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## **University of Kentucky's Housing P3 Continues to Break New Ground.**

The University of Kentucky (UK) Board of Trustees has approved the fifth phase of a massive student housing revitalization plan that will raise the number of beds on campus to 6,504. The \$74 million University Flats project, a seven-story building that will contain 771 beds in 312 apartments, is scheduled to open in fall 2017, reported Student Housing Business.

Memphis-based campus housing developer Education Realty Trust (EdR), will finance, build, maintain and manage the project in addition to 12 other residence halls it has built or is constructing for UK. The company, which is responsible for \$422 million for the overall project, will have a 75-year lease on all of its buildings and will collect rent, paying some of it to the university once agreed-upon profit thresholds have been met, according to the Lexington Herald-Leader. Specifically, after receiving a 9 percent rate of return from rental payments, in addition to a 2 percent fee for managing the buildings, the company will give UK 25 percent of the net income. Because UK owns the buildings, EdR will not have to pay state property taxes.

This partnership, which was negotiated in 2011, represents the largest on-campus housing development at a U.S. public university. Many other schools are using P3s to add to or replace their student housing stock.

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