BRAILSFORD & DUNLAVEY

2025 REPORT

HIGHER EDUCATION PUBLIC-PRIVATE PARTNERSHIPS

State of the Industry

Poplar Hall, University of Tennessee Knoxville
Courtesy of RISE: A Real Estate Company
Front and inside cover image

FOREWORD

As policy shifts and fiscal pressures in higher education mount, public-private partnerships (P3s) have remained an effective option for delivering with speed and efficiency - regardless of an institution's context.

Data from calendar year 2024 shows that P3s, particularly for housing and mixed-use asset classes, have continued to rebound in volume, but also in average deal size, reaching levels not seen since before the pandemic.

This activity level follows several years of disruption, as universities adjusted to a "new normal" marked by rising interest rates, construction cost inflation, supply chain constraints, shifting student demographics, and tightening institutional debt capacity. In this environment, flexibility using innovative risk-sharing approaches proved particularly effective.

Increasingly, even well-capitalized colleges and universities are turning to P3 structures to offset delivery risk, drive efficiency, and accelerate timelines. Whether it's to maintain affordability, deliver multi-phased large-scale developments, or better leverage in-house human capital, many institutions are finding value in alternative delivery.

In this year's report, we examine how higher education P3s continued to deliver throughout 2024 as institutions navigated this complex financial and operational landscape. After a relatively sluggish period from 2020 to 2023, the market appears to have reestablished momentum, fueled by ongoing institutional urgency and a growing willingness from both public and private partners to structure deals that work. That being said, uncertainty obscures the future of the industry. Federal funding cuts, rising costs, the looming enrollment cliff, and other complications are giving institutions pause, but those concerned about the success of a P3 in unpredictable times still have the opportunity to mitigate these risks and maximize the value of a project by creating more customized deals.

Brailsford & Dunlavey's 8th annual Higher Education P3 State of the Industry Report takes a deeper look at 2024's data, supplied by the top developers in the industry, while also going beyond the numbers to seek industry insights, surface emerging trends, and inform the evolving dialogue around how colleges and universities are leveraging public-private partnerships in a time of rapid change.

To our returning readers: welcome back. To those joining us for the first time, we appreciate your engagement. Whether you're a university leader, developer, financier, advisor, architect, or nonprofit owner, our goal is to offer a clear, data-driven snapshot of the trends shaping this particular moment for higher education development.

As in past editions, this report focuses on housing-anchored and mixed-use P3 projects that reached financial close during the prior calendar year—in this case, 2024.

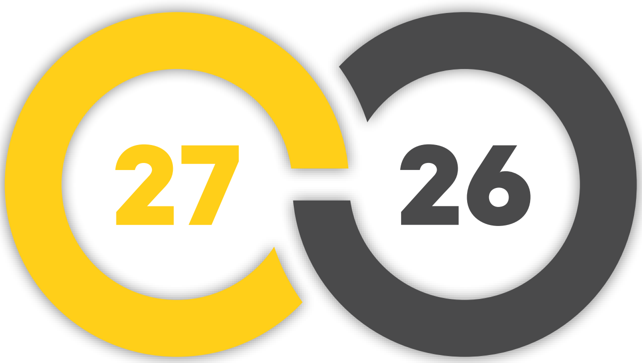
Each featured project involves land owned or controlled by a college, university, or affiliated foundation, and considers student housing developments often paired with academic, athletic, or auxiliary components.

While higher-ed P3s are expanding into new sectors, like energy, infrastructure, data centers, and innovation districts, our focus for this report remains on student life and auxiliary facilities. These projects continue to represent the highest concentration of activity and provide a critical lens into how institutions are using partnerships to meet demand and manage risk.

TODAY'S MARKETPLACE

HOW WE GOT HERE

To understand where the higher education P3 market stands today, it helps to look back at what a more stable environment once looked like.



In 2018 and 2019, the market saw 27 and 26 deals close, respectively, capping off a four-year stretch of relative consistency.

That steadiness reflected a maturing sector increasingly confident in using alternative delivery to unlock speed, efficiency, and cost control.

Then came COVID-19. In 2020, deal volume fell sharply to just seven closings as the pandemic upended enrollment, project planning, and institutional budgets. With 21 deals, 2021 showed some signs of recovery, though many were carryovers already in procurement before the pandemic. By 2022 and 2023, the slowdown became unmistakable: just 10 and 14 deals closed, respectively, underscoring the long runway from concept to close and the widespread uncertainty institutions faced.

The market regained some ground in 2024, with 18 deals reaching financial close, a nearly 30 percent increase over the prior year. While still 20 to 30 percent below pre-pandemic highs, the jump suggests the beginnings of stabilization. In today's more volatile climate, however, speed, reliability and decisiveness are even more valuable. As Jeremy Doss, Senior Vice President of RISE, observed, "It's uncomfortable to make design decisions quickly, but what's the cost difference? If we wait until a 2027 delivery, what does that cost us versus 2026? There's a lot of efficiency in concurrent pricing, development, and design. Locking things in early matters in a volatile environment."

As volatility persists, Moody's March 2025 outlook makes clear the higher education sector now faces a new wave of uncertainty, from federal funding cuts and student aid disruptions to sticky inflation, rising labor costs, and leadership turnover. These headwinds have led many universities to pause capital projects or rethink delivery strategies altogether even while development needs remain. As Emily Raimes, Vice President at Moody's Investors Service, explained, "Of the federal policy risks that were drivers for the Higher Education outlook change, the reduction or interruption of Pell Grants and the reduction in foreign student visas are most relevant... However, overall demand for affordable on-campus or adjacent housing is expected to remain broadly robust."

Industry optimism around P3s remains strong. In a recent P3 EDU/The Chronicle of Higher Education survey, 75 percent of university leaders said they expect to use P3s more frequently going forward. With a clear sense of institutional needs remaining, the market may be on the verge of returning to pre-COVID volume, if institutions and partners can navigate what remains a highly dynamic environment.

NUMBER OF DEALS AND AVERAGE SIZE

18

DEALS CLOSED IN 2024

$134M

AVERAGE DEAL SIZE

800

AVERAGE BEDS PER PROJECT

In 2024, 18 higher education P3 deals reached financial close, marking a continued upward trend from 14 in 2023 and 10 in 2022. While this year's activity suggests a modest rebound in deal volume, the market remains uncertain. Average deal size rose to $134 million, a notable increase from the 2023 average of $94 million, and the average number of beds per project climbed to over 800, signaling both continuing market demand and need for a larger scale to support project financially.

Despite the uptick in the number of projects reaching financial close, overall market volatility continues to impact predictability. Many initiated deals still fail to reach financial close, paused by factors such as rising construction costs, interest rate pressure, and leadership transitions. Furthermore, many projects that closed included some type of university direct or indirect support, which we further highlight later in this report. While anecdotes suggest activity levels approaching pre-COVID norms, far fewer bundled, mixed-use projects are coming to fruition—reflecting a pullback from the multi-asset structures that gained traction prior to the pandemic.

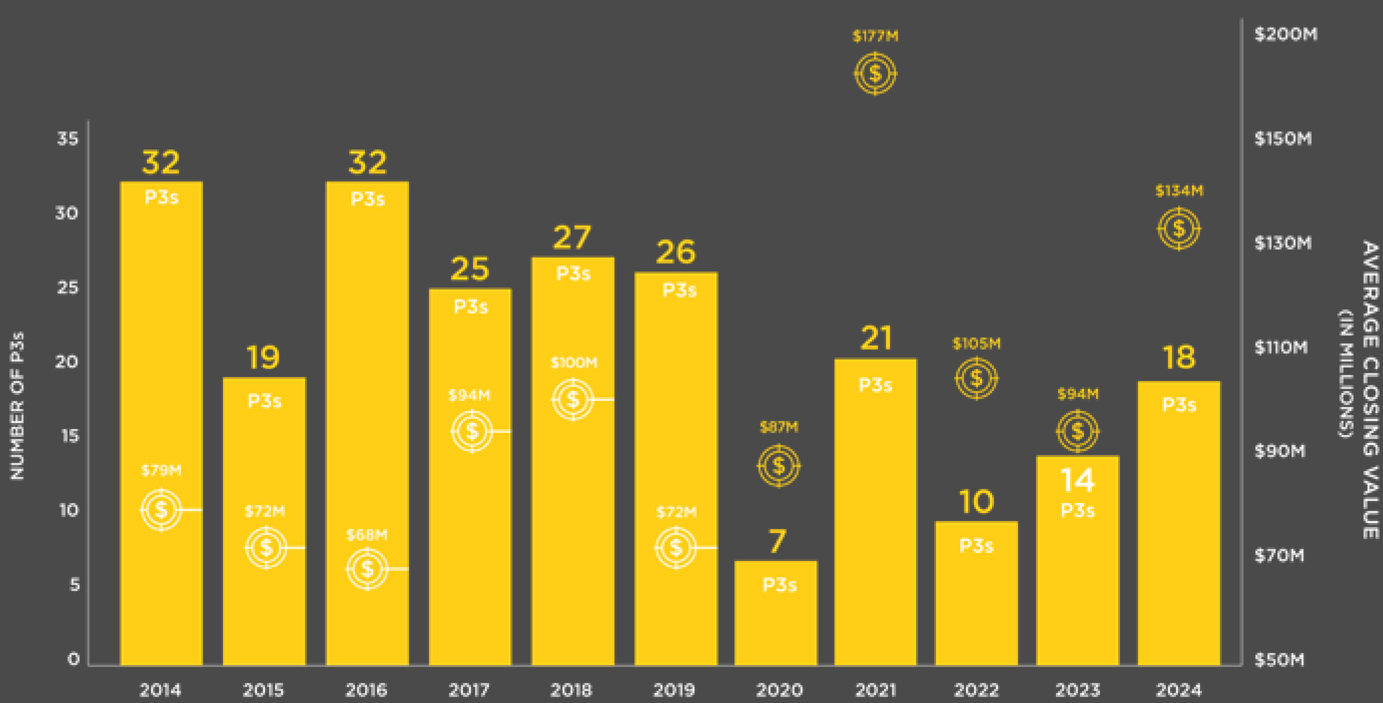
Student housing remains the core asset type, with bundling of housing, retail, office, or hospitality components relatively rare this past year. The floor for viable student housing P3s has also shifted upward, with a new informal threshold emerging around 600 beds—up from 400 in prior years.

16 COLLEGES & UNIVERSITIES HAD ONE OR MORE P3 DEALS REACH FINANCIAL CLOSE IN 2024

- JACKSONVILLE STATE UNIVERSITY
- LYNN UNIVERSITY
- MERRIMACK COLLEGE
- PURDUE UNIVERSITY FORT WAYNE
- SAMFORD UNIVERSITY
- THE UNIVERSITY OF IDAHO
- UNIVERSITY OF KENTUCKY
- UNIVERSITY OF MARYLAND, COLLEGE PARK
- UNIVERSITY OF MEMPHIS
- UNIVERSITY OF MINNESOTA
- UNIVERSITY OF SOUTH CAROLINA
- UNIVERSITY OF SOUTH FLORIDA
- UNIVERSITY OF TENNESSEE*
- UNIVERSITY OF TEXAS AT AUSTIN
- UNIVERSITY OF UTAH
- UNIVERSITY OF WASHINGTON*

****TWO PROJECTS REACHED FINANCIAL CLOSE AT THESE SCHOOLS IN 2024***

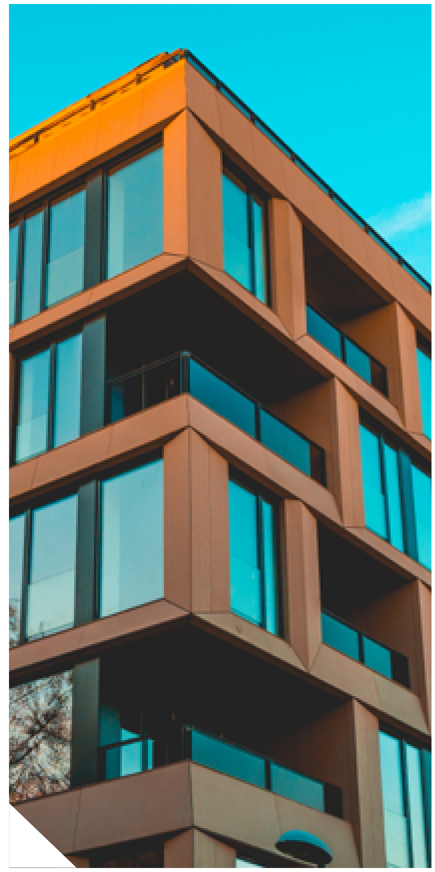
NUMBER OF DEALS AND AVERAGE DEAL SIZE



DEALS BY INSTITUTION TYPE

The public four-year university sector reaffirmed its role as the primary engine of P3 activity in 2024, with the University of Tennessee, University of Utah, University of Kentucky, and University of South Carolina all advancing major housing or mixed-use projects through public-private partnerships.

These projects were notable not only for their size, but also for the states they represented—some of which were approving their first-ever large scale housing higher education P3s, such as UT Knoxville and South Carolina. Meanwhile, private institutions like Merrimack College in Massachusetts and Lynn University in Florida also leaned heavily on P3s, demonstrating how the model continues to scale across different institution types. It was Lynn University's second housing P3 in the last 5 years following a very successful initial project.



What's evolving in this cycle is not just the volume of deals, but the types of institutions participating. Unlike the early wave of P3 adopters—often schools with limited access to debt or internal delivery capacity—many of today's deals involve institutions that have the resources but choose P3s for strategic reasons. For instance, UT Knoxville has a strong bond rating and a history of major campus development but still pursued P3s to fast-track over 2,500 beds under a timeline quicker than the state capital project process. Similarly, the University of Utah's multibillion-dollar expansion includes a 10-year partnership with ACC American Campus Communities to add 5,000 new beds, part of a broader effort to shift increasingly toward an on-campus identity.

At the same time, smaller schools with rising enrollment or strategic aspirations are turning to P3s to build capacity they could not deliver otherwise. Merrimack College's long-planned residence hall expansion only became viable after partnering with Greystar and Collegiate Housing Foundation to access tax-exempt financing and isolate the project from its balance sheet. This demonstrates the model's enduring appeal for institutions balancing growth, affordability, and financial stewardship.

In addition to the broadening profile of P3 adopters, schools are becoming more active partners in getting deals to the finish line. In 2023–24, universities provided various forms of support to ensure feasibility, ranging from low cost basis land contributions, master or contingent leases, and infrastructure cost-sharing and regulatory advocacy. These forms of "institutional investment" suggest a more mature P3 marketplace—one where the lines between public and private roles are thoughtfully calibrated.

Together, these developments reflect a higher education sector that is not just rebounding, but strategically evolving. The use of P3s has become more sophisticated, more varied in structure, and more aligned with institutional mission-driven goals.

As institutions seek to modernize housing, upgrade infrastructure, and expand capacity under increasingly constrained conditions, public-private partnerships are no longer a fringe strategy; they are becoming a core delivery mechanism for a wide array of campus priorities. Julie Skolnicki, Senior Managing Director at Greystar, observes: "We have seen an increase in the scale and complexity of student housing P3s over the past five years, with a focus on leveraging the private market's expertise to drive speed-to-market. Historically, the P3 speed-to-market edge was focused on procurement and financing expertise. We are now seeing a broader range of projects that also require leveraging local entitlement expertise, construction knowledge, and innovation to deliver more complex projects within university timeframes."

Economic volatility continues to define the higher education capital environment—and with it, the opportunity for P3s to drive value. If current projects can reach financial close and deliver results despite inflation, labor shortages, and policy uncertainty, it will validate the model's effectiveness in this challenging era. But if deals stall, the market risks losing momentum just as broader institutional interest is growing.

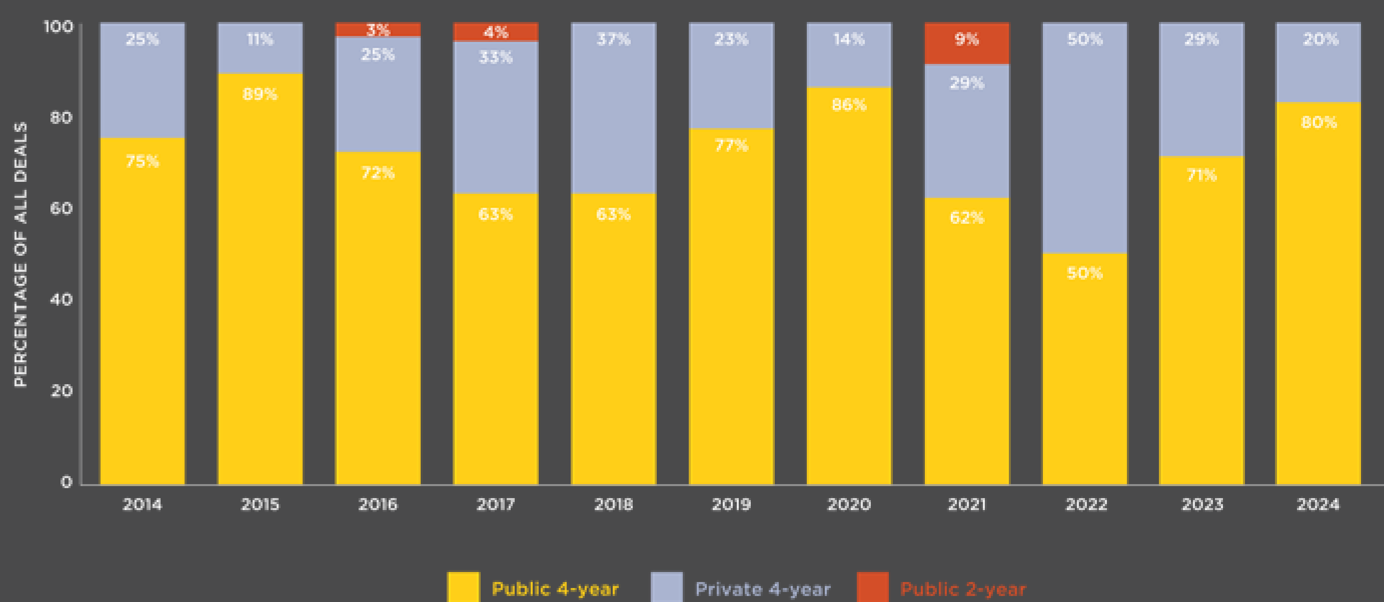
In short, this moment demands creativity, execution and clarity, demonstrating that P3s can consistently deliver speed, cost control, and mission alignment in uncertain conditions.

Economic pressures have made it more difficult for some projects to move forward. Rising costs, tighter underwriting, and growing developer selectivity are forcing institutions to sharpen their feasibility planning and commit greater institutional support—whether in the form of land, master leases, site infrastructure improvements, or phasing flexibility.

These dynamics are widening the gap between institutions able to pursue innovative P3 structures and those struggling to attract private partners. Smaller regional colleges, non-flagships, and campuses in low-growth states continue to face headwinds, including more selective developer interest, limited access to financing, and heightened enrollment uncertainty. While the total number of closed deals is rebounding, anecdotal evidence suggests a dip in proposal submissions for some recent housing and mixed-use procurements. To sustain this recovery and broaden participation, the industry must deliver not just innovation—but predictable, repeatable outcomes.

This moment demands creativity, execution and clarity, demonstrating that P3s can consistently deliver speed, cost control, and mission alignment in uncertain conditions.

DEALS BY INSTITUTION TYPE



DEALS BY REGION

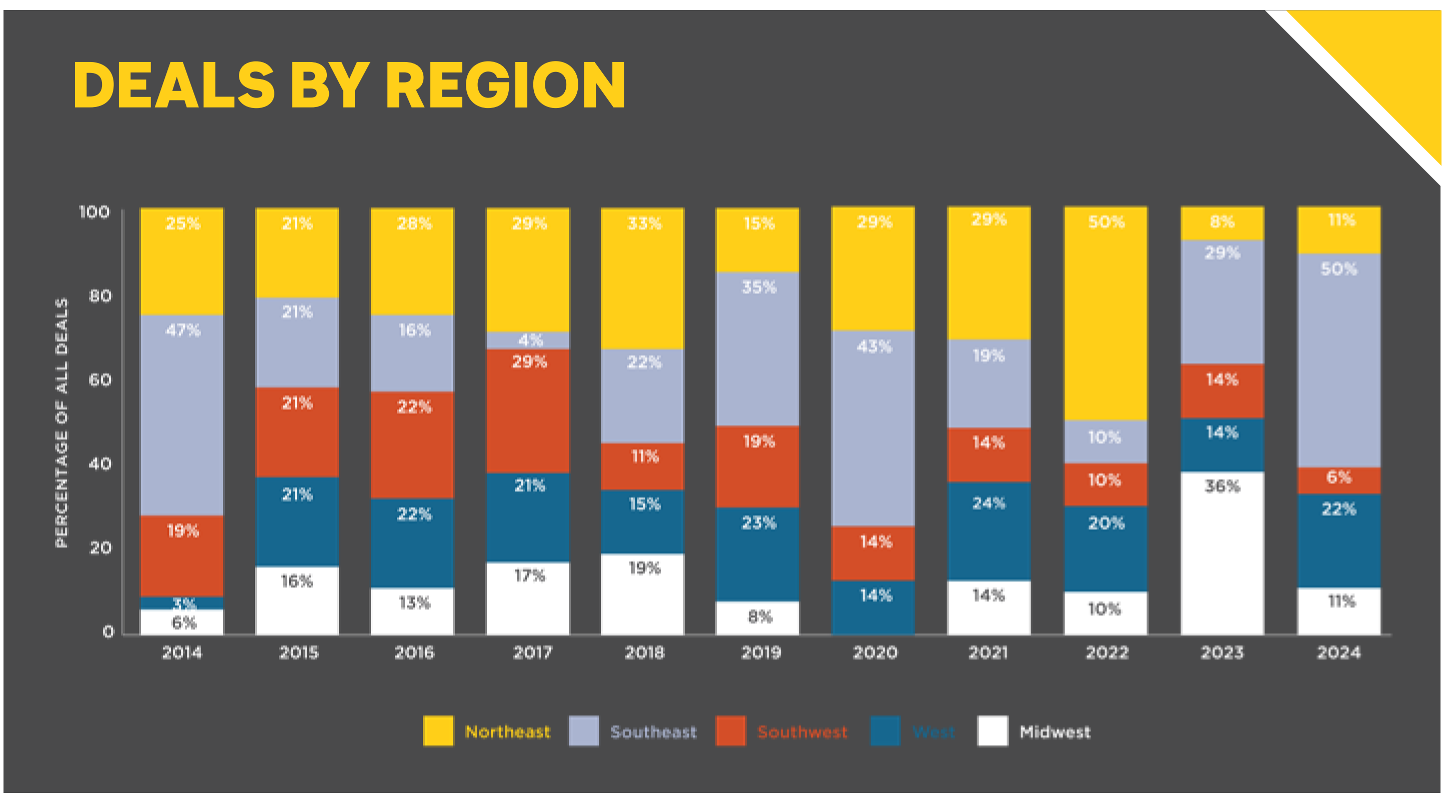
50%

OF DEALS CLOSED IN THE SOUTHEAST

22%

OF DEALS CLOSED IN THE WEST

Almost half of 2024's higher-ed P3 deals occurred in the Southeast, marking a notable geographic concentration not seen since 2020, and a large increase from previous years. Twenty-two percent of the year's deals were located in the West, with the remainder spread across the Midwest, Northeast, and other parts of the country. **Still, no clear regional trends have held over time, and year-to-year shifts remain common.** One constant, however, is the importance of strong and consistent institutional leadership. As we've noted in past reports, every P3 depends on an internal champion or champions, one individual or a team that can navigate turnover, align stakeholders, and keep a complex project on track from concept to close.



DEALS BY FINANCIAL STRUCTURE

67%

OF DEALS WERE TAX-EXEMPT

20%

OF DEALS WERE TAXABLE DEBT

13%

OF DEALS WERE EQUITY

University-affiliated financing played a prominent role in many of the P3 deals that closed in 2024, continuing a trend of creative, blended capital stacks that allow institutions to achieve both affordability and delivery efficiency. While traditional private-finance P3s remain common, a significant number of transactions continue to leverage 501(c)(3) nonprofit owners and tax-exempt bond financing. These structures are especially appealing in a high-interest rate environment, as they enable schools to offload development and operating risk while still accessing relatively lower-cost capital. Further, the tax-exempt deals are typically shorter leases in the range of 35-45 years. Many equity deals are much longer.

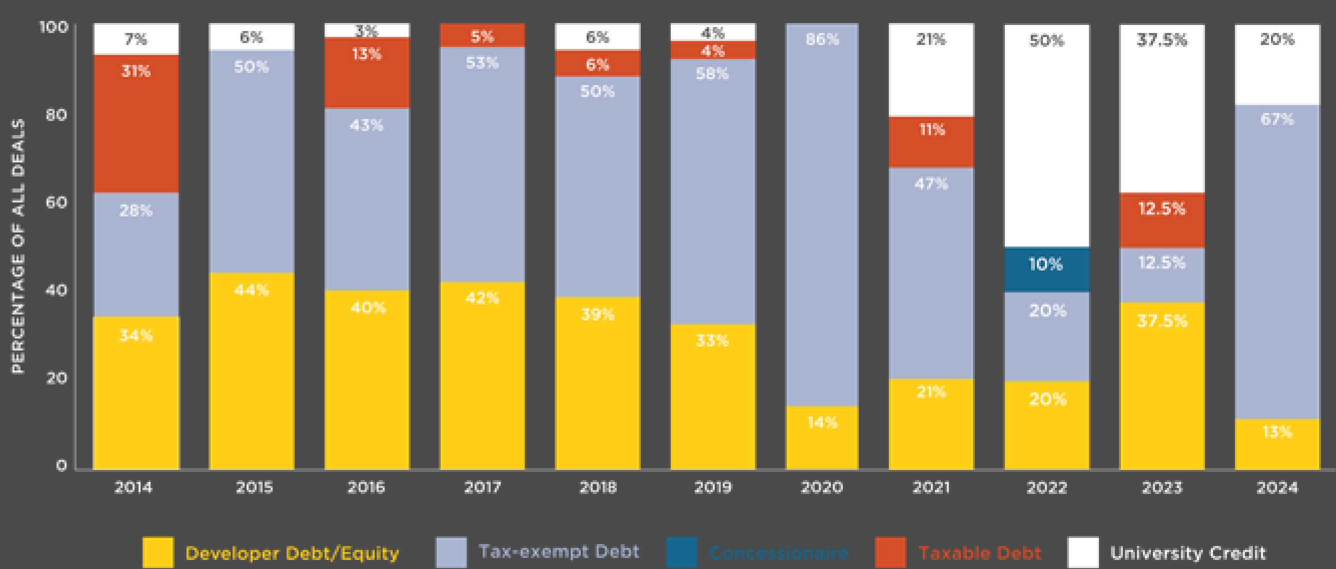
For example, Merrimack College's 540-bed housing expansion, delivered in partnership with Greystar and Collegiate Housing Foundation, was funded entirely through tax-exempt bonds issued by MassDevelopment, meaning the $94 million project did not appear on the college's balance sheet. Likewise, the UT Knoxville's housing P3 with RISE and Provident Resources Group used a ground lease structure with Provident owning and financing the buildings via tax-exempt bonds, while UTK retained land ownership and long-term buyback rights. Students still signed standard university housing contracts, but delivery risk and some operating responsibilities were absorbed by the private partners.

These examples underscore how universities are not simply outsourcing projects—they are strategically pairing delivery, financing and operations through private-sector partnership to maximize outcomes. This approach utilizes efficiency and predictability to support lower rents while also ensuring speed-to-market and selective risk transfer. In a time of heightened scrutiny around affordability and capital constraints, hybrid models are proving to be both financially prudent and operationally efficient, particularly for schools trying to modernize housing or scale quickly to meet enrollment demand.

Furthermore, 2024 saw continued reliance on tax-exempt financing, with 67% of higher ed P3 transactions using this structure to reach financial close. University credit and developer equity-backed deals each accounted for 20% and 13% respectively, consistent with rebalancing trends that began in 2022. As in prior years, 501(c)(3) and other tax-exempt mechanisms remained the most widely used, favored for their ability to deliver low-cost capital and drive affordability for students.

These deals were particularly prevalent in housing projects where universities either partnered with non-profit entities or supported tax-exempt issuance through ground leases or backstop agreements. Notably, three of the 18 deals closed in 2024 were directly financed by universities—an approach gaining favor in an environment of elevated construction costs and rising interest rates, where some institutions chose to take on debt themselves to preserve project viability and reduce rental rates. Another 13% of deals leveraged developer equity or debt, often with a blend of customized private financing tied to phased delivery structures. This share has remained relatively consistent since 2022, as institutional confidence in demand forecasts rebounds post-pandemic and investor appetite slowly returns. According to Emily Raimes of Moody's, "There have been a few projects with positive credit development within the Moody's-rated portfolio, though for the majority we believe project fundamentals will remain stable. Movement in credit quality to date (both up and down) most often reflects the strength or weakness of housing demand and the related pricing capacity of the project."

DEALS BY STRUCTURE



WHAT LIES AHEAD

All signs indicate that higher ed P3 momentum is carrying into 2025. The pipeline of projects in procurement or negotiation remains strong, from additional phases of campus housing to new athletic facilities, research labs, and academic facilities. If interest rates stabilize or decline, many of the projects that were paused during earlier rate hikes may finally advance.

Additionally, the structure of P3s will continue to evolve. We anticipate more hybrid models that blend institutional funding with private operations, as well as a growing focus on renovation and modernization in addition to ground-up construction.

Multi-campus collaborations are also gaining traction. For example, universities in the same state are pursuing shared-use infrastructure, such as broadband networks or clean energy facilities, through regional P3 frameworks.

At the same time, the broader environment for higher education will continue to shift. With a new federal administration in place, early policy changes have introduced new layers of uncertainty around funding, research grants, regulatory enforcement, international student enrollment and student aid administration. Institutions are reassessing their long-term strategies as they navigate potential constraints in federal support and growing scrutiny around diversity programs, endowment taxation, and enrollment. Raimes cautioned that while P3s can support strategic investment, they are not a cure-all: "As demographic trends present headwinds for many colleges, some institutions take an 'if we build it, they will come' approach to capital investment. In those cases, we believe the institution is not only increasing their overall liabilities but also adding risk to their credit profile."

According to a March 2025 report by Moody's, these federal policy changes, paired with persistent inflation, market volatility, and demographic headwinds, have led to a negative sector outlook for U.S. higher education. Many institutions are responding by freezing hiring, postponing capital investments, and downsizing select academic and research programs. Disruptions to federal student aid and proposals to expand excise taxes on university endowments further underscore the need for financial flexibility. In this environment, the core value of P3s—speed, adaptability, efficiency and customized risk-sharing—has only grown more pronounced. As traditional funding streams tighten, public-private partnerships are increasingly vital to sustaining capital investment and institutional resilience.

BRAILSFORD & DUNLAVEY

Founded in 1993, Brailsford & Dunlavey is a leader in implementing creative solutions for higher education clients to maximize the value of their buildings, operations, and resources. We are at the forefront of higher education P3 advising—shaping the customized deal structures of today. B&D is listed among Engineering News-Record's "Top 25 Program Management Firms" and has been a finalist for the P3 Bulletin's Technical and Strategic Advisor of the Year award in 2017, 2018, 2019, 2023, 2024, and 2025.

TECHNICAL ADVISOR OF THE YEAR
SHORTLISTED
2025

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Higher Ed P3 Resource Center

B&D launched the Higher Ed P3 Resource Center as an educational forum for the sector—college and university leaders, developers, and other stakeholders. Serving as a central, go-to place for answers—or even the right questions to ask—the resource center offers articles from industry experts, a P3 101 guide, infographics, presentations, and more. The Higher Ed P3 Resource Center serves as a library, housing information from throughout the industry.

P3RESOURCECENTER.COM

For more information or to have your projects represented in next year's report, please contact:

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WE WOULD LIKE TO THANK THE COLLEGES, UNIVERSITIES, DEVELOPERS, AND OTHER P3 HIGHER EDUCATION EXPERTS WHO PARTICIPATED IN THIS YEAR'S REPORT.

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