



# Student Housing Services

---

2015/2016 Budget

Prepared for the Finance Committee of the Board of Governors

4/15/2015

**Table of Contents**

---

Introduction ..... 1

Consultation Process ..... 1

Facilities Improvements..... 2

2014/2015 – Forecast Compared to Budget (refer to Table A) ..... 2

2015/2016 Budget Assumptions ..... 3

Closing Fund Balance – 2015/2016 Budget..... 3

Table A: 2014/2015 Forecast to Budget Comparison ..... 4

Table B: 2015/2016 Operating Budget..... 5

Table C: 2015/2016 Net Transfers..... 6

Table D: 2015/2016 Planned Capital Projects..... 7

Table E: 2015/2016 Proposed Fees ..... 8

Appendix A: Comparison of On/Off Campus Accommodation Rates ..... 9

Appendix B: Annual Single Student Residence Rate Comparison..... 10

## STUDENT HOUSING SERVICES 2015/2016 BUDGET

---

### Introduction

---

Student Housing Services (SHS) manages a residence system that provides on campus accommodation to approximately 4,800 students. SHS maintains oversight of ten buildings that range in capacity from 50 to approximately 1800 students used primarily by undergraduate students. Additionally, SHS operates two family housing complexes that provide accommodation to 297 families and 110 upper year students. In 2014, SHS transferred Macdonald Hall (formerly an all-female residence with occupancy for 150) to the College of Business and Economics. Occupancy of Lambton Hall, which had been taken offline for a period of 15 months to undergo major renovation, was re-established for the 2014/2015 academic year.

Student Housing Services adds significant value to the student experience on campus through personal, emotional and academic support provided by residence life staff and through active residence life programming. As an ancillary operation, SHS must generate its own revenue to fully cover the cost of operations. Costs include debt servicing, renovations, custodial services, utilities, security, administration, and the general support and supervision of the residence students. A significant portion of the unit's expenditure budget (approx. 46% in 2015/2016) is allocated for capital financing and major renovations reflecting the capital-intensive nature of operations.

Student Housing Services supports University recruitment efforts by maintaining an entering student guarantee. As such, 80% of available inventory is held for this purpose. The remaining 20% is offered to current students who wish to return to residence the following year. SHS has experienced a significant decline in the number of re-applications to residence due largely to the availability of off campus accommodation. A new competitive threat is emerging with the increase of purpose built luxury student accommodation located within walking distance of the University.

In preparing the attached 2015/2016 budget, SHS goals were to:

- continue to enhance the marketability of our residence halls and accommodation to better support the overall campus recruitment of students and the changing needs of the students;
- continue to implement capital projects consistent with the Five Year Capital Financing Plan which is designed to address deferred maintenance, aesthetic renewal, and security;
- contain cost increases to students to support accessibility

### Consultation Process

---

Student Housing Services engages in an annual consultation process with Interhall Council (IHC), the residence student government. Interhall Council representatives were involved in discussions that outlined the departmental goals for the budget, capital expenditures, current operating budget and forecasts, future initiatives in SHS, research related to fee structures at other universities and establishing the proposed residence fees. In addition, SHS presented the complete budget to the full Interhall Council on March 9th, 2015. The students have consistently demonstrated an understanding of budgeting principles, challenges facing SHS, and the need for long-term perspectives. Their significant contributions and support of the budget presented herein are sincerely appreciated.

STUDENT HOUSING SERVICES  
2015/2016 BUDGET

---

**Facilities Improvements**

---

Student Housing Services, through Physical Resources, completed a preliminary facilities review of all buildings in 2003, which was used as the starting point to develop the Five Year Capital Financing Plan. Student Housing Services also uses VFA software for building assessment. Costs incurred during the first five year period between 2006/2007 and 2010/2011 were \$35.237 million, with another \$47.181 million identified over the next five year period between 2011/2012 and 2015/2016. Costs are incurred in three major areas:

Deferred Maintenance - major work completed prior to 2015/2016 includes mechanical, electrical, exterior, and roof repairs to every residence building, with major work in Lennox-Addington (approximately 50% of costs), South (approximately 20% of costs), and Lambton (approximately 15% of costs).

Aesthetic Improvements – these improvements are particularly important with respect to recruitment in an increasingly competitive environment, as well as for attracting returning students back to residence. Major work completed prior to 2015/2016 includes interior common area improvements (lobbies, washrooms, kitchens, lounges, corridors, etc.) in East, Lambton, Johnston, East Village townhouses, Lennox-Addington, Macdonald, Maids, Watson, and South (all 12 wings) residences as well as complete interior renovations and new furniture in Lennox-Addington and East Residence suites. In 2015/2016 SHS is investing in the purchase and replacement of all room furniture in South Residences. Costs have been impacted by the fall of the Canadian Dollar and the magnitude of the project (1,800 sets of furniture) related to the removal and disposal of current and the purchase of new furniture.

Lambton Hall Interior Project – major work was completed prior to 2015/2016, with \$1.843 million in costs scheduled for the summer of 2015.

Table D identifies the planned capital projects for the summer of 2015 totaling \$8.709 million. This represents a significant investment in our residence system but is critical for our recruitment efforts.

**2014/2015 – Forecast Compared to Budget (refer to Table A)**

---

The forecasted change in Fund Balance for 2014/2015 is a net decrease of \$(3.292) million, compared to the budgeted \$(2.576) million decrease.

The 2014/2015 SHS budget was prepared using an occupancy estimate of 95% for Student Contract revenue, whereas actual occupancy is forecasted to be approximately 94%, creating a negative revenue variance of \$0.224 million. Renovation expense for this period is expected to be over the budgeted amount by approximately \$1.636 million, creating a negative expense variance. This variance is a result of costs for the major Lambton Hall interior project that were deferred from fiscal year 2013/2014 to 2014/2015. Funding for the project spending variance will be provided from net surpluses carried forward from 2013/2014. This overall project is still expected to be on budget as set in the November 2014 Five Year Capital Financing Plan.

Expense surpluses result from: Operating expense \$0.638 million partly due to an insurance recovery of \$0.222 million from a water leak issue that occurred in Family Housing in 2013/2014,

STUDENT HOUSING SERVICES  
2015/2016 BUDGET

---

and also due to lower than expected expenditures for vandalism, repair & maintenance, and furniture & equipment; Personnel \$0.246 million due primarily to vacancy savings.

### **2015/2016 Budget Assumptions**

---

#### **Proposed Fees:**

It is proposed that 2015/2016 single student residence fees increase by 2.4% across the board, with the exception of the East Village Townhouses and Grad Houses, which are at 2.0% in an effort to increase returning student occupancy by keeping fees lower. These proposed rate increases maintain Guelph's position in the mid-range when compared to the residence fees of nine other Ontario universities (refer to Appendix B).

Details of residence fees per semester are shown on Table E. These increases are expected to accommodate cost increases in SHS and the funding requirement for facility renewal as we continue to implement the Five Year Capital Financing Plan. In addition to these residence fees, an annual non-refundable \$50 charge will be placed on each student's account for a pre-loaded laundry swipecard.

Family Housing rent increases are governed by the Residential Tenancies Act and will increase this year by the allowable 1.6%. 35 three-bedroom townhouses and five one-bedroom units are available for upper year single students. (See Fees in Table E). Appendix A contains comparisons of estimated off-campus rental costs and the vacancy rates in the city.

#### **Other Assumptions:**

In constructing the 2015/2016 SHS budget the following major assumptions were made:

1. Average occupancy rates (during the fall/winter semesters) of 91.5% in single student residences and 93% annually in family housing. This is a decrease of 3.5% in single student occupancy from last year's budget assumptions, in an effort to be more conservative in light of lower than normal returning student applications compared to recent years.
2. Personnel increases are consistent with University budget assumption guidelines.
3. Provision for renovations of \$8.709 million (refer to Table D) for the purchase of new furniture in South, and to complete the major interior renovation to Lambton Hall, as well as other deferred maintenance and aesthetic renewal in other residence buildings as part of the Five Year Capital Financing Plan.
4. Costs for centrally provided services have increased by 2%.

### **Closing Fund Balance – 2015/2016 Budget**

---

The budget presented here will produce a Closing Fund Balance of \$0.776 million at April 30, 2016, refer to Table B. With lower planned capital expenditures of approximately \$4.0 million in 2016/2017, SHS is expected to return to a Closing Fund Balance of approximately \$2.5 million in that year.

STUDENT HOUSING SERVICES  
2015/2016 BUDGET

**Table A: 2014/2015 Forecast to Budget Comparison**

Table A

University of Guelph  
Student Housing Services  
2014/2015 Forecast To Budget Comparison  
In Thousands \$

	2014/2015 Forecast		2014/2015 Budget		Variance
<b>Revenue</b>					
Student Contracts	27,909	85%	28,133	85%	(224)
Family Housing	3,958	12%	3,998	12%	(40)
Other sources	1,014	3%	949	3%	65
<b>Total Revenue</b>	<b>32,881</b>	<b>100%</b>	<b>33,080</b>	<b>100%</b>	<b>(199)</b>
<b>Expenses</b>					
Personnel	5,375	16%	5,621	17%	246
Institutional Charges	4,783	15%	4,783	14%	0
Custodial Charges	2,749	8%	2,809	8%	60
Operating*	4,576	14%	5,214	16%	638
Travel	21	0%	26	0%	5
Renovations**	10,309	31%	8,673	26%	(1,636)
Debt Servicing - external	7,471	23%	7,516	23%	45
Net Transfer	889	3%	1,014	3%	125
<b>Total Expenses</b>	<b>36,173</b>	<b>110%</b>	<b>35,656</b>	<b>108%</b>	<b>(517)</b>
Increase (Decrease) in Fund Balance	(3,292)	-10%	(2,576)	-8%	(716)
Fund Balance - Opening	7,347		7,347		0
Fund Balance - Closing***	4,055		4,771		(716)

\* The 2014/2015 Operating expense Forecast includes an insurance recovery of \$0.222 million relating to a water leak issue that occurred at Family Housing in 2013/2014. Other forecasted costs are expected to be lower for vandalism, repairs & maintenance, and furniture & equipment.

\*\* Total 2014/2015 budgeted Renovation costs of \$8.673 million are forecasted at \$10.309 million, for a negative variance of \$1.636 million. This variance is a result of costs for the major Lambton Hall interior project that were deferred from fiscal year 2013/2014 to 2014/2015. Funding for the project spending variance will be provided from net surpluses carried forward from 2013/2014. This overall project is still expected to be on budget as set in the November 2014 Five Year Capital Financing Plan.

\*\*\* Fund Balances include only Unappropriated Balances. Total Unrestricted Net Assets per audited financial statements of \$(1.830) million included unrealized losses on interest rates swaps of \$9.177 million as of April 30, 2014. These swaps are used to lock in long-term interest costs on bank financing, and there is no plan to realize any portion of this unrealized position. Therefore it is excluded on this presentation as it does not form part of the annual budget planning considerations.

STUDENT HOUSING SERVICES  
2015/2016 BUDGET

**Table B: 2015/2016 Operating Budget**

Table B

University of Guelph  
Student Housing Services  
2015/2016 Operating Budget  
In Thousands \$

	2013/2014 Actual *		2014/2015 Forecast *		2015/2016 Budget	
Revenue						
Student Contracts	27,272	84%	27,909	85%	27,433	85%
Family Housing	4,065	13%	3,958	12%	4,033	12%
Other Sources	1,065	3%	1,014	3%	998	3%
<b>Total Revenue</b>	<b>32,402</b>	<b>100%</b>	<b>32,881</b>	<b>100%</b>	<b>32,464</b>	<b>100%</b>
Expenses						
Personnel	5,529	17%	5,375	16%	5,715	18%
Institutional Charges	4,939	15%	4,783	15%	4,879	15%
Custodial Charges	2,784	9%	2,749	8%	2,804	9%
Operating	5,248	16%	4,576	14%	4,798	15%
Travel	38	0%	21	0%	28	0%
Renovations	3,863	12%	10,309	31%	8,709	27%
Debt Servicing - external	7,007	22%	7,471	23%	7,656	24%
Net Transfer (see Table C)	1,323	4%	889	3%	1,154	4%
<b>Total Expenses</b>	<b>30,731</b>	<b>95%</b>	<b>36,173</b>	<b>110%</b>	<b>35,743</b>	<b>110%</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>1,671</b>	<b>5%</b>	<b>(3,292)</b>	<b>-10%</b>	<b>(3,279)</b>	<b>-10%</b>
Fund Balance - Opening	11,036		7,347		4,055	
Less Repayment of Internal Loan**	(5,360)					
<b>Fund Balance - Closing ***</b>	<b>7,347</b>		<b>4,055</b>		<b>776</b>	

\* Lambton Hall (400 bedspaces) was offline for the 2013/2014 year and back online in 2014/2015. Macdonald Hall (150 bedspaces) was removed from the residence system at the end of the 2013/2014 year, to be used by the College of Business and Economics going forward.

\*\* The \$5.360 million repayment of the East Village Townhouse internal loan will reduce the amount of Net Transfer expense in future years by \$0.609 million. (See Table C)

\*\*\* Fund Balances include only Unappropriated Balances. Total Unrestricted Net Assets per audited financial statements of \$(1.830) million included unrealized losses on interest rates swaps of \$9.177 million as of April 30, 2014. These swaps are used to lock in long-term interest costs on bank financing, and there is no plan to realize any portion of this unrealized position. Therefore it is excluded on this presentation as it does not form part of the annual budget planning considerations.

STUDENT HOUSING SERVICES  
2015/2016 BUDGET

---

**Table C: 2015/2016 Net Transfers**

---

Table C

University of Guelph  
Student Housing Services  
2015/2016 Net Transfers  
in Thousands \$

		<u>Actual</u> <u>2013/2014</u>	<u>Forecast</u> <u>2014/2015</u>	<u>Budget</u> <u>2015/2016</u>
<u>Summary:</u>				
Internal Loans (Principal and Interest):				
<u>Facility</u>	<u>End Date</u>			
Lennox-Addington Mortgage	2021	195	195	195
Village Townhouses	2025	609	0	0
Wellington Woods Mortgage	2021	144	144	144
Total Internal Financing Loans		<u>948</u>	<u>339</u>	<u>339</u>
<u>Other Transfers:</u>				
Interest Paid on Interfund Balances		(149)		
Programming Transfers		(0)		
Insurance Recovery - 2013/14 78 College Ave Claim			(125)	
Multi-Year Plan Two (MYP2) Budget Reduction Target			150	290
Contribution to Student Affairs Programming Costs		<u>525</u>	<u>525</u>	<u>525</u>
Net Transfers		<u>1,323</u>	<u>889</u>	<u>1,154</u>



STUDENT HOUSING SERVICES  
2015/2016 BUDGET

**Table D: 2015/2016 Planned Capital Projects**

Table D

University of Guelph  
Student Housing Services  
2015/2016 Planned Capital Projects  
in Thousands \$

<b>Building</b>	<b>Project</b>	<b>Budgeted Project Cost</b>
<b>South</b>	Furniture Replacement	3,200
	Bridge Concrete Repairs	150
	Electrical System Maintenance	140
	Smoke Detectors	40
	Mountaint & Maritime Laundry Drains	40
	Upgrade Lunch Room	5
<b>Lambton</b>	Major Interior Renovation	1,843
	Furniture Replacement	40
<b>Mills</b>	Building Envelope	750
	DHW Component Upgrade	50
<b>Maids</b>	Electrical Component Upgrade	53
	H&V Replacement & Hot Water Converter	70
<b>Johnston</b>	Electrical Fire Alarm Upgrade	168
	Replace Roof Areas	45
<b>East</b>	Replace Concrete Window Sills	400
	H&V Improvements	15
	Fire Alarm Transponders	30
<b>Family Housing</b>	Exterior Stairs	1,050
	Catch Basin Paving	60
	Install Humidity Alarms in Service Tunnels	10
	Office Renovation	25
	Exterior Painting at Wellington Woods	20
<b>Other</b>	Miscellaneous Painting	100
	Water Filling Stations	25
	Miscellaneous Electrical Investigations/Improvements	20
	Vermiculite Removal	10
	2016/2017 Design Fees	320
	Grad House Repairs	30
<b>Total Capital Projects</b>		<b>8,709</b>
<b>Amount to be Financed - Board Approved Limit for 2015/16</b>		<b>-</b>
<b>Total in 15/16 Budget</b>		<b>8,709</b>

STUDENT HOUSING SERVICES  
2015/2016 BUDGET

**Table E: 2015/2016 Proposed Fees**

Table E

University of Guelph  
Student Housing Services  
2015/2016 Proposed Fees  
Rounded to Nearest Dollar

		Actual 2014/2015	Proposed Fee 2015/2016	Dollar Change	Percentage Change
<u>SINGLE STUDENT (per semester) *</u>					
North/South	Double	2,859	2,928	69	2.4%
	Single	3,342	3,422	80	2.4%
East	Double	3,099	3,173	74	2.4%
	Single	3,490	3,574	84	2.4%
East Village	Single	3,805	3,881	76	2.0%
Lambton	Suite	3,393	3,474	81	2.4%
West Residence					
	78 College Avenue 1-bdrm	4,019	4,115	96	2.4%
	78 College Avenue 3-bdrm	3,255	3,333	78	2.4%
Grad House	Single	2,911	2,969	58	2.0%
<u>FAMILY (per month)</u>					
(a)	Wellington Woods	1,087	1,104	17	1.6%
(b)	78 College Avenue				
	1 Bedroom Apartment - 660 SQ. ft	886	901	14	1.6%
	1 Bedroom Apartment - 715 SQ. ft	934	949	15	1.6%
	1 Bedroom Apartment - 777 SQ. ft	940	955	15	1.6%
	2 Bedroom Apartment	1031	1,048	17	1.6%
	Townhouse	1,087	1,104	17	1.6%

\* Effective 2015/2016, in addition to the residence fees shown above, an annual \$50 non-refundable charge will be placed on each student's account for a pre-loaded laundry swipecard.

STUDENT HOUSING SERVICES  
2015/2016 BUDGET

---

**Appendix A: Comparison of On/Off Campus Accommodation Rates**

---

Appendix A

University of Guelph  
Student Housing Services  
Comparison of On/Off Campus Accommodation Rates  
Rounded to Nearest Dollar

	<u>Off-Campus</u>	<u>Notes</u>	<u>On-Campus</u>	<u>Notes</u>
<u>SINGLE STUDENT</u>				
There is a great variation in off-campus accommodation. There is also a great variation in cost. The costs reported under Off Campus are "typical" or average costs per room per month.				
Single Room in private home	425-525	#1	N/S single	856
Shared Apartment	400-500	#1 #2	East Single	893
Shared House/Suite	375-500	#2	Townhouse	970
<u>FAMILY</u>				
1 Bedroom Apartment	600-950		901 - 955	
2 Bedroom Apartment/Townhouse	700-1100		1,048 - 1,104	
<u>OFF CAMPUS VACANCY RATE (for Guelph as per CMHC)</u>				
October 2009	4.10%			
October 2010	3.40%			
October 2011	1.10%			
October 2012	1.40%			
October 2013	1.90%			
October 2014	1.20%			

---

#1 Most students must sign a 12 month lease for off-campus accommodation - ability to sublet during the summer months varies

#2 Most rents for shared apartments & houses do not include utilities

STUDENT HOUSING SERVICES  
2015/2016 BUDGET

**Appendix B: Annual Single Student Residence Rate Comparison**

Appendix B

University of Guelph  
Student Housing Services  
Annual Single Student Residence Rate Comparison  
Rounded to Nearest Whole Dollar

		DOUBLE ROOM					
		2014-2015		2015-2016		% Increase	
Ranking				Ranking			
1	UC - U of Toronto	7,142		1	UC - U of Toronto	7,356	3.0%
2	Queen's	6,803		2	Queen's	7,075	4.0%
3	Wilfrid Laurier	6,795		3	Wilfrid Laurier	6,999	3.0%
4	Western	6,490		4	Western	6,660	2.6%
5	McMaster	5,760		5	McMaster	5,990	4.0%
<b>6</b>	<b>GUELPH</b>	<b>5,718</b>		<b>6</b>	<b>GUELPH</b>	<b>5,855</b>	<b>2.4%</b>
7	Windsor	5,604		7	Windsor	5,716	2.0%
8	Waterloo	5,166		8	Waterloo	5,347	3.5%
9	Carleton	5,058		9	Carleton	5,209	3.0%
10	York	4,925		10	York	5,166	4.9%

		SINGLE ROOM					
		2014-2015		2015-2016		% Increase	
Ranking				Ranking			
1	UC - U of Toronto	7,352		1	UC - U of Toronto	7,573	3.0%
2	Western	7,250		2	Western	7,440	2.6%
3	Queen's	6,916		3	Queen's	7,192	4.0%
4	Wilfrid Laurier	6,795		4	Wilfrid Laurier	6,999	3.0%
<b>5</b>	<b>GUELPH</b>	<b>6,684</b>		<b>5</b>	<b>GUELPH</b>	<b>6,844</b>	<b>2.4%</b>
6	Windsor	6,677		6	Windsor	6,811	2.0%
7	McMaster	6,530		7	McMaster	6,791	4.0%
8	Carleton	6,123		8	Carleton	6,306	3.0%
9	Waterloo	5,759		9	Waterloo	5,961	3.5%
10	York	5,657		10	York	5,934	4.9%

		SUITE/APARTMENT/TOWNHOUSE - 4 bedroom					
		2014-2015		2015-2016		% Increase	
Ranking				Ranking			
1	Western	8,980		1	Western	9,200	2.4%
2	McMaster	8,035		2	McMaster	8,356	4.0%
3	UT - Scarborough	7,961		3	UT - Scarborough	8,279	4.0%
<b>4</b>	<b>GUELPH</b>	<b>7,610</b>		<b>4</b>	<b>GUELPH</b>	<b>7,762</b>	<b>2.0%</b>
5	Carleton	7,469		5	Carleton	7,693	3.0%
6	Queen's	7,332		6	Queen's	7,625	4.0%
7	Wilfrid Laurier	7,280		7	Windsor	7,237	2.0%
8	Windsor	7,095		8	Wilfrid Laurier	7,498	3.5%
9	Waterloo	6,875		9	York	7,211	4.9%
10	York	6,874		10	Waterloo	7,115	3.0%