

33RD ANNUAL OFFICIAL EDUCATION

CONSTRUCTION

REPORT





By Joe Agron

Construction spending by education institutions topped \$36 billion in 2006. While strong by historical standards, it represents the third consecutive year that total spending on construction dropped from the year before.

According to *American School & University's 33rd annual Official Education Construction Report*, total spending on new, addition and retrofit construction by America's school districts and higher-education institutions slowed to \$36.6 billion in 2006 from \$37.5 billion the year before. While the need for construction continues to be strong, many institutions delayed, reduced in scope, or postponed construction activity because of rapidly rising costs and unforeseen market conditions.

Much of the drop in 2006 can be attributed to higher education, as construction spending by colleges and universities dipped to \$11.3 billion from \$14.5 billion the year before. School districts increased spending on construction to \$25.3 billion in 2006, compared with \$23 billion put in place in 2005.

What follows is the authoritative source for education construction data, detailing spending by type of institution; projected spending through 2009; regional spending; per-square-foot and per-student costs; and much more—providing you with benchmark information as you plan future projects.

CONTINUED...

Education construction completed in 2006

(\$000s)

The National Picture	
SCHOOL DISTRICTS	
\$13,696,179	New
\$3,293,625	Additions
\$8,335,650	Modernizations
\$25,325,454	TOTAL
COLLEGES	
\$5,335,208	New
\$1,542,236	Additions
\$4,428,058	Modernizations
\$11,305,502	TOTAL
ALL EDUCATION	
\$19,031,387	New
\$4,835,861	Additions
\$12,763,708	Modernizations
\$36,630,956	TOTAL

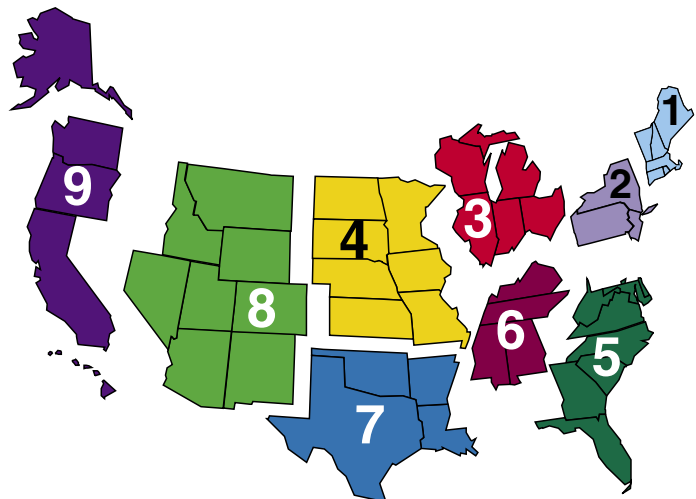
Education construction projected to be completed in 2007-2009

(\$000s)

The National Picture	
SCHOOL DISTRICTS	
\$26,185,765	New
\$8,552,855	Additions
\$16,629,743	Modernizations
\$51,368,363	TOTAL
COLLEGES	
\$27,349,914	New
\$5,008,517	Additions
\$13,152,937	Modernizations
\$45,511,368	TOTAL
ALL EDUCATION	
\$53,535,679	New
\$13,561,372	Additions
\$29,782,680	Modernizations
\$96,879,731	TOTAL

Key to Regions

1	CT, MA, ME, NH, RI, VT
2	NJ, NY, PA
3	IL, IN, MI, OH, WI
4	IA, KS, MN, MO, ND, NE, SD
5	DC, DE, FL, GA, MD, NC, SC, VA, WV
6	AL, KY, MS, TN
7	AR, LA, OK, TX
8	AZ, CO, ID, MT, NM, NV, UT, WY
9	AK, CA, HI, OR, WA

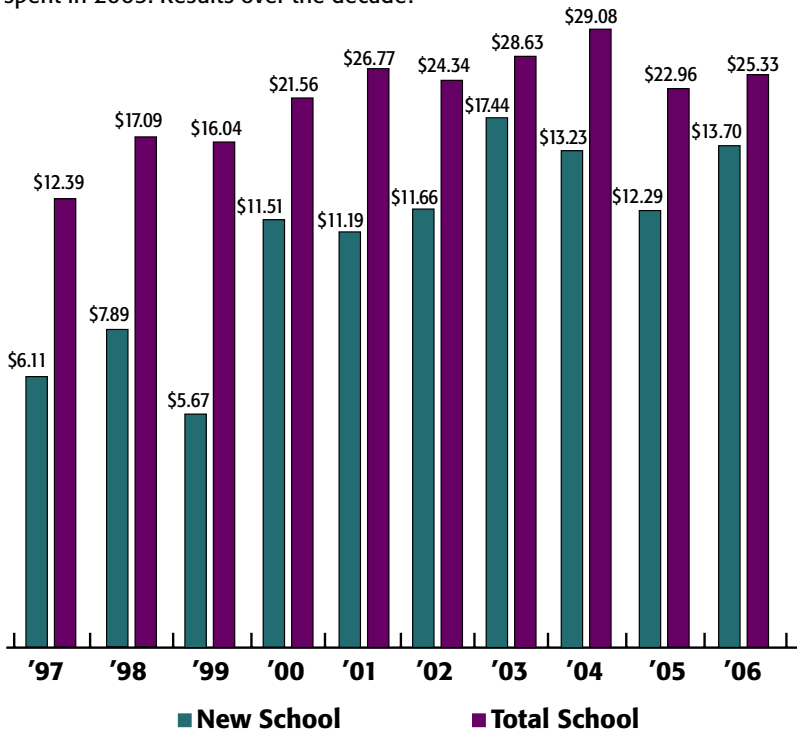


Education construction: A decade of data

(\$ Billions)	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
School Districts	\$12.394	\$17.095	\$16.039	\$21.567	\$26.777	\$24.343	\$28.638	\$29.088	\$22.962	\$25.325
Colleges	\$7.530	\$7.330	\$13.964	\$14.703	\$14.732	\$16.205	\$19.469	\$12.186	\$14.561	\$11.306
All Education	\$19.924	\$24.425	\$30.003	\$36.270	\$41.509	\$40.548	\$48.107	\$41.274	\$37.523	\$36.631
New Construction	\$10.471	\$12.097	\$14.431	\$19.139	\$20.112	\$22.505	\$31.596	\$20.656	\$21.220	\$19.031
Additions	\$4.249	\$6.160	\$7.043	\$4.936	\$5.814	\$8.014	\$6.176	\$7.124	\$8.884	\$4.836
Modernizations	\$5.204	\$6.168	\$8.529	\$12.195	\$15.583	\$10.029	\$10.335	\$13.494	\$7.419	\$12.764

School construction spending

Construction spending by school districts increased in 2006 from what was spent in 2005. Results over the decade:

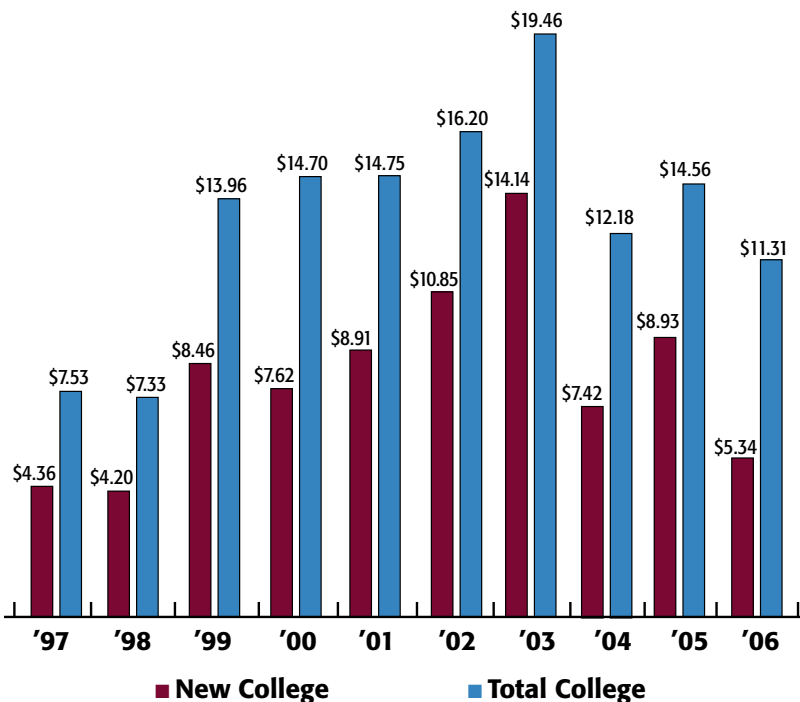


The ultimate resource

As the bellwether report documenting education construction activity for the past 33 years, the *American School & University Official Education Construction Report* is regularly referenced by local, state and federal agencies, as well as the nation's leading news organizations. *AS&U* actually started compiling data on school and university construction in 1950 for the 1949 year. After a decade or so of yearly surveys, data began being compiled sporadically until industry demand prompted *AS&U* to start collecting data annually again. The annual reports resurfaced in 1975 with information on education construction completed in 1974, and data has been collected and published every year since. **American School & University is the only authorized source of this education construction information.**

College construction spending

Construction spending by colleges and universities pulled back in 2006 from the year before. Results over the decade:



COLLEGE DATA

6,910 Mean number of FTE students at responding colleges and universities.

72 Percentage of colleges and universities completing some form of construction project in 2006.

70 Percentage of colleges and universities planning a construction project to be completed by 2009.

\$19 Amount, in millions, the median new college and university construction project completed by 2009 is expected to cost.

Education construction, 2006: By type of institution (\$000)

Region	Schools	Colleges	All Education
1	\$2,473,372	\$696,276	\$3,169,648
2	\$1,035,557	\$527,850	\$1,563,407
3	\$744,142	\$955,866	\$1,700,008
4	\$1,768,183	\$1,747,357	\$3,515,540
5	\$5,040,404	\$991,631	\$6,032,035
6	\$3,045,052	\$3,649,519	\$6,694,571
7	\$2,032,800	\$550,126	\$2,582,926
8	\$6,423,002	\$565,493	\$6,988,495
9	\$2,762,942	\$1,621,384	\$4,384,326
Nat'l	\$25,325,454	\$11,305,502	\$36,630,956

School construction, 2006: By type of construction (\$000)

Region	Total dollars spent		% of dollars spent	
	New Bldgs	Adds/Mods	New Bldgs	Adds/Mods
1	\$1,589,575	\$883,797	64.3%	35.7%
2	\$738,561	\$296,996	71.3%	28.7%
3	\$527,100	\$217,042	70.8%	29.2%
4	\$800,525	\$967,658	45.3%	54.7%
5	\$2,098,625	\$2,941,779	41.6%	58.4%
6	\$2,325,314	\$719,738	76.4%	23.6%
7	\$629,137	\$1,403,663	30.9%	69.1%
8	\$3,269,184	\$3,153,818	50.9%	49.1%
9	\$1,718,158	\$1,044,784	62.2%	37.8%
Nat'l	\$13,696,179	\$11,629,275	54.1%	45.9%

College construction, 2006: By type of construction (\$000)

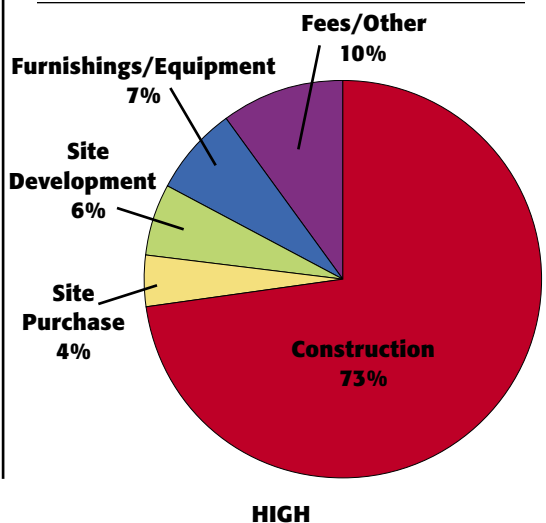
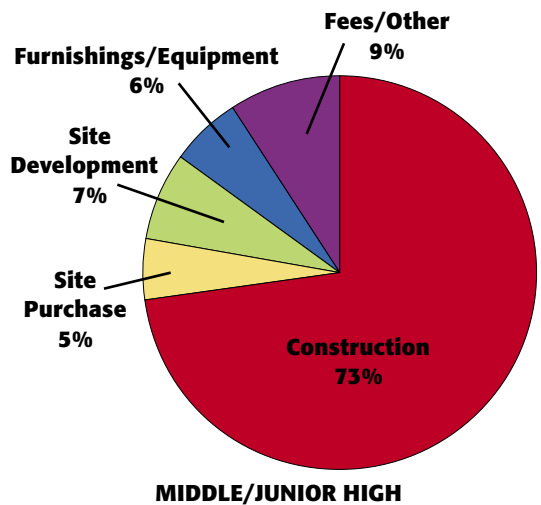
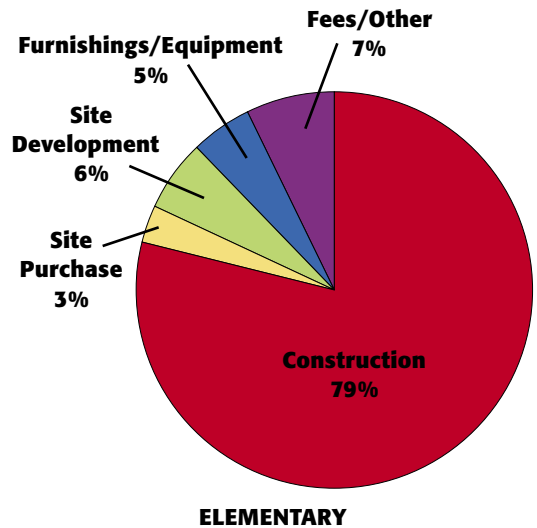
Region	Total dollars spent		% of dollars spent	
	New Bldgs	Adds/Mods	New Bldgs	Adds/Mods
1	\$535,756	\$160,520	76.9%	23.1%
2	\$216,491	\$311,359	41.0%	59.0%
3	\$397,146	\$558,720	41.5%	58.5%
4	\$833,835	\$913,522	47.7%	52.3%
5	\$556,363	\$435,268	56.1%	43.9%
6	\$1,645,781	\$2,003,738	45.1%	54.9%
7	\$302,178	\$247,948	54.9%	45.1%
8	\$364,505	\$200,988	64.5%	35.5%
9	\$483,153	\$1,138,231	29.8%	70.2%
Nat'l	\$5,335,208	\$5,970,294	47.2%	52.8%

Cost of median college construction projects in 2006:

- New \$17.6 million
- Addition \$2.7 million
- Mod./Retrofit \$2.1 million

How the dollars are divided

The following identifies (by percentage) how elementary, middle/junior high and high schools divide the cost of a new school:



Education construction projected to be completed, 2007-2009

(\$000)

The Regional Picture			
Region	Schools	Colleges	Total
1	\$2,186,048	\$1,344,192	\$3,530,240
2	\$1,906,784	\$5,481,672	\$7,388,456
3	\$1,455,000	\$3,836,423	\$5,291,423
4	\$3,276,348	\$10,602,900	\$13,879,248
5	\$13,013,431	\$4,753,844	\$17,767,275
6	\$10,319,109	\$8,473,047	\$18,792,156
7	\$1,476,795	\$2,375,902	\$3,852,697
8	\$7,491,429	\$3,735,546	\$11,226,975
9	\$10,243,419	\$4,907,842	\$15,151,261
Nat'l	\$51,368,363	\$45,511,368	\$96,879,731

How the school construction dollars are projected to be split, 2007-2009

Total School Construction (\$000)				
Region	New	Adds/Mods	% New	% Adds/Mods
1	\$1,895,715	\$290,333	86.7%	13.3%
2	\$1,085,594	\$821,190	56.9%	33.1%
3	\$1,026,000	\$429,000	70.5%	29.5%
4	\$698,638	\$2,577,710	21.3%	78.7%
5	\$7,514,308	\$5,499,123	57.7%	42.3%
6	\$6,736,994	\$3,582,115	65.3%	34.7%
7	\$927,359	\$549,436	62.8%	37.2%
8	\$4,994,286	\$2,497,143	66.7%	33.3%
9	\$1,306,871	\$8,936,548	12.8%	87.2%
Nat'l	\$26,185,765	\$25,182,598	51.0%	49.0%

How the college construction dollars are projected to be split, 2007-2009

Total College Construction (\$000)				
Region	New	Adds/Mods	% New	% Adds/Mods
1	\$201,538	\$1,142,654	15.0%	85.0%
2	\$3,900,937	\$1,580,735	71.2%	28.8%
3	\$2,102,475	\$1,733,948	54.8%	45.2%
4	\$7,529,760	\$3,073,140	71.0%	29.0%
5	\$2,352,918	\$2,400,926	49.5%	50.5%
6	\$3,795,556	\$4,677,491	44.8%	55.2%
7	\$1,299,625	\$1,076,277	54.7%	45.3%
8	\$2,774,105	\$961,441	74.3%	25.7%
9	\$3,393,000	\$1,514,842	69.1%	30.9%
Nat'l	\$27,349,914	\$18,161,454	60.1%	39.9%

Survey methodology

To arrive at results for the 33rd annual Official Education Construction Report, a detailed questionnaire was sent to chief business officials at the nation's school districts and colleges, asking about construction completed during the past year and construction planned to be completed in the next three years.

Administrators answering "yes" to either question then were asked to provide a variety of details on the amount being spent, the type of construction being done (new, addition or modernization), and the expected completion date. All respondents involved with new and retrofit construction were asked to provide additional information on each project. Further follow-up correspondence was made to clarify some data. Responses were separated by institution type, region of the country and institution size, and projected across the education universe.

Construction activity through the decade

Total spending on construction by all education institutions over the past 10 years (in \$billions):



New school costs

(MEDIAN)

	Elementary	Middle	High
Cost/Square Foot	\$137	\$110	\$169
Cost/Student	\$16,010	\$21,684	\$30,000
Square Feet/Student	117	197	178
Number of Pupils	600	800	1,000
Size (sq. ft.)	70,000	157,380	177,500
Total Cost (\$000)	\$9,606	\$17,347	\$30,000



New college building data

(MEDIAN)

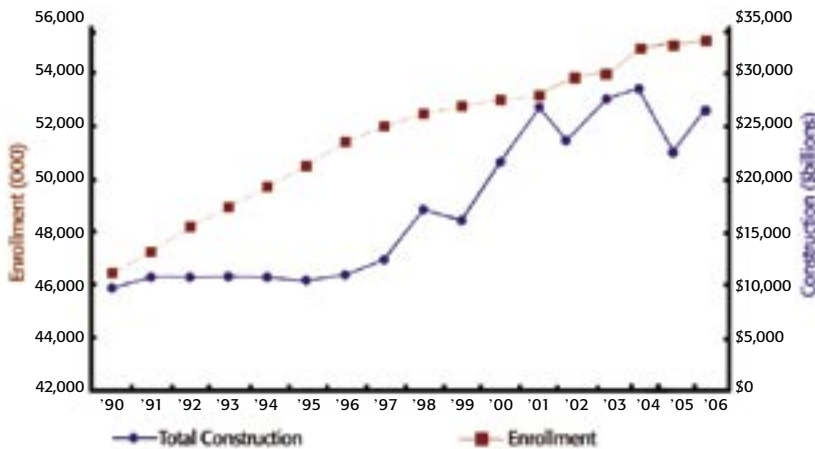
Total Cost (\$million)
\$17.6

Size (sq. ft.)
67,550

Number of FTE students
409

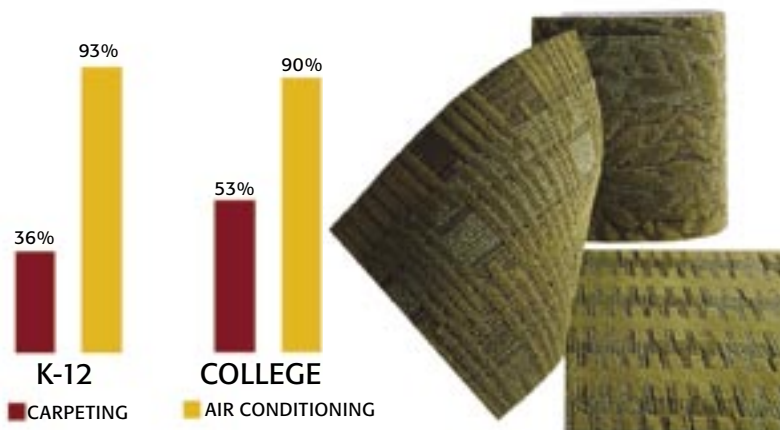
Enrollment and construction—SCHOOLS

K-12 construction spending related to student population. Results since 1990:



Air conditioning and carpeting

The percentage of space air conditioned and carpeted in new education facilities projects completed in 2006:



SCHOOL DATA

5,381 Mean number of students at responding school districts.

43 Percentage of school districts completing some form of construction project in 2006.

39 Percentage of school districts planning a construction project to be completed by 2009.

20 Amount, in \$ millions, the median new school district construction project completed by 2009 is expected to cost.

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