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STRATEGIC ADVISORY SERVICES

Senior Leader’s Guide to Real Estate Optimization

What College and University Leaders Should Know About Strategically Leveraging the Built Environment—Without Paying for Costly Consultants

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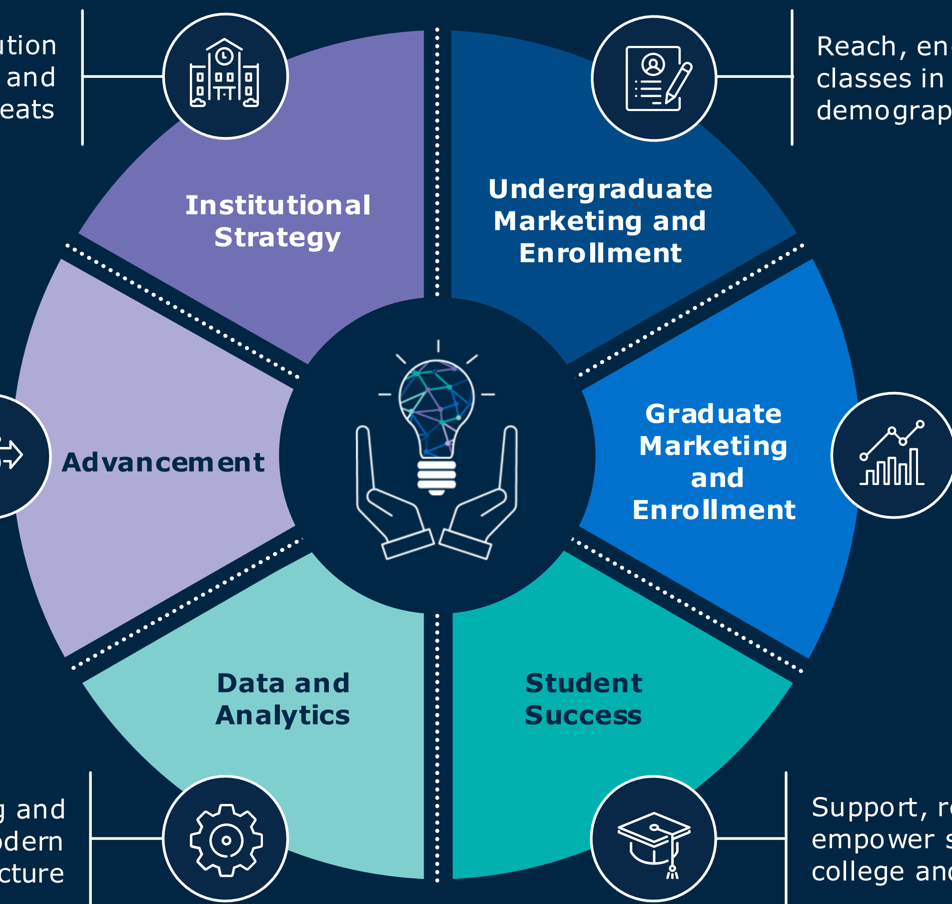

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Project Contributors

Project Director

Eva Bohn

Contributing Consultants

Molly Bell, MPP
Michael Fischer

Managing Director

Ann Forman Lippens

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Introduction

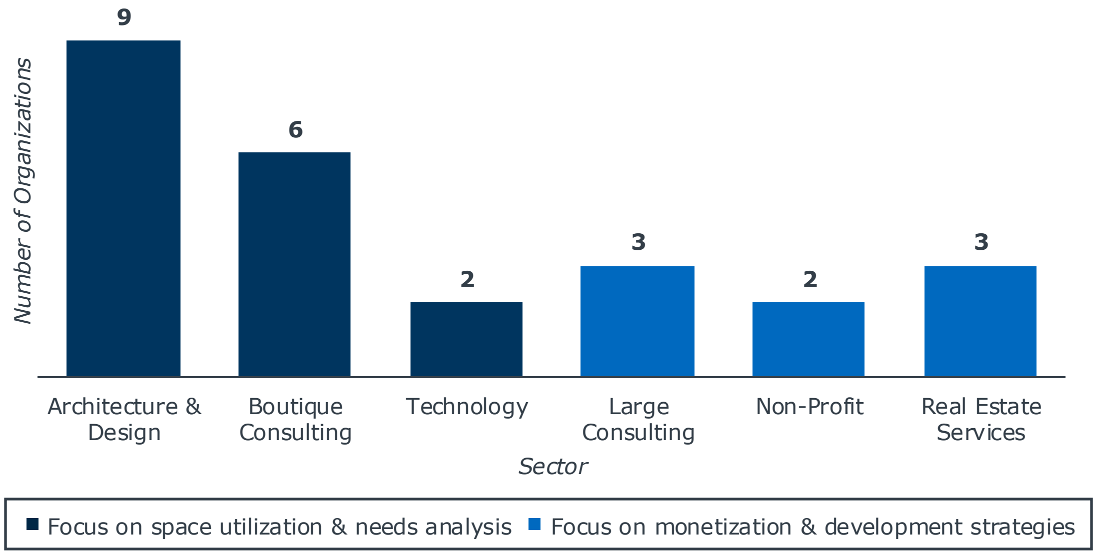
Higher Ed Institutions Increasingly Turn to Consultants to Optimize Campus Assets

Over the past decade, higher education has faced a rapidly changing landscape marked by financial pressures, demographic shifts, technological disruptions, and evolving student expectations. These pressures are prompting leaders to ensure they're making the best use of all assets, especially the built environment (typically the largest or second largest institutional asset). This means both maximizing potential revenue generated by a space and minimizing the costs of underleveraged buildings. However, many institutions lack the in-house expertise necessary to effectively optimize real estate. As a result, leaders often seek the support of specialists in the field.

An EAB analysis revealed a varied landscape of organizations involved in real estate and space consulting engagements. The field is dominated by architecture & design firms and boutique consultancies, whose work often emphasizes technical assessments (such as space usage and needs assessments). By contrast, large consulting firms, non-profits, and real estate services firms tend to focus on more comprehensive asset optimization strategies. Therefore, the strategies highlighted in this report primarily come from the latter group.

Who is Involved in Higher Education Real Estate Optimization Consulting

An Examination of 25+ Consultant-Created Space and Asset Optimization Reports Shows Diverse Sector Involvement



EAB analyzed more than 25 consultant-created real estate optimization reports and found that these reports are ultimately more similar than they are different. The following sections highlight common themes in how consultants source recommendations, what consultants recommend, and how they prioritize those recommendations.

Source: EAB interviews and analysis.

Understanding Consultant Reports

How Consultants Source Asset Optimization Opportunities

EAB's analysis found that most consultants draw on a mix of existing data, data they create themselves, and industry expertise. How they prioritize this information varies by sector. Non-profit consultants and real estate services firms rely most on existing institutional and real estate data while architecture and boutique consulting firms primarily highlight their own data. Large consulting firms focus their reports on case studies and insights from past engagements.

The table below highlights the most common sources of information used by consultants in each category. Sources are listed by prevalence: more common types appear higher within the box, and more frequent examples come earlier within each list.

ANALYSIS OF EXISTING DATA	CONSULTANT-CREATED DATA	CONSULTANT EXPERTISE
Institutional Space Data • *Examples:* Campus blueprint, facilities condition assessment, and asset valuation report • *Used to assess:* Relative activation potential of campus properties based on condition and location **Local Real Estate Demand Data** • *Examples:* Demand projections, average sale values, occupancy rates of leased space, population trends, and job market trends • *Sources:* Local city planning office, global commercial real estate services firms (e.g., JLL[1], Cushman & Wakefield), census data, local realtors, and non-profits • *Used to assess:* Viability of different development opportunities and profit potential from lease or sale of assets **Institutional Financial Data** • *Examples:* Budget surplus/deficit, debt capacity, and accessibility of liquid assets • *Used to assess:* Urgency for revenue generation, ability to fund new projects independently, and financial risk capacity	**Stakeholder Analyses** • *Examples:* For senior leaders, staff, faculty, or students: focus groups, interviews, and surveys • *Used to assess:* Level of change resistance, internal demand for new initiatives, and a project's potential to disrupt daily activities **Space Utilization Study** • *Includes:* Campus utilization rates broken down by space type and time of day • *Used to assess:* Opportunities to make use of underutilized space, buildings that are good candidates for disposal due to low occupancy, and growth needs	**Insights from Past Engagements** • *Examples:* Case studies, return on investment of past projects, implementation experience, and impact of prior initiatives on campus culture • *Used to assess:* The catalogue of viable options, promising initiatives based on past successes, possible implementation barriers, and potential project risks

After analyzing reports across sectors, EAB found that the most helpful analyses came from combining institutional and market data with consultants' industry expertise. Fortunately for institutions looking to optimize their real estate without the help of consultants, most of the data they need is already accessible. Even data collected by consultants, such as stakeholder analyses and space utilization studies, can be (and often are) created in house. The following pages fill in the industry expertise by outlining consultants' approach to real estate strategy prioritization and offering sector-specific insights to help institutions make informed, independent decisions.

1) Jones Lang Lasalle

Source: EAB interviews and analysis.

Breaking Down Consultants' Recommendations

How Consultants Recommend Asset Optimization Strategies

Despite diverse industries, data sources, and university clients, real estate optimization reports recommend consistent strategies and prioritize them similarly. The list below presents five strategies, organized by how consultants typically prioritize their recommendations.

1. **Preserve the core of campus for student-centric activities.** Consultants prioritize aligning campus decisions with the student-serving mission. They encourage investing in centrally located student spaces and considering the student impact of all real estate initiatives

2. **Explore external funding and partnerships.** Many high-priority construction and renovation projects are risky for institutions to pursue alone due to project scale, required expertise, and high upfront costs. Partnering with a public or private entity enables institutions to mitigate these risks.

3. **Creatively activate under- or unused assets.** Maintaining underutilized space is a significant unnecessary cost. Further, activating this space can eliminate the need for new construction.

4. **Offload non-core assets that can not be activated.** While property disposal can be politically challenging, selling or leasing dysfunctional space may be worth the cost savings.

5. **Selectively add to the campus portfolio.** Consultants typically put this strategy last. While acquiring or developing land can generate revenue in the medium to long run, the strategy also carries risk. For instance, shifting consumer preferences or availability of nearby offerings can lead institutions to overestimate demand for projects.

Customized Reports Still Miss on Advising When *Not* to Pursue a Tactic

Despite their customized nature, most reports focus on the upside and often omit details on when a tactic is unlikely to succeed. These reports often overlook critical factors such as the cultural barriers to change, complexities of external partnerships, hidden costs of project development, and limitations of an institution's in-house expertise.

EAB's Summary of Need-to-Know Recommendations

To support partners in cost-effectively accessing crucial real estate and space utilization advice, this report summarizes the key tactics recommended by third-party consultants. These tactics are organized in a compendium and sorted by alignment with the five strategies above. Each tactic includes both a case study and advice on the conditions for success. Specifically, EAB outlines when an institution should (versus should not) pursue a particular tactic. Additionally, EAB summarizes the factors consultants may consider when recommending a tactic. Ultimately, institutions can use this report to guide their own strategic asset strategy (and minimize the need for expensive external consultations).

Source: EAB interviews and analysis.

Aligning Considerations to Strategies

For each tactic in the following section, EAB includes common factors consultants may consider when recommending a strategy to an institution. These considerations are referenced in shorthand throughout the report. The table below illustrates how these shorthand terms correspond to actual consultant considerations.

Consideration	Description
Asset Condition	An asset's physical integrity, age, and usability affect whether it's a candidate for reinvestment or divestment. Well-maintained buildings are prioritized for reuse; those with significant deficiencies may be recommended for divestment unless they have other redeeming qualities like location or historic value.
Asset Location	Central campus assets are typically prioritized for institutional uses. Assets located far from campus or outside of heavily utilized zones may have limited redevelopment potential unless adjacent to successful commercial or community corridors. Retail projects are rarely recommended unless land is already adjacent to viable retail areas
Asset Value	The monetary worth of a property (as influenced by market conditions, building condition, location, etc.) is often the primary factor when evaluating asset sales. High-value assets in non-core locations may be strong candidates for monetization; low-value assets require other compelling justifications to retain.
Community Impact	Projects that support local employment, services, and neighborhood development can generate long-term goodwill and political support. Conversely, negative social or economic impacts may delay approvals or provoke opposition.
Construction Cost	High projected costs, including materials, labor, and permitting, should be weighed against an institution's financial capacity. High costs may necessitate phasing, redesign, or a search for private development partners.
Contract Fluency	Limited internal capacity to structure and manage complex deals can lead to project failure or unfavorable terms. Institutions are often advised to build contract fluency through hiring or training before entering P3s[1] or long-term leases.
Delivery Capacity	Projects may require capabilities (e.g., long-term staffing, consistent funding, specialized expertise) beyond what internal teams can support. In such cases, institutions are often encouraged to hire additional staff, bring on program managers, or seek third-party partners.
Employee Experience Impact	Real estate changes can disrupt or improve the day-to-day experience of faculty and staff. Projects that improve recruitment and retention are often prioritized; those likely to create dissatisfaction or logistical challenges require strong offsetting benefits.
Financial Capacity	The availability of institutional capital, debt capacity, or donor support shapes which funding paths are viable. Limited fund availability often leads to recommendations for alternative financing or less resource intensive projects.
Financial Need	Institutions under immediate financial pressure (e.g., significant structural deficit, high debt burden) are more likely to be recommended projects that provide short-term revenue gains even if such moves offer less long-term value or carry more risk.
Financial Risk	Strategies with high financial exposure (e.g., speculative development) are typically recommended only when aligned with institutional risk tolerance. Institutions with low tolerance may be steered toward conservative approaches.

1) Public-Private Partnerships

Source: EAB interviews and analysis.

Aligning Considerations to Strategies

Consideration	Description
Institutional Change Appetite	Institutions where leadership, faculty, and staff are highly resistant to bold or unconventional approaches may be advised against bolder real estate moves unless the financial upside is high and members of leadership are prepared to manage change effectively.
Local Competition	When similar offerings are abundant in the surrounding market, new developments such as housing and retail may struggle to reach full occupancy or maintain competitive pricing. In such cases, institutions may be advised to hold off or further differentiate its offering.
Local Demand	Strong demand signals—like long waitlists, unmet service needs, or favorable demographic trends—can validate a project's purpose and scale. Institutions are typically advised against developing a revenue-generating project when demand is weak.
Local Economic Health	A strong local economy supports demand, financing, and partnership opportunities. In weaker markets, consultants may recommend scaling back or postponing projects until conditions improve.
O&M Costs	High or escalating operating and maintenance costs can diminish the long-term viability of an asset. Large deferred maintenance backlogs are often a reason to recommend divestment.
Partner Interest	Projects with a clear value proposition to third-party developers or public agencies are considered strong candidates for P3s[1] or joint ventures.
Projected Asset Value Change	When appreciation is expected (due to infrastructure investments or market growth), institutions may be advised to retain assets or structure long-term leases. Non-core assets that are depreciating are often recommended for sale before further value declines.
Projected Demand Change	Project viability may shift with enrollment trends, program launches, or demographic changes. Growth signals often support bolder investment; declining demand may prompt delay or downscaling.
Public Funding Fluency	Institutions with grant-seeking expertise or public-sector relationships can unlock financing options that ease capital burdens. Gaps in expertise may lead to missed opportunities unless addressed.
Reputational Risk	Institutions that have recently experienced reputational damage or are otherwise reputationally vulnerable may be guided away from bold changes. In all cases, institutions interested in more controversial strategies (e.g., property disposal) should develop a communication strategy to get ahead of potential pushback.
Renovation Cost	When the cost of renovations approaches that of new construction, institutions may be better served by building anew. Conversely, modest upgrades to existing facilities can yield quicker returns with fewer approvals.
Stakeholder Alignment	Misalignment among leadership, facilities, academics, and finance can stall projects or erode long-term support. Complex, long-term projects carry high risk unless disagreements can be resolved.

1) Public-Private Partnerships

Source: EAB interviews and analysis.

Aligning Considerations to Strategies

Consideration	Description
Strategic Goal Alignment	Projects that reinforce academic mission, priority programs, or institutional identity are more likely to receive support. Unique, mission-aligned opportunities are often emphasized in consultant reports.
Student Experience Impact	Projects that enhance wellness, inclusion, or campus accessibility are favored due to indirect but important returns. Strategies that negatively affect student experience are rarely recommended unless they fulfill an urgent financial need.
Timeline Flexibility	Institutions with rigid schedules due to leadership changes, accreditation, or budget cycles may avoid complex projects requiring zoning changes, entitlements, or multi-party coordination.
Total Development Cost	Full life-cycle costs, including land, soft costs, escalation, and inflation, are crucial to determining project feasibility. Institutions with a shaky financial future may be advised against a project even if they have enough upfront funding.
Zoning Requirements	Zoning can unlock or restrict value; rezoning processes may introduce opportunity but requires additional time and effort.

Source: EAB interviews and analysis.

Compendium of Strategic Asset Optimization Tactics

18 Strategies for Making the Most of Your Institution’s Real Estate Portfolio

- Preserve the Campus Core for Student-Centric Activities
- Explore External Funding and Partnerships
- Creatively Activate Under- or Unused Assets
- Offload Non-Core Assets That Can Not Be Activated
- Selectively Add to the Campus Portfolio

Preserve the Campus Core for Student-Centric Activities

1. Relocate Administrative Offices to Consolidate Student Space Centrally

Considerations

- Asset Location
- Renovation Cost
- Construction Cost
- Employee Experience Impact
- Institutional Change Appetite
- Student Experience Impact

Case Study

In 2017, **Brown University** (Providence, RI) moved over 400 administrative staff from its main campus to an off-campus location. This opened 90K square feet in the core of its campus. Making this space available for new instructional buildings enabled Brown to keep all student space within an accessible "ten-minute circle." To accommodate administrative staff, Brown collaborated with a private partner to redevelop a vacant power plant in Providence's historic Jewelry District. The building is less than a mile from campus and accessible to campus by public transit. The move brought staff from eleven departments into a single amenity-rich building, improving collaboration between administrative units.

Only Pursue if…

…there's a clear rationale for who stays on campus and who does not. While many administrative units can function effectively off-campus, relocations should enhance—not hinder—the student experience. For departments like financial aid and the registrar, the trend is toward on-campus offices in student hubs. Additionally, some universities report improved strategic coordination when senior leadership is centrally located. At **Kwantlen Polytechnic University** (Surrey, BC), the senior leadership team enhanced collaboration by relocating the president, provost, and other executives to a central location on campus.

2. Renovate Unused Central Campus Space into Student Space

Considerations

- Asset Condition
- Renovation Cost
- Construction Cost
- Asset Location
- Student Experience Impact

Case Study

Chapman University (Orange, CA), addressed a significant deficit of student space and dining options on its health science campus by converting an unused office building into a student hub. The renovation preserved the structural frame of the building while modernizing the interior and adding windows. The campus-facing façade was replaced with movable glass partitions to create a flexible indoor-outdoor "front porch" for the campus. The 45K square foot building includes student social spaces, study areas, counseling services, a yoga studio, healthy food vendors, and retail options. The center opened in 2023.

Only Pursue if…

…the cost of renovation is cheaper than new construction. While renovation is typically the more cost-effective option, it can be impacted by building conditions (i.e., age, condition) and regional material costs. For example, in 2020, **the University of Wisconsin, Green Bay** determined that a $96M replacement of its library would be more cost-effective than renovating the 188K square foot structure. A feasibility study found that a comprehensive renovation would cost more than 75% of the cost to construct a new building and still not fully resolve the building's challenges. This conclusion was driven by finding that moisture damage and lack of maintenance made over 75% of the brick façade, the mechanical system, the plumbing system, and the electrical system in need of complete replacement.

3. Invest in Curb-Appeal Renovations to Boost Enrollment

Considerations

- Asset Condition
- Financial Capacity
- Renovation Costs
- Student Experience Impact

Case Study

Throughout the 2000s and 2010s, **Elon University** (Elon, NC), prioritized capital projects that enhanced the curb appeal of campus to garner prospective student interest and ultimately drive enrollment growth. Given the large number of competing institutions in the surrounding area, leaders felt that a prospective student's first impression was a crucial differentiator. Elon's leaders partially attribute its strong performance in *U.S. News & World Report* rankings to its focus on campus beautification. From 2012 to 2018, Elon ranked first among master's-level universities in the South and has ranked in the top 150 as a national university since 2019.

Only Pursue if…

…the strategy balances curb appeal with resolving internal issues. Efforts to improve prospective student impressions may be jeopardized if current students' needs are neglected significantly. For example, in 2025, students at **North Carolina Central University** (Durham, NC) protested over poor housing conditions, including mold, pest issues, and water damage. Students also posted pictures of housing conditions on social media, likely causing reputational damage with current and potential students.

Source: "An Academic and Economic Powerhouse—Brown Moves Into South Street Landing", *News from Brown*, October 19, 2017; "Elon Debuts as a Top-100 National University", *Today at Elon*, September 9, 2019; "Handbook for Physical Planning", *Brown University*; Kwantlen Polytechnic University, Surrey, BC; "NCCU Housing Protest Leads to Arrests", *The NC Beat*, April 2025; "Project Service Request", *Wisconsin State Division of Facilities Development*, November 2022; "South Street Landing", *Brown University*, Fall 2017; "UWGB's Construction Plans", *The Fourth Estate*, 2025; EAB interviews and analysis.

Explore External Funding and Partnerships

4. Engage in a Public-Private Partnership (P3) to Mitigate Institutional Risk

Considerations

- Stakeholder Alignment
- Contract Fluency
- Financial Capacity
- Financial Risk
- Reputational Risk
- Delivery Capacity
- Partner Interest
- Total Development Costs

Case Study

In 2011, the **University of Kentucky** (UK), Lexington, KY, addressed an urgent need for up-to-date housing by entering a 75-year DBFOM[1] ground-lease arrangement with Education Realty Trust (EdR)[2]. The project had three phases; phase one delivered two living-learning buildings containing 601 beds. Phases two and three collectively added 12 residential buildings and 6,249 beds. EdR owns the buildings built in phase one, and the UK retains ownership of the buildings built in phases two and three for the duration of the lease. Upon opening, UK began receiving 14% of EdR's gross revenue, increasing to 25% of net income after EdR achieves a 9% rate of return. Additionally, UK earns a 2% management fee for providing residential life services for all the buildings. Completed in 2017, the total project cost was approximately $449.3M, fully financed by EdR.

Only Pursue if…

…the project will be thoroughly evaluated, planned, and managed. A notable example of the dangers of inadequate planning is the **University of Quebec at Montreal** (UQAM), which entered a P3 arrangement in the 2000s for a mixed-use development of ~600 student beds, parking, office spaces, and a city bus terminal. The university did not conduct a sufficient profitability analysis but expected the project to pay for itself through rental income and parking fees. The university also did not use a public bidding process to secure a developer. Ultimately, the project ran $200M over budget and construction stopped with less than half of the project completed. As a result, UQAM incurred $500M in debt, resulting in the president's resignation and the downgrading of its credit rating from BAA1 to BAA3.

5. Enter a Public-Private-Public Partnership (P4) to Mitigate Institutional Risk

Considerations

- Timeline Flexibility
- Stakeholder Alignment
- Contract Fluency
- Financial Capacity
- Financial Risk
- Reputational Risk
- Delivery Capacity
- Partner Interest
- Total Development Costs

Case Study

In 2017, **Rutgers University** completed a $172M redevelopment project of the New Brunswick Performing Arts Center in downtown New Brunswick. The project was a collaboration with eight public and private partners, including the City of New Brunswick, Middlesex County, and Pennrose LLC. Rutgers contributed $17M to become a partial owner of the completed center. The 75K-square-foot center contains two theaters as well as an orchestra pit and three rehearsal studios. The space allows students at Rutgers' Mason Gross School of the Arts to perform for a large audience in a professional setting. It also provides performance space for three local professional dance and theater companies, helping to position New Brunswick as a hub for the performing arts.

Only Pursue if…

…additional funding is worth the added time and complexity of more partners. Adding more partners introduces additional layers of complexity, and introducing a government partner can lengthen a project's timelines due to bureaucratic processes. Projects with a very long timeline may encounter issues with leadership changes in local government. For instance, after more than four years of development, a joint proposal from the **Oregon University System**, the city of Portland, and a coalition of local non-profits to build a sustainability center collapsed in 2012 when a newly elected mayor opposed the project.

1) Design-Build-Finance-Operate-Maintain.
2) EdR was acquired by Greystar in 2018.

Source: "Adams Pulls Plug On Oregon Plan", *Portland Business Journal*, October 5, 2012; "Jusqu'à 40% Plus Cher Se Loger À ÎlotApparts", *TVA Nouvelles*, March 9, 2016; "Montreal University On Verge Of Bankruptcy", *The Globe and Mail*; "Portland Mayoral Candidates Hate Oregon Push Pull Plan", *The Oregonian/OregonLive*, December 2011; "Rutgers Enters Partnership To Build Performing Arts Center", *Rutgers University*, April 2017; "Rutgers Marks Grand Opening Of New Brunswick Performing Arts Center", *Rutgers University*, September 2019; "Transforming Housing Through P3", *NACAS*; "UQÀM Considers Legal Action Against Former Rector For Debt", *CBC Montreal*, 2023; EAB interviews and analysis.

Explore External Funding and Partnerships (cont.)

6. Leverage Grants and Tax Credits to Offset the Cost of Renovation or Construction

Considerations

- Public Funding Fluency
- Timeline Flexibility
- Partner Interest

Case Study

Tax Credits: In 2023, **Muskingum University** (New Concord, OH) used state and federal tax credits to fund 40% of the $6M renovation of a 1960s-era residence hall in poor condition. This included a $1.66M tax credit from the Ohio Historic Preservation Tax Credit Program.

Grants: In 2024, **Rappahannock Community College** (RCC), located in Glenns and Warsaw, Virginia, received a $5.1M grant from the U.S. Department of Commerce's Economic Development Administration to construct a new health sciences building. Previously, enrollment in RCC's Associate Degree in Nursing (ADN) Program had been constrained due to space limitations. The new 10K square foot building offers additional capacity and updated facilities. RCC estimates that the new building will lead to a 30% increase in the ADN graduation rate for 2025-2035 as compared to the previous decade.

Only Pursue if…

…internal experts can effectively navigate the complexities of the dynamic public funding landscape. Securing and maintaining eligibility for grants and tax credits is intricate and resource-intensive. Additionally, if the leadership of public agencies changes existing funding may be revoked in favor of new programs.

For example, the **University of Miami** (Miami, FL) received a $500K National Endowment for the Humanities Challenge Grant in 2022 to renovate a humanities building. The grant was unexpectedly terminated by the federal government in 2025.

Source: "MU Receives Tax Credit Grant to Help With $6M Renovation of Finney Hall", *Zanesville Times Recorder*, January 6, 2023; "Miami's $500,000 Bachelor Hall Renovation Grant Terminated", *The Miami Student*, April 2025; "RCC Annual Report 2023–2024", *Rappahannock Community College*; "RCC Receives $5.1 Million for New Health Science Building Project", *News on the Neck*, July 2024; EAB interviews and analysis.

Creatively Activate Under- or Unused Assets

7. Lease Underused Campus Space to Generate Revenue

Considerations

- Asset Condition
- Local Demand
- Projected Demand Change
- Financial Need
- Asset Location
- Student Impact

Case Study

The **University of Westminster** (London, UK) paid €44M for a 999-year lease of an office building in 2015. However, it found that the building was underutilized, and that staff could be redistributed into existing office space within the main campus. Given the building's good condition and London location, the university was able to rent it out at a rate that more than covers its operating costs.

Only Pursue if…

…the space is marketable. At many institutions, underused spaces suffer from poor conditions or undesirable locations, which can hinder their market value. One example is **Mountain Gateway Community College** (Clifton Forge, VA), which envisioned various use cases for unoccupied basement space, such as a small business incubator or a childcare center. Unfortunately, the space is only accessible via a steep staircase, making it commercially unviable due to ADA regulations.

8. Lease Revenue-Generating Auxiliaries for Immediate Cash Infusion

Considerations

- Asset Condition
- Local Demand
- Financial Need
- Reputational Risk
- Contract Fluency
- Stakeholder Alignment

Case Study

In 2012, **The Ohio State University** (OSU), Columbus, OH, established a 50-year lease concession for its parking assets (totaling 35K spaces). The lease generated $483M in upfront funding for OSU, which leaders put in an endowment to support strategic priorities. Under this agreement, the partner CampusParc assumes full operational responsibility while OSU retains control over policies and space availability. This partnership allowed OSU to avoid $23.6M in operational and maintenance costs within the project’s first five years and is projected to yield $3.1B in investment earnings over the lease duration.

Only Pursue if…

…more revenue is generated from leasing than optimizing in-house. Depending on the contract terms and existing operational capabilities, an institution may discover that it is more cost-effective to manage a revenue-generating resource internally. This was the case for **Indiana University, Bloomington**, which received a $275M offer in 2012 for a 50-year lease of its parking assets (totaling 21K spaces). After conducting a thorough internal analysis, they chose to reject the offer because leaders calculated they could generate the same or more revenue over the course of the lease period by keeping parking in-house.

9. Upzone Land to Increase Commercial Potential

Considerations

- Local Demand
- Local Economic Health
- Zoning Requirements
- Timeline Flexibility
- Delivery Capacity

Case Study

In 2023, the Raleigh City Council approved a rezoning proposal from **Shaw University** (Raleigh, NC), to facilitate the commercial development of a significant portion of the university's 26-acre campus. External consultants recommended that Shaw pursue rezoning in response to a multi-year structural deficit, noting that its downtown land assets were valued at four to six times Shaw’s annual budget. Shaw plans to generate revenue by leasing this space to residential and office space developers. While the university has not yet provided projected revenue estimates from these leases, its status as one of the largest landholders in downtown Raleigh puts it in a strong position. As of 2023, there was already $5.63B of investment in the downtown Raleigh development pipeline.

Only Pursue if…

… there are no alternative development opportunities that could yield similar returns without rezoning. Rezoning typically requires a complex application process, public hearings, environmental impact assessments, a public vote, and potentially an appeals process. This time represents an opportunity cost against other developments that may be within the scope of a property’s current zoning restrictions. **Duke University** (Durham, NC) spent three years negotiating with neighbors about rezoning a parcel of land before ultimately withdrawing the proposal due to continued pushback.

Source: “50-Year Agreement: OSU’s $483M Parking Deal Stands Alone Among Schools”, *The Lantern*, December 2013; “Duke University Withdraws Central Campus Rezoning Application”, *The Chronicle*, June 2024; “IU Will Not Privatize Parking”, *Inside Indiana Business*, April 2013; Mountain Gateway Community College, Clifton Forge, VA; “OSU Energy Management Fact Sheet”, *Ohio State University*; “Parking Privatization Commentary”, *Reason Foundation*, April 2013; “Shaw University Plans Campus Development to Grow Revenue”, *IndyWeek*, February 2023; “Shaw University Rezoning Plan Raises Concerns”, *The Assembly NC*, February 2023; University of Westminster, London, UK; EAB interviews and analysis.

Creatively Activate Under- or Unutilized Assets (cont.)

10. Densify Existing Space to Avoid New Construction

Considerations

- Utilization Rate
- Financial Capacity
- Institutional Change Appetite
- Employee Experience Impact

Case Study

In 2019, the **University of Colorado (CU) Anschutz Medical Campus** built The Hub, an amenities-heavy, membership-only shared faculty lounge. Medical faculty must give up their private offices to join the lounge. The Hub's exclusivity and appealing features attracted enough members to reach its initial 150-person capacity within a year of opening. In 2022, they expanded the Hub's capacity to 500 and reached full capacity again, with 135 faculty members on the waitlist. The success of this space enabled CU Anschutz to avoid 85K square feet of new construction, resulting in savings of $27.5M in construction costs and $1.7M in annual overhead.

In 2022**, Oxford Brookes University** (Oxford, UK) sold an auxiliary campus, dramatically reducing its available office space. As a result, the university mandated that both staff and faculty share office space. Nearly all administrative staff and two-thirds of its faculty have been moved to open-plan spaces. The open-plan office space is newer and nicer than the space that staff and faculty previously occupied, which helped encourage acceptance of the change.

Only Pursue if…

…there is a strong incentive (or mandate) for employees to use shared space. Many institutions have created shared office space for staff and faculty, thinking that new renovations alone would attract faculty to the space. Without an additional draw, like exclusive amenities or a strong push from leadership to join shared space, staff often opt to keep their private offices or work remotely, leaving the newly renovated shared space empty.

Source: "The Complexities of Physician Workforce Planning", *Association of American Medical Colleges*, 2021; Oxford Brookes University, Oxford, UK; EAB interviews and analysis.

Offload Non-Core Assets That Can Not Be Activated

11. Dispose of Non-Core Properties to Reduce Costs

Considerations

- Reputational Risk
- Asset Location
- Asset Condition
- Asset Value
- Projected Asset Value Change
- Financial Need
- Local Demand
- Community Impact

Case Study

The **University of Missouri** (Columbia, MO) reduced campus building area by 750K GSF between 2018 and 2025 through demolition and divestment of 24 buildings. The initiative aims to reduce an $881M deferred maintenance backlog. The university is focusing on divesting from buildings with a Facility Condition Needs Index rating below 0.40 (with a maximum of 1 for buildings in the best condition), those without essential uses, and buildings not located on or near the main campus. The project has saved $147M in deferred maintenance and capital expenditures and reduced annual operating costs by $5.1M.

Only Pursue if…

…the institution proactively addresses potential pushback. Many institutions will confront difficult decisions about beloved buildings that are in poor condition. For instance, **Georgia State University** (Atlanta, GA) faced significant community backlash over its proposal to demolish a 100-year-old electrical substation due to its historic significance. Institutions should get ahead of this type of pushback by developing a communication strategy tailored to each stakeholder affected by the property disposal.

12. Enter a Long-Term Land Lease to Get an Upfront Payment and Retain Ownership

Considerations

- Asset Location
- Asset Condition
- Asset Value
- Projected Asset Value Change
- Financial Need
- Local Demand
- Community Impact

Case Study

In 2019, the **University of Cincinnati** (Cincinnati, OH) entered a 99-year lease with AJ Capital Partners for its Kingsgate Hotel and Conference Center. This arrangement secured an upfront payment of $23.5 million, while AJ Capital Partners assumed ownership and operational responsibilities.

Only Pursue if…

…it is not more cost-effective to retain rental revenue. A metropolitan university in the northeast generated steady income from renting unused space on its second campus. In 2021, the university consolidated into one campus and leased its second campus to a developer for 99 years. In exchange, the developer invested over $300M to build new dining facilities, residence halls, a science building, a library, and athletic facilities. This allowed the university to make overdue updates to its facilities. However, the university has struggled to recover the loss of recurring revenue in the form of rental income.

13. Strategically Package Properties for Sale

Considerations

- Local Demand
- Projected Demand Change
- Asset Location
- Asset Condition
- Zoning Requirements

Case Study

Azusa Pacific University (Azusa, CA) sold a three-building residential portfolio in 2022 to Positive Investments for $81M. Azusa Pacific's location in the thriving San Gabriel Valley real estate market helped make the sale of over 300 rental units attractive to developers.

Between 2021 and 2023, **Lesley University** (Cambridge, MA) listed 15 properties for sale in a portfolio labeled the "Cambridge Connection". To date, 12 of the 15 buildings have sold, garnering $50.8M total. Among them was a cluster of seven adjacent homes-- six of which were sold in pairs with their neighboring property.

Only Pursue if…

…the additional value of selling properties as a group outweighs the decreased pool of buyers. While a package of properties can hold greater value for the right buyer, only major developers and large organizations are typically able to acquire them. For example, in 2022, **Saint Joseph's University** acquired a 24-acre contiguous campus in Philadelphia through a merger valued at nearly $288M. After unsuccessfully seeking a buyer for the entire campus for three years, it listed half of the campus buildings for individual sale in January 2025. Despite receiving bids on three of the individually listed properties, as of July 2025, no properties have been sold.

1) Anonymized institution

Source: "Achieving Better Academic Space Utilization Through Strategic Relocation and Remodeling", *Tradeline, Inc.*, November 2019; "Azusa Pacific University Sells Apartments for $81M", *Global Property, Inc.*, October 26, 2022; "Georgia State Buys Edgewood Substation", *Axios Atlanta*, October 30, 2024; "Lesley Sells Cambridge Multifamily for $4.1M", *BLDUP*, April 2023; "Lesley University Is Selling $38.2M in Real Estate", *Cambridge Day*, April 28, 2023; "Lesley University Selling 'Cambridge Connection' Portfolio", *Boston City Properties*, April 2023; "Missouri Strategic Space Reduction Plan", *University of Missouri*; "Saint Joseph's Sale of USciences Properties", *WHYY*, October 2023; "Saint Joseph's University City Campus II Listing", *JLL*, 2023; "Space Reduction and Strategic Relocation at University of Missouri", *Tradeline, Inc.*, November 2022; "Tradeline Session: New Plans 2025", *Tradeline, Inc.*, 2025; "UC Acquires Stratford Heights Apartments", *University of Cincinnati*, January 2019; "University of Missouri Property Database Record", *City of Cambridge*; EAB interviews and analysis.

Selectively Add to Campus Portfolio

14. Develop a Hotel or Conference Center To Generate Revenue

Considerations

- Local Economic Health
- Local Demand
- Local Competition
- Projected Demand Change
- Strategic Goal Alignment
- Community Impact
- Partner Interest
- Delivery Capacity
- Financial Risk

Case Study

In 2024, the **University of Maine** in Orono opened a 95-room boutique hotel on campus through a public-private partnership. The $28M project was primarily funded by Radnor Property Group LLC and Harrison Street, with the university contributing $3M and an additional $5M provided by a National Park Service Historic Tax Credit. Radnor and Harrison Street manage the hotel and lease the land for 99 years, paying $30K annually with a 5% rent escalation every five years.

The hotel occupies two historic buildings on the University of Maine campus, which had been mostly vacant. The buildings had a deferred maintenance backlog of approximately $10M and cost the university over $100K annually to operate and maintain. In 2020, consultants determined a hotel was the most viable reuse option due to limited local competition and the potential to highlight the buildings' historic character. The hotel began accepting bookings in January 2024 and received over 400 reservations before its March opening.

Only Pursue if…

…stakeholders understand that margins may be slim. Many institutions underestimate the full costs associated with building, operating, maintaining, and staffing hotels and conference centers. Institutions that fund and operate these projects themselves often struggle to recoup their investment. For instance, a midwestern university owns and operates two conference centers in which they offer event space alongside catering and AV packages. Despite making a significant investment in the conference centers, the revenue generated barely covers operating costs.

15. Develop Neighborhood-Serving Retail Locations To Improve The Student Experience

Considerations

- Local Demand
- Local Competition
- Projected Demand Change
- Local Economic Health
- Student Experience Impact
- Community Impact
- Delivery Capacity
- Financial Risk

Case Study

In the late 1990s and early 2000s, the **University of Pennsylvania** (Philadelphia, PA) began leasing underused land along its campus's western border to neighborhood-serving retailers. The move was part of a larger initiative to revitalize the neighborhood after two high-profile student deaths ignited safety concerns. Initial developments of Penn's 100K square foot land holdings included restaurants, a cinema, and a grocery store. Over the past 20 years, Penn has acquired and leased an additional 240K square feet of retail space in the neighborhood. Simultaneously, it has invested in streetlamps, trees, and public maintenance. These efforts significantly contributed to the neighborhood's transition into a successful retail corridor that is no longer considered a safety risk to the campus community.

Only Pursue if…

…a comprehensive review of local market conditions shows a compelling case. The viability of retail ventures is often influenced by various market factors that can be overlooked (e.g., local market demand, retailer availability, and nearby competition). **Indiana University Bloomington** faced an unexpected challenge in its plan to incorporate retail space into a new student housing project aimed at maximizing revenue and enhancing amenities. They ultimately abandoned the idea after discovering that many local developers were already pursuing mixed-use housing, and there weren't enough small, neighborhood-serving retailers to fill vacant retail space.

Source: "Appendix F: Market Analysis for UMaine Hotel Project", *University of Maine System*, October 2020; "Hotel Ursa Is Opening in March", *University of Maine*, January 16, 2024; Indiana University Bloomington, Bloomington, IN; "A Look at the Old-Timers on University City's Vibrant 40th Street Corridor", *Bing Search Summary*; "Press Herald: Trustees Advance Proposal for Hotel on UMaine Campus", *Portland Press Herald*, July 26, 2021; "WLBZ: $28M Project Will Bring Boutique Hotel to UMaine", *News Center Maine*, July 27, 2021; "West Philadelphia Initiatives", *Penn GSE Collaborative History*; EAB interviews and analysis.

Selectively Add to Campus Portfolio (cont.)

16. Invest in Employee Housing To Attract Talent

Considerations

- Employee Experience Impact
- Local Demand
- Local Competition
- Projected Demand Change
- Financial Capacity
- Delivery Capacity
- Partner Interest

Case Study

Since 2001, the **University of Colorado** has used its Faculty Housing Assistance Program (FHAP) to help attract full-time faculty by making homeownership more accessible. The program offers two options. The first is a shared appreciation loan of up to $130K, where the university receives a portion of the property's appreciation at the loan's end instead of monthly interest. The second is a loan guaranteed through the University of Colorado Foundation, with faculty paying monthly interest that is adjusted quarterly. Eligibility is based on financial need and ability to repay. Both loans are secured by a second deed of trust to limit the university's financial risk. Between 2004 and 2022, 553 faculty members have used the program

Only Pursue if…

…the institution recognizes the trade-offs between employee affordability and investment goals. For employee housing programs to be a success, institutions must strike an appropriate balance between housing affordability and financial sustainability for the university. In 2022, **Stanford University** (Stanford, CA) acquired a 749-unit apartment complex intended to expand housing options for employees, with postdoctoral students receiving the highest priority. Apartments were offered at around 15% below market rate, and renters were required to have a monthly income at least 2.5 times greater than the rent. This pricing and eligibility structure drew criticism from the campus community because the university-set minimum salary for postdocs fell below the minimum income requirement for a one-bedroom apartment in the complex, making most units in the complex unavailable to them.

17. Develop Community Housing To Build Reputation or Generate Revenue

Considerations

- Community Impact
- Public Funding Fluency
- Financial Capacity
- Delivery Capacity
- Zoning Requirements
- Asset Condition
- Asset Value Change

Case Study

The **University of Pittsburgh** (Pittsburgh, PA) is supporting the development of Oakland Pride, a project that will create 48 units of affordable, LGBTQ-friendly senior housing. Slated to open in 2025, the building sits on a formerly empty lot owned by the University of Pittsburgh. The university donated the land to project developers, Presbyterian Senior Care and Affirmative Investments, through a no-rent 75-year land lease. Over $28M was raised to fully fund the project including $4M in low-income housing tax credits from the Pennsylvania Housing Finance Agency.

Only Pursue if…

…the institution has done due diligence to understand community needs. Engaging with community members requires universities to balance the preferences of a group that often has different needs than the rest of the campus community. For instance, **Arizona State University** constructed the Mirabella retirement home near its Tempe campus, situated in a lively nightlife area. Residents soon complained about noise, prompting Mirabella to sue a local music venue, which sparked criticism from both students and the community regarding the project. In 2023, an agreement was reached between Mirabella and the music venue, allowing live music to resume after the implementation of sound-abatement measures.

Source: "Affordable Housing Report (University of Pittsburgh)", *Penn Institute for Urban Research*; "CU Faculty Housing Assistance Program Description", *University of Colorado*, September 2024; "CU Faculty Housing Program Creates Value for Participants", *CU Connections*, 2024; "Mosaic: Affordable, Inclusive LGBTQ+ Senior Housing in Pittsburgh", *Regional Housing Legal Services*, September 2024; "Pittsburgh's URA to Help Fund Oakland Housing for LGBTQ+ Seniors", *TribLIVE*, September 2024; "Postdocs Say They're Financially Ineligible for University Housing", *The Stanford Daily*, April 23, 2023; "Shady Park and Mirabella Reflect Tensions Near ASU", *The State Press*, November 2021; EAB interviews and analysis.

Selectively Add to Campus Portfolio (cont.)

18. Create an Innovation District to Build Industry Partnerships

Considerations

- Local Economic Health
- Local Demand
- Local Competition
- Projected Demand Change
- Student Experience Impact
- Community Impact
- Partner Interest
- Delivery Capacity
- Financial Risk
- Zoning Requirements

Case Study

In 2001, the **University of Sheffield** (Sheffield, UK) collaborated with Boeing to found the Advanced Manufacturing Research Center (AMRC), which receives research contracts from industrial partners to research and develop more efficient and effective manufacturing processes. The AMRC currently supports a network of 70 universities and over 1K companies and received approximately £70M in research contracts in 2019.

A 148.5K-square-meter innovation district was created in the mid-2010s to build on the success of the AMRC. The district houses eight additional AMRC-affiliated research centers and manufacturing facilities for 12 businesses, including Boeing, Rolls-Royce, and British Steel. Sheffield has developed several graduate and doctoral engineering programs in collaboration with the AMRC, and both undergraduate and graduate students benefit from research and work experiences in the Innovation District.

Only Pursue if…

…the right industry partners are committed to the project. Some institutions have approached innovation districts with the mentality of "if you build it, they will come," only to be disappointed by a lack of industry interest. In the worst cases, this results in an empty innovation district and an unsustainable financial burden for the institution. To avoid this, many institutions accept tenants that do not align with the strategic goals for the innovation district. The result is a disconnected group of businesses that do not deliver on project goals (e.g., hiring graduates, internship opportunities, buying intellectual property from the institution).

Source: "AMRC Group: Our Story", *AMRC Group, University of Sheffield*; "AMRC Group: Postgraduate Opportunities", *AMRC Group, University of Sheffield*; "Growing Paranoia Over Sheffield University Research Centre's Future", *The Star*, January 27, 2021; "South Yorkshire Investment Zone Brochure", *South Yorkshire Mayoral Combined Authority*, 2023; EAB interviews and analysis.

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