

BOLAN SMART ASSOCIATES, INC.

1150 K STREET NW, SUITE 1211, WASHINGTON, DC 20005 • (202) 371-1333

GEORGETOWN UNIVERSITY 2011 MASTER PLAN Neighborhood Impacts from Increased Graduate School and School of Continuing Studies Enrollment

March 2011

Summary of Findings

1. **As of Fall 2010, less than 4% of the current Graduate School (GS) and School of Continuing Studies (SCS) total enrollment resided in Burleith and West Georgetown.** The GS and SCS cohort comprises 14% of all Georgetown University students residing in Burleith and 12% of all students in West Georgetown.
2. **There are important differences between undergraduates and graduates in terms of housing preferences that limit the impact of graduate students on the Burleith and West Georgetown housing market.** GS and SCS students, especially part-timers, have different priorities and lifestyles from undergraduates. Compared with undergraduates, graduate students:
 - are older, averaging between 27 and 30 years of age;
 - typically have more complex lives juggling jobs, careers and families;
 - are not nearly as inclined to share a housing unit with other students; and
 - are generally much less likely to live proximate to campus.
3. **Since Spring 2000, the percentage of GS and SCS students that live in Burleith and West Georgetown has declined significantly as a proportion of GS and SCS total enrollment.** Despite overall enrollment growth of over 100% between academic years 1999-2000 (AY 99-00) and 2010-2011 (AY 10-11), the combined GS and SCS student population growth in Burleith and West Georgetown totaled only 16%, or 28 students, an average addition of 2.5 students per year. The GS and SCS student population in Burleith as a percentage of total enrollment declined from 4% in AY 99-00 to 2% by AY 10-11 and in West Georgetown from 3% to 2%. Put another way, whereas one out of 16 GS and SCS students lived in Burleith and West Georgetown in AY 99-00, GS and SCS students now comprised only one of every 28 students in these neighborhoods as of AY 10-11.
4. **The proposed graduate school student enrollment increase from 2011 to 2020 targets a higher proportion of part-time students compared to the last decade.** Graduate student enrollment increases over the last eleven years had a significantly higher proportion of full-time student growth than the projected growth through 2020 that targets more SCS students (historically an average of 20% GS students are part-time compared with 83% for SCS students). This will increase the future proportion of part-time students, thus reducing the potential graduate student growth impact on Burleith and West Georgetown. Part-time students typically already live elsewhere in the Washington area, and who due their existing lifestyle, have little incentive to move adjacent to the Georgetown campus.

5. **GS and SCS students have a strong preference for living independently of other GU students.** Fifty percent (50%) of the Burleith graduate student population and 47% in West Georgetown does not live with any other GU student. This limits the proportion of new students getting together to create additional graduate student group home residences. It also means that if the housing inventory suitable for single graduate residents (i.e. a basement apartment in an owner occupied residence) in the immediate neighborhoods adjoining Georgetown University is not sufficient to absorb potential new graduate student single residency demand, graduate students will likely choose to live elsewhere.
6. **The proposed enrollment growth in the GS and SCS programs over the next decade will have minimal impact on Burleith and West Georgetown, as demonstrated by historic and current year GS and SCS patterns:**
 - a) Based on the historical change in the overall GS and SCS graduate student enrollment and the corresponding graduate students' residences in Burleith and West Georgetown between AY 99-00 and AY 10-11, the future planned increase in graduate student enrollment through 2020 would result in demand for 18 additional student residences. Approximately nine would be single graduate student residences and nine would be for non-single occupant student housing. This equates to less than one additional non-single occupant graduate residence a year in the combined Burleith and West Georgetown neighborhoods. (Note that this projected future residency demand would likely be less if the increased proportion of future part-timers were factored.)
 - b) If it is assumed that the AY 10-11 demand for neighborhood housing related to overall GS and SCS student population and enrollment leads to a directly proportional future increase in housing demand, it is anticipated that there would be an increase through 2020 in student demand of approximately six to nine non-single occupant student residencies. (As noted above, this projected future residency demand would likely be less if the increased proportion of future part-timers were factored.)

Using either historic or current patterns, the projections suggest that there would be increased graduate student demand for no more than nine non-single occupant student residencies through 2020, representing less than half a percent of the total housing inventory in the combined Burleith and West Georgetown neighborhoods. This equates to the addition of less than one new non-single student occupant graduate student residency per year. Given these findings, there is no market reason related to graduate student demand based on proposed enrollment increases to justify a substantial increase in non-owner occupied residences through 2020.

7. **Home prices in Burleith increased at a substantially higher rate than District-wide over the last decade.** Average property values in Burleith have increased 174% over the past 11 years compared to a 91% increase District-wide. Over the last six years, while home sale values in the District have experienced a slight decline, Burleith has posted a minor increase.
8. **There is no conclusive evidence to suggest that graduate student residences have an adverse impact on home values or neighborhood appearance in Burleith.** Recent home sales data does not show that proximity to graduate student residences has a clear inverse relationship to sale price. While some data shows a minor lower sales price for non-student residency homes sold adjacent to graduate student occupied homes, other data shows that some of the highest sales prices were found adjacent to or on blocks containing graduate student residences. Going forward, home values should continue to see little to no impact from the very limited number of projected graduate student residency increases.

9. **A qualitative assessment of neighborhood characteristics indicates that homes with graduate students do not negatively impact neighborhood appearance.** Findings suggest that a few very poorly maintained homes, some of which are undergraduate student rentals, may be influencing a general perception that graduate student housing is less well-maintained than non-graduate student housing. These neighborhoods also include some poorly maintained single family homes that have the same impact regardless of their tenancy.
10. **The majority of homes (60+/-%) in Burleith are owner occupied, and a similar majority of home sales (64%) over of past six years have been to owner occupants.** This compares with a District-wide average of 44% owner occupied. Although there has long been an active non-owner occupied residential market in Burleith, catering to a variety of user groups, the data indicates that for the last eleven years the rental market has been flat to decreasing, with the percentage of owner occupied homes having increased by 6% in Burleith (and 4% in West Georgetown). Most important, a detailed analysis of the 139 sale transactions in Burleith from 2005 to 2010 shows that 64% were purchased by owner occupants and 36% by non-owner occupants, a tenure split slightly exceeding the overall split of home ownership in favor of owner occupancy.

Methodology

Bolan Smart Associates was asked by Georgetown University to evaluate the following as a series of questions and answers, organized herein in four sections:

- A. GU graduate student characteristics, focusing on Burleith and West Georgetown as of AY 10-11
- B. Historical graduate student characteristic trends, focusing on Burleith and West Georgetown
- C. Proposed enrollment increase impact on Burleith and West Georgetown
- D. Burleith and West Georgetown neighborhood characteristics

Georgetown University provided Bolan Smart with data pertaining to enrollment and neighborhood population dating back to Spring 2000 and graduate student residency data for Fall 2004, Fall 2009 and Fall 2010. The data concentrates the Graduate School and School of Continuing Studies programs since projected growth targets exclusively these two schools, excluding the School of Medicine. Bolan Smart obtained additional information categorized as follows:

1. **Demographics:** Customized geographic polygons for Burleith and West Georgetown were created to obtain demographic data from Claritas, a national demographic data source. Similar data was also obtained for the District of Columbia. This data was assessed in conjunction with supplemental resources from the US Census Bureau (including mid-census American Community Surveys), published demographics from the DC Economic Partnership, and other local market resources.
2. **Customized Surveys:** Three surveys were undertaken as part of this analyses: 1) a block-by-block field survey was conducted to examine qualitative neighborhood characteristics and to track graduate (and undergraduate) student housing concentrations; 2) a phone survey was used to better understand the student residency compositions of homes occupied by no more than one GU graduate student; and 3) site inspections of 2010 home sales was undertaken to evaluate property condition.

3. Home Values and Home Sale Characteristics: Home sales and their occupancy characteristics in Burleith were compiled between 2005 and 2010 using two primary sources: District of Columbia Office of Tax and Revenue Sales Database and Metropolitan Regional Information System (MRIS). Field surveys as well as other online databases were used to track current listings and sales. Data from the prior master plan was used for the 1999 base year.
4. Owner Occupied Home Analysis: The District of Columbia's Tax Assessment database was queried for the entire Burleith inventory to assess home ownership. Rental properties in Burleith were researched via the District's online database for homes that have obtained a basic business license (BBL) for rental properties (i.e. group homes). Additional rental homes were identified by GU for students living in the neighborhood not residing in a house with a BBL.

A. Georgetown University Graduate Student Characteristics as of Spring 2011

1. *What is the current graduate student enrollment for the Graduate School and the School of Continuing Studies?*

As of Fall 2010, 6,654 graduate students were enrolled at GU. Of this total, the Graduate School accounts for 4,485 students and the School of Continuing Studies have 1,347 students. Together, the GS and SCS programs account for approximately 88% of total AY 10-11 graduate and professional student enrollment.

2. *How many GS and SCS graduate students live in Burleith and West Georgetown?*

As Table 1 illustrates, approximately 2.0% of the GS students live in the Burleith and West Georgetown neighborhoods. For SCS, less than 0.5% of the students live in Burleith, with just under 1.0% living in West Georgetown.

Table 1
Graduate Student Population by Location Fall 2010

<i>School of Study</i>	<i>Burleith</i>		<i>West Georgetown</i>		<i>Total</i>
	<i>#</i>	<i>% of School</i>	<i>#</i>	<i>% of School</i>	<i>#</i>
GS	91	2.0%	95	2.1%	4,485
SCS	6	<0.5%	13	<1.0%	1,347
<i>Total</i>	<i>97</i>	<i>1.7%</i>	<i>108</i>	<i>1.9%</i>	<i>5,832</i>

Source: Georgetown University and Bolan Smart, 2/2011

3. How many residences are occupied by GS and SCS students and what is the distribution of graduate student residences by school in Burleith and West Georgetown?

Table 2 represents the number and distribution of residences / addresses occupied by the GS and SCS student population as of Fall 2010. There were 70 homes with registered graduates in Burleith and 78 in West Georgetown, with an even distribution of 64 to 65 GS student homes in both neighborhoods. There were six SCS student homes in Burleith as compared to 13 in West Georgetown.

Table 2
GS and SCS Graduate Student Residence Distribution Fall 2010

<i>School of Study</i>	<i>Burleith</i>		<i>West Georgetown</i>	
	<i>Residences</i>	<i>% of Total</i>	<i>Residences</i>	<i>% of Total</i>
GS	64	91%	65	83%
SCS	6	9%	13	17%
<i>Total:</i>	<i>70</i>	<i>100%</i>	<i>78</i>	<i>100%</i>

Source: Georgetown University and Bolan Smart, 2/2011

Note: The above data includes 15 Burleith homes (21% of graduate residences) and 22 West Georgetown homes (28% of graduate residences) in which graduates share with predominantly undergraduate students.

4. What is the average number of GS and SCS students per graduate residence in Burleith and West Georgetown?

The number of graduate students per graduate residence varies by school, with 1.4 to 1.5 GS students living with other graduates compared to 1.0 SCS students living with other graduates.

Table 3
Average Graduate Student Occupancy per Residence Fall 2010

<i>School of Study</i>	<i>Burleith</i>	<i>West Georgetown</i>
GS	1.4	1.5
SCS	1.0	1.0

Source: Georgetown University and Bolan Smart, 2/2011

5. What is the breakdown of GS and SCS students living with other GU students in Burleith and West Georgetown?

Burleith

The majority of GS and SCS students, that being 49% and 67% respectively, live with no other students in Burleith. The remainder of the GS and SCS student population lives with either other graduates or with undergraduates. Table 4 illustrates that there are 13 residences with more than one GS student, seven with other graduate students (i.e. medical students) and 13 with undergraduates. Table 4 also illustrates that more often than not, there are fewer GS and SCS students in group residences than other GU graduate students and undergraduates.

Table 4
Graduate Student Residency Composition by School in Burleith Spring 2011

<i>School of Study & Residency Composition</i>	<i>Residences</i>	<i>% of Total</i>	<i>Grads per Grad Residence</i>	<i>Avg Residency Size</i>
Graduate School				
1 Graduate	31	49%	1.0	1.0+
2 Graduates	9	14%	2.0	2.0+
3+ Graduates	4	6%	4.3	4.3
3+ Graduates Mixed – SCS or SOM	7	11%	1.7	3.4
1+ Graduate(s) with Undergraduate(s)	13	20%	1.0	5.5
<i>Totals:</i>	<i>64</i>	<i>100%</i>		
School of Continuing Studies				
1 Graduate	4	67%	1.0	1.0+
1+ Graduate(s) with Mixed – GS or SOM	0	0%	0.0	0.0
1+ Graduate(s) with Undergraduate(s)	2	33%	1.0	5.5
<i>Totals:</i>	<i>6</i>	<i>100%</i>		

Source: Georgetown University and Bolan Smart, 2/2011

West Georgetown

The majority of GS and SCS students, that being 43% and 69% respectively, live with no other students in West Georgetown. The remaining one third lives with either other graduates or with undergraduates. Table 5 illustrates that there are seven residences with more than one GS student, eight with other graduate students (i.e. medical students) and 24 with undergraduates.

Table 5
Graduate Student Residency Composition by School in West Georgetown Spring 2011

<i>School of Study & Residency Composition</i>	<i>Residences</i>	<i>% of Total</i>	<i>Grads per Grad Residence</i>	<i>Avg Residency Size</i>
Graduate School				
1 Graduate	28	43%	1.0	1.0+
2 Graduates	5	8%	2.0	2.0+
3+ Graduates	5	8%	3.5	3.5
3+ Graduates Mixed – SCS or SOM	4	6%	3.5	3.5
1+ Graduate(s) with Undergraduate(s)	23	35%	1.0	5.8 ¹
<i>Totals:</i>	<i>65</i>	<i>100.0%</i>		
School of Continuing Studies				
1 Graduate	9	69%	1.0	1.0+
1+ Graduate(s) with Mixed – GS or SOM	2	15%+	1.0	3.0
1+ Graduate(s) with Undergraduates	2	15%+	1.0	4.0
<i>Totals:</i>	<i>13</i>	<i>100.0%</i>		

Source: Georgetown University and Bolan Smart, 2/2011

It is important to recognize that the graduate students living with no other GU students may, in fact, either live alone, or they may live with others who are not students.

B. Historical GU Graduate Student Characteristics Trends

6. Have GS and SCS graduate student enrollments increased from AY 99-00 to AY 10-11?

Graduate School enrollment was 2,510 in AY 99-00 and has been steadily increasing to a total of 4,485 in AY 10-11. This reflects a total increase of 1,975 additional students, or a 79% increase over the 11 year period.

The School of Continuing Studies enrollment increased from 330 in AY 99-00 to 1,347 in AY 10-11. This change reflects a higher percentage change than that for the GS, but a fewer number of students, with 1,017 additional SCS students over the 11 year period.

The combined GS and SCS graduate student increase of 2,992 students between AY 99-00 and AY 10-11 averages an additional 270 to 275 students a year. GU's proposed increase of 2,100 students between 2011 and 2020 equates to 210 additional students a year, reflecting a 30% decrease in total enrollment growth compared with that over the last 11 years.

7. Has the GS and SCS student population in Burleith and West Georgetown increased from 2000 to 2011?

Table 6 below illustrates that despite graduate school enrollment growth, the combined GS and SCS student population in Burleith has decreased by 5 students over the last 11 years, beginning at 102 students in AY 99-00 and dropping to 97 students in AY 10-11. The combined GS and SCS student population in West Georgetown increased by 33 students, beginning at 75 students in AY 99-00 and growing to 108 by AY 10-11. The total GS and SCS student population increase for the combined neighborhoods over the 11 year period was 28 students, reflecting less than 1% of the overall enrollment increase for that same period, or approximately 2.5 new graduate students per year.

Table 6
Student Population 2000 to 2011 in Burleith and West Georgetown

<i>School of Study</i>	<i>Burleith</i>			<i>West Georgetown</i>			<i>Totals</i>		
	<i>AY 99-00</i>	<i>AY 10-11</i>	<i>11-Year Change</i>	<i>AY 99-00</i>	<i>AY 10-11</i>	<i>11-Year Change</i>	<i>AY 99-00</i>	<i>AY 10-11</i>	<i>11-Year Change</i>
GS + SCS	102	97	(5%)	75	108	44%	177	205	16%

Source: Georgetown University and Bolan Smart, 2/2011

8. Has an increase in graduate student enrollment since 2000 impacted the number of graduate student residencies in the subject neighborhoods?

Housing data for graduate students was compiled for the 2004/2005 academic year as well as for 2009/2010 and 2010/2011. While historic neighborhood enrollment and population data was provided by Georgetown University, data by actual student residence was not available dating back before 2004. Using the average of the ratios between the graduate student population and number of graduate student residences for 2004/2005, 2009/2010 and 2010/2011, the number of graduate resident addresses for the year 2000 was calculated. Table 7 illustrates that over the 11 year period from 2000 to 2011, there was an estimated 3% increase in graduate student residences in Burleith and a 44% increase of graduate student residences in West Georgetown, for a combined change of 21% (equating to a 2% annual increase).

Table 7
2000 to 2011 Change in the Number of Graduate Student Residencies

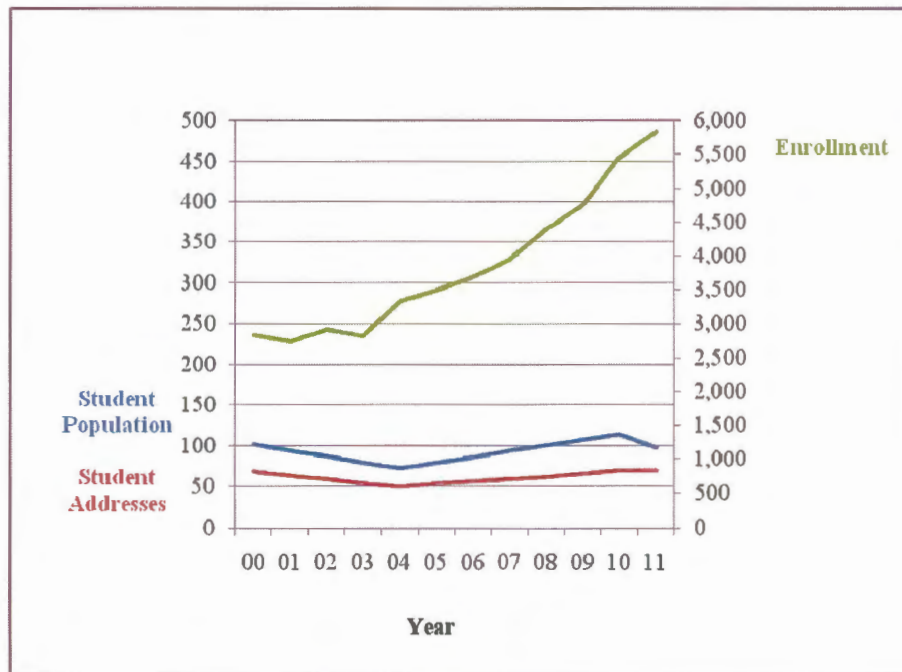
<i>School of Study</i>	<i>Burleith</i>			<i>West Georgetown</i>			<i>Totals</i>		
	<i>AY 99-00</i>	<i>AY 10-11</i>	<i>11-Year Change</i>	<i>AY 99-00</i>	<i>AY 10-11</i>	<i>11-Year Change</i>	<i>AY 99-00</i>	<i>AY 10-11</i>	<i>11-Year Change</i>
GS + SCS	68	70	3%	54	78	44%	122	148	21%

Source: Georgetown University and Bolan Smart, 2/2011

The results indicate that an increase in graduate student enrollment had caused an increase in the number of graduate residences in both Burleith and West Georgetown. However, the fact that the student population has decreased in Burleith suggest that there has been a change in student residency occupancy over time. The Burleith population in 2004/2005 for GS and SCS students was 72, equating to 1.44 students per graduate residency compared to a slightly less dense 1.40 students per graduate residency in 2011. West Georgetown's graduate student residency density remained the same over during the timeframe at 1.38 students per graduate residency. This mirrors GS and SCS students' propensity to live alone, and that there is a wider variety of small housing unit choices to serve this demand in West Georgetown than in Burleith.

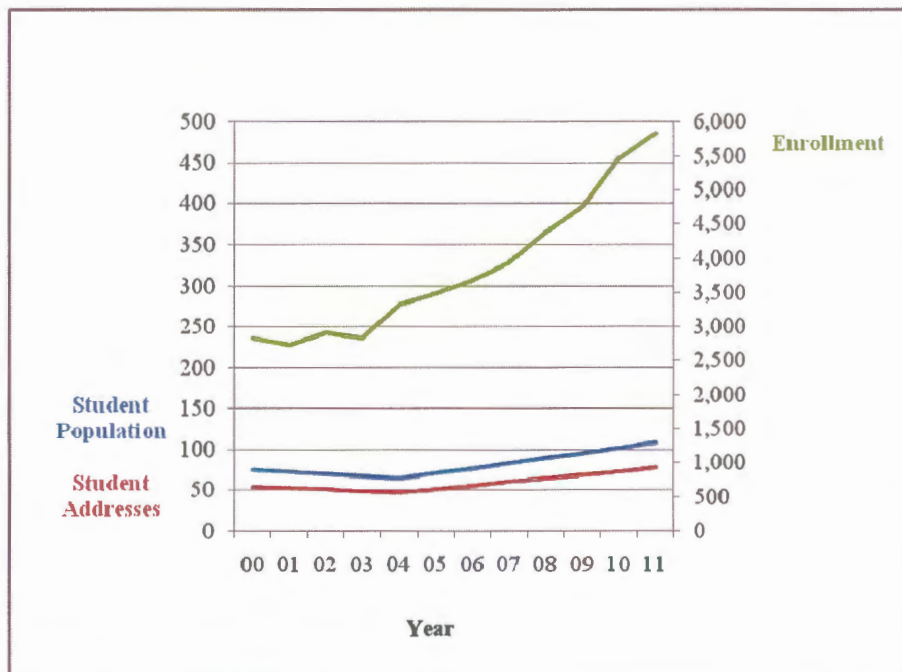
Historical trends illustrated on Exhibits 1 and 2 show that increases in enrollment are not directly proportional to the number of student residences. In fact, graduate student enrollment growth has far outpaced both student population and residency growth in the subject neighborhoods. For example, the GS and SCS student population in Burleith accounted for 4% of total enrollment in 2000 and decreased to 2% of total enrollment by 2011. The number of GS and SCS residences also decreased as a proportion of total enrollment.

Exhibit 1
GS and SCS Student Trends AY 99-00 to AY 10-11 in Burleith



Source: Georgetown University and Bolan Smart, 2/2011

Exhibit 2
GS and SCS Student Trends AY 99-00 to AY 10-11 in West Georgetown



Source: Georgetown University and Bolan Smart, 2/2011

9. *Although the focus of this analysis is on GS and SCS graduate students, are there important differentiations that can be made between these graduate students and medical and undergraduate students impacting the subject neighborhoods?*

Lifestyle – There are many of factors which influence graduate student housing decisions that differ from medical and undergraduate students. Lifestyle priorities for most GS and SCS students have shifted with added age, experience and responsibilities. Proximity to work, access to transport, prior investments and other family priorities all heavily weigh on non-medical graduate student choices, especially those in continuing education programs:

- a) As of Fall 2010, the average age of students within the 20007 zip code enrolled in the GS program was 27 years and 30 years for students in the SCS. This age bracket is substantially older than the average ages for undergraduates and more in line with typical non-student neighborhood residents. The average age of medical students falls in between undergraduates and other graduate students at 25 years.
- b) Part-time students have historically (2005 to 2011) comprised 11% to 25% of the Graduate School students and 79% to 87% of the School of Continuing Studies students. Undergraduates and students in the School of Medicine are generally full-time.
- c) Part-time graduate students with jobs, and of course those whom are married with established families, have many competing housing locational interests, with a very low propensity to live adjacent to campus.

Summer 2010 Student Survey – Of the 70 homes recorded as of 2009/2010 in Burleith with one or more GS or SCS graduate students, 35 homes have only one GU student resident. This generally represents residences that have a graduate student renter but are otherwise functioning as a non-student residence (and may not have a rental basic business license). The continuation of this pattern suggests that at least half of any projected growth in GS and SCS graduate students in Burleith are likely to generate demand for single occupant graduate residences, including homeowners that rely on graduate students for economic support. (Note that this projection includes no adjustment for an increase in part-time graduate students.)

To further investigate home occupancy rates and tenant characteristics in Burleith, Bolan Smart conducted a survey in Summer 2010 of these Fall 2009 graduate students listed as single graduate residences. Since this subgroup represents the school's projection for growth through 2020, the survey focused on the list of these 35 GS and SCS identified students. All of this group was initially canvassed by phone (one or more times), of which 34% ultimately participated, representing 12 students. Highlights of the survey results are as follows:

- a) Half of the single non-medical graduate resident respondents live in homes comprised of a non-group, owner occupied main house with a rented apartment. Four of these six surveyed rentals are single person units who live alone in private homes otherwise occupied by unrelated parties.
- b) The other half of the respondents live in group homes. Two of these group homes included one graduate student living with undergraduates, and the other four homes were shared with non-students / other professionals.
- c) None of the graduate students in the survey shared a bedroom.

C. Graduate Student Enrollment Increase Impact on Burleith and West Georgetown

10. Based on the proposed increase in graduate school enrollment, what is the anticipated increase in the number of graduate students and homes in Burleith and West Georgetown?

Proposed Graduate Student Enrollment Increase – GU proposes adding 2,100 graduate students between the Fall 2011 and Fall 2020 to the graduate student programs, with roughly 40% of the growth anticipated to be in the GS and 60% of the growth anticipated to be in the SCS.

Historical Analysis and Trends – Between AY 99-00 and AY 10-11, the number of GS and SCS graduate student residences in the Burleith and West Georgetown neighborhoods increased by 26 residences from 122 to 148. Since student enrollment growth between 2000 to 2011 exceeded the planned growth from 2011 to 2020 by 30% (2,992 students compared to 2,100 students), the equivalent additional number of graduate student residences choosing to live in the Burleith and West Georgetown would total 18 new residences for the period of 2011 through 2020. Further adjustments to this historic tally should be made to account for the fact that an estimated 50%, equating to nine residences, represent single person graduate student residences. Therefore, the adjusted student demand would for nine non-single student residences over a 10 year period, equating to less than one additional non-single occupant graduate residence a year in either Burleith or West Georgetown.

Spring 2010 Snapshot Projected Student Population Increase – Table 8 illustrates the extrapolation of historical residency patterns applied to the proposed student increase by school through 2020. The results suggest that approximately 23 additional graduate students will be added to Burleith and 30 will be added to West Georgetown neighborhoods. The total increase of 53 students in the subject neighborhoods represents an increase of approximately five students per year through 2020.

Table 8
Projected Additional Graduate Students 2011 to 2020

<i>School of Study</i>	<i>AY 10-11</i>			<i>2020</i>	
	<i>Student Enrollment</i>	<i>Students Living in Burleith & WG</i>	<i>% Students Living in Burleith & WG¹</i>	<i>Proposed Enrollment Increase</i>	<i>Additional Students in Burleith / WG</i>
GS	4,485	91 & 95	2.0% & 2.1%	847	17 & 18
SCS	1,347	6 & 13	<0.5% & 1.0%	1,253	6 & 12
<i>Total:</i>	<i>5,832</i>	<i>97 & 108</i>	<i>-</i>	<i>2,100</i>	<i>23 & 30</i>

(1) Percentages are rounded.

Source: Georgetown University and Bolan Smart, 2/2011

Tables 9 and 10 allocates these additional students into the residency composition based on AY 10-11 residency compositions to help determine the implied demand for additional residences to accommodate the projected enrollment growth.

Table 9
Additional Graduate Students 2011 to 2020 by School in Burleith

<i>School of Study & Residency Composition</i>	<i>Grad Residency Composition %</i>	<i>Additional Students</i>
Graduate School		
1 Graduate	49%	8.3
2 Graduates	14%	2.4
3+ Graduates	6%	1.0
3+ Graduates Mixed – SCS or SOM	11%	1.9
1+ Graduate(s) with Undergraduate(s)	<u>20%</u>	<u>3.4</u>
<i>Totals:</i>	<i>100%</i>	<i>17.0</i>
School of Continuing Studies		
1 Graduate	67%	4.0
1+ Graduate(s) Mixed – GS or SOM	0%	0.0
1+ Graduate(s) with Undergraduates	<u>33%</u>	<u>2.0</u>
<i>Totals:</i>	<i>100%</i>	<i>6.0</i>

Source: Georgetown University and Bolan Smart, 2/2011

For Burleith, the combined projected net new demand of 23 students suggest that there will be an estimated three to four additional non-single graduate student occupied residences over the next 10 years equating to a less than a half a residence per year. Table 10 summarizes the total net new graduate student demand for residences for both schools in Burleith.

Table 10
Summary of 2011 to 2020 Additional Graduate Student Residencies in Burleith

<i>Student Residency Composition</i>	<i>Additional GS Students</i>	<i>Additional SCS Students</i>	<i>Total Additional Students</i>	<i>Average Residency Size</i>	<i>Additional Student Residences</i>
GS and SCS Students					
1 Graduate	8.3	4.0	12.3	1.0+	??
2 Graduates	2.4	0.0	2.4	2.0+	1
3+ Graduates	1.0	0.0	1.0	4.3	<1
3+ Graduates Mixed	1.9	0.0	1.9	3.4	<1
1+ Graduate(s) w/ Undergraduate(s)	<u>3.4</u>	<u>2.0</u>	<u>5.4</u>	<u>5.5</u>	<u>1</u>
<i>Totals:</i>	<i>17.0</i>	<i>6.0</i>	<i>23.0</i>	<i>N/A</i>	<i>3-4</i>

Source: Georgetown University and Bolan Smart, 2/2011

The predominantly single family housing inventory in Burleith is such that single occupant graduate students living with no other students will be absorbed into non-student housing or will otherwise seek single residency elsewhere. These students will not generate demand for any new student dominated residences. With respect to two graduate students per residence, this cohort may also be absorbed into other non-student housing, but new demand will total no more than one additional residence. There is not enough net new demand for 3+ graduate residences and 3+ mixed graduate residences to generate one complete new student residence each. Finally, a graduate student combined with undergraduates may add one residence (assuming group residence occupancy is between three and six students per residence).

Table 11
Additional Graduate Students 2011 to 2020 by School in West Georgetown

<i>School of Study & Residency Composition</i>	<i>Grad Residency Composition %</i>	<i>Additional Students</i>
Graduate School		
1 Graduate	43%	7.7
2 Graduates	8%	1.4
3+ Graduates	8%	1.4
3+ Graduates Mixed – SCS or SOM	6%	1.1
1+ Graduate(s) with Undergraduate(s)	<u>35%</u>	<u>6.3</u>
<i>Totals:</i>	<i>100%</i>	<i>18.0</i>
School of Continuing Studies		
1 Graduate	69%	8.3
1+ Graduate(s) Mixed – GS or SOM	15%+	1.8
1+ Graduate(s) with Undergraduates	<u>15%+</u>	<u>1.9</u>
<i>Totals:</i>	<i>100%</i>	<i>12.0</i>

Source: Georgetown University and Bolan Smart, 2/2011

For West Georgetown, the combined projected net new demand of 30 students suggest that there will be demand for an estimated three to five additional non-single graduate student occupied residences over the next ten years (less than a half residence per year):

Table 12
Summary of 2011 to 2020 Additional Graduate Student Residencies in West Georgetown

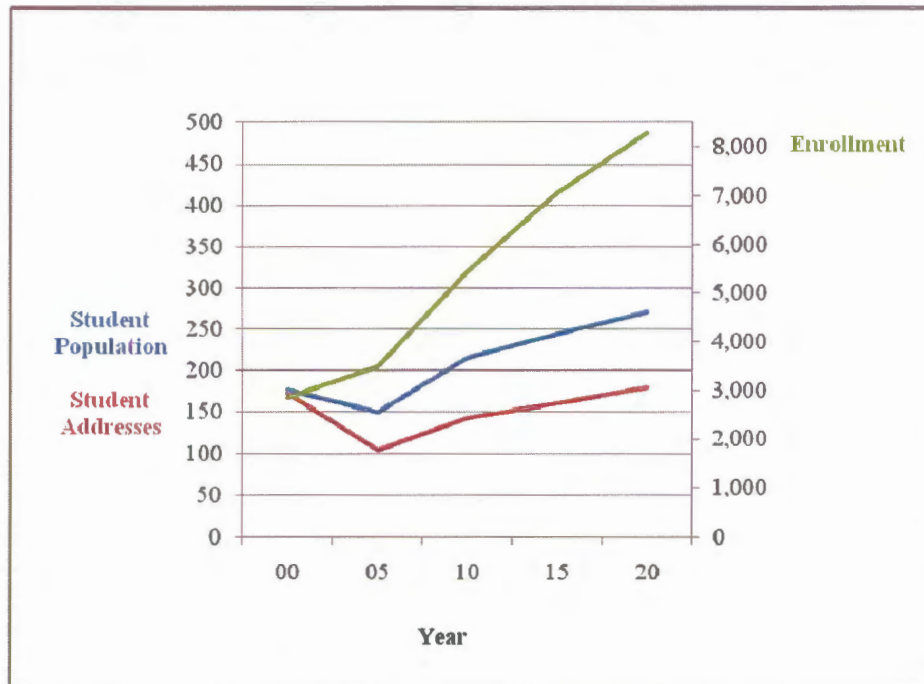
<i>Student Residency Composition</i>	<i>Additional GS Students</i>	<i>Additional SCS Students</i>	<i>Total Additional Student</i>	<i>Average Residency Size</i>	<i>Additional Student Residences</i>
GS and SCS Students					
1 Graduate	7.7	8.3	16.0	1.0+	??
2 Graduates	1.4	0.0	1.4	2.0+	<1
3+ Graduates	1.4	0.0	1.4	3.5	<1
3+ Graduates Mixed	1.1	1.8	2.9	3.5	<1
1+ Graduate(s) w/ Undergraduate(s)	<u>6.3</u>	<u>1.9</u>	<u>8.2</u>	<u>5.8</u>	<u>1-2</u>
<i>Totals:</i>	<i>18.0</i>	<i>12.0</i>	<i>30.0</i>	<i>N/A</i>	<i>3-5</i>

Source: Georgetown University and Bolan Smart, 2/2011

Since West Georgetown has a more diverse housing stock than Burleigh, it is estimated that approximately 50% of the 15.9 new student demand for single graduate residences will add upwards of eight additional residences. Some of these cohorts will be absorbed into existing non-student residences or in apartment buildings. There is not enough net new demand for 2, 3+ graduates and 3+ mixed graduate student residences to generate one complete new student residence each. A graduate(s) living with undergraduates may add one to two student residences.

Combining the two neighborhoods results in net new demand for student dominated residences on the order of six to nine non-single graduate student residences over the 10 year period, equating to less than one residence per year. These anticipated additional student residences account for one half percent or less of total inventory over a 10 year period, reflecting a minimal overall neighborhood impact.

Exhibit 3
Past and Proposed Graduate Student Trends 2000 to 2020 for Burleith and West Georgetown



Source: Georgetown University and Bolan Smart, 2/2011

Note: Projection assuming 2010 overall enrollment to population and residency ratios

D. Burleith and West Georgetown Neighborhood Characteristics

Demographics

11. What is the socio / economic profile of the subject neighborhoods, and how has it changed over the last 10 years?

Estimated 2010 demographic data for the two subject neighborhoods and the District of Columbia is drawn from Claritas, a national demographic data source, as updated with mid-census American Community Surveys data, and is compared with published data from the US Census Bureau. These data sources are in agreement in their depiction of relatively stable neighborhoods, with high home ownership rates and median household incomes.

Table 13
2010 Estimated Demographic Highlights

<i>Indicator</i>	<i>Burleith</i>		<i>West Georgetown</i>		<i>District of Columbia</i>	
	<i>2000 Census</i>	<i>2010 Est</i>	<i>2000 Census</i>	<i>2010 Est</i>	<i>2000 Census</i>	<i>2010 Est</i>
Owner Occupied HH	58%	64%	56%	60%	41%	44%
Median HH Income	\$80,900	\$113,400	\$89,900	\$130,000	\$40,800	\$58,100
Pop 25+ with College Degree or Higher	81%	88%	81%	90%	39%	48%
Average Age	35	36	38	39	37	38
Age 21 to 34	49%	43%	37%	33%	33%	25%
Family HH With Children	12%	31%	12%	35%	20%	42%

Source: Claritas and Bolan Smart, 3/2011

In comparison to data from the 2000 Census, the 2010 estimates show an increase in owner occupied residences of 6% in Burleith and 4% in West Georgetown, both of which represent greater increases than the District's increase of 3%. Median household income in the subject neighborhoods also increased more than the 10 year change for the District. With the exception of a much larger percentage increase in the number of family residences with children in the subject neighborhoods, growing from 12% to between 31% and 35%, and now approaching the District average of 42% of residences, the other demographic indicators illustrated above all changed at relatively the same pace. Demographic indicators not shown, such as household size and number of vehicles per household, have remained fairly constant. In sum, the subject neighborhoods exhibit strong and improving demographic characteristics, and for which any growth in the proportion of graduate students could help reinforce.

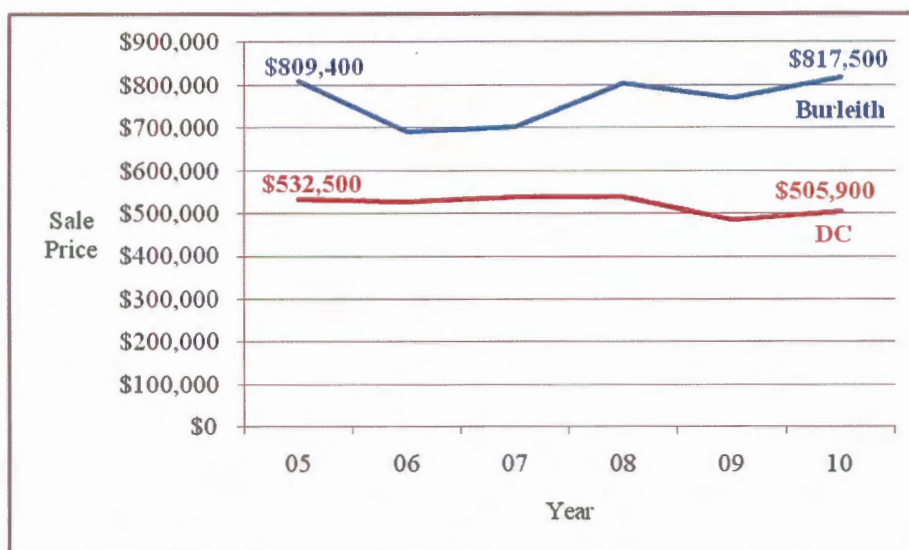
Housing Data

12. How have property values changed over the last 5 to 10 years in the subject neighborhoods, including comparison to overall changes for Washington?

An analysis of average home sales values in Burleith conducted by Bolan Smart finds that property values have increased over the last 10 years, and at an 83% higher pace than that of the District. In Burleith, average home sale prices increased by 174% between 1999 and 2010 from an average home sale price of \$298,000 (31 homes) in 1999 to \$817,500 (27 homes sold) in 2010 (based primarily on DC OTR data and MRIS). This compares with the District, where average home sale prices saw an increase of 91% from an average home sale price of \$265,000 (5,000+ sales) in 1999 to approximately \$505,900 (6,500+ sales) in 2010.

The most recent six year trend in home sale values in Burleith show a prior peak in 2005 at an average home sale price of approximately \$809,400 followed by a 15% decline in 2006. Since 2006, home sale prices rebounded steadily through 2007 and 2008 then started to level off in 2009 but have rebounded to slightly more than the 2005 peak in 2010. Home sale trends in the District of Columbia from 2005 to 2008 mimicked this trend but with smaller year to year changes except in 2009 which experienced an 18% home sale price decline and 2010 sales prices not rebounding to above 2005 levels.

Exhibit 4
Average Home Sale Prices 2005 to 2010 in Burleith and DC



Source: MRIS, Redfin, DC OTR, other market sources and Bolan Smart, 2/2011

The increase in Burleith home values has tended to push beyond the point where it is cost effective for a home to be economically converted from non-student use to student rental occupancy. The average of the non-owner occupied purchases did not exceed \$750,000 between 2005 and 2010 and the six year average for these 50 reported sales was approximately \$700,000. With typical home values exceeding \$750,000, an investor would need to lease to at least five students at a cost of \$900 to \$1,000 a month plus utilities per student just to break even (assuming debt financing). In addition, there is a limited supply of larger homes with four or more bedrooms.

Table 14 below captures some of the data referenced as well as in Question 13 below. The more diverse housing stock in West Georgetown creates less comparable sales data with the inventory comprising a mix of single family attached and detached homes, apartments and condominiums, manifested in considerable year-to-year fluctuations in median home sale prices.

Table 14
Summary of 2005 to 2010 Burleith Home Sales

	<i>Sales</i>	<i>Avg Sale Price</i>	<i>% Owner Occupied Sales</i>	<i>Avg Owner Occupied Sale Price</i>	<i>% Non-Owner Occupied Sales</i>	<i>Avg Non-Owner Occupied Sale Price</i>
Total	139	\$766,041	64.0%	\$799,660	36.0%	\$702,336

Source: DC OTR, MRIS and Bolan Smart, 2/2011

13. Are there any non-price related distinctions between owner occupied home purchases and non-owner occupied purchases since 2005 in Burleith?

There are five significant 2005 to 2010 trend findings regarding the relationship between owner occupied home purchases and non-owner occupied home purchases:

- a) The ratio of owner occupied home purchases at 64% compared to 36% being non-owner occupied for Burleith suggests that there has not been a relative increase in non-owner occupied purchasers of recent, and in fact is contributing to boosting the owner occupied portion of housing inventory above the 59% to 64% (depending on data source) level for 2010.
- b) Historical non-owner occupied purchase trends have been declining. Between 2005 and 2007 non-owner occupant purchases averaged 40% of all sales compared to just under 31% of all sales between 2008 and 2010.
- c) There were 139 home sales transactions in Burleith between 2005 and 2010, of which 50 sale transactions are reported as non-owner occupied residences. Of these 50 non-owner occupied sale transactions, 31, or 62%, are currently licensed rental homes. More than 15 of the non-owner occupied home sales were already used as rental properties prior to their sale.
- d) Of the 139 home sales transactions in Burleith between 2005 and 2010, based on AY 00-11 enrollment data, only nine of these homes are currently occupied by GS or SCS students. Four of these nine homes are graduate group homes and the other five have one GS student occupant (of which three live with no other students and two live in medical school student group homes). Graduate student demand for occupancy in homes sold since 2005 account for approximately 6.5% of total transactions.
- e) Between five to ten homes that sold between 2005 and 2010 were previously rentals and are now owner occupied, reducing the net new non-owner occupied homes in Burleith.

14. Is there an identifiable relationship between the presence of graduate student homes and property values?

No, there is a lack of evidence to support an inverse relationship between concentrations of graduate student homes and home sale price. On the one hand, recent sales data suggests a minimal negative relationship between the values of homes sales not adjacent to student homes compared to homes adjacent to graduate student occupied homes. Of the 41 home sales in Burleith during 2009 and 2010, seven owner occupied home purchases were immediate adjacent to graduate student residences with an average sale price of \$758,600 (approximately 5.6% of the combined 2009 and 2010 average sale price in Burleith).

On the other hand, one of the top three sales in 2010 was adjacent to a student residence, and of the top five priced selling homes in 2009 (\$830,000 to \$935,000), three were in blocks of graduate and / or undergraduate student concentrations. Additionally, of the eight homes selling above the average home sale price for 2009, four were next door to a registered graduate student homes, including the highest selling priced home (\$935,000). Of the lowest priced homes sold, below the average sale price in 2009, only two homes (33%) were next to graduate student homes.

A similar survey of recent sales and current listings conducted for West Georgetown, including identifying the property's use code, year sold, price and proximity to graduate student homes, found that although homes are less comparable than in Burleith area, there were no identifiable trends for home sale prices to vary according to concentrations of graduate student homes.

A qualitative assessment of neighborhood characteristics conducted via a block-by-block field survey undertaken by Bolan Smart indicates that graduate student houses do not negatively impact neighborhood character. Findings suggest that a few very poorly maintained undergraduate homes in areas of high concentrations of student homes may be influencing a perception that student housing is less well-maintained than non-student housing. The field survey indicates that this is not the case with graduate homes that are located outside of the handful of blocks that have a heavy concentration of undergraduate student homes. The field survey also identified poorly maintained single family homes within the same survey area regardless of their tenancy.

In sum, given the lack of evidence of an inverse relationship between concentrations of graduate student homes and home sale price, housing values should see little to no impact from the very limited amount of projected new graduate residents.

15. What are other rental housing characteristics in Burleith?

- a) DC Tax Assessment Database Rental Inventory Analysis – A survey of the 530+ residences in Burleith was researched in the District of Columbia's Tax Assessment Database. This survey showed 313 reportedly owner occupied residences of a total of 530+ equating to 59% owner occupancy. The remaining 220 residences, or 41%, are listed as not being owner occupied, presumably rented.

- b) Basic Business License Analysis of Rental Inventory – Of the inventory of 530+/- homes in Burleigh, approximately 80 to 85 homes are registered (as of June 2010) with the District of Columbia as rental properties (Basic Business License - BBL). Based on GU's Spring 2011 enrollment data, there are an additional 135+ students (115 undergraduate and 20 graduate) living in non-registered rental homes or apartments in Burleigh. The combined total yields approximately 220 properties in Burleigh that currently have rental capacity. Included in this number are owner occupied homes that also have a rental unit. Not included in this estimate are the non-registered rentals occupied by non-students. As an example of this last point, 19 of the 80 to 85 registered rentals are not occupied by students representing 23% of this inventory category. This analysis suggests that the rental inventory in Burleigh comprises an estimated 40% to 41% of the total housing stock.

- c) GS and SCS Student Occupancy of BBL Inventory – Of the 80 to 85 homes in Burleigh that are registered rentals with a BBL, an estimated 11 are occupied by GS or SCS graduate students accounting for less than 15% of the homes with a BBL. Of these 11 homes, four have only two graduate students, six represent one graduate student living with predominantly undergraduates and one is occupied by a single graduate. None of these 11 homes are GS or SCS graduate student group homes (three or more students).