

February 5, 2015

Honorable Cindy Rosenthal
Mayor of Norman
P.O. Box 370
Norman, OK 73070

FILED IN THE OFFICE
OF THE CITY CLERK
ON 2/5/15

Dear Mayor and Council Members,

As a resident of Norman and a landlord, I protest the construction of University House on the site of Bishop's Landing. I agree with all arguments made by Mr. Swanson, and I am prepared to make the arguments made on my presentation outline provided.

I own and operate 500 apartments in Norman and am not a disinterested party. My interest is in making Norman a better community and improving my investment in my home and my properties. As such, I do not understand the investment in the rent-by-the-room (SRO) market and how this project helps anyone in the process other than the developer.

As someone who entered the Norman apartment market at a time when over-supplied apartments resulted in tremendous social costs for Norman in the late '80s and '90s, this was a problem more simply solved as a result of population growth. However, we cannot assume that student population growth will solve the current problem due to flat student population trends the last 10 years.

The sheer volume of rent-by-the-room (SRO) apartments, coupled with total saturation of the student market place, means Norman will be providing SRO housing to non-students, making Norman unique among US cities. Norman enters this market with lots of uncertainty and only the knowledge that cities have spent the last 60 years eliminating SROs.

No one knows what the results of this new market will be for Norman. I do not believe that anyone else understands this either. I suggest that a moratorium on rent-by-the-room complexes begin until this question is studied completely.

Attached is an outline of the presentation I will give at the Council Meeting tuesday.

Sincerely,



David Kinnard
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The risk in continuing a policy of building mega-rent-by-the-room complexes in Norman

Market Saturation

1. Complexes are designed for undergraduate students
2. This market is already saturated
 - a. over 600 vacants rooms at this time
 - b. 1500 under construction
3. despite saturation, developers and the university continue to build undergraduate housing
 - a. Headington Hall, new athletics dorm, 384 beds
 - b. Proposed Engineering College Dorms
 - c. Proposed Business School Dorms
 - d. Greek expansion
4. there is no shortage of apartments in Central Norman
 - a. 2015 static rates. Rates are not increasing in 2015
 - b. 5 year average rate increase of 2% - inflation

Conclusion: University House will cannibalize the market. There are not enough undergraduate students to fill the rent-by-the-room market

Finding a new Market? Conventional SROs(single room occupancy) ?

- a. Norman First. Is there a community in the US entering the SRO market as aggressively as we are planning?
- b. Why have cities fought to rid themselves of SROs in the past 60 years?
- c. Is there a study to determine the economic effect of this plan?
- d. http://en.wikipedia.org/wiki/Single_room_occupancy

Undergraduate Student housing bubble?

- a. Why is OKC and Edmond not building r-b-t-r apartments?
- b. Why are Norman resident developers building apartments in OKC?
- c. glut of r-b-t-r apartments depresses conventional apartment construction.

The myth of Derelict Bishop's Landing

- a. 3% rent rate increase for the 2014/5 school year. Above market rent increase
- b. Historic 93%+ occupancy. Higher than current r-b-t-r complexes
- c. Not a crime hotspot. In last 12 months, 38 reported incidents within ¼ mile of Bishops Landing vs 78 within a ¼ mile of Springfield Apartments
- d. Appliances and carpet replaced in the past 10 years
- e. New chillers and chiller plumbing
- f. No structural issues

For more detail, please ask for supporting analysis of the above figures.