observe utilization in-person
- While more time- and labor-intensive, approach avoids inconsistency of self-reported data

Self-Reported

UNIVERSITY OF OREGON

- Hosts space type, allocation, and usage data in UO Spaces, a custom-built, live map of campus
- Units asked to update system as changes made to space (e.g., office reassignments)

Automated

NAU NORTHERN ARIZONA UNIVERSITY

- Collects comprehensive data about every aspect of campus space using people counters, occupancy sensors, and building management systems
- Currently integrating data into digital twin to inform future campus space decisions

Source: Northern Arizona University, Flagstaff, AZ; University of Arizona, Tucson, AZ; University of Oregon, Eugene, OR; EAB interviews and analysis.

Align Space Governance to Institutional Conditions

Boston University's Bicameral Committee Structure

Governance models must match the scale and complexity of space decisions. Without the right structure, even well-intentioned committees can stall, get overwhelmed, or lose credibility Committees function best when members have:

- Responsibilities are appropriate based on membership
- Members have knowledge and data to make informed decisions
- Time commitment is limited to encourage focus and consistent participation

Boston University's two-tier model shows how to balance efficiency with oversight. A smaller working group handles day-to-day requests, while a senior committee vets major projects and sets strategic direction. More details on the breakdown of roles and responsibilities of each committee are below.

BOSTON UNIVERSITY

sub-SPACE[1] Committee

- **Purpose:** Reviews routine/small projects and filters space requests
- **Size & Seniority:** 8; Staff to AVP level
- **Composition:** Includes representatives from Provost's Office, Operations, Facilities Maintenance & Planning, and Budget & Planning
- **Time Commitment:** Bi-weekly meetings
- **Responsibilities:** Advise SPACE committee on changes to use, design, layout and condition of campus space and buildings and respond to routine requests and small projects under $1M

SPACE[1] Committee

- **Purpose:** Review sub-Space committee reports to approve and prioritize space requests
- **Size & Seniority:** 5; VP/SVP
- **Composition:** Provost (Co-Chair), Senior VP of Operations (Co-Chair), President, SVP/CFO, and VP for Budgeting & Planning
- **Time Commitment:** Bi-monthly meetings
- **Responsibilities:** Review large projects and evaluate based on cost, complexity, and ability to meet need within existing space

1) SPACE is an acronym for Space Planning and Capital Expenditures.

Source: Boston University, Boston, MA; EAB interviews and analysis.

Articulate Best Practices in Space Policies

Space policies need to specify best practices and be clear, consistent, and enforceable. Without them, decisions are often ad hoc, leading to inefficiencies and inequities. The University at Buffalo offers a strong example, with transparent space standards that guide allocation based on functional need. They publish specific allocation metrics to promote consistency and provide instructional space guidelines tailored by discipline and space type. This approach ensures that space is distributed based on actual requirements, not a one-size-fits-all model.

Sample Space Standards from University at Buffalo

Recommended Office & Workspace Standards

Personnel Type	Area (NSF)/ Type of Space
Full-Time Tenure Track Faculty	120-140 Private Office
Full-Time Staff	55-85 Open; 80-120 Shared
Part-Time Staff	50-80 Shared

Instructional Space Guidelines

Discipline Group	ASF/WSCH[1]	ASF/Station[2]
Education, Economics, Law, Social Sciences	2	40
Biology, Psychology, Health Sciences	3	60

Benefits of Buffalo's Approach

- Size and type of allocation are based on need, not one-size-fits-all approach
- Institution-wide policy ensures consistency across units, while acknowledging differences by space type, academic discipline, job type
- Campus Planning Office, Facilities Planning & Management Officers verify compliance more easily given documented standards

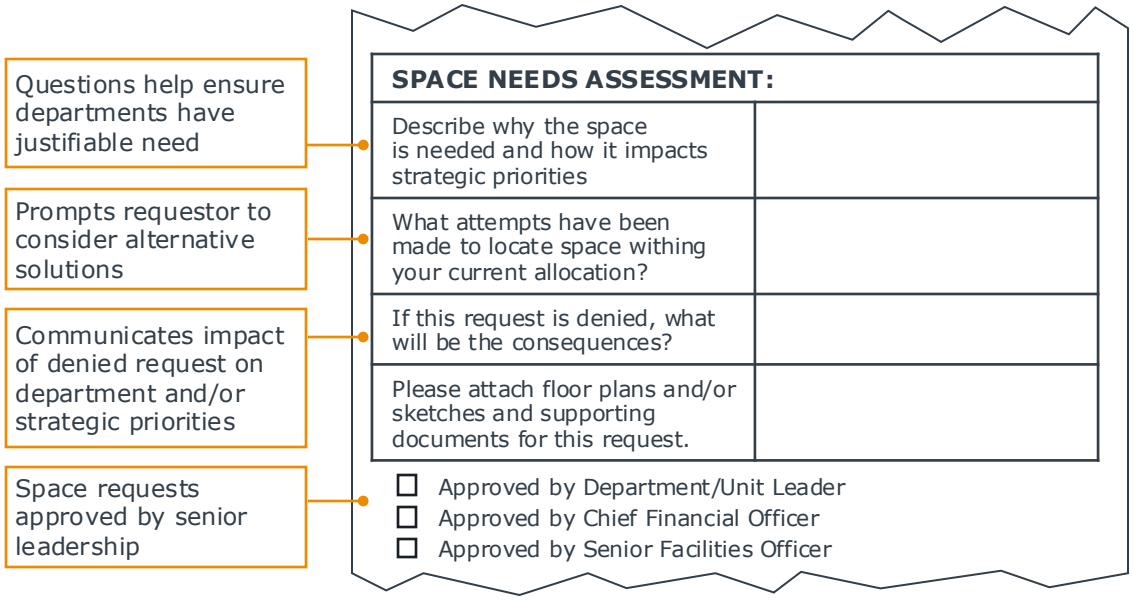
Source: University at Buffalo's Space Standards; University at Buffalo, Buffalo, NY; EAB interviews and analysis.

Standardize the New Space Request Process

Include Prompts That Solicit Data and Encourage Discernment

While many institutions use new space request forms to manage demand, institutions need more than a form; they need a process that prompts discernment. A strong space request form prompts requestors to justify need, consider alternatives, and communicate the impact of a denied request.

Key Components of a New Space Request Form



Source:: EAB interviews and analysis..

Standardize the New Space Request Process (cont.)

A standardized space request form is just one step in a larger process. As part of its 2022 operational excellence initiative, the University of North Carolina at Chapel Hill (UNC Chapel Hill) redesigned its campus space request process to improve consistency and transparency across the institution. Rather than relying on informal communication (like texting a Facilities leader for space) UNC implemented a structured system that ensures all requests follow the same standardized procedure, outlined below.

UNC Chapel Hill Formalizes Space Request Process

THE UNIVERSITY of NORTH CAROLINA at CHAPEL HILL

1 Request
Requestor submits Space Needs Request Form during designated submission period

2 Consult
Requestor consults with Campus Planner to understand specific need

3 Identify
Facilities locates space that potentially meets need and connects with current space steward to determine feasibility of reallocation

4 Elevate
Facilities presents requests and options to Space Management Committee to determine best fit

5 Approve
Provost and Vice Chancellor for Finance and Operations provide final approval

Source: University of North Carolina at Chapel Hill, Chapel Hill, NC; EAB interviews and analysis.

Check Your Past Work

Institutions likely have elements of each of these foundational practices in place, but they aren't always effective, making it important to evaluate the institution's maturity across foundational imperatives. Use the checklist below to evaluate your institution's space management processes.

Obtain and Maintain Accurate Space Data

- ☐ Data on occupancy, utilization, facility conditions accurate; collected in a centralized, digital inventory
- ☐ Data updated and reviewed for accuracy annually; a rolling update schedule is also appropriate
- ☐ Space data available in easily accessible, centralized location

Align Space Governance to Institutional Conditions

- ☐ Institution has a space governance committee
- ☐ Committee members have knowledge necessary to make informed decisions
- ☐ Responsibilities and authority appropriate based on seniority of committee members

Articulate Best Practices in Space Policies

- ☐ Policy sets standards for allocations across space types
- ☐ Policy has clear enforcement mechanisms and consequences for not meeting expectations
- ☐ Standards based on role/discipline, not one-size-fits-all

Standardize Space Request Processes

- ☐ Request process is streamlined, user-friendly enabling easy adoption
- ☐ Requestors prompted to consider alternatives to meeting needs without additional space

An editable version of this evaluation is available to download here.

Source: EAB interviews and analysis.

Reduce Costs by Shrinking Space-Driven Consumption

SECTION 2

- Tactic 1: Downsize Campus by Strategically Offloading Space
- Tactic 2: Adjust Facilities Service Levels Based on Utilization
- Tactic 3: Rebase Energy Consumption with Targeted Reduction Interventions

Facilities Costs Rise While Resources Lag

Facilities costs continue to rise, driven by increases in construction, utilities, and maintenance. This trend places growing pressure on institutional budgets and overextended labor resources.

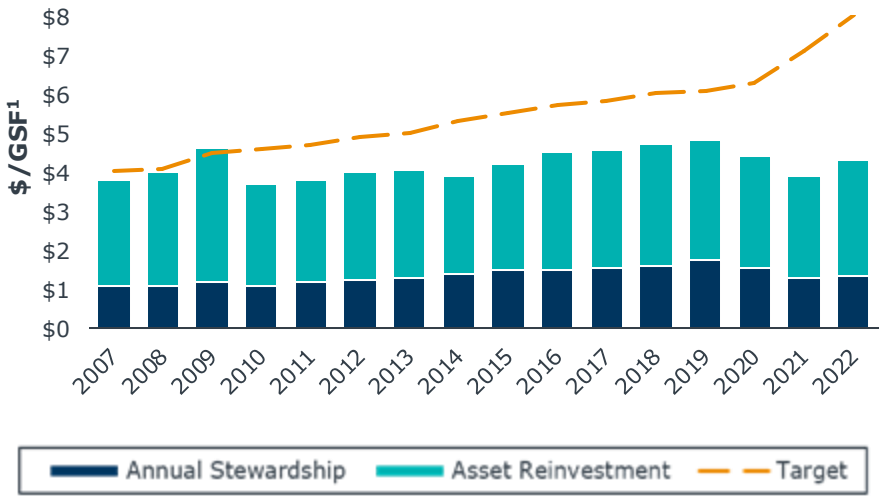
19%
Increase in building supplies and construction services costs (2019-2024)

+3%
Average yearly increase in utilities costs

45%
Increase in price per GSF[1] of total asset backlog (2013-2023)

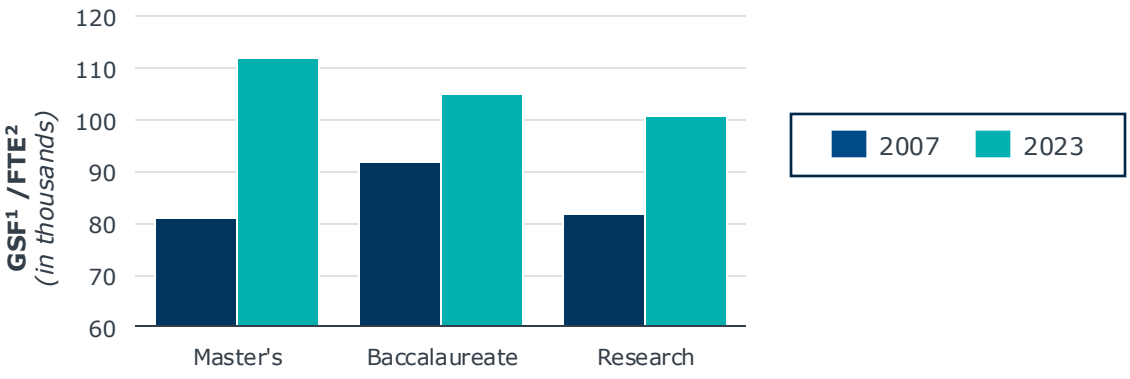
This mounting cost pressure is further reflected in the widening gap between facilities investments and what's actually needed to sustain the campus footprint. Despite steady capital spending over the past 15 years, institutions have consistently fallen short of their reinvestment targets.

Capital Spending vs. Investment Target



Additionally, over the past decade, institutions have dramatically increased the amount of space each maintenance staff member is expected to support. Although the data below reflects maintenance staffing, custodial teams are facing similar strains, highlighting the growing mismatch between campus growth and available operational resources.

Maintenance Staffing Coverage



1) Gross square foot.
2) Full time employee.

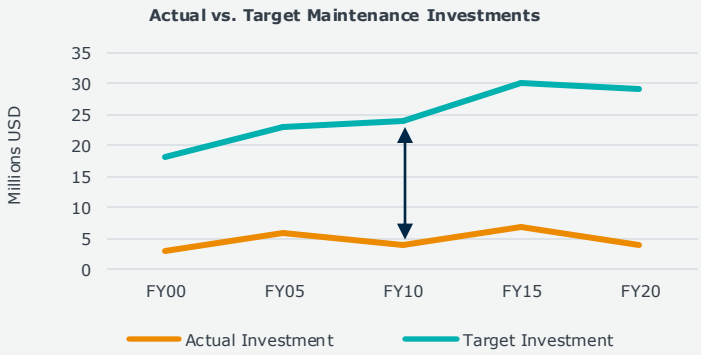
Source: "Higher Education Price Index," *Commonfund Institute*, June 22, 2023; "The State of Facilities in Higher Education 2023", *Gordian*, 2023; "The State of Facilities in Higher Education 2024", *Gordian*, 2024; EAB interviews and analysis.

Getting the Board "On Board"

NIU's Annual Report Educates Leaders on Value of Rightsizing Campus

One of the biggest challenges in rightsizing a campus is building internal alignment. Leaders must be equipped not only with accurate data, but also with a shared understanding of why space reduction is both necessary and beneficial. An effective strategy is to use recurring reports to highlight gaps in investment, demonstrate the long-term consequences of inaction, and help normalize the concept of shrinking the campus footprint. Northern Illinois University has adopted this approach by publishing an annual report for the board that informs and builds momentum for strategic space reductions.

Key Points From NIU's "Report on Facilities & Infrastructure Investment"



- Rate of **deterioration outpaces investments** over 20 years
- Lack of necessary investment **increases deferred maintenance backlog**
- **Underinvestment in preventative maintenance** skews corrective repair ratio (20:80 instead of 80:20)

Strengths of the Report

1. Consistent focus year over year helps board develop familiarity with ongoing investment needs
2. Demonstrates cost of underinvestment, motivating leaders to either invest or shrink footprint
3. Frames changes to campus space as "rightsizing" not "downsizing"

Progress Towards Rightsizing

500K Square feet of space offloaded through demolition or sale

5% Reduction in total campus footprint

Source: Report on Facilities and Infrastructure, Northern Illinois University, Dekalb, IL; EAB interviews and analysis.

Socialize the Need to Let Go

While NIU's reporting strategy focuses on aligning internal leadership, the University of Minnesota (UMN) complements its internal efforts with a public-facing approach aimed at preparing the broader campus community for change. Recognizing that space decisions have visible, long-term impacts, UMN publishes "Do Not Invest" (DNI) list to signal planned disinvestment and build support for strategic downsizing. The process includes a two-stage evaluation of buildings based on condition, cost, and programmatic relevance, with designations ranging from "keep-up" to "dispose." By sharing this framework transparently, the university sets expectations early and lays the groundwork for smoother communication and implementation.

University of Minnesota's Public "Do Not Invest" List Prepares Community for Campus Changes

- Facilities updates **Do Not Invest** (DNI) List annually through a two-stage process, published online
- Renewal dollars allocated based on designation (keep-up/catch-up = 90%, sustain = 5%, Under Review = <5%, and DNI =<2%)
- DNI buildings designated as "renew" (6 listed) or "dispose" (12 listed)
  - Renew buildings eligible for asset preservation investments, dispose buildings are not
  - Leadership approval required to make all but required safety investments in DNI Buildings
- Designation process, DNI list, exemption criteria, and investment strategy **available online to campus community**

UMN's Two Stage DNI Designation Process

Stage One Evaluation Criteria

Rating	FCNI[1] Score	O&M[2] Costs	Energy Demand
Good	Excellent	<95%	<95%
Medium	Good-Poor	95-110%	95-110%
Poor	Critical	>110%	>110%

Stage Two Evaluation Criteria

- Adaptability
- Campus Plan Fit
- Usability
- Program Impact
- Displacement

→ **Keep-up/Catch-up**, **Sustain**, **Do Not Invest**

1) Facilities Condition Needs Index.
2) Operations and maintenance.

Source: University of Minnesota, Twin Cities, MN: EAB interviews and analysis.

Overcome Resistance to Exiting Leased Space

Three Ideas to Incentivize Stakeholders to Reassess Current Leases

While offloading owned space can be complex, leased space offers a more flexible opportunity to right size the campus footprint. However, exiting leases still requires convincing occupants to give up the space—often through incentives. Institutions that have made progress typically combine financial analysis with practical, flexible strategies that ease the transition. The examples below illustrate how aligning cost-saving opportunities with local needs can effectively drive space reductions.

THE NEW SCHOOL

Cost-Benefit Analysis

The New School found it more cost-effective to offer faculty annual stipends of $3,000–$5,000 to vacate private offices than to continue leasing space in New York City. This approach ultimately enabled the organization to shed **over 48,000 square feet of leased space**.

$3.4M Annual savings

Tampere University

Monetary Incentive

Units were allowed to retain their internal rent budget allocations if they vacated space, creating a strong incentive to downsize. One unit used this strategy to eliminate a budget deficit, encouraging others to follow suit. Overall, the institution is on track to exit over **441,000 square feet of leased space by 2030**.

$4M Projected annual savings

EMPIRE STATE UNIVERSITY

Shortened Lease Length

Empire State University The institution transitioned from 10-year commercial leases to more flexible 3-year agreements with community colleges, allowing quicker exits from underutilized space and faster cost recovery. As a result, it **exited 60% of its leases, reducing its total footprint by 39%.**

$3.5M Decrease in operating expenses

Source: Empire State University, Saratoga Springs, NY; Tampere University, Tampere, FI; The New School, New York, NY; EAB interviews and analysis.

A Smarter Approach to Service Provision

Sensors Allow for More Cost-Effective Deployment of Services

Underused spaces still receive full services (lighting, cleaning, heating, and cooling) which drives up costs unnecessarily. For example, maintaining 100 faculty offices can cost around $77,000 annually, even when utilization falls below 50%, meaning nearly half of that spending is wasted. With better data, institutions can align service levels with actual use. Sensor-enabled strategies help facilities teams target resources where they're truly needed, cutting costs without sacrificing quality.

ROI for Space Sensors Has Never Been Stronger

$30
Average per sensor cost[1]

40-50%
Reduction in energy usage in campus offices, classrooms using only lighting sensors

~2 years
Average time to payback for sensor installation

Several institutions have begun leveraging sensor technology to better align service delivery with actual space use. The examples below show how campuses are using occupancy and utilization data to reduce energy costs, reallocate staff time, and forecast future maintenance needs.

Texas A&M University Aligns HVAC to Occupancy

- Installed occupancy and humidity sensors to modify air flow changes based on space utilization
- Saw significantly reduced energy costs

University of Alberta Prioritizes Cleaners Based on Need

- Used thermal sensor data to modify custodian schedules to bypass unutilized spaces
- Achieved net savings in 2.5 years through adjustments to cleaning frequency, HVAC

Toronto Metropolitan University Predicts Future Service Needs

- Ran sensor data through various scenarios (e.g., summer building shuttering) to forecast utilities and maintenance impact on Health Science Complex

1) Benchmarked against Internet of Things (IOT) enabled occupancy sensors.

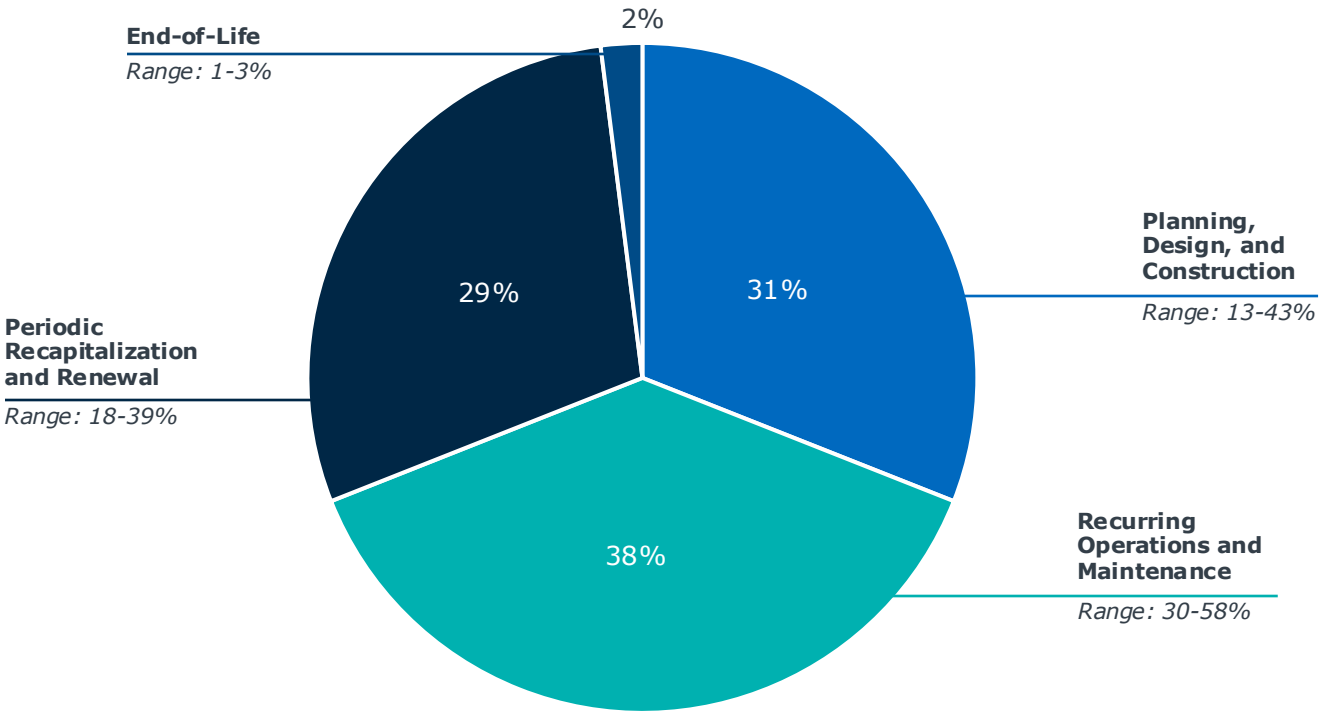
Source: "Toronto Metropolitan University Smart City Partnership," *FuseForward*, April 24, 2022; University of Alberta, Edmonton, AB; "Wireless Occupancy Sensors for Lighting Controls," *Department of Energy*, December 2019; Texas A&M University, College Station, TX; EAB interviews and analysis.

Tackling the Total Cost of Ownership Challenge

Deteriorating Energy Systems Drive Compounding Long-Term Costs

As campuses grow, maintenance needs and safety risks rise, straining already limited resources. Energy and utilities alone cost higher ed about $6 billion annually—a number expected to increase. Yet investment in upgrades remains difficult due to tight budgets and technical challenges. Even when savings are achievable, they're often hard to measure, fueling faculty and staff skepticism. Still, the U.S. Department of Energy estimates institutions could cut utility costs by 20–30% through targeted efficiency upgrades.

EAB's Total Cost of Ownership Model[1]



1) Developed in 2019 using historical data from 22 institutions. Building types include residence halls, labs, and mixed-use facilities. Only four institutions reported data on decommissioning costs.

Source: C Neagle, "Catching the (Building) Drift," *Facilities Net*, September 15, 2017 "Higher Education Energy Financing," *Better Buildings*; EAB interviews and analysis.

Cutting Through the Technical Jargon

Reducing energy use typically involves one of four main strategies, each with different returns on investment. However, the technical complexity often makes it hard for stakeholders to understand the value of these improvements. The chart below helps bridge that gap by clearly outlining each option, its expected impact, and typical payback period. While higher ROI strategies often require larger upfront costs, this tool supports clearer, more informed conversations about where and how to invest.

Option	Energy Savings	Average Payback Time	Example
Commissioning Verifying and ensuring that new facilities' infrastructure operates as intended at the completion of construction	13% Median whole-building energy savings	4.2 Years	**Miami University** saved $570K on avoided costs and contractor refunds
Recommissioning Testing for inefficiencies in existing systems in order to modify and improve performance	16% Median whole-building energy savings	1.7 Years	**University of Pennsylvania's** recommissioning program cut annual utility bill by $3M within a decade
Retrofitting Replacing old system with or adding new modern systems to existing buildings	25-50% Annual whole-building energy cost savings	Depends on scope	**Colorado School of Mines** realized $1M in utilities savings from major retrofit program within three years
Continuous Commissioning Dedicated staff and technology to continuously monitor, analyze, and address system inefficiencies	$400K Potential yearly energy savings per building	<2 Years	The **University of Iowa's** Fault Detection and Diagnostics Program saved $600K within first six months

Source: "Continuous Commissioning," Energy Systems Lab; I Biemiller, "Don't Let Energy Costs Devour Your Budget", *Chronicle*, November 19, 2017; E Crowe et al., "Building Commissioning Costs and Savings," *Energy and Buildings*, November 2020; "The Case for Deep Energy Retrofits," *Rocky Mountain Institute*, 2012; University of Pennsylvania, Philadelphia, PA; Colorado School of Mines, Golden, CO; Miami University, Miami, OH; University of Iowa, Iowa City, IA; EAB interviews and analysis.

The Win-Win of Reducing Energy Consumption

Energy efficiency improvements do more than reduce utility costs. They also signal a strong, visible commitment to sustainability. Institutions like Western University and Oregon State University show how aligning financial stewardship with environmental goals can build broader momentum across campus. By linking cost-saving measures to carbon reduction outcomes, these initiatives demonstrate that it's possible to achieve long-term budget relief while making real progress toward climate targets.

Retrofitting

Western University – Canada

Western University's Deep Energy Retrofit Program aims to complete one to two retrofits per year to advance progress on **net zero ambitions**

Funding: Retrofit of chiller plant funded via energy performance contract (100% of fees tied to utilities savings)

Pilot

- Two engineering buildings
- ROI: 50% reduction in GHG[1] emissions

Program Results

40%
Reduction in building utilities costs from latest retrofit

60-80%
Average reduction in GHG emissions per building

Recommissioning

Oregon State University

Oregon State University committed to recommission at least two buildings per year as part of their Path to Carbon Neutrality

Funding: Offset upfront costs with a grant from a local nonprofit

- Reinvests savings to support future initiatives via **green revolving fund**

Pilot

- Laboratory building
- ROI: $16K cost savings in nine months

Program Results

$25K
Cost savings from another building within 4 months

880 tons
Total carbon footprint reduction within one year of initiative

1) Green house gas.

Source: K Ferguson, "Siebens Drake Research Institute retrofitted to improve energy efficiency, reduce emissions", *Western University*, November 14, 2024; "Recommissioning campus buildings reduces carbon impact," Oregon State University, July 13, 2023; Oregon State University, Corvallis, OR; Western University, Ontario, CA; EAB interviews and analysis.

Disrupt Space Growth with Checks and Balances

SECTION 3

- Tactic 4: Enact "No Net New" Space Mandates
- Tactic 5: Pursue Cost-Effective Alternatives for Necessary Growth

Many Campuses Have Grown Space Unevenly

As campus space continues to grow, misalignment has created a mismatch: too little space where it's needed, like residence halls, and too much where it's underused, like offices. This imbalance often leads institutions to default to new construction without fully evaluating existing capacity. To break this cycle, campuses must adopt a more strategic approach that prioritizes optimizing current space over expanding footprints. Doing so ensures they meet evolving student needs rather than simply building more.

Likely Too Little

Residence Halls

Residential halls shrank as a share of campus space between 2007-2021, despite students' increasing desire to be on campus

Collaboration Spaces

Students increasingly join classes remotely but study in-person

STEM Labs

Number of STEM degrees/certificates awarded grew by 37% from 2012 to 2022, increasing need for labs

Likely Too Much

Office Space

Office space has increased more than any other type, with NASF[1] per student increasing 206% from 1974-2023

Parking

Fewer daily commuters (employees and students) reduce need for spots

Lecture Hall Space

With about half of students enrolled in at least one online course, less demand for large lecture spaces

Source: "Campus Facilities Inventory," The Society for College and University Planning, 2023; Smalley, "Half of All College Students Take Online Courses," *Inside Higher Ed*, Oct. 12, 2021; "Digest of Education Statistics, 2022," National Center for Education Statistics, accessed February 2025; EAB interviews and analysis.

1) Net assignable square feet.

Break the Cycle of Campus Growth

Shifting Campus Mindset From New Growth to "Right-Sizing"

Breaking the cycle of campus growth requires more than just deciding to stop, it demands a fundamental mindset shift. In higher education, growth is often equated with success, making new construction the default response. To move toward right-sizing, leaders must challenge these assumptions and embrace more disciplined, cost-effective alternatives to expansion.

Growth Over Everything

Why is this a problem?

- Prioritizes immediate gains over long-term planning, sustainability
- Undermines better metrics of institutional health, such as student success, community impact

Tactic 4: Enact "No Net New" Space Mandates

New is the Only Option

Why is this a problem?

- Fails to consider more cost-effective alternatives to address space needs
- Costs of construction continue to rise, making building new unsustainable

Tactic 5: Pursue Cost-Effective Alternatives for Campus Growth

Source: EAB interviews and analysis.

A Principled Approach to Campus Expansion

Adding to campus doesn't have to mean expanding the overall footprint. At Indiana University, leadership acknowledged that the institution had more space than it could use efficiently. Despite enrollment growth, they committed to optimizing the existing footprint through renovation and selective reduction.

Without a formal policy in place, the university aligned around a strategy that includes demolition, property sales, and lease exits—projecting a gross reduction of 1.1 million gross square feet by 2030. As one leader noted, "For the first time in Indiana's history, we will end the decade with less campus space than we started it with."

Running the Numbers: Indiana University Reevaluates Campus Space Needs

600K
Square feet of space demolished

Demolition

Buildings with high deferred maintenance needs and renovation costs targeted for demolition, including 200K square foot office building

300K
Square feet of leases exited

Exiting Leases

Several million dollars worth of leases exited due to reduced need for certain spaces (e.g., offices) and availability of owned space on campus

850K
Square feet added to campus

New Construction and Renovation

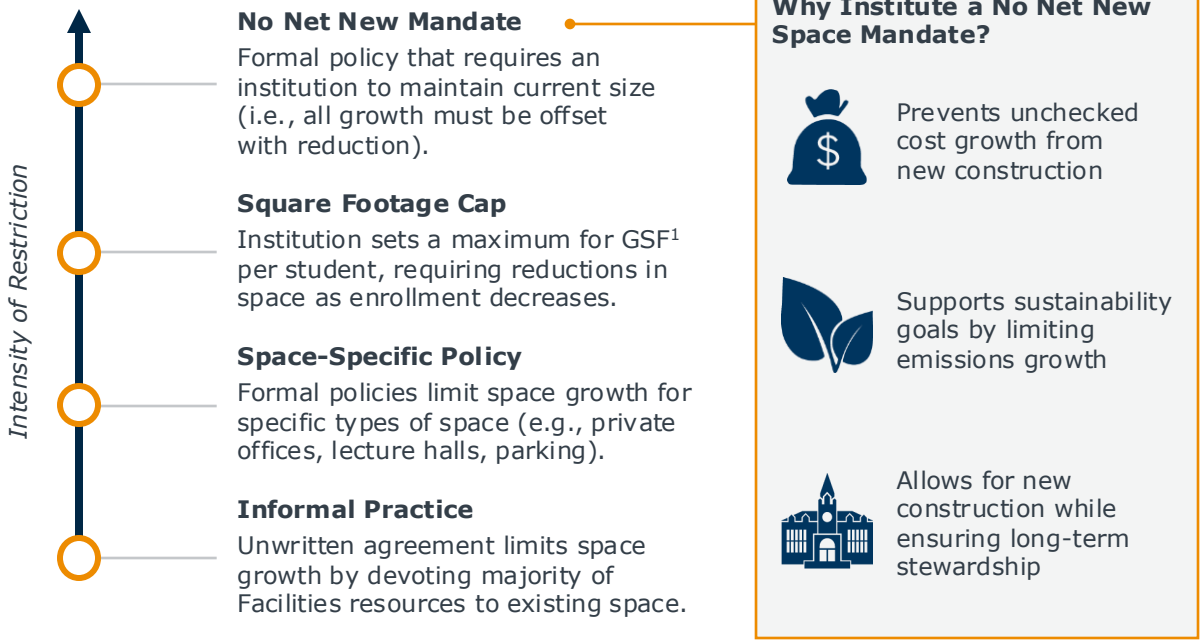
New construction only pursued when necessary (e.g., additional residences for growing grad student population)—most recent capital projects prioritize renovations

Source: Indiana University, Bloomington, IN; EAB interviews and analysis.

Baby Steps Toward "No Net New"

A formal no net new space mandate is the most effective way to prevent unchecked campus growth. However, for institutions facing cultural or political resistance, there are less restrictive alternatives that can still curb expansion. Strategies like limiting specific space types, setting square footage caps, or requiring justification for new space requests can serve as important first steps toward more disciplined growth.

Spectrum of Options for Limiting Undisciplined Campus Growth



Source: EAB interviews and analysis.

You Can Say Yes to More, But Not Always New

Sometimes more space is truly needed, but that doesn't mean it requires new construction. Institutions can take a more disciplined approach by first exploring cost-effective alternatives that meet functional needs without expanding the campus footprint. The options below offer practical responses to stakeholder space requests, helping leaders redirect conversations toward flexible, lower-cost solutions that better align with long-term planning goals.

Make Work More Flexible

"Have you considered enabling more hybrid work arrangements? It will quell demand for new office space."

- An institution can save an average of $11K[1] per 50/50 hybrid worker.

Move to Open Floorplans

"I know your unit is crowded—but all your spaces are assigned. Hotdesking would create more capacity and enable more collaboration."

- **University of St Andrews** collocated 450+ administrative staff into an open floorplan, freeing up 10.7K square feet.

Assign an Older "New" Space

"It's not much to look at, but this older building will give you the space you need."

- **University of Illinois Urbana-Champaign** has used one serviceable, 41K square foot office building for swing space overflow during multiple capital projects.

Why Build When We Can Buy?

"I understand that we need more offices, but we can buy buildings sitting empty downtown on the cheap."

- **Georgetown University** acquired commercial properties at opportunistic costs, allowing them to consolidate and grow new campus while reducing their leased space.

1) Savings derived from increased productivity, reduced turnover, and real estate costs.

Source: "Work from Home Experience Survey Results," Global Workplace Analytics, 2020; University of Illinois Urbana-Champaign, Champaign, IL; University of St Andrews, St Andrews, UK; University of Texas at Dallas, Richardson, TX; EAB interviews and analysis.

Evaluate Best Options for Your Context

UT Dallas Uses Cost-Benefit Analysis to Reduce Cost Growth

Effectively exploring alternatives to new construction requires a clear process to assess cost, urgency, and long-term value. The University of Texas at Dallas uses cost-benefit analysis to evaluate space needs and identify more affordable solutions. With construction costs on their campus more than doubling over the past decade, UT Dallas recognized that continued expansion was unsustainable. The figures below reflect how a disciplined, data-driven approach can yield significant savings while still meeting institutional space demands.

Evaluate Space Need → **Consider Alternatives** → **Compare Costs**

Determine necessary components of space:

- Square footage
- Space type(s)
- Urgency
- Permanency of need

▼

140K+

Square feet of office space needed

Identify alternatives to new construction:

- Purchase commercial buildings
- Lease nearby properties
- Consolidate campus units

▼

$750-1K

Cost per square foot of new construction

Compare costs associated with each option including:

- Renovations
- Lifetime O&M[1]
- Utilities consumption
- Deferred maintenance

▼

<$60

Cost per square foot of commercial property

THE UNIVERSITY OF TEXAS AT DALLAS

Alternatives to New Construction Yield Millions in Savings

$45M In avoided new construction costs

$4M Saved by exiting major lease

1) Operations and Maintenance.

Source: University of Texas at Dallas, Richardson, TX; EAB interviews and analysis.

Selectively Improve Space Utilization with Targeted Interventions

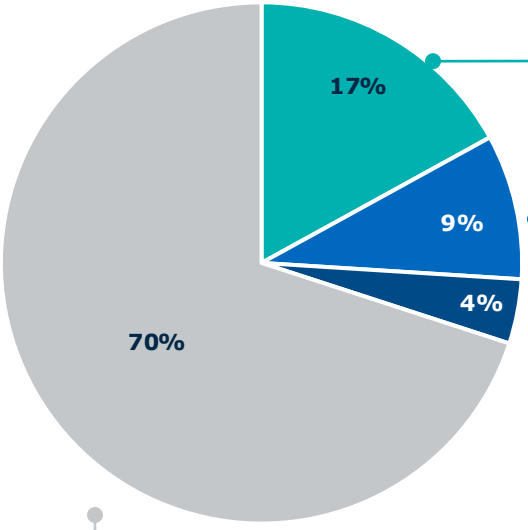
SECTION 4

- Tactic 6: Reduce Private Office Space with Incentives and Mandates
- Tactic 7: Adjust Laboratory Allocations Based on Productivity
- Tactic 8: Broaden Classroom Usage by Expanding Access and Purpose

Not All Space Created Equal

Campus space is highly fragmented, with a wide range of space types—many of which are underutilized. While improvements can be made across the board, not all spaces offer the same return on effort. The urgency to optimize is concentrated in high-impact areas such as offices, research labs, and classrooms, where targeted changes can yield significant savings and stronger alignment with institutional goals.

Percentage of Campus Space by Type



Offices: Biggest Opportunity to Reclaim Unused Space

- Account for the largest portion of campus space after residence halls
- Utilization, especially faculty offices, consistently **less than 20%**

Research Labs: Most Expensive Space for Growth

- Costs **30-50% more per square foot** to build a lab than standard office space
- Energy costs for labs **2.5 times** that of standard offices

Classrooms: Greatest Impact on Institutional Priorities

- 30% of courses being taught off-peak could accommodate a **19% growth in enrollment**
- 44% of 4-year students struggle to register for courses without conflicts

The Land of (Less) Opportunity

Most space types contribute little to total footprint (<3%). Remaining larger chunks (i.e., residential) have limited potential for improved utilization.

Source: "Campus Facilities Inventory," The Society for College and University Planning, 2023 Construction of Life Science Properties, *CBRE,* April 21, 2022; 11 Reasons Why Lab Space is So Expensive, *University Lab Partners,* August 11, 2021; 2024 National Student Satisfaction Survey, Ruffalo Noel Levitz, 2024; EAB interviews and analysis.

Higher Education Stumped on Office Space

Private offices represent one of the most persistent space challenges on campus. Despite clear evidence of underutilization (driven in part by the rise of hybrid and remote work) many institutions struggle to take meaningful action.

<50%

Utilization rate for faculty offices

25%

Decrease in faculty time spent on campus post-pandemic

54%

Of higher education staff classified as hybrid or remote

Deep-rooted cultural expectations, status associations, and emotional attachment to offices often outweigh the business case for change. As a result, even modest efforts to reduce or reconfigure office space can face significant resistance, making it clear that data alone isn't enough. Addressing this challenge requires a thoughtful, strategic approach to change management.

"Higher ed is the only industry where someone goes remote and says '**I'm going to need a second office**.'"

CBO, Large Public

"**Utilization data isn't enough** to convince people that we have too many private offices. It's a culture issue."

VP of Planning, Large Public

"Faculty tell me, 'You'll never get my office, **I've worked too hard not to have my name above a door.**'"

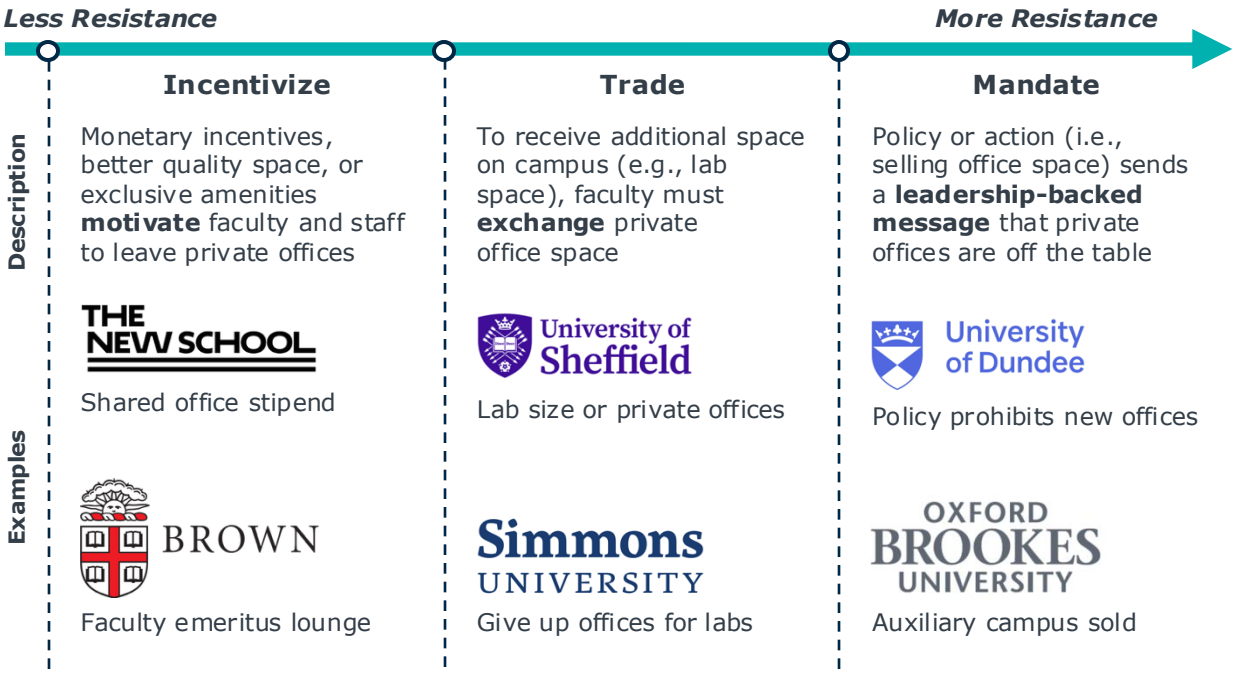
Estates Leader, UK

Source: M Sheahan, "The Uncomfortable Truth of the Empty Academic Office", Hassell Studios; EAB interviews and analysis.

Pick Your Poison

The Spectrum of Resistance for Private Office Reclamation

To improve office space utilization, it is crucial to select a change management strategy that aligns with an institution's capacity to handle cultural pushback. Incentive-based approaches may be more feasible for institutions with highly change-averse cultures, while trade and mandate strategies require stronger leadership backing and a higher tolerance for pushback.



Source: Brown University, Providence, RI; Oxford Brookes University, Oxford, UK; Simmons University, Boston, MA; The New School, New York, NY; University of Dundee, Dundee, UK; University of Sheffield, Sheffield, UK; EAB interviews and analysis.

Gain Without Pain?

Three Strategies to Reclaim Private Offices Without a Mandate

Faculty and staff often have strong emotional attachments to their private offices, making it critical to address concerns and provide support throughout the transition. Early stakeholder engagement, clear communication about the benefits of space optimization, and open dialogue can help reduce resistance.

Institutions can also encourage voluntary relinquishment of private offices through thoughtful design and behavioral strategies—such as involving users in the planning process, creating shared spaces that feel like an upgrade, and offering choices. When paired with strong change management, these approaches create the conditions for more successful space reconfiguration and improved utilization.

Build Buy-in by Offering Design Input

Kwantlen Polytechnic University's Director of Campus Space and VP of Academics consulted with faculty on their workspace needs for two months while designing shared offices.

→ 75% of Faculties on one campus work in shared space

Make Shared Space an Upgrade

The University of Utah offered staff higher quality, conveniently located shared space in exchange for vacating private offices.

→ 43% Less space accommodates same number of staff

Offer a Choice (with the Odds in Your Favor)

The **University of St Andrews** presented faculty with a choice: smaller private offices facing an internal quad or larger shared offices with an external view.

→ Faculty choose shared space for first time

Source: Kwantlen Polytechnic University, British Columbia, CA; University of St Andrews, St Andrews, UK; University of Utah, Salt Lake City, UT; EAB interviews and analysis.

The Hub: A Better Way of Sharing Space

Faculty Voluntarily Give Up Offices to Access Amenity-Heavy Shared Space

Faced with a growing deficit in faculty office space, the University of Colorado Anschutz (CU Anschutz) took a creative approach inspired by airport lounges: reimagining shared workspace as a desirable upgrade rather than a downgrade. "The Hub" is a purpose-built, amenity-rich environment that allows faculty to voluntarily give up private offices in exchange for access to high-quality shared space.

This case study exemplifies all three strategies outlined previously: engaging stakeholders in the design process, creating a compelling alternative to private space, and using choice architecture to guide adoption. This approach not only improved faculty satisfaction but also delivered substantial space and cost savings for the university, outlined below.

Anschutz **The Hub at CU Anschutz**

- **Goal:** Solve faculty office space deficit without building new offices
- **Process:**
  - EVP of Finance and Administration inspired by airport lounges, secured funding from senior leadership
  - Faculty member user group consulted on design
  - $4 million, 13K gross square feet renovation began September 2018 and was completed July 2019
- **Requirement:** Faculty must give up private offices to join The Hub

Luxury Amenities Make Joining The Hub Desirable

- Snack and drink bar, kitchenette, and meal ordering assistance
- Sleep pods, showers, and lockers
- Staffed concierge desk provides on-site administrative support
- Bookable single-occupant offices, treadmill desks, soft seating

Hub Capacity

500
Faculty members

135
Faculty waitlisted for membership

Avoided Construction

10.5K
Square feet to lodge 500 faculty in The Hub

96K
Square feet necessary for 500 private faculty offices

Financial Savings

$27.5M
Avoided construction costs

$1.7M
Avoided annual overhead costs

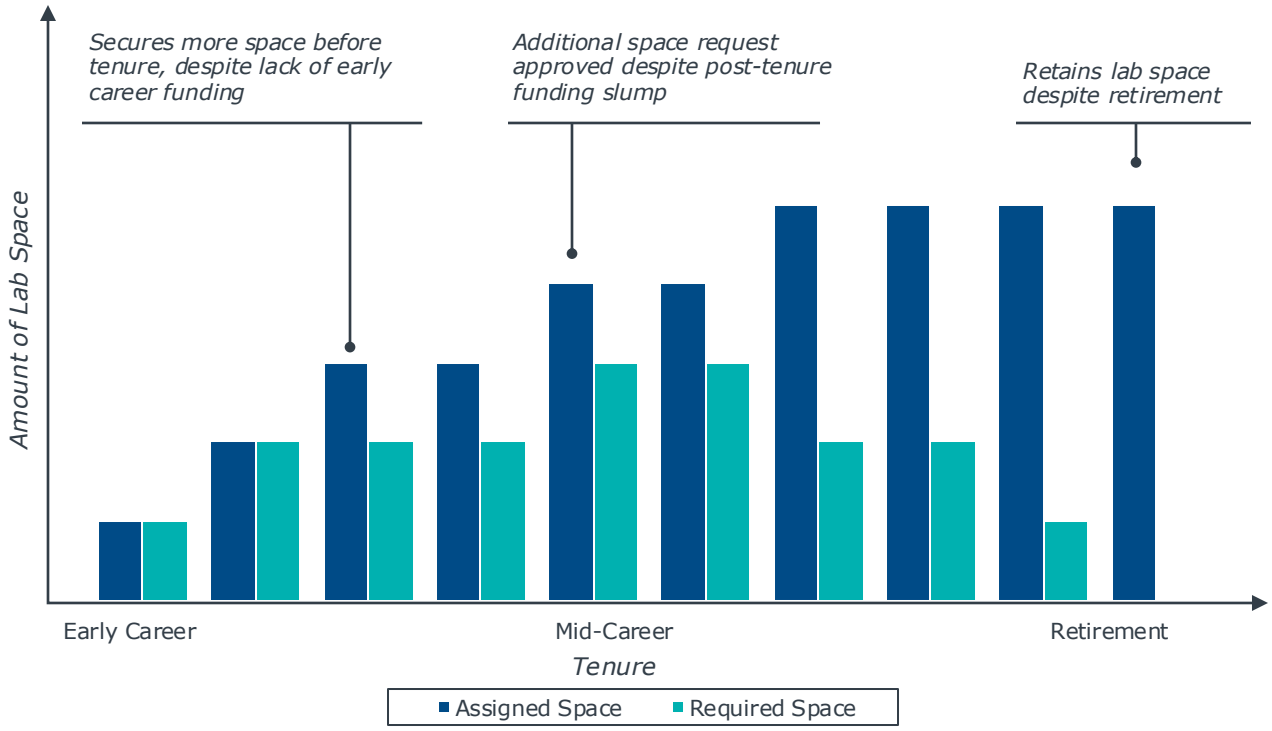
Source: "Innovative Shared Workspace Pre-, Mid-, and Post-pandemic for Clinical Faculty", *American Association of Medical Colleges*, October 31, 2022; University of Colorado Anschutz, Aurora, CO; EAB interviews and analysis.

A Mismatch Between "Wants" and "Needs"

Investigators Accumulate Space Over Time, Rarely Forfeit as Needs Change

Research space often expands in response to individual requests but rarely decreases when funding declines or needs shift. Over time, this practice contributes to a gradual buildup of underutilized lab space, making it difficult for institutions to manage research growth sustainably. Without clear standards for reallocating space based on utilization and productivity, campuses risk overspending on one of their most expensive asset types.

Representative Space Allocation Over Faculty Member's Career



Unchecked accumulation of space contributes to the need for a more intentional approach to research space management. The solution is to make space assignments time-bound and tied to measurable productivity. By introducing clear expectations and regular reviews, institutions can better align space with current research activity and ensure that valuable lab space remains available for high-performing investigators.

Source: Research Space Allocation, East Carolina University, Greenville, NC; EAB interviews and analysis. Source: Higher Education Research and Development Survey, National Science Foundation, 2023; Science and Engineering Research Space, National Science Foundation, 2023; EAB interviews and analysis.

1) Net assignable square feet.

Implementing the Gold Standard Approach

Interdisciplinary Spaces Designed for Temporary Assignments

One of the most effective ways to prevent long-term space hoarding in research facilities is to make lab space assignments temporary by design. Leading institutions are shifting from permanent allocations to structured, time-bound models that prioritize alignment with research goals and performance. Key elements of research lab space management are outlined below.

- Research office has managerial oversight
- Space allocation guided by project alignment with strategic goals
- Research teams must apply for space
- "Clawback" policy allows for space reallocation

New and interdisciplinary buildings have proven especially strong environments for piloting this approach, offering a clean slate for testing new governance structures and evaluation criteria. The following case studies illustrate how institutions have implemented these principles.

University of Idaho's Integrated Research & Innovation Center (IRIC)

- Space is controlled by ORED[1] but governed by Facility Committee with representatives from every college, ORED appointees, and building manager
- Collaborative research teams must submit a formal application for space in the facility
- Formalized waitlist protocols and guidelines for IRIC applicants

University of Texas at El Paso's Interdisciplinary Research Building (IDRB)

- After teams submit applications, peer review panel evaluates them on criteria that reflect IDRB priorities
  - Weightings: 20% degree of interdisciplinary, 20% grant funding, 20% potential impact, 20% themes/clusters, 10% stakeholder engagement, 5% multi-institutional, 5% willingness to share space
- Sets fixed occupancy ranges for different spaces in IDRB: short-term assignments are 1-10 days, medium-term assignments are 1-12 months, and long-term assignments are 1-5 years

Source: Integrated Research and Innovation Center, University of Idaho, Moscow, ID; Request for Proposals, University of Texas at El Paso, El Paso, TX; EAB interviews and analysis.

1) Office of Research and Economic Development.

Set Concrete Expectations for Lab Productivity

ECU Research Space Policy "Right-Sizes" Allocations

In addition to making assignments temporary, adjusting lab space allocations based on productivity helps institutions ensure that research space is used effectively and aligned with strategic goals. East Carolina University (ECU) adopted a structured process to assess and right-size research space to evaluate performance metrics across disciplines. ECU's process, outlined below, determines allocations based on strategic alignment, productivity and utilization data, cost implications, and opportunities to share space.

Define Governance Structure Across the Institution

- Allocation and reallocation decisions made at three levels: Department/Unit, College, and Institution
- Institutional Planning and Research (IPAR) group and University Space Committee provide guidance and approvals

Establish Productivity Measures Across Disciplines

- Units select productivity metrics with oversight from University Space Committee
- Metrics and benchmarks vary between disciplines, but financial measures are part of overall assessment
- Measurement schemes communicated to and approved by leaders based on level

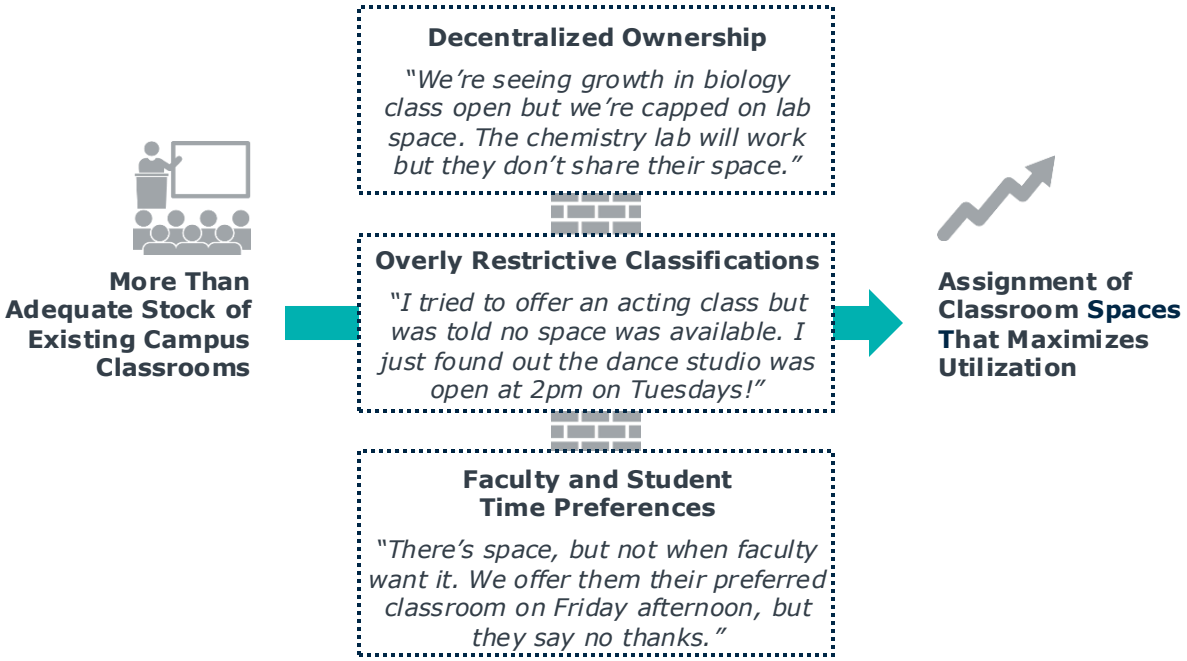
Review Productivity and Reallocate as Needed

- IPAR manages research space and productivity data, preparing five-year reports of productivity for research spaces at all levels
- IPAR conducts biennial inventories and audits of research space
- Spaces falling below 20th percentile on metrics deemed "unproductive" and considered for reallocation based on level

Source: Research Space Allocation, East Carolina University, Greenville, NC; EAB interviews and analysis.

Barriers to Maximizing Classroom Utilization

Many campuses have enough classroom space to meet current demand, but scheduling and policy challenges prevent institutions from using it efficiently. The result is low utilization that drives perceptions of scarcity. To solve this, institutions must focus on assigning classroom space in ways that improve access and increase usage across more of the weekly schedule. Several common barriers stand in the way of this goal, including decentralized ownership, rigid space classifications, and limited willingness to teach at less popular times.



To understand the trends shaping the future of classroom design, access EAB's Campus of the Future Infographic.

Source: EAB interviews and analysis.

Carrot or Stick?

Two Approaches to Centralizing Ownership Based on Campus Culture

Centralizing classroom ownership is one of the most effective ways to boost classroom utilization, but the right approach depends on campus culture. Institutions with more collaborative environments may succeed by offering upgrades in exchange for management, while others may need to establish clear policies that automatically assign ownership of new or renovated space.

Well-Documented Benefits of Centralized Classroom Management

22% Higher space utilization rate in centrally-owned classrooms

44% More classes held each semester in centrally-owned classrooms

Provide Quality Enhancements

One institution trades repair, renovation, and technology upgrade costs for centralized management, **increasing number of centrally controlled rooms by 31%**

If New, It's Not Just for You

University of Colorado Boulder has a policy that **automatically designates** any new or significantly renovated instructional spaces as centrally managed

Source: L Vassilowitch, "Find the Hidden Space on Your High-Density Campus", *Facilities Manager*, October 2016; Instructional Space Utilization Policy, University of Colorado Boulder, Boulder, CO; EAB interviews and analysis.

Reduce Classification Complexity

Ohio's Space Standardization Broadens Faculty Assignment Options

Overly complex space classifications can limit access, restrict scheduling flexibility, and contribute to underutilization. When room types are too narrowly defined or based on ownership rather than actual use, it becomes difficult to match available space with evolving campus needs. A part of its Campus Optimization Initiative, Ohio University reclassified space across campus based on room attributes, instead of owner preferences, improving utilization across campus.

Ohio University's Campus Optimization Initiative

- Recategorized room types down from 50+ to four **flexible space use classifications**
- Determines primary use based on **room attributes** (versus owner preferences)
- Makes more space available via centralized scheduling system to **broaden access**
- **Recategorizes or allocates space based on utilization data**, led by space governance groups

Flexible Space Use Classifications

Informal

Open space with minimal separation, for casual use

Individual Workspace

Furnished to support focused work for individuals

Specialized

Dedicated to specific function(s) for limited set of users

Schedulable

Enclosed spaces with furniture and technology for meetings, events, and classes

Source: Campus Space Optimization Initiative Summary Report, Ohio University, Athens, OH; EAB interviews and analysis.

Loosen the Stranglehold of the 10-2

Low classroom utilization outside peak hours is a common challenge, often driven by faculty preferences for mid-morning to early afternoon teaching. This leaves classrooms empty several hours of the day—wasting space and creating a "ghost town" feel. To counter this, campuses are adopting strategies like repurposing unused rooms, balancing course schedules, and incentivizing off-peak instruction. The examples below show how institutions are extending classroom use across the full academic day and week.

1 Repurpose Unoccupied Classrooms for Student Use

- Converted **underutilized lecture halls** to spaces for student study and group work during COVID
- Developed an easy-to-navigate study space finder tool

2 Require Faculty to Teach at Off-Peak Times

- **Established policy** to schedule classes during every day and time block
- Schedules all classes centrally and allows faculty to select two time-blocks that can be "vetoed"

3 Mitigate Scheduling Preferences with Incentives

- One institution **offers financial bonus** to faculty willing to teach morning/evening classes
- Considering piloting this approach for weekend classes

Source: "More than 3,500 study spaces available on main campus for online learning", *University of Calgary*, September 9, 2021; University of Sheffield, Sheffield, UK; EAB interviews and analysis.

Choosing the Right Space "Goldilocks"

Determining where to focus space optimization efforts requires asking the right questions. These prompts help institutions assess whether it is the right time to tackle office, lab, or classroom space based on local conditions.

Offices

- What is the utilization rate of private offices across campus?
- Do many faculty and staff work on hybrid/remote schedules?
- Do the financial benefits of reducing private office space outweigh the political/cultural challenges?

Research Labs

- Do researchers maintain and accumulate lab space despite low productivity?
- Are lab allocations based on departmental ownership rather than project need?
- What are the potential cost savings and efficiency gains from moving to temporary lab allocations?

Classrooms

- Do classrooms across campus sit empty during off-peak hours?
- Do you have enough classrooms, but appear to be at capacity due to high demand periods?
- Are there opportunities for colleges and departments to share specialized space instead of adding more?

Source: EAB interviews and analysis.

Creatively Source Space Funding with Real Estate and Donors

CODA

- Tactic 9: Activate the Real Estate Portfolio for Revenue Generation
- Tactic 10: Engage Donors in the Total Cost of Ownership

Got Space?

Campus real estate is one of an institution's largest underleveraged assets, as well as a valuable opportunity to generate revenue. By creatively activating underutilized space through rentals, leases, or property sales, institutions can support financial sustainability while advancing strategic goals. The examples below show how campuses are generating income across multiple time horizons, from one-time rentals to seasonal use and long-term transactions.

Six Examples of Revenue Generation from Underutilized Space

One-off

Simmons University

- By optimizing classroom utilization, Events team can rent unused rooms for meetings, conferences, and events
- Generates **$1.5M in revenue annually**

CSUN. California State University Northridge

- Rents campus spaces and provides support for TV and film productions
- Generates up to **$1.25M annually**

Seasonal

Brandeis University

- Houses camp counselors and community groups in residence halls during summer
- Brought in **$60K revenue** from one hall in a year

Queen Margaret University Edinburgh

- Hosts artists for the Edinburgh Festival Fringe as an official "festival village" in their accommodation over the summer
- **Nets over £400K** from this event

Long-term

University of Cincinnati

- Sold 99-year lease of hotel and conference center to AJ Capital Partners
- **$23.5M upfront payment** invested in university's strategic priorities

The University of Minnesota

- University sold 280 acres to Meta subsidiary for new data center
- **$30M+ sale revenue** went to legacy fund for research, education and outreach mission

Source: Brandeis University, Waltham, MA; California State University, Northridge, Los Angeles, CA; Simmons University, Boston, MA; Queen Margaret University, Edinburgh, UK; University of Cincinnati, Cincinnati, OH; University of Minnesota System, MN; EAB interviews and analysis.

Elevate Entrepreneurial Space Ambitions

Investing in infrastructure to monetize underused campus space can ease financial pressure while advancing broader goals like community engagement. To expand its leasing capacity, Central New Mexico Community College created CNM Ingenuity: a separate nonprofit that gives the college greater flexibility to manage leases, reduce liability, and form external partnerships. This structure has enabled CNM to more effectively activate campus space while supporting its mission.

Central New Mexico Community College's Space Solutions Office Leases Campus Facilities

- Part of CNM nonprofit entity, reducing liability and governmental restrictions
- Manages events and short-term leases with third parties (e.g., nonprofits, local government, schools, businesses)
- Team includes staff with property management and event management experience
- Partners with skills training and workforce development teams, providing students work experience and exposure to industry

Benefits Finances and Mission

Generates over **$100K in revenue** from providing location and services to a film production

Develops new, and fortifies existing, **community partnerships**

Bolsters **name recognition** among local leaders and community members

Source: Space Solutions, Central New Mexico Community College, Albuquerque, NM; EAB interviews and analysis.

Maintenance By Any Other Name

Donors Do Care About Maintenance, With the Right Framing

While many institutions see maintenance as an operational cost donors won't support, donors can be a powerful (and often overlooked) resource. The key is to reframe maintenance in ways that align with donor values. Colleges have had success using legacy messaging, creative naming opportunities, and compelling visuals to make the case for sustained investment.

"See for Yourself"

Queens University of Charlotte had donors and trustees tour older buildings and see need for renovations firsthand. They raised **$22M to renovate an older building** after a tour.

"Maintain Your Legacy"

One institution incorporated maintenance endowments into naming packages after donor's willingness to maintain buildings that represent their legacy. This enabled the institution to raise **$60M for maintenance endowments.**

"This Is What Could Be"

Mississippi State University (MSU) created a "lookbook" showing how campus locations would look with grounds improvements. MSU was able to raise **over $750K for grounds improvements.**

"Preserve History"

UNC Chapel Hill found that "historic preservation" made maintenance projects more appealing. A new role within Advancement works with Facilities to help identify donors and **secure funds for maintenance** under this umbrella.

Source: Mississippi State University, Starkville, MS; Queens University of Charlotte, Charlotte, NC; University of North Carolina at Chapel Hill, Chapel Hill, NC; EAB interviews and analysis.

Getting Donor Dollars Requires Coordination

Two Ways to Bridge the Gap Between Facilities and Advancement

Effective collaboration between facilities and advancement teams begins with a shared understanding of goals. Strong relationships and clear communication can lead to meaningful donor support for maintenance and operations.

At Mississippi State, Campus Services prioritized building trust with advancement staff to ensure alignment and role clarity, such as using project success stories to demonstrate the value of operational investments. Similarly, at UNC-Chapel Hill, close coordination between the two teams improved decision-making and brought fresh perspectives, enabling more innovative and strategic space solutions.

MISSISSIPPI STATE

- Executive Director of Campus Services meets with Advancement colleagues to **discuss aligning strategic priorities**
- Facilities **creates donor talking points**, speaks with donors directly, raises $750K for grounds improvements
- Through **collaboration with Advancement**, Facilities was able to capitalize on a previously secured $2.9M maintenance endowment

THE UNIVERSITY of NORTH CAROLINA at CHAPEL HILL

- Advancement team identifies operations and maintenance as an **untapped fundraising opportunity**
- **Creates new role** focused on engaging donors on Facilities projects; invited AVC of Facilities to sit on hiring committee
- Facilities specialist within Advancement **meets regularly with Facilities leaders to identify projects, donor potential, and funding opportunities**

Source: Mississippi State University, Starkville, MS; University of North Carolina at Chapel Hill, Chapel Hill, NC; EAB interviews and analysis.

Addressing the Growing Maintenance Backlog

Creative Solutions for a Persistent Challenge

The University of California, Berkeley (UC Berkeley) demonstrates how institutions can effectively combine donor engagement with internal policy to tackle chronic maintenance funding gaps. Recognizing that most donors don't gravitate toward deferred maintenance, the university paired intentional messaging with a modest gift assessment fee. This approach ensures that philanthropic support contributes meaningfully to critical infrastructure needs, helping offset limited government and central funding.

Growing Backlog, Limited Funding Demands Creativity

Challenge: Growing Deferred Maintenance Backlog and Insufficient Direct Funding Sources

- **~$2B deferred maintenance backlog**
- Projected annual capital renewal needs **over $300M**
- 2023-2026, state provides **no deferred maintenance funding**

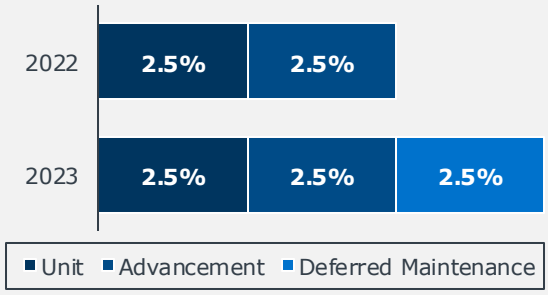
Starting Solution: Small Portion of Philanthropic Gifts Allocated to a General Fund that Supports Deferred Maintenance

- In 2023, Chancellor announces **increase in established gift assessment fee**
- Finance Committee determines which deferred maintenance projects receive funding
- In some cases, direct funds are directed to DM[1] projects that **align with the purposes and intent** of the original donor gift

Small Fee Increase Means Big Bucks for Deferred Maintenance

Gift Assessment Fee Over Time

Fee for Non-Research Gifts



In 2023-2024, UC Berkeley **increased spending on deferred maintenance by 50%** [with the philanthropic allocation]

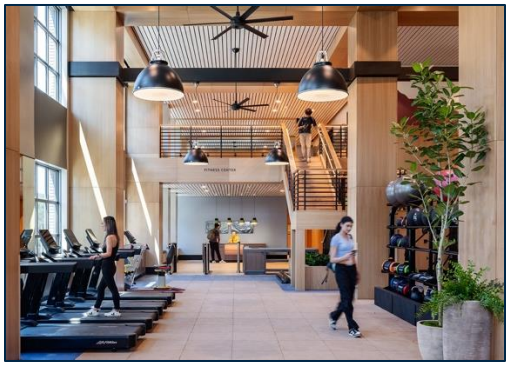
1) Deferred maintenance.

Source: University of California, Berkeley, Berkeley, CA; EAB interviews and analysis.

Aligning Donor Interest with Priority Needs

When institutions align donor priorities with strategic space needs, they can unlock funding that supports both mission-driven goals and long-term operations. Creative reuse of campus asset, paired with thoughtful donor engagement, can generate revenue to cover ongoing costs and support priorities like scholarships, research, and maintenance. The examples below show how spaces designed to meet evolving academic and community needs can also deliver meaningful financial returns that benefit the broader campus.

Donor-Developed Student Housing Funds O&M[1] and Scholarships



UC BERKELEY

- Donor funded **urgent need** for more student housing
- Housing and retail lease revenue **covers 100% of O&M[1] costs**
- Net revenues fund **full two-year scholarships** for ~400 students

Former Art Gallery, Repurposed as Startup Incubator, Funds University DM[2]

UC BERKELEY

- Donor funded **seismic retrofit and transformation** of former art gallery building into new lab space
- Lab and workspace leasing revenue **covers 100% of O&M[1] costs**
- Board redirects portion of annual net revenue to **fund general DM[2]**

1) Operations and maintenance.
2) Deferred maintenance.

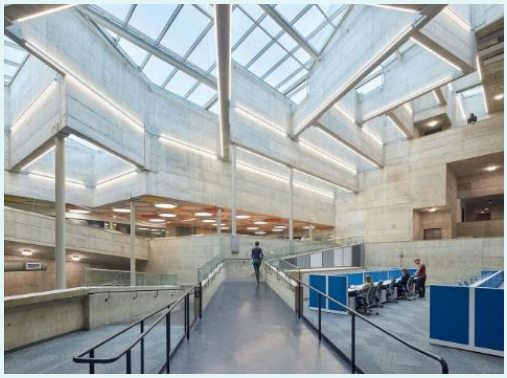
Source: University of California, Berkeley, Berkeley, CA; EAB interviews and analysis.

Prioritizing Gifts that Keep on Giving

UC Berkeley's Life Sciences Innovation Hub is a powerful example of how donor gifts can create long-term value beyond the initial investment. A donor-funded transformation of a former art gallery into lab and startup space not only addressed a key campus need but also unlocked ongoing revenue streams. Revenue from the hub now supports deferred maintenance, increases demand for nearby R&D facilities, and accelerates the university's ability to identify startups for investment, demonstrating how strategic gift alignment can generate sustained institutional impact.

Donor Funds Transform Former Art Gallery Building into Life Sciences Innovation Hub

- "Big idea" to repurpose vacant art gallery building as startup incubator space resonated with the donor
- Donor funded seismic retrofit, accessibility improvements, lab space conversions, and building addition
- Gallery spaces remodeled into wet labs and office workstations for life science startups
- Former screening room transformed into 100-seat event space



Berkeley Life Sciences Innovation Hub

Hub-Related Revenue Streams Support Resource Needs Across University

Funded ~10% of deferred maintenance spend via redirected part of net revenue

Increases demand for paid access to nearby core R&D[1] facilities

Fast-tracks viable startup identification for venture capital fund

Source: University of California, Berkeley, Berkeley, CA; EAB interviews and analysis.

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