



STUDENT
HOUSING
SERVICES

2017/18 Budget Plan

Prepared for the Board of Governors

April 21, 2017

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Introduction

Student Housing Services (SHS) manages a residence system that provides on-campus accommodation to approximately 4,700 students. SHS maintains oversight of nine buildings that range in capacity from 50 to 1,800 students (primarily undergraduate). Additionally, SHS operates two apartment and townhouse complexes with over 300 units for undergraduate and graduate students or staff and their families.

As an ancillary operation, SHS must generate its own revenue to fully cover the cost of operations. Major operating costs include debt servicing, renovations, custodial services, utilities, security, administration, and the general support and supervision of the students in residence. Maintaining residence facilities is capital intensive in nature with 48% of the 2017/18 budget allocated to capital financing and major renovations.

SHS supports the University's student recruitment efforts by adding significant value to the student experience on campus and by guaranteeing residence accommodation for all entering students. Through personal, emotional, and academic support provided by residence life staff and through active residence life programming the student experience at the University is enhanced. Living in residence for first year students has been shown to improve grades, retention rates, and graduation rates compared to students living off campus¹. The first year student guarantee requires that SHS withhold 80% of residence beds for this purpose. The remaining 20% of beds are available to returning students, upper-year students, transfer students, graduate students, live-in Residence Life Staff, and members of the residence student government.

SHS has experienced a significant decline in the number of returning student applications for residence in recent years. This decline is likely the result of the increase in availability of off-campus accommodations for students. A relatively new competitive threat has emerged from purpose built luxury student accommodations within walking distance of the University. So far this threat has been largely mitigated by strong first-year enrolment at the University in recent years, but could become a problem in the future if first-year enrolment at the University declines.

The SHS operating budget for 2017/18 can be found in [Table A](#) of this document.

¹ [Good News for the Champions of On-Campus Housing](#) by Academica Group (January 17, 2017)

Goals

The purpose of this budget plan is to align the resources of SHS with the strategic initiatives of SHS and Student Affairs, within the context of the University's academic mission and strategic direction. In this context, the goals of the SHS budget are to promote and sustain the following where possible:

1. **Sustainability** – provide the resources necessary to meet the long-term deferred maintenance and operational needs of department.
2. **Affordability** – contain costs where possible to limit the residence room rate increases to students so that the financial accessibility of residence is maintained.
3. **Marketability** – continue to add value to the student experience at the University by:
 - a. Investing in student space and aesthetic renewal to continue to attract students to campus and support their changing and diverse requirements.
 - b. Investing in human capital to improve the personal, emotional, and academic support provided to students while in residence.

Process

The SHS budget process begins with a review of the department's financial performance in the current year and an internal review of the operational needs of each unit within SHS. As an ancillary of the University, the department is subject to many of the same financial constraints and challenges as the University. Accordingly, the department relies heavily on the University's Financial Services for guidance on formulating assumptions for expected changes to salaries, benefits, institutional charges, capital planning, and debt servicing costs.

The department also prepares an annual competitive market assessment to compare residence room rates to the local student rental market and to compare rates at the University of Guelph to other Ontario universities. Construction and other factors in the local rental market are also monitored for their potential impact on the operations of SHS.

Lastly, SHS engages in extensive consultation with students in preparing its annual budget plan. Informally, input from students is collected through a wide range of avenues including direct student interactions and analyzed to improve services and inform decisions on a continuous basis. Students can also provide feedback on their residence experience through an annual Quality Service Questionnaire (QSQ). SHS also meets regularly throughout the school year with the residence student government, Interhall Council (IHC), to discuss and address issues within residence. A Budget Advisory Committee (BAC) is formed each year, consisting of SHS staff and IHC members, to discuss all major components of the SHS budget plan. The contributions from students throughout this consultation process are sincerely appreciated.

Capital Plan

SHS is entrusted by the University to maintain extensive capital facilities on campus that includes nine building complexes that form the regular residence inventory and two additional apartment and townhouses complexes that form the family housing inventory. In total, these complexes have the capacity to house over 4,700 undergraduate students and 300 families. To ensure that these buildings are maintained properly, SHS complies with University capital planning and maintenance requirements and best practices. Accordingly, each fall SHS submits a 5-year capital plan for approval by the University's Board of Governors through the Physical Resources Property Committee (PRPC).

The goal of the capital plan is to ensure that the deferred maintenance needs of all residence buildings are met and to enhance the appeal of facilities to students through aesthetic improvements. The capital plan forms a major component of the SHS budget plan accounting for more than \$80 million in spending over the past 10 years (2006/07 to 2015/16) and over \$40 million planned for the current 5-year plan (2016/17 to 2020/21). The capital plan for 2017/18 accounts for \$9.3 million in spending and with debt servicing accounts for approximately half (48%) of SHS's budget.

Capital projects for 2017/18 are detailed in [Table B](#). All major projects and their budgets are approved by PRPC. The capital projects and their budgets listed in this plan may defer slightly, but not materially, from the capital plan submitted to PRPC in the fall of 2016 as the project list and budgets are continuously updated as information becomes available from facility studies and inspections, student consultations, and the University's procurement process. Major projects for 2017/18 include:

- Exterior Cladding and Balcony Windows, South Residence (year 1 of 6)² - \$4,700,000
- Roof Repair and Replacements, Multiple Residences (ongoing) - \$1,106,000
- Mechanical and Electrical Repairs, South Residence (ongoing)- \$900,000
- Interior Aesthetic Improvements (washrooms, lounges, kitchens), South Residence (\$880,000)
- Residence WIFI Install in Common Areas, All Residences - \$400,000
- Smoke Detector Replacement, Multiple Residences - \$146,750

² Total 6-year budget for South Residence: Exterior Cladding and Balcony Window Project is \$29,200,000

Assumptions

In building the budget plan for 2017/18 a number of assumptions have been made in each category as follows:

Student Fees - Contracts: It is proposed that the residence room rates for 2017/18 increase by 1.8% across the board, with the exception of Suite, Apartment, and Townhouse Singles. Those rates have been adjusted based on student consultation and market analysis. The overall blended rate increase is 1.6%. These proposed rate increases maintain Guelph's position in the mid-range in comparison to other Ontario universities (see [Appendix C: Ontario Residence Rate Comparison](#)). No other changes to residence fees are proposed; see [Table C](#) for a full description of residence fees.

Family Housing: Increase in rent at Family Housing follows the guidelines from the Residential Tenancies Act (RTA). The 2017 rent increase guideline per the RTA is 1.5%.

Other Sources (Revenue): Conference and hostel operations within SHS have seen significant growth in recent years (see [Appendix A: Forecast to Budget Comparison](#)). This growth is expected to be sustained and the budget has been increased accordingly. No other significant changes to other revenues are proposed.

Personnel: Salary and benefit increases are consistent with University budget assumption guidelines. Two new regular full-time (RFT) positions in 2016/17 were added in Family Housing that is now reflected in the 2017/18 budget and has resulted in significant operating cost savings. A new RFT position in residence life and new student positions in academic learning communities have been added, consistent with SHS's goal of investing in human capital to improve the student experience in residence. Summer student positions are also expected to increase due to increased summer conference and hostel activities.

Operating: Significant operating savings are expected as a result of staffing changes in Family Housing (see Personnel). No other significant changes in operating are proposed.

Utilities: Rates for utilities, directly paid by SHS, are expected to increase by 2%. Usage is also expected to increase in the summer semester due to increased conference accommodations.

Renovations: See [Capital Plan](#) on the previous page and [Table B](#) for a list of projects.

Debt Servicing (External): No new external financing is required and no expected changes in rates. The principal payments on external mortgages are increasing slightly.

Institutional Charges: Costs for centrally provided services are increasing by 1.5% for 2017/18.

Custodial Charges: Costs for custodial services are increasing by 3.0% for 2017/18.

Debt Servicing (Internal): No new internal financing is required and no expected changes in rates or payments.

Budget Reduction Targets: Are the sum of the University's Multi-Year Plan One (MYP1) and Multi-Year Plan Two (MYP2) budget reduction targets for SHS and are not expected to change.

Opening Fund Balance: The forecast for 2016/17 (see [Appendix A: Forecast to Budget Comparison](#)) projects an unappropriated opening fund balance of \$7.4 million. This large opening balance is a result of high occupancy and significant savings in capital projects versus budget. This balance will be used to contain residence rate increases, future capital projects or debt payments, and held as a reserve for risk management.

Table A: Operating Budget (2017/18)

Student Housing Services						
Operating Budget for 2017/18						
(\$ Thousands)						
	2015/16	2016/17		2017/18		
	Actuals	Forecast	Budget	Budget	% of Revenue	% Budget Change
Revenue						
Student Fees - Contracts	29,845	31,439	29,239	30,033	86%	2.7%
Family Housing	3,590	3,455	3,418	3,469	10%	1.5%
Other Sources	998	1,453	1,008	1,240	4%	23.0%
Total Revenue	34,433	36,347	33,665	34,742	100%	3.2%
Expenses						
Personnel	5,724	5,886	5,944	6,443	19%	8.4%
Operating	3,213	4,383	3,337	3,104	9%	-7.0%
Utilities	1,072	932	1,057	1,102	3%	4.3%
Renovations	7,372	5,921	8,919	9,297	27%	4.2%
Debt Servicing (External)	7,091	6,500	6,500	6,581	19%	1.2%
Total Expenses	24,472	23,622	25,757	26,527	76%	3.0%
University Transfers						
Institutional Charges	4,879	4,976	4,976	5,051	15%	1.5%
Custodial Charges	2,796	2,846	2,846	2,932	8%	3.0%
Debt Servicing (Internal)	1,226	1,167	1,112	1,112	3%	0.0%
Budget Reduction Targets	815	815	815	815	2%	0.0%
Total University Transfers	9,716	9,804	9,749	9,910	29%	1.7%
Annual Surplus (Deficit)	245	2,921	(1,841)	(1,695)	-5%	-7.9%
Opening Fund Balance	4,214	4,459	4,459	7,380		
Closing Fund Balance*	4,459	7,380	2,618	5,685		

*Fund balances include only unappropriated balances.

Table B: Capital Plan (2017/18)**Student Housing Services
Capital Plan for 2017/18**

Residence	Project	Budget (\$)
South	Exterior Cladding and Balcony Windows (year 1 of 6)*	4,700,000
	Branch Circuit Wiring	250,000
	Replace Roof Area – Mountain	93,000
	Replace Roof Area – Prairie	93,000
	Replace Piping, Main Water Line	650,000
	Install Washroom Partition Doors on Showers	300,000
	Replace Lounge Furniture	350,000
	Construct 12 Food Preparation Areas	150,000
	Construct Accessible Washroom in Mountain Pod	30,000
	Replace and Create Murals in Common Space	50,000
Lambton	Install Air Supply Silencers in Lounges	50,000
Lennox-	Replace Roof	420,000
Addington	Install Non-Slip and Colour Contrasts Strips- Interior Stairs	250,000
	Replace Smoke Detectors	56,250
Maids	Replace Smoke Detectors	3,750
Mills	Rectify Foundation Leak in Mechanical Room	100,000
Watson	Replace Smoke Detectors	3,750
	Review of Hydronic Heating and HVAC Controls	9,303
	Install Water Filling Station	6,000
East	Replace Roof	500,000
East Village	Replace Smoke Detectors	83,000
	Install Water Filling Station - Townhall Area	6,000
Family Housing	Repair External Stairs (78 College Ave.)	135,000
	Refinish Metal Roofing and Windows (78 College Ave.)	215,000
	Expand Garden Plots and Add Sheds (Wellington Woods)	12,500
	Miscellaneous Renovations	25,000
University Houses	Miscellaneous Renovations	20,000
Multiple	Install Residence WIFI – Common Areas	400,000
	Design Fees (including VFA)	200,000
	Miscellaneous Painting	125,000
	Vermiculite Clean Up and Seal	10,000
Total Capital Projects		9,296,553
Amount to be Financed – Board Approved Limit for 2017/18		-
Total Capital Projects (Renovations) for Operating Budget - 2017/18		9,296,553

Table C: Proposed Fees (2017/18)

**Student Housing Services
Proposed Fees for 2017/18**

Residence Room Rates:

Total indicates the cost of a typical 8-month residence contract for fall and winter semesters.

Room Type	Campus Area	2016/17		2017/18		Increase (%)	Increase (\$)
		Semester	Total	Semester	Total		
Expanded	All Locations - Temporary Space*	2,324	4,648	2,366	4,732	1.8%	84
Quad	North	2,655	5,310	2,703	5,406	1.8%	96
Triple	North and South	2,770	5,540	2,820	5,640	1.8%	100
Quad	South	2,958	5,916	3,011	6,022	1.8%	106
Double	North and South	2,987	5,974	3,041	6,082	1.8%	108
Single (sm)	North and South	2,987	5,974	3,041	6,082	1.8%	108
Double	Johnston Hall	3,027	6,054	3,081	6,163	1.8%	109
Single	University Houses	3,029	6,058	3,084	6,167	1.8%	109
Apt: 3 Person	South	3,207	6,414	3,265	6,529	1.8%	115
Double	East Residence	3,236	6,472	3,294	6,588	1.8%	116
Single	West (3 bdrm townhouse)	3,386	6,772	3,447	6,894	1.8%	122
Single	North and South	3,490	6,980	3,553	7,106	1.8%	126
Single	Lambton Suite (1 bdrm)	3,490	6,980	3,553	7,106	1.8%	126
Single	Johnston Hall	3,541	7,082	3,605	7,209	1.8%	127
Apt: 1-2 Person	North and South	3,543	7,086	3,711	7,422	4.7%	336
Single	Lambton Suite (2 or 3 bdrm)	3,543	7,086	3,711	7,422	4.7%	336
Single	East Residence	3,645	7,290	3,711	7,422	1.8%	132
Single	East Village Townhouse (4-6 bdrm)	3,959	7,918	3,959	7,918	0.0%	-

* Expanded room rate applies only until a regular room can be found, at that point the regular room rate applies.

Supplementary Residence Fees:

In addition to the above-noted room rates, the following additional charges will apply:

- 1) **Prepaid Residence Laundry Card** - A non-refundable \$50 charge for a residence laundry card will be charged in the fall semester. The card is pre-loaded with \$50 value for residence laundry machines. West Residence and University House are excluded.
- 2) **Interhall Council (IHC) Activity Fee** - \$22.49 per semester (2016/17 fee, subject to change). This fee is collected on behalf of the residence student government to support hall council activities.
- 3) **Early Arrival & Late Check-out** - Residents who wish to arrive to residence prior opening day or remain after their semesterly check-out time must obtain prior permission from Student Housing Services. An additional per diem charge will apply.
- 4) **Other Charges** - Other charges may be applied for fines, damage repairs, improper check-out, room assignment changes, lost keys, etc. Appeals of any such charges must be made, in writing, to the Associate Director, Facilities Services.

Appendix A: Forecast to Budget Comparison (2016/17)

Student Housing Services

Forecast to Budget Comparison for 2016/17

(\$ Thousands)

	2015/16	2016/17			% Change	Notes
	Actuals	Forecast	Budget	Variance		
Revenue						
Student Fees - Contracts	29,845	31,439	29,239	2,200	5.3%	#1
Family Housing	3,590	3,455	3,418	37	-3.8%	
Other Sources	998	1,453	1,008	445	45.6%	#2
Total Revenue	34,433	36,347	33,665	2,682	5.6%	
Expenses						
Personnel	5,724	5,886	5,944	58	2.8%	
Operating	3,213	4,383	3,337	(1,046)	36.4%	#3
Utilities	1,072	932	1,057	125	-13.1%	#4
Renovations	7,372	5,921	8,919	2,998	-19.7%	#5
Debt Servicing (External)	7,091	6,500	6,500	-	-8.3%	
Total Expenses	24,472	23,622	25,757	2,135	-3.5%	
University Transfers						
Institutional Charges	4,879	4,976	4,976	-	2.0%	
Custodial Charges	2,796	2,846	2,846	-	1.8%	
Debt Servicing (Internal)	1,226	1,167	1,112	(55)	-4.8%	
Budget Reduction Targets	815	815	815	-	0.0%	
Total University Transfers	9,716	9,804	9,749	(55)	0.9%	
Annual Surplus (Deficit)	245	2,921	(1,841)	4,762	1092.2%	
Opening Fund Balance	4,214	4,459	4,459	-	5.8%	
Closing Fund Balance	4,459	7,380	2,618	4,762	65.5%	

Variance Notes:

- 1) **Student Fees** – positive variances is a result of the high occupancy experienced in 2016/17 due to a higher than forecasted first-year student fall enrolment at the University. Occupancy for the fall/winter semesters was budgeted at 95%/92%; actual occupancy has been 102%/98%.
- 2) **Other Sources** – conference services had an exceptional summer semester, hosting two large first-time events in the Special Olympics 2016 Spring Games and the 2016 Toronto Argos Training Camp.
- 3) **Operating** – to meet the exceptional high occupancy (see Student Fees above) experienced in 2016/17, SHS was required to rent the Royal Brock Hotel located across the street from the University to increase capacity.
- 4) **Utilities** – the department incurred significant savings due to Hydro credits secured through the Ontario Clean Energy benefits (OCEB) program from infrastructure improvements in Family Housing.
- 5) **Renovations** – the residence WIFI project was completed \$2.1 million under its \$3.5 million budget, with \$0.4 million being deferred to next fiscal year. The department also received a \$0.5 million of unbudgeted returns of holdbacks and credits on prior year Lambton renovations.

Appendix B: On/Off Campus Accommodation Comparison

Student Housing Services

On/Off Campus Accommodation Comparison for 2017/18

There is great variation in off-campus accommodations available and great variation in off-campus accommodation rates. The rates reported under off-campus represent typical or average costs per month currently available for rent on publicly advertised listings.

Single Student Accommodations (rate per person) :

Off-Campus			On-Campus		
Building Type	Rate (\$)	Notes	Building Type	Rate (\$)	Notes
Private Home	425 - 550	#1	North/South Campus	888	#3
Shared Apartment	500 - 575	#1,#2	East Residence	928	#3
House/Suite	425 - 595	#2	East Village Townhouse	990	#3

Family Accommodations (rate per unit):

Off-Campus			On-Campus - Family Housing		
Building Type	Rate (\$)	Notes	Building Type	Rate (\$)	Notes
1 Bedroom Apartment	810 - 995	#2	1 Bedroom Apartment	932	
2 Bedroom Townhouse	1,216	#2,#4	2 Bedroom Townhouse	1,143	
3 Bedroom Townhouse	1,367	#2,#4			

Off-Campus Vacancy Rate for Guelph – Primary Rental Market (note #5):

October 2018 (forecast)	1.4%
October 2017 (forecast)	1.4%
October 2016	1.3%
October 2015	1.2%
October 2014	1.2%
October 2013	1.9%
October 2012	1.4%

Notes:

- 1) **Lease length** - most students must sign a 12-month lease for off-campus accommodation; ability to sublet during the summer months varies.
- 2) **Utilities** - most rates for off-campus accommodations for shared apartments, houses, and townhouses do not include utilities. All on-campus accommodations include utilities.
- 3) **On-Campus rates** - university rates are per semester, for this comparison the semester rate has been divided by four to approximate a monthly rate.
- 4) **Off-Campus townhouse** - the majority of off-campus townhomes are 3 bedrooms, with limited availability of 2 bedroom townhomes in the Guelph market.
- 5) **Vacancy rates** - as reported by Canadian Mortgage and Housing Corporation (CMHC), includes only the primary rental market. Most single student accommodations are considered part of the secondary rental market. Vacancy rates are not available for the secondary rental market.

Appendix C: Ontario University Residence Rate Comparison

Student Housing Services

Ontario University Residence Rate Comparison for 2017/18

Double - Traditional

School	16/17		17/18				
	Rank	Rate \$	Rank	Change	Rate \$	Increase \$	Increase %
U of T - UC	1	7,540	1	-	7,766	226	3.0%
Queens	2	7,034	2	-	7,280	246	3.5%
Western	3	6,660	3	-	6,810	150	2.3%
McMaster	4	6,129	4	-	6,301	172	2.8%
Brock	6	5,880	5	1	6,115	235	4.0%
Guelph	5	5,974	6	(1)	6,082	108	1.8%
Laurier	8	5,750	7	1	5,923	173	3.0%
Windsor	7	5,788	8	(1)	5,904	116	2.0%
Carleton	9	5,644	9	-	5,746	102	1.8%
Waterloo	10	5,534	10	-	5,645	111	2.0%
York	12	5,356	11	1	5,552	196	3.7%
Trent	11	5,363	12	(1)	5,470	107	2.0% *

Single - Traditional

School	16/17		17/18				
	Rank	Rate \$	Rank	Change	Rate \$	Increase \$	Increase %
U of T - UC	1	7,989	1	-	8,372	383	4.8%
Western	2	7,440	2	-	7,660	220	3.0%
Queens	3	7,357	3	-	7,614	257	3.5%
Laurier	4	7,209	4	-	7,425	216	3.0%
McMaster	6	7,005	5	1	7,201	196	2.8%
Guelph	7	6,980	6	1	7,106	126	1.8%
Windsor	8	6,927	7	1	7,066	139	2.0%
Brock	5	7,020	8	(3)	7,020	-	0.0%
Carleton	9	6,699	9	-	6,850	151	2.3%
Trent	10	6,678	10	-	6,812	134	2.0% *
Waterloo	11	6,169	11	-	6,292	123	2.0%
York	12	5,931	12	-	6,153	222	3.7%

University of Guelph

Single - Non-Traditional

School	16/17		17/18				
	Rank	Rate \$	Rank	Change	Rate \$	Increase \$	Increase %
Western	1	9,200	1	-	9,520	320	3.5%
McMaster	2	8,465	2	-	8,702	237	2.8%
U of T - SC	3	8,312	3	-	8,478	166	2.0% *
Queen's	4	8,163	4	-	8,449	286	3.5%
Carleton	5	7,969	5	-	8,150	181	2.3%
Trent	7	7,848	6	1	8,005	157	2.0% *
Laurier	8	7,723	7	1	7,955	232	3.0%
Guelph (note 3)	6	7,918	8	(2)	7,918	-	0.0%
York	10	7,479	9	1	7,663	184	2.5%
Windsor	9	7,500	10	(1)	7,650	150	2.0%
Brock	11	7,445	11	-	7,519	74	1.0%
Waterloo	12	7,364	12	-	7,511	147	2.0%

Notes:

- 1) **Room rates** - many universities include meal plan and other mandatory fees within their rates, the rates listed are the room only portion of fees.
- 2) **Increases** - each university was asked to provide their rate increases pending board approval, actual increases may vary. An increase of 2% was assumed for universities that did not reply in time for this report, indicated by an *.
- 3) **Guelph Single (Non-Traditional)** - the single non-traditional for Guelph is the East Village Single rate.