

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Florida International University
\$238.5M Student Housing Facility

Project Summary

Project Description:

Florida International University (the “University” or “FIU”) is seeking authorization to finance the design and construction of a new student housing facility (the “Project”) on the University’s main campus. Project financing will be via new bond issuance through the Division of Bond Finance (DBF), in an amount not to exceed \$238.5M (the “Bonds”), and a \$37.4M cash contribution from the University.

At a cost of over \$248M, the Project will be 17 stories, over 468,000 gsf, and accommodate over 1,170 beds in a mixture of roughly 277 4-BR/2-Bath apartment-style units and 64 1-BR/1-Bath ‘studios’, with kitchenettes and common areas, and single-occupancy bedrooms. The Project will mainly target non-first-year students, but will ultimately be made available for all students, if necessary.

The Project is expected to increase the housing system’s existing capacity by 24.1% to 4,851 beds (i.e., a net increase of 942 beds in light of pending demolition of aged housing units in FY2027), thereby helping to address persistent demand for on-campus housing, which is estimated at over 2,300 beds in a recent demand study.

The Project is included in the University’s Campus Master Plan for 2015–2030, and it was approved by the FIU Board of Trustees (the “BOT”) on November 20, 2025.

Project Location:

The proposed Project will be located in the central, southern area of FIU’s Modesto A. Maidique (main) campus (the “MMC campus”), near academic and student services buildings, food services, and the recreation center.

Design & Construction Period:

The Project planning and design is underway. Stratus (formerly Zyscovich) was selected as architect and Moss Construction as construction manager. A guaranteed maximum price contract (“GMP”) will be finalized early next year, with construction commencing in June 2026 and Project completion by June 2028 (for Fall 2028 semester).

Project Cost:

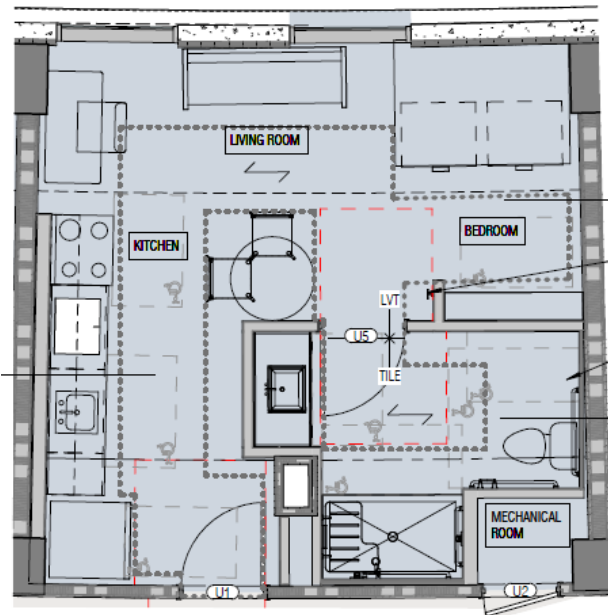
Total Project cost is estimated at approximately \$248.1M, including \$232.8M in construction/design costs and \$15.3M in contingencies. With 341 units and 1,174 beds, **the Project’s per-bed cost of \$211.3K will be the highest to date among SUS student housing projects** (see chart below). FIU attributes this to the following: inflation over the past five years; current market conditions in the Miami-Dade area; and the Project’s location requires significant relocation of utilities (i.e., an additional cost factor). At 468,000 gsf, the **Project’s cost per square foot is over \$530 / sf.**

Per-Bed Cost Comparison*					
Approval Date	Univ.	Location	Beds	Cost Per Bed	Notes
25-Jan	FIU	Miami	1174	\$211.3K	Proposed Project
26-Jan	UF	Gainesville	1101	\$195.0K	Proposed Project
24-Jun	FAU	Boca Raton	670	\$160.5K	
23-Oct	FAMU	Tallahassee	700	\$121.4K	
23-Sep	UNF	Jacksonville	521	\$147.6K	
Jan-23	FPU	Lakeland	539	\$49.2K	Acquisition of existing facility
Jan-23	FPU	Lakeland	430	\$95.6K	
Sep-22	USF	Sarasota-Manatee	200	\$105.0K	
Mar-21	UF	Gainesville	1400	\$157.0K	
Mar-20	FIU	Miami	700	\$125.0K	
Jan-20	FSU	Panama City	400	\$57.8K	P3 project
Apr-19	FAU	Boca Raton	616	\$87.8K	
Apr-19	FAU	Jupiter	165	\$91.8K	Includes parking
Nov-18	USF	St. Petersburg	375	\$78.7K	
Nov-18	FAMU	Tallahassee	700	\$85.7K	

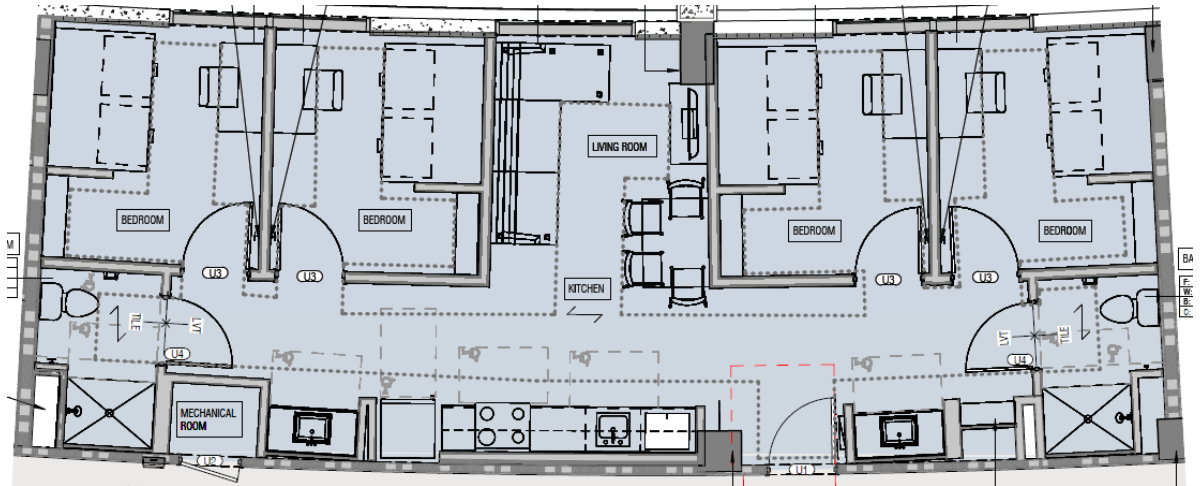
*Based on original Board approved Project Summary reports, specifically Project cost and bed count.

Based on the above per-bed cost, the implied per-unit cost is roughly **\$845,000 for a 4-BR unit** and **\$211,000 for a 'studio'**.

'Studio Apartment' unit



'4-BR Apartment' unit



Demand Analysis:

In August 2025, the University engaged Brailsford & Dunlavey ("B&D"), a national consulting firm frequently utilized by SUS institutions, to conduct an updated student housing demand and feasibility assessment. B&D's findings are reflected in a report dated November 2025 ("the Study"). The Study indicated that both recent and projected enrollment growth is fairly stable, with the University projecting annual growth of 1% or less through FY29 (see chart below).

Historical and Projected Enrollment (Fall Semester)

	Historical					Projected				
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Undergraduate	40,823	41,042	38,978	38,314	37,968	38,881	39,643	39,825	40,129	40,291
Graduate/PHD	8,688	9,215	9,574	9,195	8,904	8,869	8,538	8,722	8,778	8,778
FTE:	49,511	50,257	48,552	47,509	46,871	47,750	48,181	48,547	48,907	49,069
% Change	2.5%	1.5%	-3.4%	-2.1%	-1.3%	1.9%	0.9%	0.8%	0.7%	0.3%
Undergraduate	41,160	39,862	39,213	38,715	39,470	40,471	40,758	40,814	40,864	41,508
Graduate/PHD	9,462	9,831	9,569	9,238	9,226	9,166	9,166	9,166	9,166	9,165
HEADCOUNT:	50,622	49,693	48,782	47,953	48,696	49,637	49,924	49,980	50,030	50,673
% Change	-0.3%	-1.8%	-1.8%	-1.7%	1.5%	1.9%	0.6%	0.1%	0.1%	1.3%

Sources: 2025 B&D Housing Feasibility Assessment, 2025 FIU Accountability Plan

In light of limited growth in projected enrollment, primary demand for the Project stems from the existing student population, as evidenced by a 'waiting list' exceeding 1,000 for the past three years. Even with the recent addition of Tamiami Hall (693 beds) bringing FIU's inventory to approximately **3,909 on-campus beds, at 99.8% occupancy overall**, the Housing System still lacks the capacity to accommodate demand. **The Fall 2025 waiting list is over 1,100 students** (see chart below).

Historical Occupancy

(Fall Semester)

FIU Main Campus	2021	2022	2023	2024	2025
Total Residents	3,039	3,740	3,777	3,736	3,900
Total Beds	3,201	3,832	3,814	3,907	3,909
Total Occupancy (%):	94.9%	97.6%	99.0%	95.6%	99.8%
Students on Wait List:	309	350	1,420	1,074	1,132 ←

Although FIU upperclassmen normally live off-campus, inflation and high off-campus housing rents have increased their desire for on-campus options. Furthermore, non-local students represent roughly 14% of full-time in-person enrollment, but account for 50% of on-campus housing, leaving less housing for 'local' student demand. The average on-campus capture rate for non-local students is 49%, compared to 9% for local students. The Study states that, although the capture rate among local students is considerably lower, their large overall presence within FIU's student body creates a substantial market for on-campus housing. As such, the Project will primarily target sophomores within this demographic.

FIU's current on-campus housing options include semi-suite (ensuite bathroom), full-suite (ensuite bathroom & living space), and apartment-style units, with the latter representing the majority (69%) of inventory. The semi-suite and full-suite units are typically reserved for first-year students and sophomores; however, sophomores typically integrate with upperclassmen and graduate students in the apartment-style units. As such, roughly 80% of the Project will be 'apartment'-style units, and the remaining 20% in 'suite'-style units, as per B&D's recommendation.

The Study assessed demand in the targeted student population, as well as the off-campus rental market in relation to the rental rates and unit mix for the Project. **Overall, B&D's analysis supported adding roughly 2,302 beds by Fall 2028, indicating demand that well exceeds the Project's planned 1,174 beds.**

On-campus Rental Rates

In July 2025, FIU's Board of Trustees approved an increase in student housing rental rates of up to 4.75% for FY25, and 6% annually for FY26 - FY28. For the purpose of proforma projections, FIU assumed 3% annual increases thereafter.

The B&D Study states that, while FIU's rental rates are among the mid-range in the SUS, the University must strive to maintain accessibility for students by monitoring the need for rate increases to offset increased operational costs, ensuring that affordability is not compromised. The Project's proposed rates (\$5,900 - \$6,200 per bed per semester) will be FIU's highest rental rates to date; see chart below.

Housing System Rental Rates
(per student per semester)

	Actual		Projected			
	FY24	FY25	FY26	FY27	FY28	FY29
<u>Proposed Project</u>						
4-BR / 2-Bath Apt-style (single-occ.)	n/a	n/a	n/a	n/a	n/a	\$5,900
1-BR / 1-Bath Studio (single-occ.)	n/a	n/a	n/a	n/a	n/a	\$6,200
<u>Existing MMC Campus Housing</u>						
Panther Hall						
2-BR / 1-Bath Semi-Suite (double-occ.)	\$2,650	\$2,801	\$2,969	\$3,147	\$3,336	\$3,436
Lakeview						
4-BR / 1-Bath Full Suite (single-occ.)	\$3,350	\$3,501	\$3,711	\$3,934	\$4,170	\$4,295
2-BR / 1-Bath Semi-Suite (double-occ.)	\$2,650	\$2,801	\$2,969	\$3,147	\$3,336	\$3,436
Parkview						
4-BR / 1-Bath Apt. (single-occ.)	\$4,300	\$4,558	\$4,831	\$5,121	\$5,429	\$5,592
1-BR / 1-Bath Studio (single-occ.)	\$4,550	\$4,800	\$5,088	\$5,393	\$5,717	\$5,888
Everglades						
3-BR / 1-Bath Apt. (single-occ.)	\$3,850	\$4,004	\$4,244	\$4,499	\$4,769	\$4,912
University Towers						
4-BR / 2-Bath Apt. (single-occ.)	\$4,050	\$4,496	\$4,766	\$5,052	\$5,355	\$5,515
2-BR / 1-Bath Apt. (single-occ.)	\$4,300	\$4,730	\$5,014	\$5,315	\$5,634	\$5,803
1-BR / 1-Bath Studio (single-occ.)	\$4,350	\$4,658	\$4,937	\$5,234	\$5,548	\$5,714
Tamiami						
4-BR / 2-Bath Apt. (single-occ.)	\$4,600	\$4,600	\$4,876	\$5,169	\$5,479	\$5,643
1-BR / 1-Bath Studio (single-occ.)	\$4,800	\$4,800	\$5,088	\$5,393	\$5,717	\$5,888
University Apartments						
1-BR / 1-Bath Studio (single-occ.)	\$4,050	\$4,212	\$4,465	\$4,733	\$5,017	\$5,167
1-BR / 1-Bath Apt. (double-occ.)	\$2,850	\$2,964	\$3,142	\$3,330	\$3,530	\$3,636
2-BR / 2-Bath Apt. (double-occ.)	\$2,450	\$2,548	\$2,701	\$2,863	\$3,035	\$3,126
2-BR / 1-Bath Apt. (single-occ.)	\$4,300	\$4,472	\$4,740	\$5,025	\$5,326	\$5,486
2-BR / 1-Bath "Triple" Apt. (single-occ.) *	\$3,250	\$3,380	\$3,583	\$3,798	\$4,026	\$4,146
2-BR / 1-Bath "Triple" Apt. (double-occ.) *	\$2,250	\$2,340	\$2,480	\$2,629	\$2,787	\$2,871
4-BR / 2-Bath Apt. (single-occ.)	\$3,800	\$3,952	\$4,189	\$4,315	\$4,707	\$4,848

* The term "Triple" refers to three (3) occupants, i.e., 1 BR is double-occupancy and 1 BR is single.

Off-Campus Market

The B&D study analyzed current market conditions and trends near the University's MMC campus, identifying a "Primary Market Area" (PMA) that encompasses a 3-mile radius from the center of campus. The PMA is primarily comprised of student-centered rental properties and multi-family housing units. The Study also indicated that vacancy rates have gradually increased since the COVID-19 pandemic, from 2.2% in 2021 (a historic low) to 5.6% in 2024 and 2025. Despite this, the current vacancy level remains indicative of a competitive rental market, and vacancy is projected to decline gradually, dropping below 4%, which indicates sustained housing demand and consistent population growth within the surrounding area.

Rental rates in the off-campus market have stabilized since the heightened demand from Covid, with anticipated increases of roughly 2% in the upcoming years. Per the B&D study, when compared with the

newest off-campus facilities built since 2020, FIU's on-campus rates remain significantly lower than off-campus options.

The Study indicated that there are 15 multi-family properties, representing over 7,600 units, anticipated to be delivered in the subject off-campus market by 2029, six of which (over 2,900 units) are currently under construction with anticipated delivery in 2027. The rental rates for these properties are significantly higher than those for on-campus apartments, and many students indicated that on-campus availability and private bedrooms were important factors in choosing on-campus versus off-campus housing. Accordingly, the University has taken the students' preferences into account when designing the Project.

Financing Structure:

The financing structure aligns with the SUS Debt Management Guidelines. The Project will be financed with fixed-rate, tax-exempt revenue Bonds issued by DBF in an amount not to exceed \$238.5M, and a cash contribution from the University of \$32M (\$25.4M from housing system reserves and \$12M from unrestricted auxiliary overhead reserves). The Bonds will have a 30-year final maturity and level annual debt service. Bond proceeds include approximately \$29.7M to fund a 'capitalized interest' account, which will pay debt service on the Bonds during the 24-month construction period. Bond proceeds may also be used to fund a debt service reserve, if necessary.

For the purpose of this review, an interest rate of 5.75% is assumed, resulting in an estimated annual debt service of approximately \$17.3M per year. (See attached **Estimated Debt Service Schedule**). The assumed rate (5.75%) is based on the Office of Economic & Demographic Research (EDR) Revenue Estimate Conference long-term rate, typically used by the State (and DBF) in debt service projections. The actual interest rate is expected to be less based on current market conditions.

Security Structure & Pledged Revenues:

The Bonds will be secured by and payable solely from a first lien on the University's housing system net revenues (the "Pledged Revenues"), on parity with the system's outstanding debt (i.e., Series 2015A, 2020A, and 2021A) currently totaling \$117,240,000. Net revenues are derived primarily from rental income, special event rental fees, and other miscellaneous charges for services or space provided, after deducting operating and maintenance expenses.

Debt Service Coverage:

The Project is not viable on its own. Its projected debt service coverage in FY29 (Project opening date) is only .55x, well below a 1.0x 'breakeven' (see attached schedule "**Projected Debt Service Coverage - Project Only**"). However, as described in the prior section, the Bonds will be issued on parity with the existing housing system, thus the Project's operating deficits will be effectively subsidized by the existing housing system's cash flow.

Based on this structure, debt service coverage is estimated to be at least 1.22x, which exceeds the minimum 1.20x coverage required by

the SUS Debt Management Guidelines (see attached schedule ***“Historical and Projected Debt Service Coverage”***).

While not part of Pledged Revenues, **FIU has elected to transfer over \$2M annually for 10 years to the Housing System** as reimbursement for ‘lost’ income due to ‘prematurely’ demolishing 195 revenue-generating beds in the “*University Apartments*” complex (planned demolition in FY27). FIU elected to demolish part of the apartment complex to provide a location for the construction of a new healthcare-affiliated building (FIU will receive rental income from a 3rd-party tenant occupying space in the facility, and this revenue source will fund the aforementioned ‘reimbursements to the Housing System’). The 10-year reimbursement term represents the estimated remaining useful life of the beds lost. Again, this is not Pledged Revenue and thus not included in the calculation of debt service coverage. However, it will be available to help fund Housing System operations, including debt service.

Assessment of Private Sector Alternatives:

FIU evaluated several financing structures, including the public private partnership (P3) model, and selected the proposed financing approach because it presented the lowest cost of capital and greatest affordability. According to the University, a P3 structure adds unnecessary complexity with no benefit to FIU, and it potentially dilutes control of housing inventory.

Return on Investment:

The Project is expecting to achieve an internal rate of return (IRR) estimated at 4.21%, based upon assumptions provided by the University. (See attached *Projected Internal Rate of Return*).

Method of Sale:

The Bonds will be issued through DBF. Based on current market conditions and the proposed bond issuance, a competitive sale will yield the best results in terms of cost.

Selection of Professionals:

The Bonds will be issued through the Division of Bond Finance of the State Board of Administration of Florida (“DBF”), which has contracts with multiple outside professionals (including bond counsel, financial advisors, and verification agents) who will be engaged as necessary, all of which were selected through a competitive process.

Recommendation:

Staff of the Board of Governors and the Division of Bond Finance have reviewed the resolution and supporting documentation provided by the University. Based upon this review, the proposed financing appears to be in compliance with Florida Statutes and the SUS Debt Management Guidelines governing the issuance of university debt. As such, staff recommend authorization of the proposed Bonds to finance the Project.