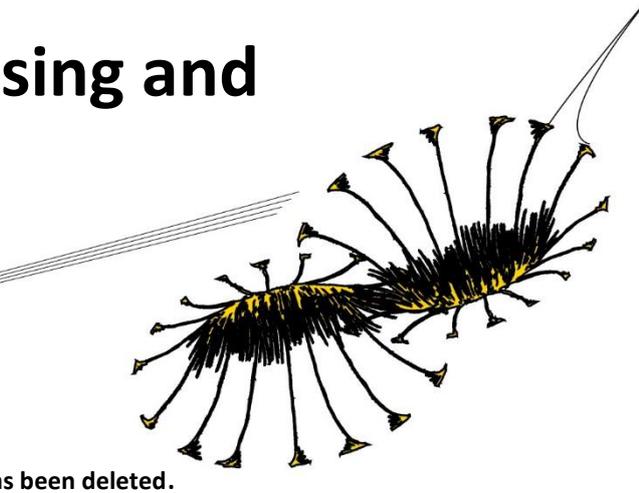




# UT Annual Plan 2018-2022

## Development of Housing and Real Estate



November 2017

N.B. Confidential sensitive financial information has been deleted.

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## 1. INTRODUCTION

### 1.1. General

The objective of the annual plan entitled 'Development of housing and real estate' is to further elaborate the programme being implemented within the frameworks of the long-term housing strategy (hereinafter 'LTSH'). This annual plan is related to the financial budget of the UT and contains an update of the financial situation, updates of the ongoing projects within the programme and an overview of the detailed choices and prioritization for projects implemented by UT. For our projects and goals, we always look at least five years into the future.

This plan also outlines the current national and regional developments affecting real estate and housing and the campus as a whole. The status of on-campus real estate projects involving UT is also indicated.

As mentioned earlier, the annual plan is updated annually and fits within a framework called LTSH 2016-2025, which was prepared in spring 2016 with the assistance of the consulting firm Brink Management & Advies B.V. and adopted in July 2016 by the Executive Board. The LTSH contains a housing strategy for which the UT strategy 'Vision 2020' has been translated into housing frameworks and principles that take national and regional developments into consideration. All of the UT housing initiatives were listed, including the future maintenance processes necessary to maintain existing housing levels. In 2016, we reviewed the university's financial situation, as well as the investment potential for real estate in the coming years.

The LTSH identifies two major real estate initiatives to be undertaken starting in 2016. Firstly, the Health cluster will be housed in the Technohal that is due for a total renovation for this purpose. Secondly, the Faculty of Geo-Information Science and Earth Observation – currently located at Hengelosestraat in the Enschede city centre – will be housed on campus at the O&O Square in a new building to be erected where the Citadel building presently stands.

In terms of the major Health and ITC projects and in addition to fulfilling the primary objective (housing ITC on campus and clustering Health), facilities will be constructed that will benefit the development of the entire campus, such as the expansion of catering facilities and educational and project areas.

The scope of these two major projects, however, restricts our opportunities to make additional large investments in housing in the first five years. More worthwhile initiatives and proposals have emerged from the LTSH process than can possibly be implemented with the current financial options.

Therefore, subject to financial constraints, the new initiatives to implement that are necessary and desirable under the UT strategy are determined on an annual basis, as of 2016. As agreed during the adoption of the LTSH, the real estate initiatives are compiled into a programme of projects to be updated annually in the 'Development of housing and real estate' annual plan, which has been integrated into the annual UT budget.

## 1.2. Review of 2017

Over the past year, UT's real estate activities were mainly characterized by the following items:

- A restart of the project of innovation for the Technohal: starting the demolition of the interior of the Technohal, European Tender for renovation/rebuilding, decision process, start rebuilding/innovation of the Technohal;
- Set up the Programme of Requirements for the new ITC building and corresponding decision process;
- Actualizing and prioritizing other projects/initiatives that emerged from the LTSH process;
- Looking for relocation options for the current Citadel building residents and corresponding decision process;
- Due to several developments, reviewing and expanding the scope and amounts for financial investment in real estate over the long term as stated in LTSH. The budget for renovation of the Technohal had to be increased this year, as well as the budget for establishing a new building for ITC. Furthermore, the project for establishing a new on-campus building for ITC has been delayed and exceeds the current scope of LTSH. An important factor for reviewing is the fact that market forces in the construction industry cause price increases. The review of the scope and the amounts for financial investment (the investment potential) will be described in chapter 4.
- Ongoing political discussion around real estate investments made by educational institutions and the accompanying risks thereof, (the Dutch Ministry of Education, Culture, and Science; the Netherlands Court of Audit [AR]; and VSNU) and the continued participation of university representative bodies on the main features of the university budget;
- Initiation of follow-up discussions about the redevelopment of Gallery Phase II.

## 1.3. Reading guide

Chapter 2 of this plan describes the internal and external developments relevant to the basic principles of the LTSH, and examines whether these developments necessitate any changes to the chosen strategy of the LTSH. Chapter 3 provides an explanation of the process management regarding advice on and determining of the programme of housing initiatives. Chapter 4 provides insight into the financial framework of the present programme, while Chapter 5 explains how and by which criteria, as derived from the LTSH, we determined the present priorities for the real estate programme. The identified risks for this programme are listed in Chapter 6, and all of the proposed projects are briefly described in Chapter 7.

## **2. NATIONAL, REGIONAL, AND UT DEVELOPMENTS**

To further elaborate the LTSH, it is important to record any developments, whether major or minor, relating to the number of users to be housed or relating to their needs. National or regional developments that could affect the financial or spatial frameworks of the LTSH are also important. This chapter lists the relevant developments.

### **2.1. Developments within UT**

Since the adoption of the LTSH (July 2016), the following developments have been significant for the further elaboration of the LTSH:

- Student enrolment for the 2016/2017 academic year has developed as expected, in line with the projections outlined in the LTSH. Over the long term, the discussion about additional funding for the 4TUs may result in a higher number of students being admitted to the UT.
- Staff numbers remain stable and in line with the figures recorded in the LTSH.
- The space requirements of faculties were generally assessed halfway through 2017. The assessment revealed that the vacancy as estimated in the LTSH will decrease in coming years. This is a positive development. Further inquiry and analysis is needed to decide whether these requirements for educational/research areas and secondary areas will lead to major quantitative or qualitative changes in our Real Estate portfolio.
- As part of its Strategic Business Development, UT collaborated with all the relevant stakeholders on a business case for the development of Gallery II, with a preference for the gallery to retain an incubator-like function. There appears to be considerable interest from the business community in this regard.

These developments are in line with the basic principles of the LTSH, and there is no reason to amend the present strategy.

### **2.2. Political discussion around real estate investments**

#### **2.2.1. Investigation by the General Chamber of Audit**

In 2016, the General Chamber of Audit (AR) began investigating the university's real estate portfolio and their real estate management.

In 2016/2017, the AR worked on the second part of their investigation, focusing on property management at selected universities (the UT was one of the randomly selected universities). This second part addresses the following question: 'Do the universities have their property management (including governance) organized in such a way that risks can be identified in a timely manner and still be adjusted?'

The AR has finished their analysis (based on numerous documents and several interviews with stakeholders that are involved with real estate at UT. In November 2016, the university checked the facts and figures of the report issued by the AR and provided its response. A draft of the final rapport will be submitted at the end of September 2017 to the board of the UT.

It will subsequently be submitted to the Dutch Minister of Education. The report is expected to be publicly available after Autumn 2017.

### 2.2.2. VSNU investigation

Parallel to these government investigations, the Governance and Finance Steering Committee of the VSNU decided to conduct its own investigation into the university's real estate investments. The aim of this investigation (with a realistic view of context, purpose, and necessity) was to provide an insight into the real estate investments that are necessary for universities and to describe the maintenance tasks that remain the responsibility of the universities.

The results were published in December 2016. The investigation highlights the many and varied aspects of owning real estate for universities. The housing issues are believed to greatly impact the university's goals. Every university copes with the issues in a different way. The total costs are consistent with the estimations made by the government.

## 2.3. **Urban Planning**

### Kennispark zoning plan

All of the issues to be changed have been identified. A distinction has been made between the issues that are urgent and less urgent for UT. These issues have been delineated because the entire zoning plan, with a focus on the business terrain opposite the campus (incl. the innovation path), is expected to be adjusted. This adjustment, which had been planned for 2017, will take place at a later date. The expectation now is that it will not be possible to complete the adjustment process until 2018.

### Pressing issues of the zoning plan

Several issues with the zoning plan are so urgent that they require quicker action. These concern the new ITC building and the apartments in the HogeKamp tower. The issues relating to these buildings are currently being addressed with an environmental permit that contains a request to deviate from the zoning plan. A structural deviation from the zoning plan will also be requested for commercial events that were allowed once more in 2017.

### Undergraduate, graduate, and PhD student housing

Over the long term, enabling all of the international students to live on campus or nearby will require adaptations to the zoning plan. The number of residential units must expand by 1,000 (presently 2,200). This takes into account the relocation of the city centre units to the campus in due time and the housing improvement projects of 'De Veste' housing organization. Adapting the zoning plan's current locations for on-campus housing is also being considered given that past decisions regarding locations are no longer appropriate.

### Experimental zone

For the campus to be more available for education and research, the zoning plan must be amended in order to use the campus as an experimental zone. A potential aspect for this could be the deployment of drones. This development will require a broad-based collaboration between the municipality, the province, and various other partners. The Dutch Ministry of Infrastructure and the Environment will also be involved.

The university has had an urban development plan for the campus since 2013. The plan, which is called Beeldkwaliteitsplan (visual quality plan), was drawn up by the university's supervising architect

in close cooperation with Strategy & Policy and the Facility Service Centre. This plan is kept up to date and is followed when changes are made to the campus layout. The plan can be found on the intranet of the university.

#### **2.4. NOEK [access to Enschede knowledge park from motorway A1**

The previous 2018-2022 plan indicated that the objections to the NOEK knowledge park (particularly the vibrations) had been investigated and it was the municipality's turn to make a move.

The municipality decided to 'freeze' the procedure concerning the NOEK until municipal elections were held in March 2018. There are currently no developments in motion.

#### **2.5. Housing for international students and staff**

Available, adequate and affordable housing for new (international) students, employees and guests is becoming increasingly important. This importance is emphasized in UT's Vision 2020 and Vision on Internationalization. Adequate, professional and flexible assistance in finding suitable accommodation is crucial for attracting international talent. In addition, the UT has chosen as 'The Most Welcoming University' for students, employees and guests.

Due to a number of changes in the housing offered on and off campus, which gave rise to increasingly differentiated questions, the policy paper 'Housing of UT students, employees and guests' was written. This policy paper was approved by the Executive Board of the University Council in the spring of 2017.

One of the UT's stated goals in this policy paper is to support all students, staff and guests in finding appropriate and affordable housing. Whereas the UT:

- guarantees accommodation to all visa-obliged students, employees and guests for the first year of housing;
- provides assistance in finding accommodation to non-visa home and international students, employees and guests and visa-obliged students and staff and guests;

After the first year, provided that the corresponding housing programme has been started, attention will be paid to:

- creating a student room portal;
- extending the lease of the Stadsweide building;
- finding ways to lower the threshold of the co-optation system;
- consulting with developers and corporations about a possible expansion of the housing on offer ;
- improving the monitoring of the information requests submitted for initial reporting.

#### **2.6. Sustainability**

The sustainability of the campus is encouraged in many areas. A reduction in energy consumption remains a top priority. The possibilities for on-site energy generation need to be examined, as well as the greening of the remaining energy demand. In addition, we will analyse whether sustainability can be stimulated by our suppliers and for the transport movements to and from campus.

The university's CO<sub>2</sub> footprint has been developed in accordance with the Greenhouse Gas Protocol, both for its own CO<sub>2</sub> contribution and that of the suppliers. This footprint is a good tool for choosing policies to reduce emissions. For a quick view on the impact of energy measures, an energy monitoring system has been set up (Enteliweb) that allows the *real-time* monitoring of all the energy

meters in buildings. The energy consumption will be monitored with the aid of intelligent software and hardware (Copper Tree).

Concrete actions:

- The outdoor lighting will gradually be replaced with dimmable LED lighting.
- The lighting in the buildings will gradually be replaced with daylight-regulated LED lights.
- The heat generated by waste incineration will be used for district heating, which is used by the majority of the university's buildings.
- Significant energy savings are possible through use-dependent control of the installation. One such example is the control system for office lighting. The building automation systems that control the climate in classrooms and lecture halls are linked with the timetabling of these rooms. The air extraction in the laboratories using laboratory fume cupboards will be linked to the position of the windows in the laboratory fume cupboards.
- The capacity of the on-site generation of power using solar panels will be increased by placing 1,000 solar panels on the roof of the Technohal.
- The outdoor pool is largely heated by solar panels, while the shower water at the sports centre is partially heated by solar water heaters.
- The UT's largest facility contracts contain a section on sustainability that encourages these partners to help increase the sustainability of the university.

### 2.7. Energy savings/MJA III

As a sector, universities have signed the *Meerjaren Afspraak energie-efficiency* (MJA), a long-term agreement on energy efficiency. This agreement stipulates that universities will strive to reduce their energy consumption and, more specifically, to achieve 30% in energy savings as from 2005 until 2020. The Energy Efficiency planning report 2013-2016 (EEP) discusses in detail the energy-saving measures that UT intends to implement. At least 20% of the savings are to be achieved in UT's own energy consumption and 10% in the 'chain,' meaning with the suppliers. UT has amply fulfilled its commitments as regards its energy consumption. Continued emphasis on energy measures is necessary in the coming years in order to further reduce our power consumption. In the coming years, the building surface that must be included in the MJA III agreements will increase due to the addition of the Technohal and the ITC building. Investments will also have to be made in sustainability measures for these buildings. We will investigate whether the capacity of the *Koudecirkel* can be expanded for the Technohal and the ITC building.

The savings in the chain are difficult to quantify for MJA III participants. Although we know that our suppliers are already doing a great deal, this is hard to translate into reduction percentages. We will examine in terms of sustainable procurement how to better quantify these reductions.

The following items have been identified in the investment overview to support the MJA objectives:

- MJA measures (general item for measures to reduce energy consumption);
- Outdoor lighting (LED lighting of grounds), investments in lighting (LED lighting for buildings);
- Installation of solar panels on the roof of the Technohal;
- Expansion of the capacity of the *Koudecirkel*;
- Providing lab ventilation with laboratory fume hoods, depending on the position of the windows of these cabinets.

One obligation from the MJA III is that the organisation must use a suitable energy management system. The current energy management system will be upgraded to the ISO 50001 standard. By the end of 2017, the organization will ensure that its energy reduction and sustainability responsibilities are in accordance with this standard.

### **3. PROCESS MANAGEMENT FOR THE DEVELOPMENT OF HOUSING AND REAL ESTATE**

To monitor and fine-tune the development of on-campus housing and real estate, a process has been designed that closely matches the existing P&C cycle. As indicated earlier, the LTSH forms the wider framework.

It is important every year to consider and prioritize all the projects in relation to one other due to:

- The necessity of balancing UT's strategic interests in relation to the particular interests of certain user groups;
- The limited scope of annual financial investments;
- Finding possible solutions that relate to individual initiative;
- Reconciliation of overarching issues such as insurance, zoning, contract formation, AV specification, and calls for tender);
- Closely aligning new projects with maintenance and/or energy projects;
- Staff scheduling (size and capacity) at strategic, tactical, and operational levels;
- Managing temporary transition situations and inconveniences.

#### **3.1. Management of Real Estate Projects**

A clear organizational structure is necessary to fully implement and monitor the total scope of the projects outlined in the LTSH (programme, planning, future proofing, and financing).

A programme team has been assembled to monitor developments in the real estate and housing of UT and to prepare for decision-making and participation in sub-projects. The programme team consists of representatives from the following directorates: Strategy & Policy, Facility Service Centre, Financial and Economic Management and the Directorate for Marketing & Communications, and it is under the guidance of a programme manager. The programme team seeks advice from an advisory group composed of two managing directors from two faculties, two members of the University Council, a managing director from one of the service departments, and a representative from the Student Union (SU). The programme team reports to the Steering Committee. The Steering Committee consists of the Executive Board portfolio holder, management from Strategy & Policy, Financial and Economic Management, and the Facility Service Centre. The Steering Committee prepares the decision-making of the Executive Board. For large 'Health' and 'ITC' projects, project managers have been appointed who are linked to the programme team. Proposals and elaborations will be introduced by the project managers within the programme team, and the programme team will place items on the agenda in the Steering Committee. The Steering Committee will then examine the relevant decisions and determine whether certain matters should be submitted to the Executive Board.

As of 2017, the programme team has been strengthened by a (external) building programme manager (from Bureau VKZ) who gives general advice concerning the entire programme, brings in expertise and directs and coaches the project managers.

While the LTSH project organization is functioning, the Executive Board is working on a way to improve the structural organization of campus, real estate, and housing. This process of shaping a new department was initiated in summer 2016 and will come to an end in January 2018.

Within the programme team, the existing projects, project proposals, and the new requirements and desires are being discussed in relation to one another; they are prioritized according to the criteria and principles described in the LTSH. The proposals for prioritization shall be submitted to the advisory board group for advice. The results will be recorded each year in the annual plan 'Development of housing and real estate'. This plan will be submitted for advice to the UCB and the CvB-D, before being adopted by the Executive Board. The annual plan will then be submitted for approval to the University Council and the Supervisory Board.

### **3.2. Involvement of General and Line Organizations**

In preparation for 2018, as already indicated in the previous section, the annual plan will be submitted for advice to UCB and CvB-D before being presented to the Executive Board.

The objective in the coming years will remain to discuss every spring the various developments and to shed light on the issues facing housing. The goal is to begin gathering input in the spring concerning amendments to the annual plan for the following year. In this way, major developments can be included in the long-term frameworks in a timely fashion ('Spring Memorandum'), which may lead to a revision of the LTSH itself.

### **3.3. Governance**

As mentioned in the introduction, this annual plan is part of the 2018-2022 budget of the UT. This financial progress is part of the P&C cycle. This means that the financial situation and a budget forecast will be included in the periodic management reports. The two major real estate projects, namely 'Health' and 'ITC,' will hereby be explained separately. In the context of additional risk management, any deviations greater than 10% of the budget for each of these two projects has to be approved by the Supervisory Board and University Council during specific points in the project process. The University Council has the right of assent on budget deviations of those projects greater than 10%.

### **3.4. Internal and external communications on housing and real estate development**

The internal and external communication on the development of real estate and housing at UT is essential and deserves attention. The basic principle for communications is the chosen strategy in the LTSH of 2016 and the elaboration thereof in the present annual plan.

The following applies to the website of Facility Services (FB) as an information platform for real estate and housing developments: <https://www.utwente.nl/en/lths/>

The main language of communication is English, and all the information disclosed on the website will be available in English. Mailings and news items will be published in Dutch and English.

For targeted communications, the first order of business is to define to who is connected and to what extent to the various housing developments that will be included in the present plan. A distinction is made here between the most involved, involved, and other/generally involved stakeholders.

The extent to which people are involved determines the content and format best suited to these groups. The maxim is that the people who are the most involved should be approached in the most personal manner, as the impact will be greatest for them. For less involved groups, it is generally sufficient to establish communication methods and messages on the employee and student portal that link to Facility Service Centre's real estate website mentioned above.

An important maxim in the communication about on-campus real estate and housing is that internal communication takes place before external communication, in order of priority from the most involved people first, then the involved group, and finally the generally involved group. U-Today coverage will be grouped under external communications.

Besides the intensive involvement of the general and line organizations and user groups within UT, the timely inclusion of the participants and the supervisor is essential. Frequent points for testing and consulting prior to the formal decision-making (through various 'advisory' bodies) can also be important for support and the early identification of risks or situations that require adjustment. How this will take place is described in detail in section 3 of the present plan.

Finally, a basic agreement exists that communications with media about housing questions will be carried out via or in coordination with a representative of the Executive Board.

#### *Project-oriented communication*

The scope of several upcoming housing activities arising from the LTSH and the ways in which they are inter-related requires project-oriented communication. According to the present communication plan, a secondary communication plan is to be prepared for every project.

For the year 2017/2018, this will pertain to communication plans for the following projects:

- Demolition and renovation of the Technohal, preparation for the relocation of the Health cluster in 2019
- Relocation of current Citadel building residents (such as UCT ATLAS, ICTS Service Desk, and the Educational Support Services)
- Demolition of the Citadel building with a new building erected on that site for the Faculty of Geo-Information Science and Earth Observation
- Hoge-kamp building (via BV Hoge-kamp and Van Wijnen construction firm), project review of above and below-ground infrastructure and Hoge-kamp Square.

#### *Internal target groups*

Relevant internal target groups that, depending on the current project, range from 'most involved' to 'involved' and 'generally involved':

- Health cluster staff and students
- ITC staff, students, and Faculty Council
- UCT ATLAS staff and students
- Other Citadel 'residents'
- Steering Committee, programme team, advisory board, project teams
- Bodies in the decision-making process: UCB, CvB-D, CvB, University Council (FPB committee), and RvT
- Student Union
- General community of UT (faculty, administrative and support staff, and students)

- Defining specific groups related to the list of priorities for other spatial housing investments (the remaining €XX for the next five years, in addition to the main files of Health, ITC, and related projects).

#### *External target groups*

- Ministry of Education, Culture, and Science: via information provided to the General Chamber of Audit that was commissioned by the Ministry of Education, Culture, and Science  
Make information on housing developments publicly available, excluding business sensitive information, via a website
- Chamber of Audit:  
'Assessment of major housing investments' report; Conclusion of the General Chamber of Audit: universities in general (October 2016) and UT specifically (spring 2017) should also make information available, excluding business sensitive information
- Results of the investigation conducted by the Governance and Finance Steering Committee of VSNU into the university's real estate developments:  
Refer to the explanation of necessary investments and the maintenance tasks of universities
- Hogekamp BV director
- Drienerburght employees
- Municipality of Enschede, Twente region, Overijssel Province
- Area companies nearby UT (via knowledge park)
- Residents living near the campus
- Media (U-Today, Tubantia, RTV Oost, Enschede FM, and national media)  
Consider when it may be desirable to proactively approach media about housing developments. This is risky given the current political discussion on the real estate investment activities by universities in the Netherlands.
- Partner institutions  
Agreements with tenants, cooperation between external parties on housing (such as Hogekamp BV), maintaining good relations with retail, hospitality, and service operators. Whenever it proves interesting, making optimal use of joint PR opportunities.

#### *Messages in communication*

- The focal points set out in Vision 2020 for the campus can be summarized as follows:
  - Encounters: inspiring meeting places for students and staff;
  - Entrepreneurial: there is a lot of room for innovation, daring, and creativity in and around the campus;
  - International: the on-campus facilities are in line with the needs of the international community, and they contribute to the international character of UT;
  - Experience and experiment: the on-campus facilities contribute to the user experience and provide space for experimentation.
  - How housing development contributes to UT's overall vision: international reputation; a modern, attractive, high-quality and future-proof education; striving for a higher study success rate and excellence in research.
- For the housing developments over the coming years, important basic principles have been determined, based on the Vision 2020, that will be considered before making a final decision on each project:

- A focus on quality and flexibility
  - A focus on the efficient usage of space
  - Non-primary facilities
  - Real estate that is in line with strategic focal points
- Profiling Health and ITC, which are both in the O&O area, gives a qualitative boost to the O&O area. The associated expansions in facilities such as the restorative facilities and the central educational facilities are accessible to the entire UT and provide optimum opportunities for synergy and facility sharing. The new building at the Citadel site and the Technohal renovation will provide a boost to the appearance and activities of the O&O Square. This strategy is in line with the housing aspirations to use housing to improve the coherence, cooperation, and profiling around specific themes and to quantitatively and qualitatively optimize the educational facilities on offer.  
Creating flexible educational and office spaces at the Citadel location will provide flexibility for the O&O area. In the event of shrinkage or growth of the ITC, a move to the adjacent buildings would be easily accomplished and vice versa.
  - In addition to the above intensive projects, there are still very limited opportunities available for investing in other housing projects. If flexibility arises due to better-than-anticipated maintenance costs or otherwise, the defined list of priorities will be used to guide decision-making on how to provide an example for other housing needs in the coming years.

*Communication moments and resources throughout the year:*

Communication will take place through the usual UT channels: the real estate website on [www.utwente.nl/en/ltsh](http://www.utwente.nl/en/ltsh), the staff and student portal, U-Today, and, if relevant, news coverage on the university's homepage.

At least in the short term, from October to December 2017:

- Publish the annual plan online and e-mail it to the bodies involved in the decision-making process, and link to the staff and student portal, after University Council gave approval.
- Communicate internally the list of priorities for investing in housing projects and the process communication programme approach.

In addition to the projects indicated for 2017 that have been worked out in detail at the project level, the following topics lend themselves to incidental moments for targeted communication:

- Preparing opening ceremony Hogekamp and Square, in cooperation with Camelot Real Estate and UPark Hotel (Drienerburght)
- Relocation of LISA Helpdesk
- Promotion of the Student Housing in Hogekamp
- Innovation path: via press relations
- NOEK, the municipal follow-up steps: via an Executive Board representative
- Publicize developments in sustainability and energy savings, if newsworthy: via FB communication consultants
- Maintenance and renovation projects: via FB communication consultants
- Interviews of home-base students and staff and the optimization of the scheduling process: outcome and follow up

- Team hall (student workplace): via press relations
- Start-up hub, Bastille quality impulse: Student Union along with press relations
- Diversify the catering, in response to internationalization: via an Executive Board representative and FB communication consultants.

#### **4. FINANCIAL FRAMEWORK FOR THE ANNUAL PLAN FOR 2018-2022**

The LTSH (July 2016) contains the financial framework within which the housing investment can be carried out. Within this framework, investments are to be carried out that are compatible with the current property rates to cover the capital burden and with the target values set by the university for liquidity and solvency.

##### **4.1 Reassessment of the investment potential of the LTSH**

Prior to the drafting of the Annual plan for Real Estate & Housing 2018 – 2022, an assessment was necessary for the available investment potential indicated in the LTSH.

It became apparent in 2017 that it was necessary to increase the budget for both the redevelopment of the Technohal and for constructing the new ITC building. It has also become clear that the development and realization of the new ITC building will begin later than planned in the LTSH and the investments into, and the operational date of, the new ITC building will fall outside the original financial planning. This development also necessitates a reassessment of the investment potential and the period of investing. The ITC building was originally due for completion by the end of 2019 with occupation by ITC in 2020. The current planning is for the building to be completed by the end of 2020 with ITC occupying the building in 2021 (per 2022 capitalization and depreciation).

The following premises were assumed when reassessing the investment potential:

1. Maintaining the current housing rates (RT codes) (incl. adjusting the rates for 2019) for the capital components interest and depreciation, in accordance with the premises of the LTSH.
2. Maintaining the current key figures for solvency (xx% at a minimum) and liquidity (current ratio within the range of 0.5 to 1.0 and a minimum liquidity limit of €xx) within the financial framework of the LTSH.

3. Established investments from the LTSH strategy:
  - a. Technohal €xx (based on the tender; in use in 2019)
  - b. New ITC building €xx (incl. budget for restorative facilities; in use 2021)
  - c. Citadel relocation €xx (2018)
  - d. New UCT housing €xx (2018)
  - e. Expansion of the parking facilities €xx (2018/2020)
  - f. Layout of the Technohal/ITC square €xx (2018/2020)
  - g. Hogekamp square €xx (2017/2018)
  - h. General unforeseen items €xx (covering risk of market forces for the tenders)
4. Necessary expansion, maintenance and renovation investments:
  - a. Expansion of the koudecirkel €xx (2018)
  - b. Construction of the multi-field €xx (invested in 2017)
  - c. Pavilion renovation €xx (2018)
5. Prioritized projects not yet approved by the LTSH Sounding Board:
  - a. Creation of the student home base €xx (investments in 2019/2020; after relocating to the Technohal)
  - b. Team hall for student teams p.m.
  - c. Sports facilities €xx (investments in 2017/2018)
  - d. Start-up hub & Bastille €xx (investments in 2018)
6. Other property investments to be determined in 2019 for management and campus development, based on an annual inventory for housing plan to be prepared; €xx per year; in accordance with the LTSH.
7. Annual maintenance investments based on the multi-annual maintenance plan for the Facility Service Centre (Facilitair Bedrijf, FB).
8. Renovation investments according to the Facility Service Centre's statement.

As in the original LTSH, this was not included in the additional recalculation of the investment potential:

- 1. Potential effects (gains or losses, liquidity) from the sale of the ITC building on Hengelosestraat.
- 2. Future of the Faculty Club building.
- 3. Future of the Linde building. This building is the property of HTT BV and currently houses Human Capital Care (HCC). HCC currently has a lease on the building until April 2021.
- 4. The future of the Drienerburgh building (property of UT and TTOG BV) after relocating the hotel to the Hogekamp building.
- 5. Possible future investments that must be made in the large-scale, strategic infrastructure for research and IT at UT.

**4.2 Creation of investment potential**

The investment potential has been generated due to the fact that the coverage from leasing rooms to users at constant rates (for the capital component) will remain consistent in the coming years with decreasing depreciation. These diminishing depreciation charges are due to the fact that buildings or components of buildings (e.g. installations) have been fully written off and are no longer included in the annual depreciation charges.

See the graph below:



( x million)

The area between the housing income (green line) and the interest and depreciation charges across from this (red line) reflects the basis for the investment potential that will be created if no further investments are made in real estate in the coming years. This investment potential can be used to invest in buildings. This concerns both necessary standard replacement and/or maintenance

investments, large-scale renovation investments, and possible expansion investments (new construction or redevelopment).

Developments regarding the implementation of the LTSH and its effect on investment potential

This new calculation of the investment potential available for implementing the LTSH takes into account later completion and occupation of the new ITC building on campus.

The original LTSH assumes that the ITC building and the Technohal will be occupied on campus in 2019. This occupancy, through the leasing of the new building ITC (and therefore also the loss of coverage of the Citadel building to be demolished) and the additional square metres of the Technohal, resulted in additional coverage (i.e. leasing income) of €xx in interest and depreciation per year. This generates additional investment potential.

The new calculation of the space that can be leased by investing in the ITC building and the Technohal generates additional coverage of €xx as from 2019 (by occupying the Technohal) and, as from 2022, an additional €xx for occupying the ITC building. In total, this amounts to €xx.

The foregoing means that for the investment period on which the original LTSH was based (an investment potential of €xx for the 2017-2021 period), due to the later commissioning of the new ITC building (2022 instead of 2019), there will be less investment potential available and this will shift through to the following years. The 2016 LTSH included a total investment volume of €xx, which, due to the limited investment potential available for the 2017-2021 period, was maximized at €xx. The reassessment of the available investment potential now includes an investment volume of €xx in total over the years, until 2023.

Description	LTSH 2016	Reassessment	Change
Volume of investment	€xx	€xx	€xx

The increase in the required volume of investment of €xx compared to the original LTSH is attributable to several aspects.

Firstly, there are the necessary increased investments for the Technohal (+ €xx) and ITC (+ €xx), which have been included in the reassessment. In addition, an unforeseen item was increased from €xx to cover possible price developments, risks, and similar aspects which had not been named in the original LTSH. The total effect of these items amounts to €xx.

Secondly, several projects were included in the reassessment that had not been included in the original LTSH or had not been explicitly quantified in the project budgets. This especially pertains to the project for the layout of the Hoge Kamp square (€xx).

Thirdly, extending the review period by two years (from 2021 to 2023) entails that for these years the standard maintenance and renovation investments will be included in the new volume of investment by the end of 2023 (+ €xx) and several specific maintenance projects (including renovation of the Pavilion), totaling €xx. Altogether, this is a €xx increase in the maintenance/renovation budget.

Lastly, due to progressive insight, three projects were included in the reassessment that had been prioritized by the LTSH Advisory Board and the UCB. These projects have not yet been approved, but they have already been included in the required volume of investment : + €xx.

In contrast to the last two aspects mentioned, the reassessment states that the space reserved for future real-estate initiatives and developments, despite extending the time horizon by two years, has remained the same at €xx.

In the original LTSH of June 2016, due to the available investment potential, the investment needs were maximized at €xx. Now, by extending the investment period by two years to 2023, the additional investment potential this creates (more than €xx due to the growing decline in the standard depreciation charges) will be used responsibly to implement the LTSH.

There is still scope (this amounts to €xx until 2023 inclusive) to invest in future developments and initiatives for real estate and/or large-scale infrastructure, as well as implementing the LTSH.

In summary, the above mentioned provides to the following impression:

Description	LTSH 2016	Reassessment	Change
Volume of investment	€xx	€xx	€xx

Changes to the necessary volume of investment:

Description	LTSH 2016	Reassessment	Increase
1. Project budget for the Technohal, ITC, and unforeseen items	€xx	€xx	€xx
2. New projects, budgets, or adjustments (incl. Hogeekamp) included in the reassessment.	€xx	€xx	€xx
3. Extending the period from 2021 to 2023; more standard maintenance and renovation budget	€xx	€xx	€xx
4. Projects prioritized by the LTSH Sounding Board	€xx	€xx	€xx
5. Investments to be specified	€xx	€xx	€xx
<b>Total</b>	<b>€xx</b>	<b>€xx</b>	<b>€xx</b>

In the overview listed above, the development of the present-day investment needs (€xx) is in relation to the original volume of investment of €xx from the 2016 LTSH.

This indicates the changing investment needs and is explicitly not the change in the available investment potential of €xx from June 2016, with which the programme at the time was maximized.

The reassessment of the investment potential indicates that the investment potential at the end of 2023 will be €xx. Therefore, the planned LTSH programme does not need to be maximized as was the case in the 2016 programme, due to the shorter time horizon.

The newly determined investment potential and the property investments planned through 2023 provide the following impression:

Description	LTSH Strategy 2 2017-2021	Reassessment t/m 2021	Reassessment t/m 2022	Reassessment t/m 2023
<b>Total investment potential</b>				
<b>Established investments from the LTSH strategy:</b>				
New ITC building incl. restorative facilities.				
Technohal				
Citadel relocation				
New UCT housing				
Hogekamp square				
Layout of the Technohal and ITC square				
Expansion parking facilities campus				
General unforeseen items				
<b>subtotal</b>				
<b>Necessary expansion, maintenance and renovation in</b>				
Regular maintenance				
Renovation investments				
Expansion of the koudecirkel for Technohal and ITC				
Construction of the multi-field				
Renovation Paviljoen				
<b>subtotal</b>				
<b>Projects prioritized by the LTSH Souding Board; not</b>				
Creation of the student home base				
Improvements for sports facilities				
Start-up hub & Bastille quality impluse				
<b>subtotal</b>				
<b>Investments to be specified</b>				
<b>Total real-estate investments</b>				
<b>Available / deficiency (-)</b>				
<i>(x € 1.000.000,=)</i>				

In the table above, the assessment is shown as it was in the original LTSH, with an investment potential of €xx for the 2017 - 2021 period (blue column).

In addition, the green columns show what the recurring investment potential is for the period up to and including 2021, 2022, and 2023, based on the currently available data for estimates and the project planning for the Technohal and the ITC building and other projects as shown in the beginning of this memorandum.

### 4.3 Vacancy

The LTSH programme assumes an increase in the vacant leasable floor space of 3,400 m<sup>2</sup> to 6,500 m<sup>2</sup>. This memorandum and the reassessment have been prepared with the same assumptions.

The increase in vacancy is attributable to the realization of the Technohal and the spaces that will be left after moving to the Technohal. The total cost (including cleaning costs, GWL, etc.) of this vacancy is approximately €xx.

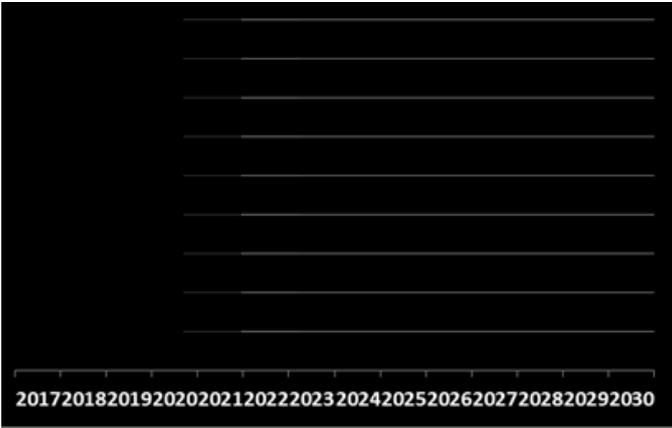
As already indicated in the LTSH financial framework, it can be roughly stated that every additional 1,000 m<sup>2</sup> of structural cover (financed by the units and their usage), and therefore less vacancy, generates approximately €xx in additional investment potential.

Using input from the units, the Facility Service Centre conducted a preliminary inventory of the expected development of space distribution and the associated vacancy. In broad terms, the inventory illustrates that the vacancy might decrease in the coming years, by as much as approximately 1,000 m<sup>2</sup>. After this initial inventory, it will be necessary to clarify when these movements should take place and how coverage of the greater decline in housing can be realized by units.

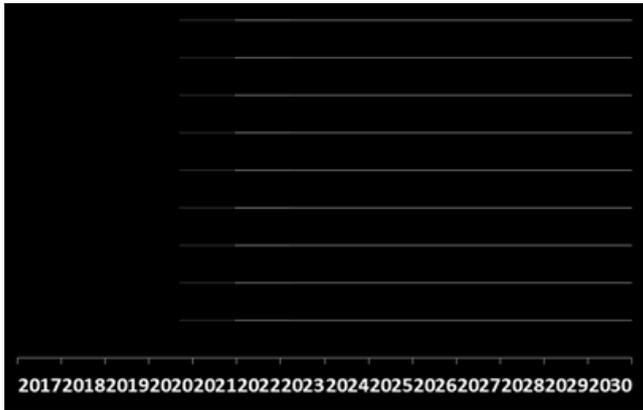
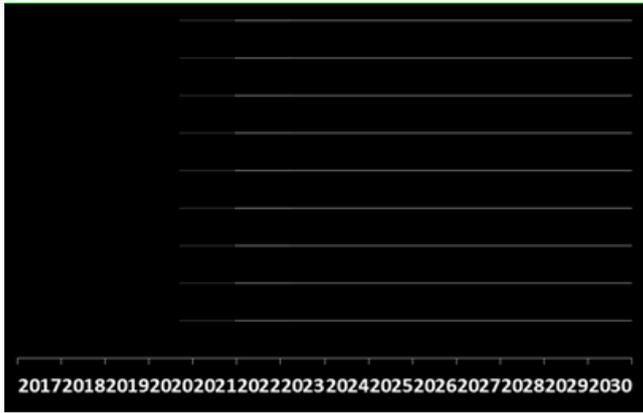
Further on in this memorandum, the financial impact of this inventory on the UT exploitation is made clearer.

**4.4 Key Figures**

As this Annual plan 2018-2022 is an integrated part of the UT budget 2018-2021 the ratios are calculated based on this budget. The planned investments will not affect the solvency of the UT because they are financed with our own resources; it is a shift within the assets side of the balance sheet. By the end of 2022 the solvency (Solvency I) of the UT is expected at xx%. The Solvency II ((equity + provisions)/total capital), used by the Ministry of Education stands with xx% at the end of 2022. Both ratios remain above the lower bandwidth of xx%.



Due to the real estate investments and repayments of loans the liquidity will decrease the next coming years but still the current ratio will stand above the lower bandwidth of 0.5 and also the liquidity will remain above the lower limit of €xx.



**4.5 Effects of real-estate investments on the financial exploitation of the UT**

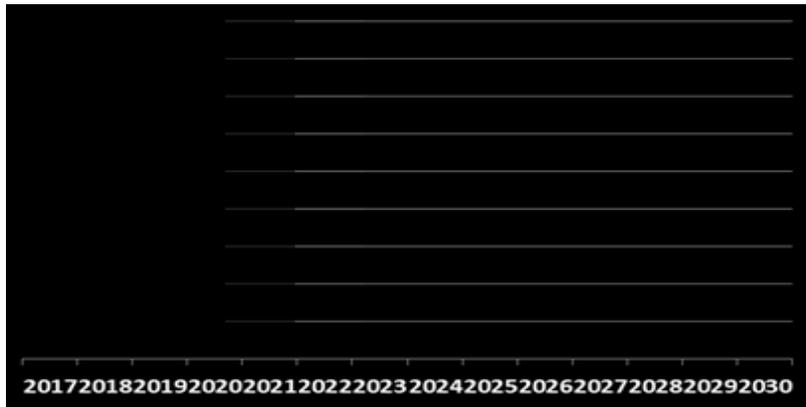
This section explains the impact of the planned investments on UT's operating results for the coming years. The guiding principle for real-estate investment is that it starts with the deduction of the investment (depreciation charges accrued from the operation) in the year following the commissioning of the investment (the building). The graph below shows the annual depreciation charges (red lines) that are borne by the operation and the related income (green lines) from charging RT rates to users of the buildings/spaces.

Below are several scenarios:

Scenario 1: Continuation of the current situation (no new investments): the income remains stable and the depreciation charges decline. The latter is due to the fact that (part of) a building has been fully amortized at some point.

Scenario 2: Indicates the situation with implementing the LTSH based on the principles mentioned at the beginning of this memorandum. This takes into account the planned investments for standard maintenance as well as investments in the expansion and/or renovation of buildings.

Scenario 3: Income development if there is a further decline in vacancy (see section 4); the depreciation charges remain unchanged in this scenario in relation to Scenario 2.



(x 1.000.000,-)

Scenario 2 (realization of LTSH without considering a decline in vacancy) shows that in 2018 there will be a small positive 'housing result' (coverage of RT rates higher than depreciation charges) followed by 2019 and 2020, during which a negative result of €xx and €xx is to be expected.

In subsequent years, due to the further decline in depreciation charges, a growing increase in housing income is expected once more. Should there be a further structural decline in vacancy over the next few years, the abovementioned deficits will be reduced.

#### 4.6 Conclusion

Based on investments from the LTSH and the necessary maintenance, renovation, and other investments (€xx to 2023 inclusive, see right column layout on page 2), the planned investments or to-be planned investments are within the available investment potential of €xx by the end of 2023, without having to increase the capital component of the housing rates.

By the end of 2023, an investment potential of €xx will still be available for the implementation of the programme outlined. This may be needed for potentially higher investment amounts resulting from the completion of real-estate initiatives or developments for which, as from 2019, a volume of investment of €xx per year has been calculated.

Other developments such as the possible redevelopment of the Drienerburgh building or of the Faculty Club and investments in the context of large-scale strategic infrastructure should be partly or fully covered by this (and the investment potential generated again in the years after 2023).

Due to the increasing depreciation charges from investments, 2019 and 2020 are expected to have a temporary shortfall in the housing operation of the capital component (interest and depreciation), which will return to a positive result in the following years (see section 6)

Based on the budget 2018-2021, in which this Annual plan is integrated the ratios for solvency and liquidity remain above the lower limits the UT has stated in the reserve policy.

## 5. PROGRAMME PROPOSAL 2018-2022

As previously indicated, there is limited financial scope to fulfil the needs identified in the LTSH (2016) and inventoried afterwards. As such, choices will have to be made. Further choices will be made on the basis of the following criteria.

### 5.1. Criteria for prioritizing initiatives

Substantive criteria to generate detailed choices for initiatives:

Vision for the Campus (source: LTSH, July 2016):

- Raising the university's profile and generating attention for its strategic themes
- Focusing on meeting and connecting: integration and synergy between education, research, valorisation, and support
- Providing both experimental space (smart living campus) and space for student entrepreneurship
- The objective is to preserve the characteristic greenery of the Campus and the facilities that appeal to students and staff, such as sports and cultural facilities.

Vision on education (source: LTSH, July 2016)

- Promoting 'community building' and small-scale education
- Striving to create a 'home base' for all students and to promote positive encounters between students, course associations, and staff

Practical criteria to generate detailed choices for initiatives

- The necessity due to decisions made for other initiatives (Health and ITC)
- The degree of adaptive capacity, flexibility, and facility sharing
- The degree of added value in relation to the level of the investment
- The degree to which it is linked with investments for necessary maintenance activities
- The extent to which an initiative has been elaborated and the risks have been assessed
- The contribution to limiting vacancy
- The contribution to a reduction in external leasing
- Phased realization in connection with the necessary capacity for the existing organization
- Limits claims to resources.
- Optimal facility sharing

Each initiative requires further examination (additional substantive and financial exploration).

### 5.2. Update of the provisional prioritization of new and existing housing initiatives

In Autumn 2016, the new and existing investment projects within the LTSH were prioritized according to the criteria listed in section 5.1. as stated in the previous annual plan (2017-2021). The advisory board unanimously agreed on that prioritization.

In March 2017, the advisory board was asked to give a recommendation on further prioritization because of further specified budget estimates and certain developments. The UCB approved the recommendations/advice of the advisory board.

In conclusion, the LTSH steering group requested the Executive Board to invest in sports facilities in 2017. In October 2017, the advisory board confirmed the prioritization of Autumn 2016.

Chapter 7 provides a description of the investment projects which remain in the planning.

<p><b>Necessary projects (in addition to Technohal and ITC building)</b></p>	<ul style="list-style-type: none"> <li>• Adjust the square's infrastructure for the Hogekamp building (project started in 2017)</li> <li>• Connect the O&amp;O Square with the Technohal , upon its redevelopment (project will start in 2018)</li> <li>• Relocate the examination room to the campus (decision postponed until 2019)</li> </ul> <p><i>Arguments relating to the LTSH focal points:</i></p> <ul style="list-style-type: none"> <li>• Improve services for students (to meet housing demand)</li> <li>• Work activities necessitated by the renovation of the Technohal</li> <li>• At present, the examination room is externally leased. It will be moved on campus into a space that becomes vacant once Health has been relocated.</li> </ul>
<p><b>Priority one:</b></p>	<p>Create/optimize a home base for students. This can be accomplished in conjunction with creating more study places (particularly in and around the O&amp;O Square). Further optimization of education scheduling and central education facilities.</p> <p><i>Arguments relating to the LTSH focal points:</i></p> <p>Community building and small-scale education are strategic focal points for UT's educational offering.</p> <p>In spring 2017, a broad inquiry was carried out. First findings and recommendations are described in chapter 7. More definite outcomes will be revealed later on and will included in the next annual plan.</p>
<p><b>Priority two:</b></p>	<p>Realization of Dream (Team) hall: a workspace facility for UT student teams.</p> <p><i>Arguments relating to the LTSH focal points:</i></p> <p>Promoting an entrepreneurial attitude and providing an experimental space for students are also strategic priorities of UT. Furthermore, the 'High Tech Human Touch' profile will be visibly enhanced.</p> <p>In spring 2017, the advisory board and UCB have stated that, taking the limited budget for investments into consideration, it could be considered to establish a Team Hall within (the business case of) Gallery II.</p>
<p><b>Priority three:</b></p>	<p>Provide a quality impulse for the Bastille to strengthen its function as a central meeting place for students, and make a cautious start on the SU plan incubators in relation to the Start-up Hub, improve the on-campus sports and cultural facilities, and focus on increasing the individual sports/culture activities on offer, given that international students continually request this.</p> <p>From these three initiatives, a partial list of priorities should be produced of the desired initiatives that are based on current plans. Several components can be realized, depending on the remaining budget.</p> <p><i>Arguments relating to the LTSH focal points:</i></p> <p>Promoting entrepreneurship, quality of life, and the appearance of the campus are all strategic focal points for UT.</p>
<p>Followed by:</p>	<ul style="list-style-type: none"> <li>• To be decided, see Chapter 7 for a list of initiatives</li> </ul>

### 5.3. Explanation of the investment cost overview

The investment cost overview included in the appendix has been divided into different subjects:

- The accorded projects related to the investment strategy of LTSH
- Necessary maintenance and renovation projects
- Prioritized investment projects
- (Partly) new initiatives/projects (due to the emergence of progressive insights and new developments)

The first column contains the financial reservations, as indicated in the LTSH. The second column shows the prognosis for 2017.

The phasing for 2017-2022 details the projects that have been proposed for further development and completion during this period. As regards this phasing, explicit mention should be made that the maintenance and renovation projects and the new and existing investment projects must be further prioritized and elaborated.

The financial resources available to realize the LTSH are not yet fully allocated. There is still some financial leeway, where necessary, for reprioritizing and/or adding important emerging initiatives in the coming years.

The final line in the overview shows the relationship of investment activities in that year to the liquidity ratio. This may fluctuate slightly per year (positive and negative amounts).

The investments for 2017 pertain to the projects for Health, Hogekamp, Citadel resident relocation (LISA), and Sports, as well as for maintenance and renovation projects.

The overview includes an annual estimated budget, as from 2019, of €xx for completing additional initiatives or real-estate developments. For this purpose, the Facility Service Centre has created an inventory of the wishes and initiatives of the units within the university. Based on this and possibly supplemented with new developments, priorities will be set that will ultimately result in a supplementation to the available budget.

## 6. RISK MANAGEMENT AND CONTROL MEASURES

Overall long-term general risks are addressed in the LTSH, June 2016, such as financial risks and risks of decrease / increase student and staff numbers. The uncertainties and risks, listed below, are more specific.

Uncertainty / Risk	Impact	Measure
<i>UT- level</i>		
Market forces in the construction industry cause price increases and time delay.	Major impact on the budget required for the Health and ITC projects	- Review of the scope and amounts for financial investment (the investment potential) has taken place. - A budget is reserved for setbacks due to market forces and price increases at the level of the programmes and at UT-level
Uncertainty about the remaining budget for other/new initiatives	This results in limited additional projects being implemented in coming years and potentially in resources not being allocated.	- Accurate monitoring by programme LTSH, see Chapter 3 -Expectations management: Do not make premature commitments and keep stakeholders informed
Delay in decision-making processes; decisions are discussed on all organizational levels.		
<i>Project Technohal</i>		
Delay in completion of the Technohal renovation due to setbacks	The building is expected to be operational for education as of 1 September 2019. According to the current planning, the new Technohal will be completed by the end of 2018. This leaves enough regulating margin.	- The rebuilding process of the Technohal is tightly managed. An external overarching project manager is appointed to supervise the building process on the building site. He/she works in close collaboration with the project leader of UT.
Changing user requirements because of certain developments	Possible delay and/or increase in costs	Close collaboration within the project and with representative Health/TNW (bouwheer TNW)

<b>Uncertainty / Risk</b>	<b>Impact</b>	<b>Measure</b>
Hindrance Nanolab (nearby Technohal) because of building work	Time delay	Live up to agreements with Nanolab made before the building work has started.
<i>ITC Project</i>		
Possible budget overrun for the estimate of the detailed design with regard to the provisional design for the ITC building .	The guiding principle is to maintain the total available budget reserved for ITC (adjusted in autumn 2017). Savings will be sought within the project.	Close collaboration between the design team, programme team, and the Steering Committee will be necessary.
Delay in decision-making processes  (UC and SB need to approve required budget ITC)	Completion of ITC building is planned for the end of 2020. Relocation is planned for summer 2021. This leaves enough regulating margin.	Close collaboration within programme organisation and with Executive Board
Demolition of building Citadel; UCT ATLAS is expected to move out begin summer 2019; start demolition needs to start begin summer 2019.	It is a crucial factor in the planning; any delays have consequences for the follow-up planning.	Completion of ITC building is planned for the end of 2020/beginning 2021. Relocation is planned for summer 2021. This leaves regulating margin.
meet BENG legal requirements  (almost energy neutral building)	Uncertain. New legislation, consequences are not clear	Accurate project management and hiring expertise

## 7. DESCRIPTION OF UT PROJECTS/INITIATIVES

### 7.1. Inventory of general projects under the LTSH framework

The LTSH differentiates the following categories regarding buildings:

- A. on campus, owned by UT, in use by UT.
- B. off campus, owned by UT, in use by UT.
- C. on campus, not owned by UT, participation UT.
- D. off campus, not owned by UT, in use by UT.
- E. on campus, owned by UT, leased.
- F. on campus, owned by UT, not in use.

### 7.2. Investment projects identified in the LTSH and approved by the Executive Board

The LTSH stipulates the realization of strategy two, which is based on profiling Health and ITC at the O&O Square. The following projects have already been approved for development.

#### Housing of ITC on campus (A)

The Faculty of Geo-Information Science and Earth Observation — currently located at Hengelosestraat in the Enschede city centre — will be housed on campus near the O&O Square at the site of the present Citadel building. ITC has set up a Programme of Requirements and submitted this for approval regarding the programme, budget and planning to the Executive Board. After approval, the tender for selecting a design team will be started (November 2017). In 2018 the design activities for the new building will take place.

By close involvement with the process, direct contact with the users, support of external advisors and internal maintenance experts, the project manager monitors the control aspects: Budget, Organisation, Planning, Information and Quality.

#### Renovation of the Technohal (A)

The staff of the educational programmes on Health (TG, TM, BMT, BME GZ, HS) and relevant Health research groups will be housed in the Technohal, which will be completely renovated for this purpose.

The actual renovation of the Technohal for Health has already been initiated. The selected implementing agencies, after the EU Tender, are Dura Vermeer, BAM Techniek, and Homij Technische Installaties. The implementation will be completed by the end of 2018, after which groups can begin moving in during 2019. The next period will be used to work on the tender of the solar panels and on the established interior. Furthermore, the circular working out of the existing office furniture will continue.

By close involvement with building work, direct contact with the users and building contractors, support of external advisors and internal maintenance experts, the project manager monitors the control aspects: Budget, Organisation, Planning, Information and Quality.

#### Relocation of current Citadel building residents (A)

The current building residents (LISA, CES, and UCT) will have to be relocated.

#### UCT ATLAS housing (A)

We are currently working on a set of requirements for a future housing location.

#### Expansion of restaurant facilities (A)

Once the Faculty of Geo-Information Science and Earth Observation (ITC) has been integrated into the O&O Centre, additional catering facilities will be required. The decision has been made to include a facility in the new building for the Faculty of Geo-Information Science and Earth Observation which has a concept that is more compatible with the building's users.

#### Additional campus parking spaces (A)

The arrival of ITC will necessitate increased parking capacity. Further examination into the required number of parking spaces and a suitable venue has not yet been undertaken.

#### Layout of the O&O Square around the Technohal (A)

The O&O Square will be completed (A) after the construction activities around the Technohal are finished. The layout of the area and the paving will be adapted to the main entrances of the Gallery and the Technohal. In addition, the underground infrastructure will be partially renovated before being connected to the new infrastructure in the Technohal. Due to the large number of students that will be using the buildings around the O&O square, a bicycle parking route will be designed and then installed around the buildings .

#### Expansion of the Koudecirkel's capacity for the ITC building and the Technohal (A)

The on-campus cold-water network for cooling buildings and processes, known as *Koudecirkel*, consists of a cooling water buffer, a piping system that connects nine buildings, and three cooling systems. The *Koudecirkel* is a very efficient system for cooling buildings. The network, however, does not have sufficient capacity to be able to cool the new building for ITC. Therefore, both the capacity of the cooling system and of the cooling water buffer must be expanded. The buffer itself does not have to be increased but the intake and exhaust system in the buffer will need to be modified. The possibilities for expanding the capacity of the Koudecirkel network are currently being analysed.

#### MJA solar panels on the roof of the Technohal (A)

The fact that the load-bearing structure and the floors of the Technohal will be re-used is very sustainable, but in assigning energy labels, a special emphasis lies on energy consumption during operation. Because it is a renovation of an existing steel building, the façade will have less insulation than a completely new building, despite replacing the facade. Solar panels on the roof can compensate for this. With the help of a SDE+ grant from the Dutch government, more than 1,000 solar panels will be placed on the building.

#### Hogekamp Infrastructure (A)

The renewal of the Hogekamp building is being carried out at this moment to provide adequate housing for local and international students and staff. The renovation is being carried out by the Van Wijnen construction firm. However, the above and below ground infrastructure will need to be

replaced and adapted to better facilitate the new purpose of the building. This work is also currently being performed.

Special precautions are being taken to avoid most of the inconvenience for employees in nearby buildings like HTF, Vrijhof, and Drienerburght.

### **7.3. Necessary maintenance and renovation projects**

Further clarification on the items from the required maintenance investments.

#### *Maintenance investments for architectural, electrical, measurement and control technology, and mechanical engineering (A)*

Condition-driven maintenance is applied in accordance with NEN 2767 for the maintenance of buildings and installations. This has resulted in a detailed Long-Term Maintenance Plan (MJOP, containing 38,000 elements). The annual work required to maintain all the elements that make up the existing buildings in the preferred condition is based on the MJOP. The costs associated with these work activities are coupled to a cost database. The annual plan, therefore, also contains a good estimate of the necessary resources. These are largely funded from the operating budget for maintenance. However, the costs for certain major maintenance tasks that €xx will be amortized. Examples include the replacement of: awnings, large carpeted floor surfaces, lighting, and asbestos pipelines for natural gas and water, as well as the gradual replacement of city lighting, etcetera. These amounts fluctuate significantly every year. This year, the replacement of the building automation system in the Horst will be completed. The ventilation system of several classrooms will be enhanced because the rooms are used by an increasing number of students. In addition, the central elements of the fire protection system in the Horst will be replaced.

#### *Maintenance investments in the sewage underground infrastructure (A)*

Approximately 20% of the sewerage system is inspected annually using cameras. The results are then recorded in *Kikker*, a sewerage management system. Every year, the damaged and poorly functioning portions of the sewerage system are replaced or relined. When replacing road surfaces, the underlying drainage is replaced, where necessary. Experience has shown that it is necessary to submit an amount for this every year.

#### *Maintenance investments in the underground infrastructure of electricity and transformers (A)*

The electrical cabling (10kV and 400V) will be replaced in the event it shows strong signs of ageing. To that end, parts of the 10kV cabling will be tested annually. Also, any old lead-coated cabling installed under a road will be replaced.

#### *Maintenance investments for the underground infrastructure of gas and water (A)*

A large portion of the underground gas and water piping is made of asbestos cement. In some locations, these pipes are nearing the end of their service life. This is heavily dependent, however, on the composition of the soil and the groundwater. If multiple fractures have formed in a pipe, it will

be replaced. The gas and water pipes that are made of asbestos cement will always be replaced when replacing a road surface.

#### Maintenance investments for outdoor lighting (A)

Every year, a portion of the 1,000 lampposts on campus will be replaced, for the amount indicated, by poles with dimmable LED lighting. Currently, more than 40% of the lampposts have been replaced. This budget will also be used to replace gradually the underground cabling of this public lighting.

#### Investments in MJA measures (A)

The university has committed under the framework of the Long-Term Agreements (MJA) to reduce its energy consumption by 2% ever year. This will require an annual savings of 1% in the chain (suppliers, commuting traffic, and the like). A persistent effort will be required to achieve this reduction. Thanks notably to intelligent control technology, more efficient installations (*Koudecirkel*), improvement of underperforming systems, and sustainability efforts (solar collectors for the outdoor swimming pool), the university will be able to meet these requirements.

#### Pavilion renovation (A): destined for (temporary) UCT housing

The Pavilion is in poor condition. Because the roof is collapsing and two gerber beams have cracked, temporary columns have been installed to prevent further damage. In addition, the building is not insulated. However, the property does have architectural value. In terms of functionality, the building is very flexible. It could be used, for example, for an open office environment. Renovation is highly desirable. A renovation proposal has been submitted by the architect Andre van Stigt. The estimated costs are about €xx.

At the moment, plans are being made for the UCT housing in this building. UCT students are involved as well as an IO student in designing a piece of furniture for the community space. The planning is for UCT to move to the Pavilion as of academic year 2019. To implement the plans, it is important to know whether the housing for UCT is temporary or for a longer period, regarding the costs to be spent on refurbishment.

### **7.4. Prioritised projects/initiatives in 2017**

#### Dream (Team) hall/student workplace

There is a need for a common workspace (2,000 m<sup>2</sup>) where different student teams from the UT campus can collaborate on projects. The teams can then build and test their projects in their own assembly areas, consult in communal areas, potentially receive exposure, and use specific techniques. The right location for this Dream hall (or Team hall) is still under review. An option is to include the student workplace in the business case for Gallery Phase II.

#### Create/optimize a home base for students and improve education scheduling and Central Education Facilities (COV in Dutch) (A)

In 2017, an inquiry was conducted amongst the UT community: students, teachers, and programme directors. The outcomes will be integrated into further plans for ameliorating education facilities.

This will go hand-in-hand with the need for additional student workspaces in the buildings around the O&O Square.

Within the project, the use of the Central Educational Facilities\* (COV) in relation to the educational facilities of our own education staff/faculty will be examined in greater detail.

It is about finding a good balance between the right to form a community and the creation of a home base for students, and, on the other hand, the best possible scheduling of education in the most appropriate educational areas. The project group 'home base and COV' began in spring 2017 to examine what was meant by a 'home base for students' and how it relates to scheduled education (more than 40 interviews were conducted with students and staff).

Outcomes in highlights:

It is important that students and education programmes be located close to each other while maintaining a 'healthy' physical distance, so that students can freely express themselves and move around. For students, it is a recognizable meeting place to relaxing between lectures/assignments/studying, as well as to study and work together. It is a place where students can be themselves and feel welcome. Bonding with students in their same year and with other fellow students is important for students' progress and education. Becoming involved with a study programme motivates students.

Personal, informal, and accessible contact with education personnel (teachers and staff) is a vital part of that 'home base' feeling.

Educational activities should preferably be undertaken in the immediate vicinity of the home base. However, the majority of respondents do not want to be stuck in a 'bubble'. Both the education personnel and the students find contact with each other important and so movement around the campus is okay, if balanced with a good home base.

Clearly, it is a good idea to schedule the lectures of first-year students near their home base, especially the tutorials and interactive lectures. This encourages first-year students' commitment to the programme. The research also shows that the involvement of students, and the fact that students themselves feel involved, increases their sense of responsibility for the educational facilities. This is an important element in maintaining and determining a home base and additional educational facilities. More coordination on educational facilities and study workplaces is required. Structural consultation by way of a platform with different stakeholders could contribute to this involvement.

#### *Start-up Hub – Bastille Quality Impulse (A)*

A quality impulse is desired for the Bastille to strengthen its function as a central meeting place for students and to make a cautious start on the SU plan for incubators. SU wants to convert the Bastille into a business landscape; the second floor in the Bastille will need to be adapted to accommodate this. The SU has already invested in upgrading the atrium: in 2017, it has become a flexible place where people can meet, study, and eat lunch. The goal is to renovate the second floor for the use of student spin-off companies.

### Improvements to sports facilities (A/E)

In 2016, several large investment projects for the sport facilities were implemented. In 2017, the decision was made to follow up on these investments by investing in a 'multi-field' (autumn 2017). During summer 2017, the entire fitness centre was renovated, including new equipment. Further improvement to the sports and cultural facilities remains desirable, as well as maintenance of the existing on-campus facilities, aimed in particular at increasing the supply of individual activities for sports and culture, given that this remains a consistent request of international students. Further research into possible facilities has led to plans that could include additional tennis courts, paddle courts, and a renewed hockey court.

### Examination Room (A) (postponed until 2019)

The space freed up by the Noordhorst can be used for the examination room, which is currently leased off campus. Because other occupancies of the Noordhorst are also possible, a different location for the examination room may need to be found (for example, the Spiegel). This also includes the development of digital testing.

## **7.5. Other investment projects/initiatives**

The following is an explanation of other investment projects that have been identified in the LTSH, but which require further decision-making. Chapter 5 contains a prioritization with respect to the actual implementation of these projects.

Before initiating the implementation of the following projects, the underlying business cases will be prepared. For some projects, there are opportunities to generate income by leasing to the third parties present (for example, at the sports facilities) or the possibility of VAT offsetting. These opportunities to generate income should be included in the decision-making to the realization processes.

### 7.5.1 LTSH projects 2016

#### Diversification of catering due to university internationalization (A)

The Vision on hospitality recommends allowing more types of catering on campus, related partly to the development of Hogekamp and to boosting on-campus residence and living centres. The facilities required to meet this need require further examination, also in relation to the new ITC building.

#### Improving the interaction between the residence and living centre and the O&O Square (A)

This would improve the vibrancy and encourage the connection in the zone between the O&O area and the residence and living centres.

#### Spiegel Services (A) (deleted from the prioritized list in March 2017)

The various services currently in the Spiegel should be housed according to the same concept used for the fifth floor.

#### Renovation FB Pavilion (A)

The Pavilion building needs a thorough renovation. The project depends on future destination: in 2017 it was destined for (temporary) UCT housing. Further investigation is needed.

### Horst forecourt (A) (deleted from the prioritized list in March 2017)

There is a plan to restructure the Horst square, making it more of a square and less of a cycle park.

### 7.5.2 Changing requirements; new initiatives

As a result of progressive insight and changing requirements, new initiatives and housing needs have emerged. The projects will be weighted using the same criteria and, if found to be important enough, they will be included in the schedule of investment costs.

The following initiatives can be mentioned:

- Expansion of POF chair (Meander) lab spaces
- Relocation of Central Educational Facilities (COV) & study association. TNW to Carré, home base
- Expansion of EMS chair (Carré) lab
- Expansion of XUV chair (Carré) offices, depending on the project
- Expansion of practical space on floor 4 Carré
- Expansion of Create in Zilverling
- Relocation of the Zilverling practical area (necessary for Create)
- Expansion, (requested option of Buitenhorst vacancy after BOZ)
- Expansion of BMS lab from Design Lab to Ravelijn
- Culture: a new multifunctional dance hall

### 7.5.3. Future utilisation of buildings on Campus

How following buildings on campus can be re-purposed in the future bears further examination:

- Drienerburgh
- Faculty Club
- Logica Building (momentarily (mainly) in use for student housing UCT)
- De Linde

## **7.6. Projects in which the university participates**

### Hogekamp (C)

Through Hogekamp B.V. and in cooperation with project developer Van Wijnen, we are working on redeveloping the Hogekamp building into student housing (to be used by Camelot) and a hotel with conference facilities (to be used by the Upark Hotel). Construction started in 2017; completion is expected in 2018.

The development of Hogekamp is dependent on external parties, the operational date for student housing is set. Should the planning be moved up, this has impact on the student housing process, the expectations of (incoming) students. Regular progress meetings held between UT and Van Wijnen allow us to keep track of developments and, where necessary, to make changes and communicate about them.

### Gallery Phase II (C)

The redevelopment of the Gallery phase II forms part of a larger puzzle that has many external stakeholders and shareholders. All of the stakeholders would prefer the Gallery II to have an incubator-like function. A specific province department has reserved an amount for investment or participation. To be able to start the actual redevelopment, a broad-based business case should be established. A business case is expected to be developed during 2018. However, this depends on finding and binding support partners such as investors, users, innovation partners, and creatives.

### ITC hotel (B)

With the Faculty of Geo-Information Science and Earth Observation relocating on campus, it is also desirable to bring the housing accommodations for ITC students on campus. Further analysis is required into whether the HogeKamp development would be suitable for this.

## APPENDIX I Investment Overview

Investment Overview 2018 dated 16 October 2017

Confidential, sensitive financial information

## APPENDIX II LTSH Principles (in addition to section 5.1)

### ➤ **Aiming for quality and flexibility**

With the development and redevelopment of real estate, besides quality considerations, adaptive capacity is also a top priority. The core elements for this include:

- 'Facility sharing' (largely for education and office spaces, and to a lesser extent for research labs).
- Building generality: buildings have the same provisions or 'equipment level'.
- Every type of space will be generically realized, so that its identity can be established by the different users (spatial appearance and experience).

### ➤ **A focus on the efficient use of space and the optimal deployment of the current real estate portfolio**

- The guideline stipulates a 3% vacancy rate for the total space that can be leased.
- The guideline for the use of office space is a bandwidth of up to 12 m<sup>2</sup> functional net area per FTE (for future housing initiatives).
- All educational areas (excepting rooms with very specific facilities) are part of the Central Educational Facilities (COV).
- The guideline on educational areas is a 60-70% occupancy rate at a minimum.
- UT only leases space off campus if there is no appropriate space, temporarily or structurally, available on campus.

### ➤ **Secondary facilities**

- Sports and cultural facilities are primarily aimed at students.
- Sports (especially campus-wide sports) and culture are also intended for university employees and so are important pillars for local and international 'community building' at the University of Twente.
- The retail, catering, and service facilities reflect UT's image and objectives, and they are sufficiently diverse, offer sufficient quality, and are managed by third parties.

### ➤ **The real estate appears to match UT's strategic focal points**

- The campus is an international learning and working environment. The housing is geared toward meeting and access, as well as raising the university's profile and generating attention for its strategic themes.