



**University of Maryland, College Park**

# **Faculty/Staff Housing Market Analysis**

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# EXECUTIVE SUMMARY

UNIVERSITY OF MARYLAND ▪ FACULTY/STAFF HOUSING MARKET ANALYSIS

## EXECUTIVE SUMMARY

### OVERVIEW

The University of Maryland (UM) retained the firm of Anderson Strickler, LLC (ASL) to conduct a faculty/staff housing market analysis as part of a collaborative effort with UM, the City of College Park (City), and the College Park City-University Partnership (CPCUP). The purposes of the study were to (1) assess the demand for rental and for-sale housing by faculty and staff near the university campus and in the local area, (2) identify housing factors and perceptions which affect faculty and staff housing decision-making, and (3) identify existing housing assistance programs offered through UM, the City, and local jurisdictions as well as identify potential programs and policies. The analysis included faculty/staff focus groups, a stakeholder interview, an off-campus market analysis, an identification of options, and a faculty/staff survey. The major conclusion of the study is that UM should proceed with planning a faculty/staff housing program, focusing first on financial assistance programs and a housing resource center. In addition, in order to increase the chances of the success of the program, UM, the City, and CPCUP should consider ways in which to work together to improve local schools and safety/perception of safety.

### SUMMARY OF FINDINGS

#### FACULTY/STAFF FOCUS GROUPS AND STAKEHOLDER INTERVIEW

- The features that drew participants to UM and the area were the position at UM, the preference to live in a metropolitan area (which comes with the ability for spouses or partners to find employment), the ability to walk to work, good reputation of the local elementary school, and the generally positive environment.
- Drawbacks to College Park include the fact that student rentals around UM make living nearby infeasible; there are not many options for faculty and staff in College Park. Some participants were concerned about crime. The school system is also a drawback. Some perceive there is no “culture” or “character” in College Park. However, commuting to College Park is challenging and continues to get worse.
- Housing prices in the area are high and the cost of living is a challenge, though the recent decline in home values has made the search a bit easier. Though the job is the main draw, housing factors have a negative impact on recruitment of those from outside the area.
- A ground lease for-sale development program similar to the one at the University of California Irvine would help with recruitment. A drawback to such a program would be locating the low- or no-cost land required to make the program provide below-market housing, especially in College Park. In general, participants seemed more interested in financial assistance programs and a rental program. A housing resource center would also be helpful.
- Stakeholders believe having faculty and staff live in College Park would create a stronger sense of community and of a college town, both between faculty/staff and students as well as between UM and the neighborhood. “Interesting people of all ages” would be a positive result. Other positive benefits would be more varied retail and dining. If faculty and staff lived in College Park instead of just working there,



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perhaps they would be more involved in improving the public schools and providing services and amenities that would benefit the community as a whole.

## OFF-CAMPUS MARKET ANALYSIS

- There are a number of issues related directly or indirectly to housing that would impact the success in encouraging faculty and staff to live near campus. When completed, the Purple Line will make access to campus easier and expand the range of convenient housing options for faculty and staff. In terms of security, neighborhoods near UM vary in safety and types of crime. ZIP Code 20783 in Hyattsville has the highest crime rates of the three ZIP Codes used in the study. Schools surrounding campus are generally rated in the middle of the range by the greatschools.net system, but University Park Elementary and Cesar Chavez Elementary both rated as 7 on the 1-10 scale (with 10 being the highest ranking.) Another local high school, Eleanor Roosevelt, in Greenbelt, also received a 7 rating.
- Although rental trends have favored the overall market, Marcus & Millichap found that Class C properties lagged in comparison to Class A and Class B properties, having “yet to gain significant traction.”<sup>1</sup> In particular, “properties in working-class areas of [Washington D.C.] or Prince George’s County, especially, remain challenged by high vacancy and weak rent collections. Specifically within the UM area, Red Capital Group found that College Park/Greenbelt rents had increased 2.3% over 2010 and vacancy had increased by 240 basis points to 7.1%, while in Hyattsville, rents had increased by 5.7% and vacancies had declined by 280 basis points to 3.3%.
- Despite a rebounding economy, HUD reports that existing home sales in Maryland were down 9% in the 12 months ending September 2011 compared to a year earlier, and construction of new homes mirrored this decline. The number of housing units sold in Prince George’s County grew from 2010 to 2011 while the number sold in the State of Maryland fell, but the average and median prices fell by more than the rest of the State. For both years, the County had fewer months of inventory than the State average.
- Although there have been foreclosures in the College Park and Hyattsville areas around campus, the rate is well below the national average of 17% of homes in some stage of foreclosure. All three local ZIP Codes have rates of foreclosures below the county average of 9%: 20740 with 1%, 20782 with 3%, and 20783 with 7%. Only 20783’s rate exceeds the state average of 6%.

## IDENTIFICATION OF OPTIONS

- The tested faculty/staff housing community concept is based on a popular housing program that has been in place at the University of California Irvine since the mid-1980’s. The homes would be sold under a long-term ground lease arrangement. This means that a buyer would purchase the home, but not the land, which the buyer would lease from UM or a UM-affiliated entity. The ground lease program enhances affordability by removing the cost of the land from the purchase price. This lower price is partially offset with ground rent. The ground lease also allows UM to maintain affordability by indexing the maximum resale price of the home based on an inflationary index.
- In a faculty/staff off-campus option, a ground lease program similar to the on-campus faculty/staff housing community would still be the mechanism to create affordability, but the home would be in the

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<sup>1</sup> Apartment properties are ranked on a subjective scale of Class A to Class D based on property age, construction quality, amenities, and neighborhood location with Class A being considered the top of the market.



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outside market; the faculty or staff member would purchase the unit and UM or its affiliate would buy the land.

- With a faculty/staff rental community, UM would either acquire or develop a rental apartment community on or near campus.
- A forgivable purchasing loan program is similar to the currently unfunded Work & Live College Park program. A number of colleges and universities offer such programs, which are targeted to encourage homeownership and neighborhood revitalization. Typical guidelines are that the home must be within defined geographic boundaries, the property must be the owner's primary residence, a percentage of the loan amount due is forgiven each year by the institution (not a bank), and the loan must be used for closing costs and downpayment.
- A number of institutions also offer forgivable home improvement loans. There are different types of renovations permitted. For example, one institution offers \$5,000 forgivable loans when the proceeds are used to renovate the façade of a home. Another institution allows interior repairs, exterior repairs, or to conversion of a property from a multi-family to a single-family residence.
- UM already has a good start on developing a housing resource center with the creation of the Faculty Affairs relocation website. UM may want to consider expanding its services beyond incoming faculty and serve other incoming and existing employees as well.

## FACULTY/STAFF SURVEY

- Less than 10% of faculty and staff live in College Park, but between 18% to 23%, depending on employment category, live in a neighboring town. Non-exempt staff are more likely to live elsewhere in Prince George's County than others and faculty are more likely than exempt or non-exempt staff to live in Montgomery County.
- Approximately two-thirds of faculty live in single-family detached homes vs. approximately half of staff members. Non-exempt staff are more likely than the other two categories to live in apartments. However, more employees across the board would prefer to live in single-family detached homes.
- In comparing the importance of neighborhood amenities and satisfaction with those amenities in the respondents' current living situations, some of the "hot buttons" are safety, neighborhood, condition of home, monthly housing costs, and distance from campus.
- Respondents were asked to rate the helpfulness of the identified housing options. The forgivable purchasing loan program was the most popular followed by the forgivable improvement loan program and the housing resource center.
- Implementing a faculty/staff housing program would encourage a significant number of employees to remain in or move to College Park. The top five reasons for disinterest are that the respondent already owns a home, the lack of security in the neighborhood, not wanting to move, concerns about local schools, and the age and condition of homes in College Park and the immediate area.

## RECOMMENDATIONS

- The major conclusion of the study is that UM should proceed with planning a faculty/staff housing program, focusing first on financial assistance programs and a housing resource center, and depending on



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financial resources and market opportunities, the purchase of homes in the College Park area for use as rentals. In addition, in order to increase the chances of the success of the program, UM, the City, and CPCUP should consider ways in which to work together to improve local schools and safety/perception of safety. The bases for this conclusion are:

- Both focus group participants and survey respondents indicated more interest in the financial assistance options and housing resource center than in any of the for-sale or rental programs.
- Although the financial options will require the significant challenge of identifying funding, undertaking a development project will require finding not only start-up funding, but low- or no-cost land. In contrast, the financial programs will be relatively easy and quick to implement, particularly since the loans are forgivable, making it easier to meet lending guidelines.
- The housing resource center is a relatively low cost option that can serve a wide variety of populations. In addition, the groundwork for such an endeavor is already underway.
- A rental program would be a logical next step after focusing on the financial assistance programs, particularly as short-term housing for new recruits to start out in. Instead of building an apartment community, UM could purchase homes in the community for use as rentals.

Although there seems to be a great deal of interest from faculty and staff in moving into College Park, based on the results of the market analysis, improvements to the local schools and area safety (or the perception of safety) need to be improved to maximize interest. Coming up with ways for UM to work with the City and the school system would go a long way to ensuring success of the program.

In addition, there is an intangible role that needs to be filled for this critical undertaking to succeed—a champion. There needs to be someone who views creating this program as one of their primary roles at UM. As an example, though the Irvine project has provided over 1,000 homes and the community seems to have settled into a routine, the program started out with one person (an Associate Vice Chancellor) willing to take on the challenge and see the endeavor succeed.



# METHODOLOGY

UNIVERSITY OF MARYLAND ▪ FACULTY/STAFF HOUSING MARKET ANALYSIS

## METHODOLOGY

### PROJECT INITIATION

The ASL team conducted a kick-off meeting on June 7, 2011. A steering committee was formed comprised of UM staff and City of College Park/CPCUP representatives.

Steering committee members included:

Mary Hummel, Assistant Vice President for Student Affairs, University of Maryland

Maria Lonsbury, Project Specialist, Office of the Vice President for Student Affairs, University of Maryland

Anca Domnitanu, Acting Executive Director, College Park City-University Partnership

Deb Grandner, Director, Department of Resident Life, University of Maryland

Dennis Passarella-George, Assistant Director, Department of Resident Life, University of Maryland

Rhonda Malone, Director of Faculty Mentoring and Development, Academic Affairs, University of Maryland

Joann Prosser, Director of Research, Department of Resident Life, University of Maryland

Ari Schnitzer, Coordinator for Real Estate Development, Administrative Affairs, University of Maryland

Terry Schum, Planning Director, City of College Park

### FOCUS GROUPS

Three focus groups were held on August 22, 2011. A total of 27 faculty and staff members participated. Participants were divided by various groups: 1) faculty, 2) administrators, and 3) staff. The ASL moderator asked each group about their personal housing experiences, attractive/less attractive attributes of the College Park area, factors used in their decision of where to live, housing satisfaction, the impact of housing on recruitment and retention, thoughts on potential housing programs, and other additional suggestions the participants had for UM.

### STAKEHOLDER INTERVIEW

ASL held a stakeholder interview with Mayor Andrew Fellows, City Councilmember Robert Catlin, and Anca Domnitanu, Acting Executive Director, College Park City-University Partnership. City Councilmember Patrick Wojahn provided input via email. Discussion revolved around the positives and potential drawbacks of having faculty and staff live close to campus, opinions on various potential options, and ways in which the City, the Partnership, and UM could work together on any potential faculty/staff housing program.

### OFF-CAMPUS MARKET ANALYSIS

Using input from focus groups and interviews and ASL's research from the Student Housing Market study, ASL compiled data on the for-sale and rental markets in the area surrounding the University. As necessary, ASL retrieved information from the Internet. Where possible, ASL focused on the three ZIP Codes surrounding and adjacent to the UM campus, 20740 (College Park), 20782, and 20783 (Hyattsville). Where ZIP Code data has not been published, ASL used data for broader geographies including the cities and the county.

### IDENTIFICATION OF OPTIONS

Based on ASL's experience and input from the steering committee, ASL provided a listing of faculty/staff programs at other institutions. This listing encompassed a range of simple programs, such as a housing resource center, through intermediate financial assistance programs to complex development programs. Based on this list



## METHODOLOGY

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of options and focus group feedback, ASL worked with the steering committee to determine which options should be considered for further study in the faculty/staff survey.

### FACULTY/STAFF SURVEY

ASL designed a faculty/staff survey with input from the steering committee and other stakeholders. The purpose of the survey was to collect demographic information, information on the faculty or staff member's current and preferred living situation, housing satisfaction, housing selection factors, and interest/disinterest in various assistance options. The Web survey was posted from September 20 and October 7, 2011. To notify faculty and staff, UM sent an invitation soliciting participation using an electronic mail message. UM also translated the survey into Spanish and made hard copies available in both English and Spanish to those who found this method to be easier. Incentives were offered to encourage participation including 20 one-day parking passes for Downtown College Park, six Zips dry cleaners gift certificates, and 100 \$10 certificates from participating Downtown businesses. With 1,847 responses from a distribution of 11,270, the survey achieved a 16% response rate, which is an acceptable response rate given that the survey was designed to gather general feedback on potential programs and not a demand estimate. It is a sufficiently high response rate to prevent the sample from becoming biased by a small group. Of the 1,847 responses, 871 were exempt staff, 413 were non-exempt staff, and 563 were from faculty members.



# FOCUS GROUPS/STAKEHOLDER INTERVIEW

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## FOCUS GROUPS/STAKEHOLDER INTERVIEW

### PARTICIPANTS

The focus group participants come from a variety of backgrounds. One had then been working at UM for only three weeks, while others have been working at UM for 30 years or more. Most are homeowners. A handful live in either College Park or University Park; the rest are widely dispersed and live not only in Montgomery or Howard counties, but in Washington DC, Annapolis, and Baltimore. Some participants know others who live as far away as Kent Island, Delaware, and Pennsylvania.

### ATTRACTIVE FEATURES/DRAWBACKS

The features that drew participants to UM and the area were the position at UM, the preference to live in a metropolitan area (which comes with the ability for spouses or partners to find employment), the ability to walk to work, good reputation of the local elementary school, and the generally positive environment.

Drawbacks to College Park include the fact that it is “student-ridden.” Student rentals around UM make living nearby infeasible; there are not many options for faculty or staff in College Park. One participant lived in College Park her first year at UM, but then moved because she did not feel safe. Other participants were also concerned about crime. However, those who do not live nearby face the challenge of commuting. Commuting to College Park is challenging and continues to get worse. The roads cannot support the number of cars.

The school system is also a drawback; while the elementary school is well-regarded, the middle and high schools are not. Participants appreciate the on-campus child care center, which has a positive reputation, but it does not accept children under three years of age.

There is no “culture” or “character” in College Park, which is why one participant moved to Takoma Park. University Park is nice, but only faculty can afford to live there. College Park amenities are “horrible.” There is no grocery store and shopping is limited. “Mom and pop” stores are gone; retail options do not change. PG Plaza is an unattractive option. Howard County is “150%” different.

### HOUSING SELECTION FACTORS

Participants listed a number of housing selection factors, including the following:

- Cost/affordability
- Commute time to campus
- Quality of school system
- Access to Metro and public transportation
- Single family home
- A “progressive” community (e.g., historic Greenbelt, Takoma Park)
- Community feel (e.g., ability to take walks, jog)
- “Kid-friendly” neighborhood
- Community amenities



# FOCUS GROUPS/STAKEHOLDER INTERVIEW

UNIVERSITY OF MARYLAND ▪ FACULTY/STAFF HOUSING MARKET ANALYSIS

- Child care for ages 0-3
- Feeling of safety and security

Most participants are satisfied with their housing situation. Those that are not noted as reasons that they would prefer to live in a different style of housing, they are living in a smaller unit than ideal (but cannot sell owing to the housing market), they are not living in their ideal neighborhood, the cost of housing is too high, and there are hassles and time spent on commuting.

## IMPACT OF HOUSING ON RECRUITMENT AND RETENTION

Housing prices in the area are high and the cost of living is a challenge, though the recent decline in home values has made the housing search a bit easier. Newcomers sometimes need to accept a smaller home than where they came from. Though the job is the main draw, housing factors have a negative impact on recruitment of those from outside the area. One faculty participant noted that their department had lost a faculty member to another institution because the recruit could not afford to buy a home in the area and wound up at an institution where she could walk to campus. An administrator participant also noted losing top candidates because of the local housing market. The challenge is greater for entry-level faculty and staff; established tenured professors have a bit of an easier time.

Housing also adversely impacts retention even for local recruits, who sometimes only last a few weeks once they realize commuting is a challenge. Taxes are high in Maryland; rents are going up and salaries are stagnant, making it hard to stay.

## HOUSING PROGRAMS

Candidates frequently ask if UM helps with moving expenses or has short-term rental housing or home-buying assistance; perks like this would help with recruiting. One administrator participant noted that Princeton (where he previously worked) has a faculty/staff housing program with below market rental housing, homes for purchase, and a mortgage program; he noted the faculty/staff program was a “huge, huge draw” in accepting the position at Princeton.

A ground lease for-sale development program similar to the one at the University of California Irvine would help with faculty recruitment even if the candidate was not thinking about buying at first. Such a program would be important for senior faculty as well. A drawback to such a program would be locating the low- or no-cost land required to make the program pencil, especially in College Park. One participant who was familiar with the Irvine program expressed concern that if such a community is developed at UM, care should be taken to make sure that not all the houses look the same as they do at Irvine. Another participant expressed concern that unless the K-12 school system is improved, this model would not work for UM.

In general, participants seemed more interested in financial assistance programs and a rental program. A financial assistance program might be of more interest to trades and maintenance staff owing to affordability and credit issues for some. Those just out of graduate school also typically have little capital and may also be interested. Forgivable loans, both for help with downpayment/closing costs and renovation sound like appealing options. Including housing within a certain radius of campus is a good idea because it would add to the long-term vision for improvement to the community. Regardless of the program, faculty and staff should have the freedom of choosing their own home and not having someone pick it for them. In terms of rental housing, one participant



# FOCUS GROUPS/STAKEHOLDER INTERVIEW

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stated that “these days, people are iffy about wanting to own anything” making a rental program more logical. Another participant stated that if rental housing was offered, faculty and staff would “swarm all over it.”

A housing resource center would also be helpful. One participant believed that this idea was to be discussed but to date it has not been. In general, new employees need to do their own research, rely on word of mouth from others in their department regarding neighborhoods or real estate agents, and use the Internet. Factual information on the school system would be helpful as well as information on transportation. Assistance with finding roommates would be helpful.

## ADDITIONAL FOCUS GROUP COMMENTS

UM should get involved in K-12 education, potentially by helping the community develop a school. There have reportedly been discussions about collaborating with the nearest elementary school, but not the middle or high school. High schools near Penn State are some of the best in the area because of Penn State’s involvement. Even younger ages need help—birth to three-year-old care and “drop-in” care is needed on campus. Even a child care referral program would be helpful.

## STAKEHOLDER INTERVIEW

Having faculty and staff live in College Park would create a stronger sense of community and of a college town, both between faculty/staff and students as well as between UM and the neighborhood. “Interesting people of all ages” would be a positive result. Other positive benefits would be more varied retail and dining. If faculty and staff lived in College Park instead of just working there, perhaps they would be more involved in improving the public schools and providing services and amenities that would benefit the community as a whole.

One of the primary reasons faculty and staff do not currently live in College Park has much to do with perception—public safety is not really the issue many believe it is. Some of the housing stock in the neighborhood is older and not modernized, e.g., some homes have only one bathroom. However, some of the older housing is “charming” such as that in Berwyn Heights. If more faculty and staff saw this housing, they might change their opinion of the area. One other issue is the lack of variety in housing styles; there is little in the way of condominiums and townhomes in the City.

As the focus group participants pointed out, the ground lease program would be of interest, though where the land would come from is the question. There are no ideal sites, although if such a program would move forward there are several sites that could be evaluated. The forgivable loan programs and the centralized source of information would also be helpful.

College Park should be a “world class college town.” Developing a faculty/staff housing program and continuing and creating new joint marketing and other ventures would help achieve this goal.



# OFF-CAMPUS MARKET ANALYSIS

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## OFF-CAMPUS MARKET ANALYSIS

### MARKET OVERVIEW

#### AREA INCLUDED IN THE STUDY

The area focused on in the study consists of ZIP Codes 20740 (College Park/Berwyn Heights), 20782 (Hyattsville/University Park), and 20783 (Hyattsville/Adelphi). The campus is ZIP Code 20742, uncolored, wholly contained in 20740, as shown in Figure 1, below.

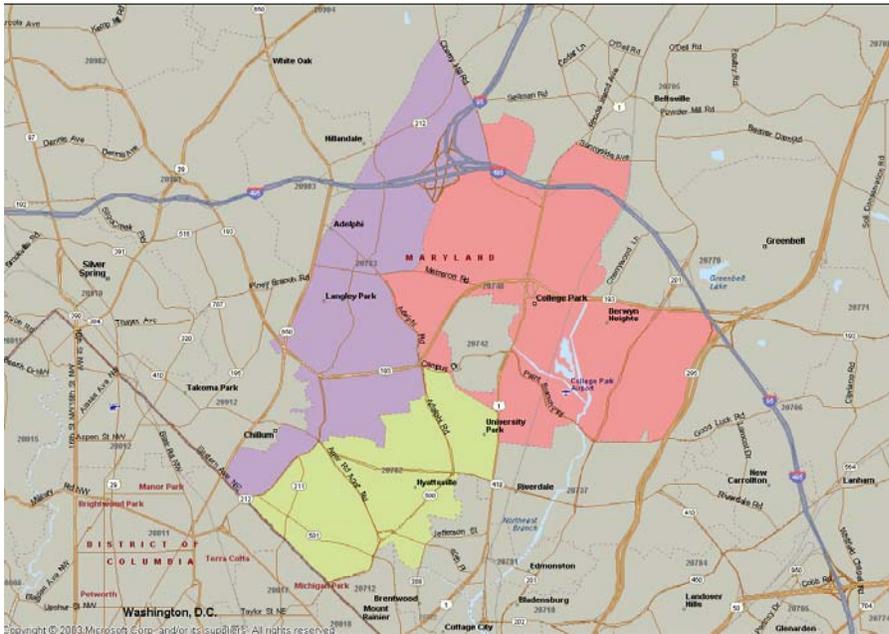


Figure 1: 20740 (salmon), 20782 (puce), and 20783 (lavender)

#### LOCAL ECONOMY

According to the US Department of Housing and Urban Development, 2011 marked a period of improvement in the Mid-Atlantic region after two years of decline.<sup>2</sup> Payrolls began to increase, following 2010 job losses, and Maryland recorded gains in the professional and business services and education and health services sectors that offset losses in the construction subsector and the manufacturing and financial services sectors.

#### PUBLIC POLICY

In December 2011, Governor O'Malley enacted PlanMaryland, “the State’s first comprehensive plan for sustainable growth and development.”<sup>3</sup> According to the Washington Post, under PlanMaryland, “local governments that encourage dense development in existing towns and cities will be rewarded with continued funding.”<sup>4</sup>

<sup>2</sup> U.S. Housing Market Conditions, Department of Housing and Urban Development, Office of Policy Development and Research, 3<sup>rd</sup> Quarter 2011, pp. 36-38 <[http://www.huduser.org/portal/periodicals/ushmc/fall11/USHMC\\_3q11\\_regional.pdf](http://www.huduser.org/portal/periodicals/ushmc/fall11/USHMC_3q11_regional.pdf)>

<sup>3</sup> <http://plan.maryland.gov/whatIsIt/whatIsIt.shtml>



# OFF-CAMPUS MARKET ANALYSIS

## TRANSPORTATION

UM's Campus is located on US Route 1 in College Park and is not far from the Capital Beltway, I-495. Several major bus lines serve the Route 1 corridor, but the Metrorail transit system's closest stop is College Park-U of MD, over a mile from campus. Development of a new light rail line, the Purple Line, is proceeding, however. The Federal Transit Administration has allowed the project to enter the Preliminary Engineering phase, the next step towards fruition. Although not a guarantee of federal funding, this phase moves it towards reality.<sup>5</sup> Local governments in College Park and Hyattsville support the project.

The Purple Line's 16-mile route begins at the west end at the Metrorail stop in Bethesda and winds its way through Silver Spring and terminates at the Metrorail stop at New Carrollton. Five stops (University College, UMD Student Union, East Campus/Route 1, College Park Metro, and River Rd./M Square) would serve the UM community. UM resolved issues with the planned route through the center of campus requiring realignment of Campus Drive and the university in 2011 now supports the planned route. When completed, the Purple Line will make access to campus easier and expand the range of convenient housing options for faculty and staff.

In terms of current transportation, residents of 20740 have a shorter commute and are more likely to drive/carpool or walk/bike to work, as Table 1 shows, but about three quarters of residents drive or carpool from all three ZIP Codes.

	20740	20782	20783
Commute length	23	31	32
Drive/Carpool	79%	74%	76%
Public Transportation	10%	21%	18%
Walk/Bike/Other	8%	4%	6%

Source: The Washington Post Neighborhood Guide

**Table 1: Transportation by ZIP Code**

## SAFETY

Neighborhoods near UM vary in safety and types of crime. While 20783 in Hyattsville has higher crime rates across the board, as Figure 2 shows, it has over four times the rate of motor vehicle thefts as 20740 but a rape risk index only about a third higher than 20740.<sup>6</sup>

<sup>4</sup> Maryland Governor Signs Land Use Order, Aaron C Davis, 12/19/2011, The Washington Post, <[http://www.washingtonpost.com/local/md-politics/maryland-governor-signs-land-use-order/2011/12/19/gIQA8UmR5O\\_story.html](http://www.washingtonpost.com/local/md-politics/maryland-governor-signs-land-use-order/2011/12/19/gIQA8UmR5O_story.html)>

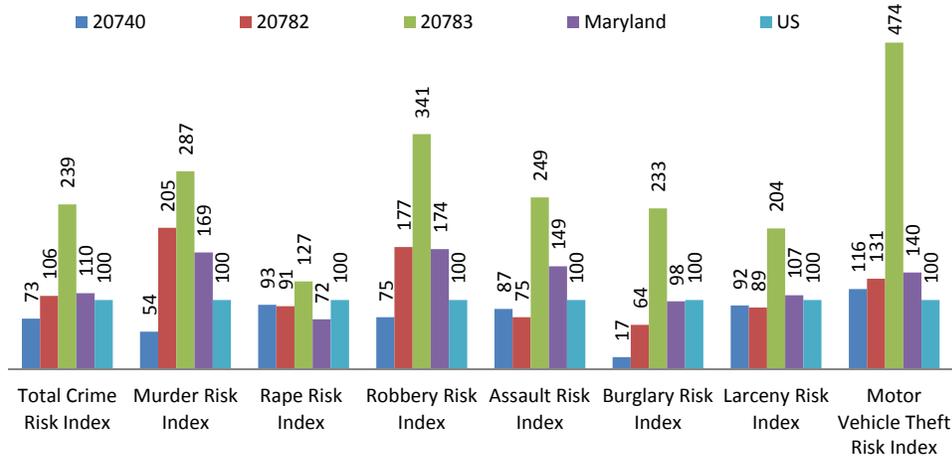
<sup>5</sup> University Drops Campus Drive Alignment Opposition, Clay Gump, Rethink College Park, June 2, 2011 <<http://rethinkcollegepark.net/blog/2011/5539/>>

<sup>6</sup> CLRsearch Crime Index <[http://www.clrsearch.com/20740\\_Demographics/?compare=20783](http://www.clrsearch.com/20740_Demographics/?compare=20783)>



# OFF-CAMPUS MARKET ANALYSIS

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Source: CLRsearch.com 2010 Crime Rate Index

**Figure 2: 2010 Crime Index, 20740, 20782, 20783, Maryland, and U.S.**

## SCHOOLS

Schools in the three ZIP Codes surrounding campus are generally rated in the middle of the range by the greatschools.org system, as Table 2 shows, but University Park Elementary and Cesar Chavez Elementary both rated as 7 on the 1-10 scale, with 10 being the highest.<sup>7</sup> Another local high school, Eleanor Roosevelt, in Greenbelt, also received a 7 rating.

<sup>7</sup> See greatschools.org, [www.greatschools.org](http://www.greatschools.org). GreatSchools, Inc. has listings of 200,000 public and private schools serving students from preschool through high school and more than 800,000 parent ratings and reviews. School ratings are based on standardized test scores. One of its primary donors is the Bill & Melinda Gates Foundation.



# OFF-CAMPUS MARKET ANALYSIS

## UNIVERSITY OF MARYLAND ▪ FACULTY/STAFF HOUSING MARKET ANALYSIS

School Name	Grades	Street Address	City	ZIP	Rating*	% Free/ Reduced Lunch
Berwyn Heights Elementary	K-6	6200 Pontiac St	Berwyn Heights	20740	5	61%
Hollywood Elementary	PK-6	9811 49Th Ave	College Park	20740	5	65%
Paint Branch Elementary	PK-6	5101 Pierce Ave	College Park	20740	5	68%
Cesar Chavez Elementary	K-6	6609 Riggs Rd	Hyattsville	20782	7	72%
Chillum Elementary	PK-6	1420 Chillum Rd	Hyattsville	20782	5	75%
Nicholas Orem Middle	6-8	6100 Editors Park Dr	Hyattsville	20782	2	81%
Northwestern High	9-12	7000 Adelphi Rd	Hyattsville	20782	3	60%
Rosa L. Parks Elementary	PK-6	6111 Ager Rd	Hyattsville	20782	2	80%
University Park Elementary	PK-6	4315 Underwood St	Hyattsville	20782	7	41%
Mary Harris "Mother" Jones Elementary	PK-6	2405 Tecumseh St	Adelphi	20783	5	92%
Adelphi Elementary	PK-6	8820 Riggs Rd	Adelphi	20783	5	77%
Buck Lodge Middle	7-8	2611 Buck Lodge Rd	Adelphi	20783	3	84%
Cherokee Lane Elementary	PK-6	9000 25Th Ave	Adelphi	20783	5	78%
Cool Spring Elementary	PK-6	8910 Riggs Rd	Adelphi	20783	4	88%
Langley Park/McCormick Elementary	PK-6	8201 15Th Ave	Hyattsville	20783	3	91%
Lewisdale Elementary	PK-5	2400 Banning Pl	Hyattsville	20783	6	87%
Ridgecrest Elementary	PK-6	6120 Riggs Rd	Hyattsville	20783	2	85%
<b>Average</b>					<b>4.4</b>	<b>76%</b>
Prince George's County Maryland Public School District			<i>District weighted average</i>		4	
Montgomery County Maryland Public School District			<i>District weighted average</i>		7	
Howard County Maryland Public School District			<i>District weighted average</i>		8	
Anne Arundel County Maryland Public School District			<i>District weighted average</i>		7	
Washington DC Public School District			<i>District weighted average</i>		6	

\* greatschools.org rating (1-10, 10 is best) from washingtonpost.com and greatschools.org

**Table 2: Public Schools in 20740, 20782, and 20783, County, and Neighboring Districts**

## RENTAL MARKET

### GENERAL MARKET CONDITIONS

According to Marcus & Millichap, the Washington DC Metropolitan area is characterized by “steady improvements,” with over 16,000 units having been filled since vacancy peaked in 2009 and future vacancy gains limited by a current rate under 5%. Marcus & Millichap forecasts that in the metropolitan area, vacancy will decrease to 4.4% and rents will rise 2.7%.<sup>8</sup>

<sup>8</sup> Apartment Research Market Report, Washington, D.C. Metro Area, Fourth Quarter 2011, Marcus & Millichap, <[http://www.marcusmillichap.com/research/reports/Apartment/WashingtonDC\\_4Q11Apt.pdf](http://www.marcusmillichap.com/research/reports/Apartment/WashingtonDC_4Q11Apt.pdf)>



# OFF-CAMPUS MARKET ANALYSIS

UNIVERSITY OF MARYLAND • FACULTY/STAFF HOUSING MARKET ANALYSIS

According to Red Capital Group's second quarter of 2011 projections, rents will grow at a compound average annual effective rate of 3.8% through 2015, but a cautious payroll outlook will limit vacancy improvement to only a 10 basis point improvement.<sup>9</sup>

## OVERALL TRENDS

Although trends have favored the overall market, Marcus & Millichap found that Class C properties lagged in comparison to Class A and Class B properties, having "yet to gain significant traction." In particular, "properties in working-class areas of [Washington D.C.] or Prince George's County, especially, remain challenged by high vacancy and weak rent collections."<sup>10</sup>

Specifically within the UM areas, as shown in Table 3, Red Capital Group found that College Park/Greenbelt rents had increased 2.3% over 2010 and vacancy had increased by 240 basis points to 7.1%, while in Hyattsville, rents had increased by 5.7% and vacancies had declined by 280 basis points to 3.3%.<sup>11</sup>

Submarket	Effective Rent			Physical Vacancy		
	2Q 2010	2Q 2011	% Chg.	2Q 2010	2Q 2011	Chg.
Rockville	\$1,518	\$1,574	3.7%	7.0%	7.5%	50 bps
Northeast Montgomery	\$1,211	\$1,251	3.4%	5.7%	4.5%	-120 bps
Gaithersburg / Germantown	\$1,274	\$1,311	2.9%	5.1%	3.6%	-150 bps
Bethesda / Chevy Chase	\$1,809	\$1,898	4.9%	8.9%	3.9%	-500 bps
Kensington / Wheaton	\$1,315	\$1,354	3.0%	4.3%	2.6%	-170 bps
Takoma Park	\$1,128	\$1,155	2.4%	5.5%	2.9%	-260 bps
Laurel	\$1,204	\$1,229	2.2%	9.0%	5.6%	-340 bps
College Park / Greenbelt	\$1,209	\$1,237	2.3%	4.7%	7.1%	240 bps
Hyattsville	\$1,070	\$1,132	5.7%	6.1%	3.3%	-280 bps
Forest Heights	\$1,008	\$1,040	3.2%	7.5%	5.4%	-210 bps
District Heights	\$977	\$985	0.8%	8.1%	6.8%	-130 bps
Landover	\$1,067	\$1,099	3.0%	7.9%	5.2%	-270 bps
Silver Spring	\$1,397	\$1,436	2.8%	6.8%	4.8%	-200 bps
Frederick County	\$940	\$964	2.6%	6.4%	4.7%	-170 bps
Metro	\$1,218	\$1,257	3.2%	6.6%	4.9%	-170 bps

Source: Red Capital Group

**Table 3: Rent and Vacancy, 2nd Quarter 2010 and 2011**

## FOR SALE MARKET

### GENERAL MARKET CONDITIONS

Despite a rebounding economy, HUD reports that existing home sales in Maryland were down 9% in the 12 months ending September 2011 compared to a year earlier, and construction of new homes mirrored this decline,

<sup>9</sup> Red Capital Group, Suburban Maryland: Multifamily Housing Update, 2Q11, September 2011  
<[http://www.redcapitalgroup.com/Request/GetReport.aspx?reportname=RCH-MD-002\\_SuburbanMaryland\\_2Q11.pdf](http://www.redcapitalgroup.com/Request/GetReport.aspx?reportname=RCH-MD-002_SuburbanMaryland_2Q11.pdf)>

<sup>10</sup> Ibid 1

<sup>11</sup> Ibid 2



# OFF-CAMPUS MARKET ANALYSIS

## UNIVERSITY OF MARYLAND • FACULTY/STAFF HOUSING MARKET ANALYSIS

with 7,510 single family homes permitted, a decrease of nearly 8%, and 3,220 multi-family units permitted,<sup>12</sup> a decrease of 6%.

### OVERALL TRENDS

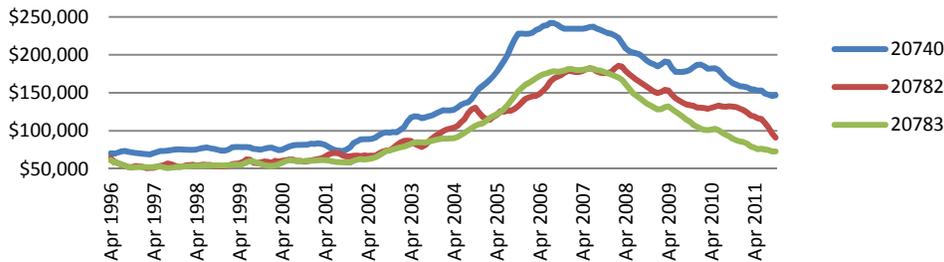
As Table 4 shows, the number of housing units sold in Prince George's County grew from 2010 to 2011 while the number sold in the State of Maryland fell, but the average and median prices fell by more than the rest of the State. For both years, the County had fewer months of inventory than the State average.

	Units			Average price			Median Price			Pending Units		Active Inventory		Months of Inventory	
	2011	2010	% Chg	2011	2010	% Chg	2011	2010	% Chg	2011	2010	2011	2010	2011	2010
Prince George's	626	574	9.1%	\$183,235	\$195,232	-6.1%	\$163,400	\$176,450	-7.4%	984	755	3,829	4,883	6.1	8.5
Maryland	3,798	3,849	-1.3%	\$277,472	\$287,156	-3.4%	\$230,460	\$240,791	-4.3%	4,877	4,386	32,120	38,454	8.5	10

Source: Maryland Association of Realtors

**Table 4: Housing Statistics November 2011**

Over the past 15 years, the median sales price of condominiums increased from 1996 to 2006-08 and then has declined to levels first reached in 2003-04, as Figure 3 shows. Condominiums in 20740 have typically exceeded those in 20782 and 20783 in value, but 20782's median prices have exhibited a wider gap from those in 20783 since 2008.



Source: Zillow.com

**Figure 3: Median Sales Price of Existing Condominiums, 1996–2011**

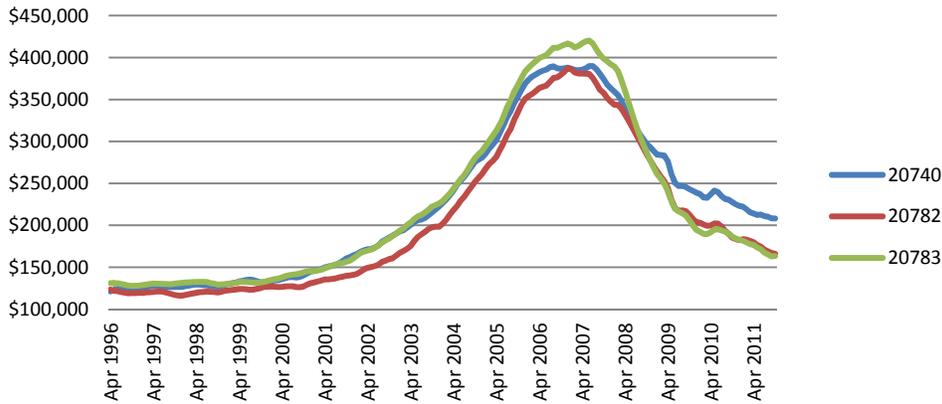
While single family homes in 20740 are now considerably higher than those in 20782 and 20783, this has only been true since 2008; for the four years previously, 20783's values were higher, as Figure 4 shows.

<sup>12</sup> Multi-family permits include both rental apartments and for-sale condominiums.



# OFF-CAMPUS MARKET ANALYSIS

UNIVERSITY OF MARYLAND • FACULTY/STAFF HOUSING MARKET ANALYSIS

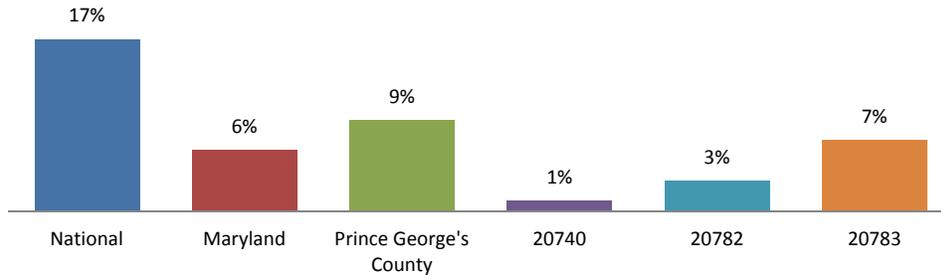


Source: Zillow.com

**Figure 4: Median Sales Price of Existing Single Family Homes, 1996–2011**

## FORECLOSURES

Although there have been foreclosures in the College Park and Hyattsville areas around campus, the rate is well below the national average of homes that are in some stage of foreclosure, as Figure 5 shows. All three local ZIP codes have rates of foreclosures below the county average, and only 20783's rate exceeds the state average of 6%.



Source: RealtyTrac.com

**Figure 5: Foreclosure Rates, US, MD, Prince Georges County, 20740, 20782, and 20783**

# IDENTIFICATION OF OPTIONS

## IDENTIFICATION OF OPTIONS

### Existing Options

ASL asked the steering committee to share any information on existing options. Two options were provided – the Work & Live College Park program and an informational website. The Work & Live College Park program is currently unfunded, but had previously been funded by State of Maryland, the City, the CPC-UP, the College Park Housing Authority, and UM. The program provided up to \$35,000 interest-free loan with a 10-year term, available to those living and working in College Park. Loan proceeds were used for downpayment and closing cost assistance for the purchase of a foreclosed home in the 20740 ZIP code. The loan amount was based on 10% of the purchase price up to the \$35,000 maximum. For each year the borrower lived in the house as their primary residence, 10% of the loan was written down. Applicants had to make 120% or less of the area median income and contribute a minimum of \$2,000 cash toward the purchase of the home.

The City of College Park also operates the New Neighbors Program for Police and City Employees. The purpose of the grant program is to provide up to \$7,500 in downpayment and closing assistance to encourage the conversion of single-family rental properties to owner-occupied housing. The housing must be located in College Park; the program is not income-restricted. If the recipient lives in the property for a minimum of five years, the grant does not have to be repaid. The program currently only has \$5,000 remaining.

The Office of Faculty Affairs has started a relocation website ([www.faculty.umd.edu/relocate](http://www.faculty.umd.edu/relocate)). The website provides relocation information in three categories—housing, moving assistance, and communities. The housing “branch” provides information on both rentals and for-sale housing as well as local community descriptions, area school information, and public transportation. The “communities” branch also provides useful information regarding issues such as child care referral services and utility services. Faculty can also ask for personalized assistance either through email or phone.

### FACULTY/STAFF ON-CAMPUS HOUSING COMMUNITY

The tested program is based on a popular housing program that has been in place at the University of California Irvine since the mid-1980’s as well as at other institutions that have followed it. If UM were to develop a faculty-staff housing community, several techniques could be utilized. In order to keep the homes affordable both now and into the future, the homes would be sold under a long-term ground lease arrangement. This means that a buyer would purchase the home, but not the land, which the buyer would lease from UM or a UM-affiliated entity. The ground lease program enhances affordability by removing the cost of the land from the purchase price. This results in a sales price that is lower than similar homes in the market. This lower price is partially offset with ground rent (some of which might be deferred until the home is resold). The ground lease also allows UM to maintain affordability by indexing the maximum resale price of the home based on an inflationary index. To keep the homes available for UM employees, the ground lease also contains resale restrictions requiring that when a home is sold it will first have to be offered to UM or its employees for a certain period of time.

Especially in its growing years, the Irvine community did not offer enough homes for all that wanted them. A priority system was devised as follows:

- Newly recruited members of the Academic Senate and the Senior Management Group
- Current members of the Academic Senate and the Senior Management Group



# IDENTIFICATION OF OPTIONS

- Newly recruited members of the university's non-Senate Academic Staff and Management and Senior Professional Group (examples of these include clinical and adjunct professors, lecturers, post doctoral and professional researchers, specialists and librarians).
- Current Academic Staff and Management and Senior Professionals
- Other university staff



The Irvine community (known as University Hills) currently has 940 for-sale units with 49 under construction. A significant number of rental units—240—are also a part of the community. Though most of the land is developed, there are still several small parcels that may accommodate up to 150 more units, most likely rentals. Though there is still a waitlist for the 25-35 resales that become available each year, the university needs to “dig a little deeper” in the waitlist to fill the units. Recruitment is not the issue it was previously, given the cuts in California’s budgets (reducing the number of recruits) and decreases in home prices in the off-campus market (making homes in the off-campus community more affordable without using a ground lease program.) Also, given the age of the community, 10–12% of the homes are occupied by retirees, but this is seen as a benefit to the institution so no restrictions have yet been placed on how long occupants may continue living in the community.

## FACULTY/STAFF OFF-CAMPUS HOUSING

In an off-campus option, a ground lease program similar to the on-campus faculty/staff housing community would still be the mechanism to create affordability, but the home would be in the outside market; the faculty or staff member would purchase the living unit and UM or its affiliate would buy the land. This is similar to a program in place at Cal Poly Pomona. In 2004, Cal Poly’s Foundation began to acquire single-family homes within walking distance of campus. The Foundation currently has 17 single-family homes with three-four bedrooms in its program. Though the homes are from the mid-1950’s, many have been renovated. Only one home is currently available.



In 2007, the Foundation added another ground-lease development to its program. Though located seven miles from campus, the community contains the same benefits and restrictions as the Irvine model. The Foundation acquired Fair Oaks Walk, a community of 34 new three-bedroom townhomes. All homes were fully-subscribed upon acquisition. At the current time, two units are available for rental (or sale) by the Foundation as several homeowners exercised a buyback option which gives the homebuyer the right to require the Foundation to repurchase the home at a price equal to the original purchase price for up to three years. Given present market conditions, the homes did not sell quickly, leading the Foundation to also open the homes up for rental.

The Foundation also offers a Faculty/Staff Homebuyer Assistance Program (FSHAP) to all full-time faculty, staff, and Auxiliary employees wishing to own a home in one of the two developments. The maximum loan is the lesser of 20% of the purchase price or \$70,000. Though Foundation only requires a 2% downpayment, many lenders require at least 5%. Repayment of the interest-bearing loan can either be at the time the first mortgage is paid off or in periodic payments which can be deferred for the first five years of the loan.



# IDENTIFICATION OF OPTIONS

The Fair Oaks Walk property (though not the financing program) is also open to non-university employees. The eligibility list is as follows:

- Cal Poly Pomona faculty and staff: full-time and part-time faculty, full-time administration and auxiliary employees.
- Education sector faculty and staff at other local colleges and universities, Unified School Districts, etc.
- Public safety sector: fire, police, search and rescue
- Medical sector employees and staff at local hospitals and medical facilities
- Public employees of the State of California, County of Los Angeles, local cities
- Cal Poly Pomona Alumni

## FACULTY/STAFF RENTAL APARTMENT COMMUNITY

With a faculty/staff rental community, UM would either acquire or develop a rental apartment community on or near campus. Many institutions offer such programs as they are simpler to put into place than ground lease communities, since the programs do not have an ownership option.

A recent, local example of such a program is at George Mason University. Masonvale, an on-campus apartment community with 157 townhomes, opened in 2010 and is currently 100% occupied. Maximum lease terms are typically 12 to 24 months. The distribution and rents (which do not include utilities) of the units are as follows:

- One bedroom units; 617-679 square feet; \$1,245-\$1,325 per month
- Two-bedroom units: 892-1,038 square feet; \$1,575-\$1,785 per month
- Three-bedroom units: 1,329-1,469 square feet; \$2,015-\$2,185 per month



To be eligible to live in the community, the renter must be a Mason employee, graduate or professional student, or a City of Fairfax/County employee including the public school system. Within these groups, there is a priority system with 11 different categories, starting with “priority lessees” identified by Mason as someone “whose recruitment or retention will significantly advance institutional development”, followed by new tenured, tenure-track, or research faculty recruits. The lowest priority is given to the City of Fairfax/County employees. According to the property manager, the majority of residents are faculty and staff though there are a number of students as well as those in other categories.

An alternative to a faculty/staff rental apartment community in which all units are part of the same complex is for UM to purchase units in the neighborhood adjoining campus and rent the homes to faculty and staff. The University of Delaware operates approximately 60 homes in such a program. The homes range in size from two-bedrooms to four-bedrooms; rent ranges from \$675 to \$1,350. The homes are fully-occupied with a mix of faculty and staff. There is a waiting list for the homes. Priority is given to new employees and there is a two-year occupancy limit.



# IDENTIFICATION OF OPTIONS

## FORGIVABLE PURCHASING LOAN PROGRAM

Such a program is similar to the currently unfunded Work & Live College Park program. A number of colleges and universities offer such programs, which are typically targeted to encourage homeownership and neighborhood revitalization.

As an example, Drexel University offers a \$15,000 forgivable home purchase loan to eligible university employees. The following primary guidelines apply:

- The property cannot be more than a two-family home.
- The home must be within defined geographic boundaries.
- The property must be the owner's primary residence for at least five years. If not, the loan amount due is pro-rated.
- The loan must be used for closing costs, downpayment assistance, and other loan origination costs.

The University of Delaware offers two similar programs. In the Neighborhood Mortgage Assistance Program, the university provides faculty and staff buying homes within targeted neighborhoods with a \$5,000 cash loan at settlement; the loan is forgiven at a rate of \$1,000 per year. Approximately 20 loans have been made since the program started in 1998. In the Home Purchase Assistance Program (available only to faculty and professional staff), participants receive a similar \$5,000 forgivable loan when purchasing a home "within reasonable commuting distance of work location." Because the program has less restrictive rules regarding the location of the home, 906 such loans have been made since 1998, equating to 65 loans per year (although the number fluctuates each year.) Faculty and professional utilizing the Home Purchase Assistance Program may also participate in the Neighborhood Mortgage Assistance Program if they meet the qualification criteria.

## FORGIVABLE IMPROVEMENT LOAN PROGRAM

A number of institutions also offer forgivable home improvement loans. For example, Drexel also offers \$5,000 forgivable loans when the proceeds are used to renovate the façade of a home. The University of Pennsylvania also offers such a program to full-time employees with the following primary guidelines, which are similar to those above.

- The proceeds need to be used not only for closing costs or downpayment assistance, but for interior repairs, exterior repairs, or to convert a property from a multi-family to a single-family residence.
- The home must be a one- or two-family home.
- The home must be the borrower's primary residence and be located within specific geographic boundaries.
- Debt-to-income ratio and credit score guidelines must be met.

The University of Pennsylvania was well-known for its mortgage guarantee program, which since 1965 had allowed faculty and staff purchasing homes in the area to borrow 105% to 120% of the home's value (5% for closing costs and 15% toward home rehabilitation) with the university guaranteeing the mortgage. In 2008 the university was no longer able to offer the guaranteed mortgage program in light of tightening credit standards in the home loan industry.



# IDENTIFICATION OF OPTIONS

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The University of Delaware also initiated a program that has since been terminated except for those hired before June 30, 1988, resulting in only two or three participants per year in what had been a popular program. The program provided loans for 90% of the appraised or purchase price for the home, whichever was lower.

## HOUSING RESOURCE CENTER

UM already has a good start on developing a housing resource center with the creation of the Faculty Affairs relocation website. UM may want to consider expanding its services beyond incoming faculty and serve other incoming and existing employees as well. The types of services most frequently offered by such centers include the informational services already offered on the website as well as the ability to negotiate discounts with brokers and other real estate service providers, provide a consistent level of service for all interested faculty and staff, take the burden off individual departments, and serve as the focal point for any other programs that are developed. The resource center could also serve as the provider of information on the benefits of living in College Park through co-marketing with the City. If the services are expanded beyond the electronic medium, a physical office would also be a good mechanism to reach out to UM employees.

An example of such a service is offered at the University of California Santa Barbara. The Faculty Housing Office offers a number of services, but also teams with two other organizations to provide a fuller array. The Faculty Housing Office provides counseling on the mortgage program provided by the system, manages UCSB's for-sale land-lease condominium community, and provides staff relocation assistance by answering questions about the area and arranging for professional tours of local neighborhoods. The Faculty Housing Office also operates in tandem with UCSB's Community Housing Office, which provides services to students, faculty, staff, and property providers. Services include off-campus rental listings, educational workshops about renting in the community, landlord/tenant dispute resolution, mediation, neighborhood profiles, and general information. UCSB is also a member of the nonprofit Coastal Housing Partnership, an organization of employers in the Santa Barbara area. Annual dues per employer vary based on the number of employees. By using designated providers, home buying benefits include discounts such as a 20% rebate of the real estate agents' commission back to closing costs, waiving of certain lender fees, and in some cases even appraisal costs. Inspection companies also offer savings off their fees. These home buying benefits can also be used for employees who are refinancing their homes. Those interested in renting a home can receive a discount of \$50 to \$100 per month, depending on how many bedrooms the unit has. And last, but not least, the organization also offers educational resources such as home buying seminars and foreclosure prevention seminars.

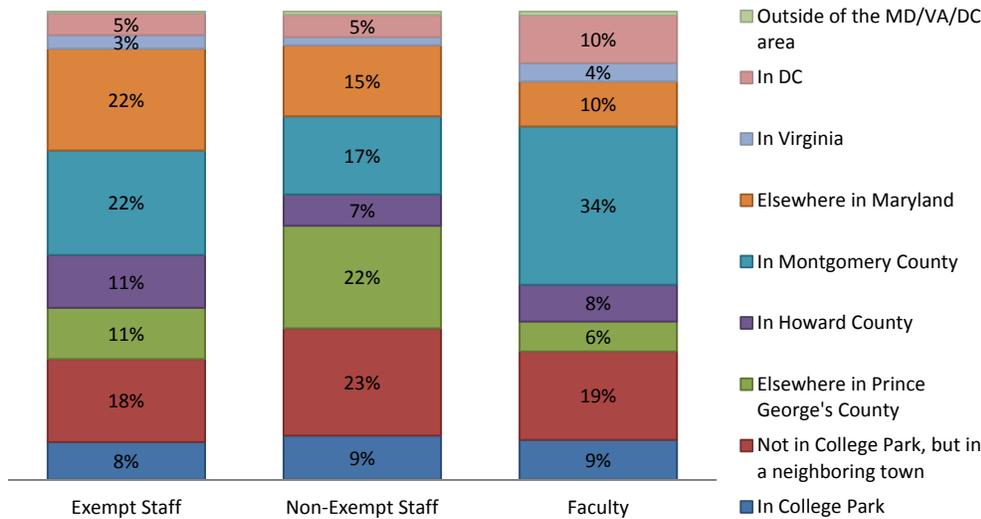


# FACULTY/STAFF HOUSING SURVEY

## FACULTY/STAFF HOUSING SURVEY

### CURRENT RESIDENCE

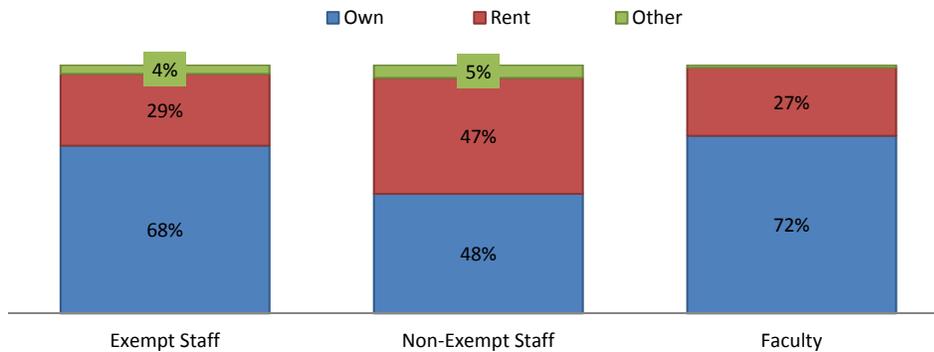
As shown in Figure 6, less than 10% of faculty and staff live in College Park, but between 18% to 23%, depending on employment category, live in a neighboring town. Non-exempt staff are more likely to live elsewhere in Prince George’s County than others and faculty are more likely than either staff category to live in Montgomery County.



**Figure 6: Current Home Location**

### RENT VS. OWN

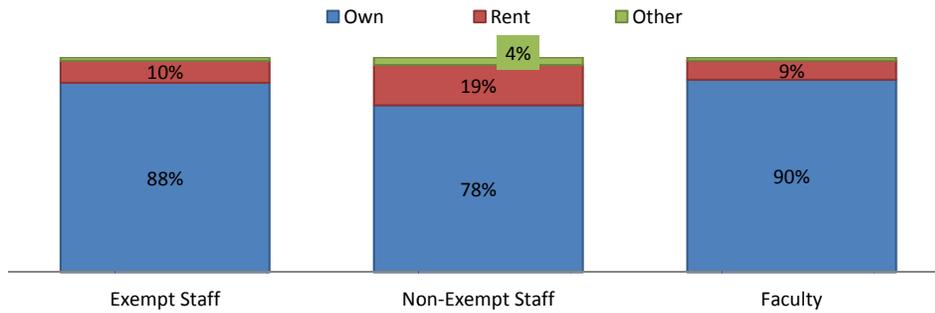
As shown in Figure 7, faculty are slightly more likely than exempt staff to own their housing; non-exempt staff were fairly evenly divided between renting and owning. However, as can be shown in Figure 8, significant percent ages of renter respondents across the board would prefer to own. Figure 9, Figure 10, and Figure 11 illustrate the rent vs. own preferences in more detail for each employment category.



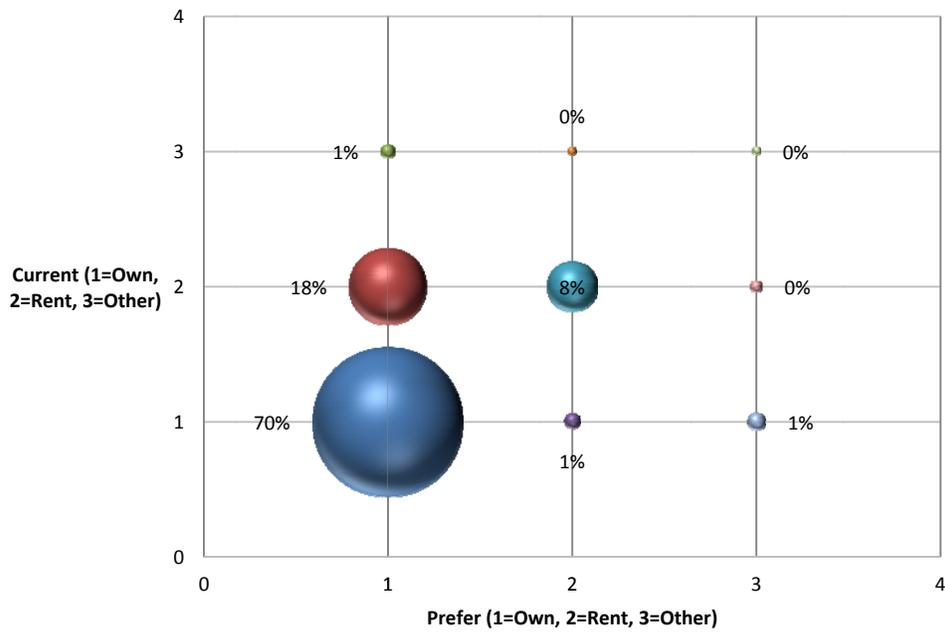
**Figure 7: Current Living Situation**

# FACULTY/STAFF HOUSING SURVEY

UNIVERSITY OF MARYLAND • FACULTY/STAFF HOUSING MARKET ANALYSIS



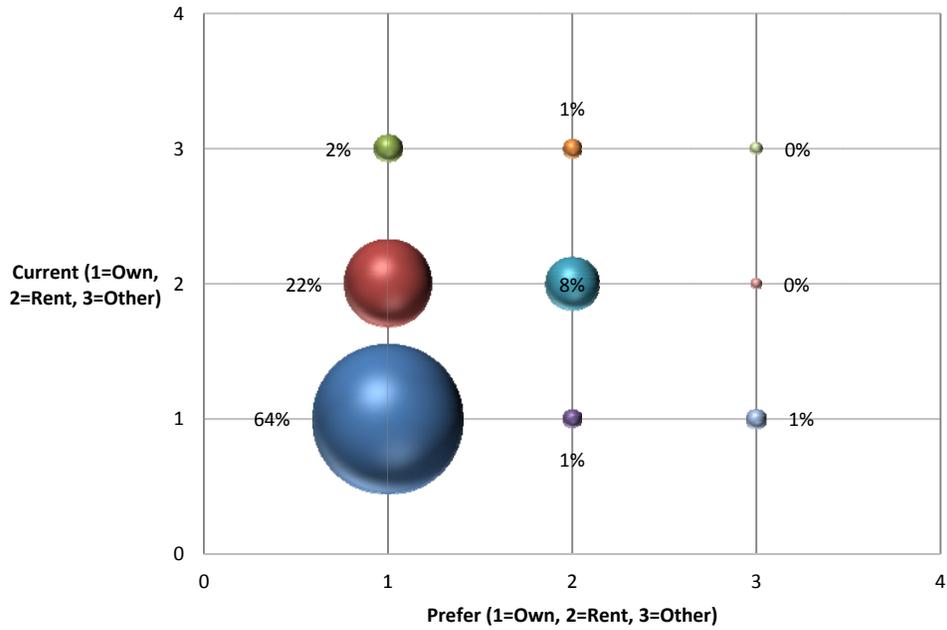
**Figure 8: Preferred Living Situation**



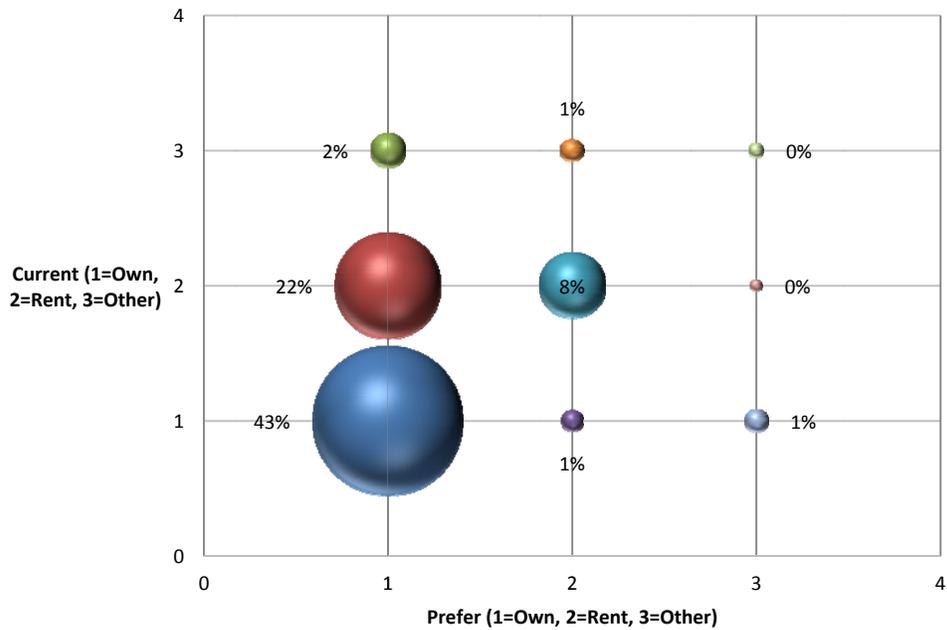
**Figure 9: Faculty Current vs. Preferred Situation**

# FACULTY/STAFF HOUSING SURVEY

UNIVERSITY OF MARYLAND • FACULTY/STAFF HOUSING MARKET ANALYSIS



**Figure 10: Exempt Current vs. Preferred**

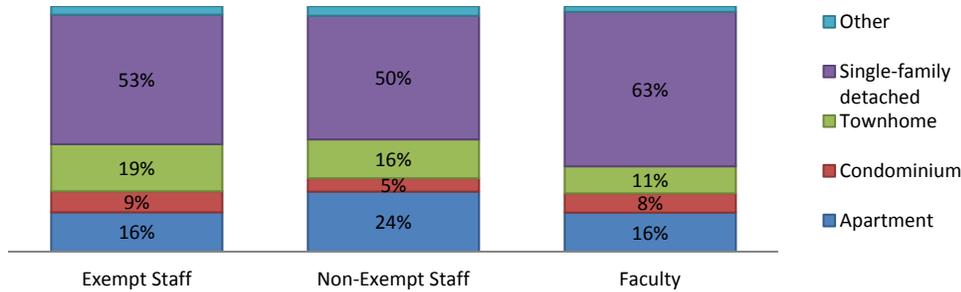


**Figure 11: Non-exempt Current vs. Preferred**

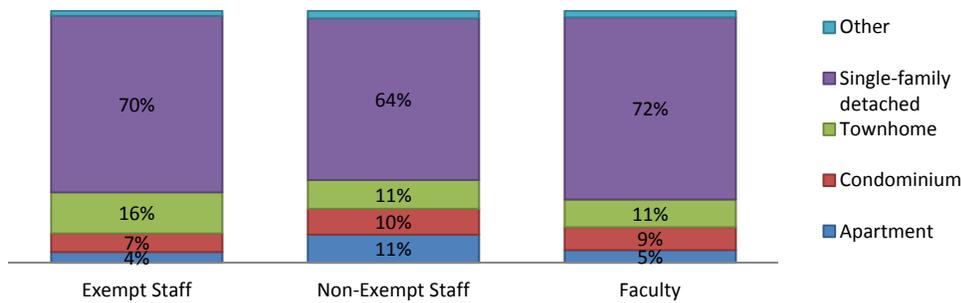
# FACULTY/STAFF HOUSING SURVEY

## CURRENT HOUSING TYPE

As shown in Figure 12, approximately two-thirds of faculty live in single-family detached homes vs. approximately half of staff members. Non-exempt staff are more likely than the other two categories to live in apartments. However, as can be seen in Figure 13, more employees across the board would prefer to live in single-family detached homes.



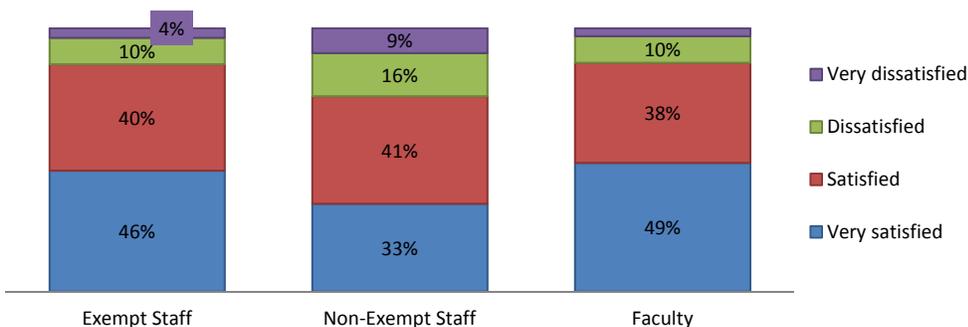
**Figure 12: Current Housing Type**



**Figure 13: Preferred Housing Type**

## SATISFACTION WITH CURRENT HOUSING

The majority of faculty and staff are either satisfied or very satisfied with their housing as can be seen in Figure 14. However, non-exempt staff are the least satisfied of the three groups.



**Figure 14: Satisfaction with Current Housing**

# FACULTY/STAFF HOUSING SURVEY

## IMPORTANCE VS. SATISFACTION WITH HOUSING AMENITIES

Survey respondents were asked to rate the importance of various housing amenities. The respondents were then asked to rate how satisfied they were with the same set of amenities. Figure 15 shows the results. The closer to the gray diagonal an amenity is, the more in balance satisfaction is with importance. Amenities “above the line” are those in which importance is relatively low and satisfaction is relatively high, identifying them as areas of lesser concern. For example, “avoiding living in a neighborhood dominated by students in group homes” garnered a seven on a scale of 10 in importance, but had a 8.5+ satisfaction rating meaning that although it was somewhat important, most respondents found a way to deal with it. By the same token, items “below the line” are items to address. For example, “monthly housing costs” ranked almost a 9 on the scale in terms of importance but only about a seven in satisfaction.

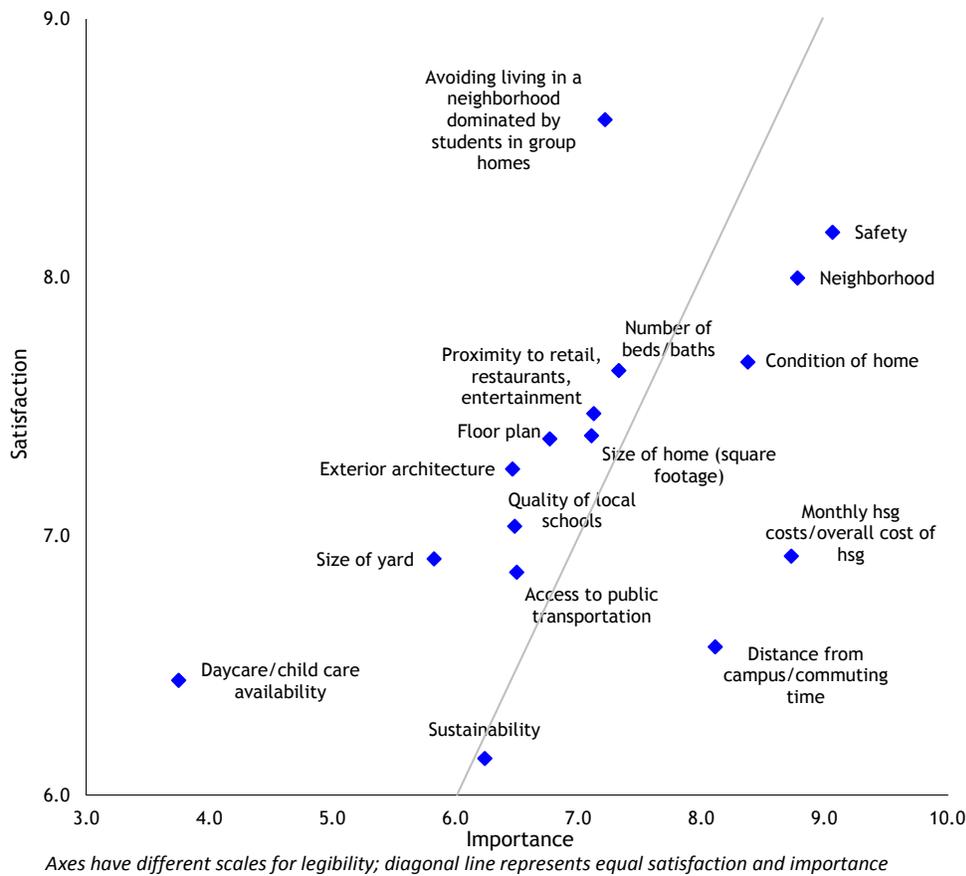


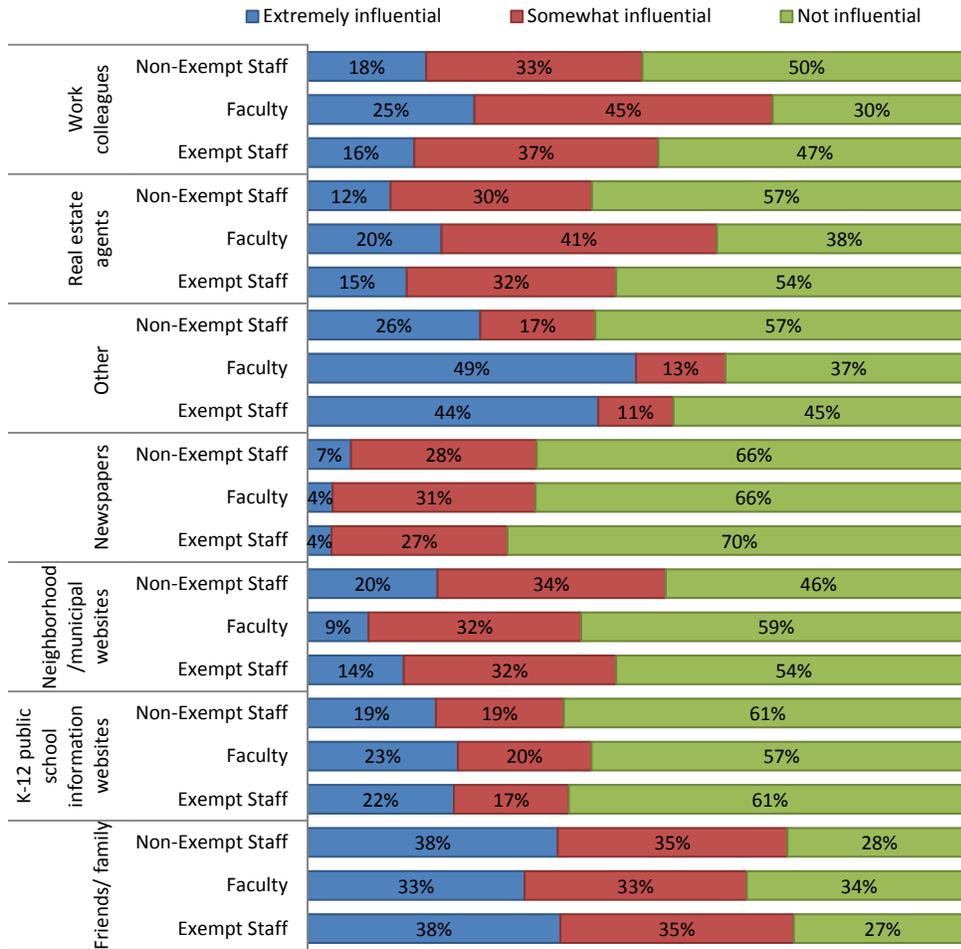
Figure 15: Importance vs. Satisfaction of Housing Amenities

## INFLUENCE OF INFORMATION SOURCES

Respondents were asked to indicate how influential various sources of information were when deciding where to live while working at UM. As can be seen in Figure 16, friends and family were the most influential of the given choices, while newspapers were least influential.

# FACULTY/STAFF HOUSING SURVEY

UNIVERSITY OF MARYLAND • FACULTY/STAFF HOUSING MARKET ANALYSIS



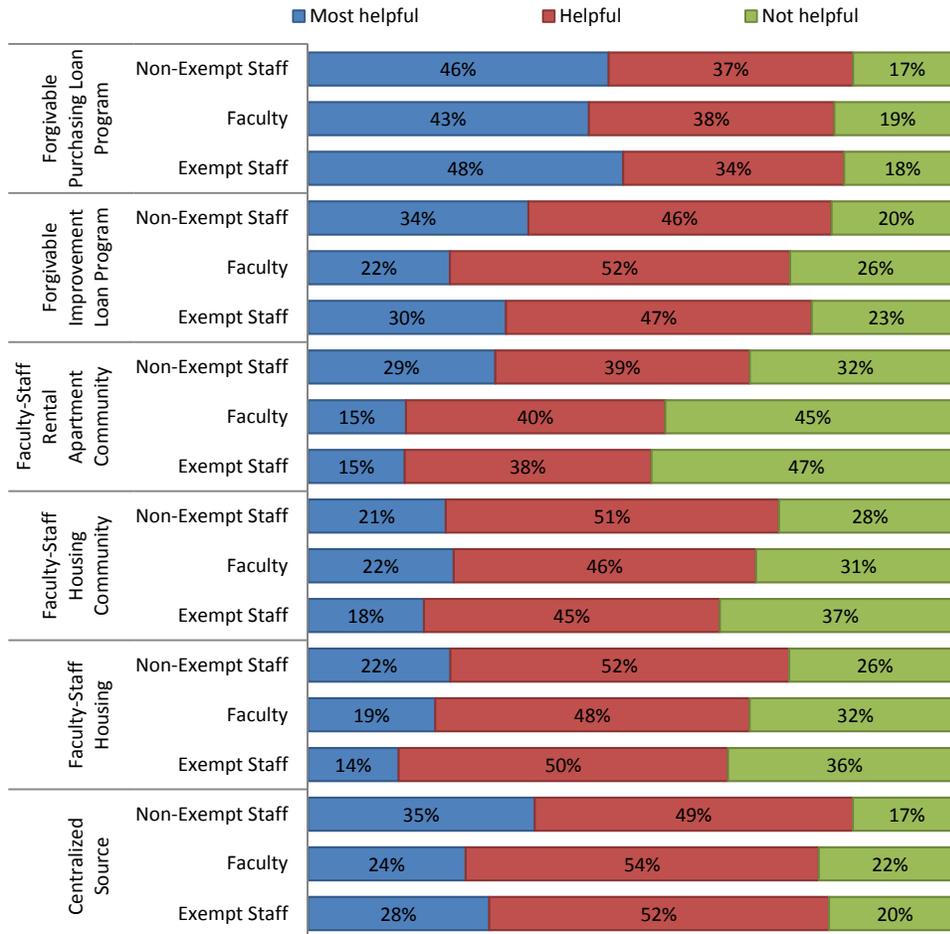
**Figure 16: Influence of information Sources**

## HELPFULNESS OF HOUSING PROGRAMS

Respondents were asked to rate the helpfulness of the identified housing options as described earlier in the report. The results are in Figure 17. The forgivable purchasing loan program was the most popular followed by the forgivable improvement loan program and the housing resource center. In most cases, the level of helpfulness was fairly even among each group for a given program. However, non-exempt staff were more interested in a rental community than the other two groups.

# FACULTY/STAFF HOUSING SURVEY

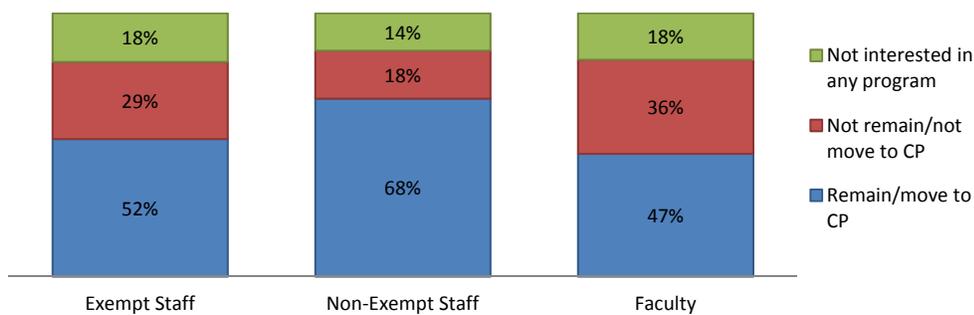
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**Figure 17: Helpfulness of Housing Programs**

## EFFECTIVENESS OF SELECTED PROGRAM

As seen in Figure 18, implementing a faculty/staff housing program would encourage a significant number of employees to remain in or move to College Park.



**Figure 18: Effectiveness of Selected Program in Remaining in or Moving to College Park**



# FACULTY/STAFF HOUSING SURVEY

## REASONS FOR DISINTEREST

Figure 19 demonstrates the reasons for disinterest in the tested programs. The top five reasons are that the respondent already owns a home, the lack of security in the neighborhood, not wanting to move, concerns about local schools, and the age and condition of homes in College Park and the immediate area.

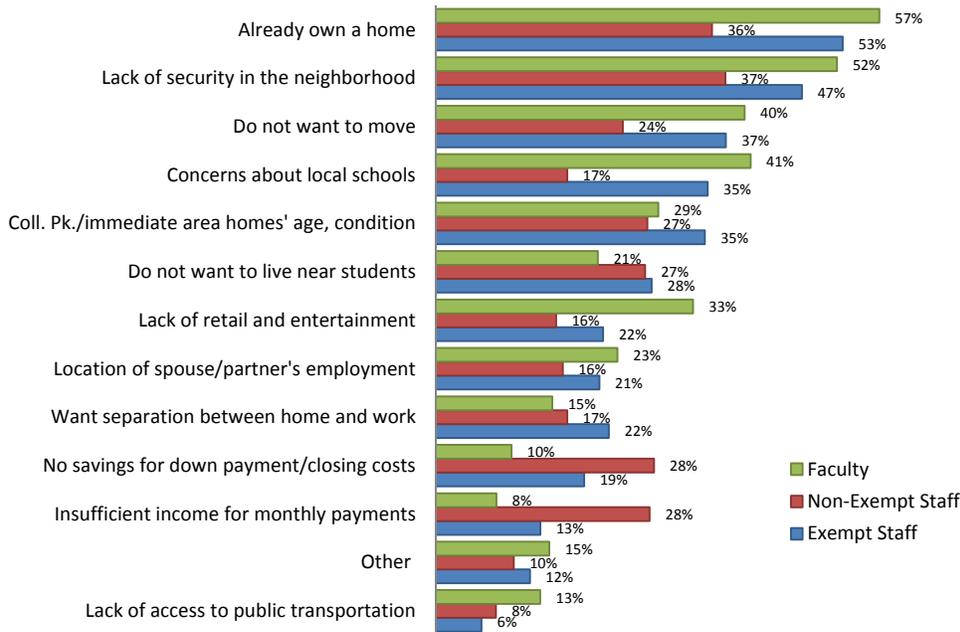


Figure 19: Reasons for Disinterest in Programs

## PREFERRED AMENITIES

Respondents selected the community amenities in which they would be most interested if a for-sale or rental community were developed. As can be seen in Figure 20, the top amenity would be high speed wireless internet. The least important would be a social community room with a kitchen. There was little difference in preferences between the three groups.

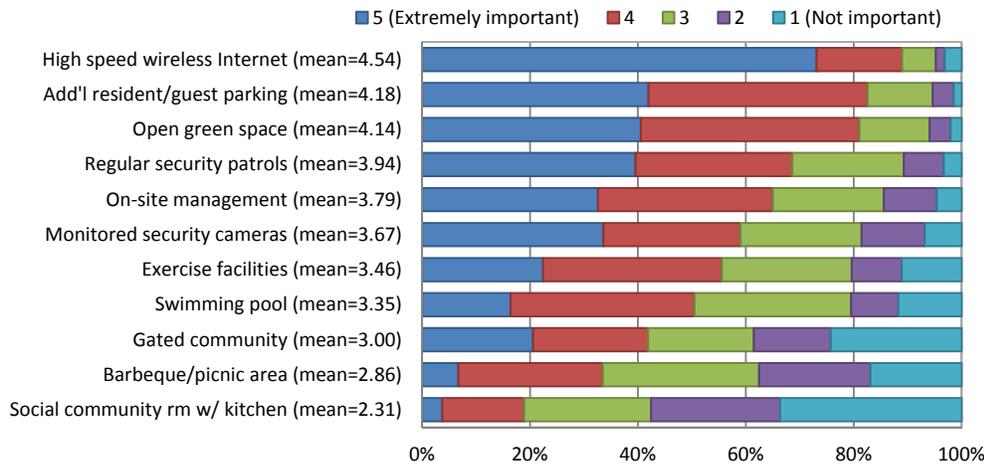


Figure 20: Faculty Preferred Amenities

# RECOMMENDATIONS

## RECOMMENDATIONS

The major conclusion of the study is that UM should proceed with planning a faculty/staff housing program, focusing first on financial assistance programs and a housing resource center, and depending on financial resources and market opportunities, the purchase of homes in the College Park area for use as rentals. In addition, in order to increase the chances of the success of the program, UM, the City, and CPCUP should consider ways in which to work together to improve local schools and safety/perception of safety. The bases for this conclusion are:

- Both focus group participants and survey respondents indicated more interest in the financial assistance options and housing resource center than in any of the for-sale or rental programs.
- Although the financial options will require the significant challenge of identifying funding, undertaking a development project will require finding not only start-up funding, but low- or no-cost land. In contrast, the financial programs will be relatively easy and quick to implement, particularly since the loans are forgivable, making it easier to meet lending guidelines.
- The housing resource center is a relatively low cost option that can serve a wide variety of populations. In addition, the groundwork for such an endeavor is already underway.
- A rental program would be a logical next step after focusing on the financial assistance programs, particularly as short-term housing for new recruits to start out in. Instead of building an apartment community, UM could purchase homes in the community for use as rentals.

Based on survey results, implementing a faculty/staff housing program would potentially encourage a significant number of employees to remain in or move to College Park. However, also based on the results of the market analysis, improvements to the local schools and area safety (or the perception of safety) need to be improved to maximize interest. Coming up with ways to work with the City and the school system would go a long way to ensuring success of the program.

In addition, there is an intangible role that needs to be filled for this critical undertaking to succeed—a champion. There needs to be someone who views creating this program as one of their primary roles at UM. As an example, though the Irvine project has provided over 1,000 homes and the community seems to have settled into a routine, the program started out with one person (an Associate Vice Chancellor) willing to take on the challenge and see the endeavor succeed.



# ATTACHMENTS

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## ATTACHMENT 1: FOCUS GROUP NOTES



# ATTACHMENTS

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## ATTACHMENT 2: FACULTY/STAFF SURVEY TABULATION

# ATTACHMENTS

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