

## **Non-Traditional Continuing Education Institutions**

The demand for higher education by working adults has enabled private accelerated college programs to soar. Working adults with families and full-time careers, as well as other non-traditional students, now have numerous options with which to acquire a college degree.

Due to the dramatic increases in demand for higher education, private for-profit (commercial) providers of business, technology, health care, and management education have flourished. The increase in demand for vocational education is attributable to shifts in the U.S. and international economy from an industrial/manufacturing base to a service-oriented economy heavily reliant on new technologies. At the same time, non-traditional students (who are working adults over 25 years old) are starting to outnumber the traditional 18-to-24-year-old students in residential colleges and universities, and in community colleges. With student demand for private for-profit colleges on the rise, their percent of the higher education market will continue to increase.

Four of the major players in the private for-profit student arena are Strayer University, The University of Phoenix, DeVry University, and ITT Technical Institute. Strayer University is located on 41 campuses in the South and Eastern regions of the United States. As a private for-profit university, Strayer University's campuses are typically three to five year leased office space strategically located in the suburbs of tier one and two cities. The average campus space is 15,000 square feet. Approximately half of the student enrollment takes classes online. The growth for the first quarter of 2006 resulted in an overall enrollment increase of 15 percent and a new student enrollment increase of 22 percent. Online enrollment increased 25 percent over first quarter of 2005. In most locations, Strayer University prefers business center space. Locations must provide ample parking, security, and signage. Interstate visibility is not of prime importance.

The trend at the University of Phoenix is for continued expansion and growth based in part on its acquisition of Axia College and the merging of online and campus venues. From February 2005 through May 2006 total enrollment increased 21.2 percent. The University of Phoenix has 180 campuses and learning centers in 39 states and offers 40 on-line degree programs. The University currently has over 230,000 students. The University of Phoenix may open multiple sites within the same city with a primary site of 30,000 to 65,000 square feet and supplemental sites of 20,000 to 40,000 square feet. All locations are in Class A buildings with signage and interstate visibility.

DeVry University has 85 locations in 23 states and locates campuses in suburban communities and urban neighborhoods. DeVry foresees opportunities of expansion to locations in larger cities, which could potentially increase enrollment and produce revenues greater than the 4 percent increase in 2006. DeVry has varying needs, depending on market size. Leased campus sites range from 70,000 to 150,000 square feet and teaching centers vary from 5,000 to 20,000 square feet, with preferences for Class A office facilities.

ITT Technical Institute is a leading private for-profit school offering technology-oriented programs. ITT Tech offers career-focused degree programs at more than 85 ITT Technical Institutes in over 30 states. ITT opens multiple sites in tier one cities. Larger markets will have sites of 30,000 to 65,000 square feet while tier two cities will have somewhat smaller locations. The preferred locations are flex/business center space in business parks that have ample parking, signage, and strong 'blue collar' demographics.

Lease opportunities exist for accommodating the space needs of these private for-profit institutions. Numerous indicators – economic, educational, demographic, and employment – point to continued increases in private for-profit college enrollment. Intuitively, one would assume that an increase in enrollment would lead to an increase in the demand for commercial square footage. However, technology must be factored into this anticipated growth. Online course offerings are expanding among private for-profit institutions and these increases, coupled with a population that is increasingly technologically savvy, will reduce the demand for physical space.

### States Covered by the Four Institutions

State	DeVry	ITT	UofP	Stra	State	DeVry	ITT	UofP	Stra
Alabama		X		X	Montana				
Alaska					Nebraska		X	X	
Arizona	X	X	X		Nevada	X	X	X	
Arkansas		X	X		New Hampshr				
California	X	X	X		New Jersey	X		X	X
Colorado	X	X	X		New Mexico		X	X	
Connecticut			X		New York	X	X		
Delaware					North Carolina	X	X	X	X
Florida	X	X	X	X	North Dakota				
Georgia	X	X	X	X	Ohio	X	X	X	
Hawaii			X		Oklahoma	X	X	X	
Idaho		X	X		Oregon	X	X	X	
Illinois	X	X	X		Pennsylvania	X	X	X	X
Indiana	X	X	X		Rhode Island				
Iowa			X		South Carolina		X	X	X
Kansas			X		South Dakota				
Kentucky		X	X		Tennessee		X	X	X
Louisiana		X	X		Texas	X	X	X	
Maine					Utah	X	X	X	
Maryland	X	X	X	X	Vermont				
Massachusetts		X	X		Virginia	X	X	X	X
Michigan		X	X		Washington	X	X		
Minnesota	X	X	X		West Virginia				
Mississippi					Wisconsin	X	X	X	
Missouri	X	X	X		Wyoming			X	



**TURLEY  
MARTIN  
TUCKER**

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