1. What are the rate changes?

Graduate student housing rates will increase by a weighted average of 3.7% for Academic Year (AY) 2020–2021. The rates will vary by unit type between 1.5%–5.5%.

Even though the aggregated rates for next year are in line with previous increases of 3–4% and MIT’s stipends consistently rise to meet cost-of-living increases, we realize that the cost of housing affects each student differently. We have been working on the rate changes with the Office of the Vice Chancellor, which recently announced enhanced financial supports for graduate students with children and students in acute financial distress (see additional information below in Question 5). Please take a few moments to familiarize yourself with these new programs.

2. How did MIT arrive at these new rates?

To respond to the student, faculty, and staff-generated recommendations from the August 2018 Graduate Student Housing Working Group Report, Housing & Residential Services (HRS) worked with a local real estate appraiser to analyze MIT housing rates in order to better understand how they relate to the Cambridge/Boston rental market. Other universities follow a similar rate review and setting process.

Unlike a developer, a real estate appraiser performs an independent evaluation of housing rates without any current or future financial interests in the properties they are evaluating. The appraiser’s analysis for MIT showed that there is a wide variation between on-campus rates and the area market. Some unit types are significantly further below market while others are close to market rates. Based on this analysis, MIT has developed a strategy to address these variations while still keeping all rates below market.

This approach to rates for all MIT graduate student residences, including the new Graduate Tower at Site 4, is in keeping with the Working Group Report’s recommendations to address concerns about the quality and financial sustainability of MIT’s housing system. The goal is to have all of the on-campus rates be the same percentage below their value in the external market. By adjusting rates in a targeted, phased manner, keeping all rates below-market, and making enhancements to policies and procedures, MIT will improve its capacity to renew the existing housing stock and expand it in the future to accommodate more members of the graduate student community.

HRS has been consulting with key constituents including the Graduate Student Council (GSC), the GSC Housing & Community Affairs Committee, House Executive Officers, Office of the Vice Chancellor, Heads of House, and the Graduate Housing Working Group Implementation Team to implement and regularly review this strategy.

This strategy is being implemented in coordination with the graduate student stipend increase recommendation process, and in alignment with efforts in the Office of the Vice Chancellor to enhance support resources for students experiencing financial challenges.
3. Why is MIT taking a new approach to rate setting?

The August 2018 Graduate Student Housing Working Group Report stated that:

The Institute should identify ways to operate our housing differently. **Currently our revenue falls short of what is required for comprehensive stewardship. This leads to lower quality housing and creates an impediment to adding more housing.**

MIT should increase on campus graduate housing capacity with an optimal mix of unit types aligning with the evolving needs of students and families over time. The Institute should assess the feasibility of doing so in a way that breaks-even financially at 30 years with comprehensive stewardship.

**RATIONALE FOR THIS RECOMMENDATION** Operating within a comprehensive stewardship model extends the life of the building and leads to higher quality of life for students by providing for better maintained spaces. A 30-year break even should be considered as the committee does not believe MIT should be making a profit from graduate housing. This may require raising rents in some of our buildings, and then stipends would need to be increased commensurately. If MIT can break even, it would make future expansion easier to achieve, although it is recognized that there are a variety of significant additional constraints associated with available sites, and competing priorities for limited capital. This would also lead to greater equity relative to our current housing model where 38% of the students benefit from below-market on campus housing, and the other students, because they live off-campus, do not.

In response to this recommendation, a new approach has been developed to ensure that we fulfill the following objectives:

- Meet the priority to keep on-campus rates below the area market, but in a way that the rates for individual units on campus fall the same percent below the market rate when taking into account the specific characteristics of the unit;
- Take an individualized approach to providing financial support in response to different student situations;
- Create a process that helps all graduate students afford their housing expenses—not just those who prevail in the on-campus housing processes—through the stipend-setting procedures and family grants; and
- Operate a well-maintained and highly effective graduate housing system.

This strategy is being implemented in coordination with the graduate student stipend increase recommendation process, and in alignment with efforts in the Office of the Vice Chancellor to enhance support resources for students experiencing financial challenges.

4. How are the graduate student stipend increases determined?

Each year the GSC Graduate Stipend Committee works with the Office of the Vice Chancellor and the MIT administration to recommend changes in stipends for students supported by Research Assistantships, Teaching Assistantships, and fellowships. The process considers year-to-year changes in the local cost of living for graduate students. These AY 2020–2021 housing rate increases, along with other cost of living increases, will be considered in the stipend increase recommendation process. The decisions on stipend levels are ultimately made by the Provost in consultation with the Deans’ Group after receiving this input.
Even though the aggregated housing rates for next year are in line with previous increases of 3–4%, and MIT’s stipends consistently rise to meet cost-of-living increases, we realize that the cost of housing affects each student differently. We have been working on the rate changes with the Office of the Vice Chancellor, which recently announced enhanced financial supports for graduate students with children and students in acute financial distress.

5. Do I qualify for the new Grant for Graduate Students with Children being offered next academic year?

The MIT Grant for Graduate Students with Children is a need-blind pilot the Office of the Vice Chancellor is launching for the 2020–2021 academic year. All PhD students whose children live with them are eligible for this grant. In addition, Master’s students enrolled in most programs that award the Master of Science, and also programs awarding the Master of Architecture and Master in City Planning, are also eligible if their children live with them. The grant may be used flexibly to cover expenses such as child care, health care, and housing. While it does not cover the bulk of child care expenses, the grant is intended to help alleviate some of the financial hardship our student parents face while allowing them flexibility to tailor child care to their needs, and is in addition to the very favorable medical insurance rates available for graduate students with children at MIT.

Grant amounts for the 2020–2021 academic year are:

- $2,000 for one dependent child
- $3,000 for two dependent children
- $4,000 for three or more dependent children

Additional details about the grant’s parameters and application process will be available soon.

6. What improvements are being made to graduate student housing?

HRS continues to make improvements to graduate housing. Recent projects completed in graduate houses include:

- **70 Amherst Street (E2):** Fifth and sixth floors were renovated and opened to graduate students for the 2018-2019 academic year.
- **Ashdown House (NW35):** Hardwood flooring was replaced in the Hulsizer Room.
- **Edgerton House (NW10):** An IS&T network upgrade was completed and new lounge furniture was installed.
- **Sidney-Pacific (NW86):** Projectors, screens, and sound systems were replaced in the Multipurpose Room and Seminar Room.
- **Tang Hall (W84):** Kitchens, baths, living room carpeting, and curtains were updated in 90 apartments.
- **Westgate Apartments (W85):** A new television and sound system were installed in the basement lounge; cabinet and counter renovations were completed in select apartments (based on vacancy); and a new water heater was installed for the building.
- **Warehouse (NW30):** New study tables and power outlets were installed in the second floor Mezzanine lounge, and tables and upholstered chairs were added to study rooms on the third and fourth floors.
7. Why announce this now?

MIT understands that graduate students need rental rate information in order to make housing choices. Rate decisions are made and announced early in the spring semester so students have ample time to consider housing options for the fall before confirmation and application deadlines.