Graduate Housing Rates
Rate Increase Information | Academic Year 2020-2021

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. Please take a few moments familiarize yourself with these new programs.

2. What is the rationale behind the housing rate changes?

In response to the August 2018 Graduate Housing Working Group Report’s recommendations, Housing & Residential Services (HRS) worked with a consultant to analyze MIT housing rates in order to better understand how they relate to the Cambridge/Boston rental market. The analysis showed that there is a wide variation between MIT’s 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 and the working group’s findings that area peer institutions price their graduate housing according to rental market trends, MIT is developing a “market aware” strategy to address these variations and to achieve a more consistent relationship to the market, while also endeavoring to keep rates below market.

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 Implementation Team to review this strategy along with improvements to policies, procedures, and technology to make living in MIT housing even more attractive to graduate students.

3. Why is MIT pursuing this strategy?

The August 2018 Graduate House 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.

RATIONAL 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 order to calibrate housing rates, a “market aware” strategy is being developed to ensure that we meet the following objectives:

- Meet the priority to keep on-campus rates below the area market
- Calibrate the relationship between on- and off-campus rates
- Address fairness and equity concerns based on the current wide variations in rate relationships
- 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 resources to assist students experiencing financial challenges.

4. How are the graduate student stipend increases determined?

Each year the Graduate Student Council (GSC) Graduate Stipend Committee works with the Office of the Vice Chancellor (OVC) and the MIT administration to recommend changes in stipends for students supported by Research Assistantships, Teaching Assistantships, and fellowships. The process considers the cost of living calculator and 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.

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.

5. What support will MIT provide to graduate students?

While the stipend process described above is effective for ensuring that the financial needs of the majority of graduate students are met, they are not always sufficient for addressing the needs of all students. The Office of the Vice Chancellor has recently announced enhanced financial supports for graduate students with children and students in acute financial distress. Please take a few moments familiarize yourself with the new options.

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.

8. **How were rental rates determined for the new Graduate at Site 4?**

Rental rates for the new Graduate Tower at Site 4 were determined in line with the “Market-Aware” pricing strategy described above. Target rates were set at ~10% below the market valuation of the units based on the comparable units in the area.