



GORs Everywhere

University Land For Public Housing

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1. Introduction

The role of universities has changed worldwide, moving away from the traditional model to one that is more contemporary and business-oriented. Universities are now acting as centers of advanced education and research, assuming the role of stakeholder organizations with greater administrative autonomy and financial independence (Bleiklie and Kogan, 2007).

Globally, two major challenges confronting higher education: growth and sustainability (Walker, 2015; Mense et al., 2018), and universities are compelled to reassess their missions and objectives (Taylor and Morphew, 2015; Mense et al., 2018). Because tax dollars are scarce, society no longer favors and financially supports higher education (Elbasir and Siddiqui, 2018; Molesworth, Scullion, and Nixon, 2011; Mense et al., 2018). To flourish in the knowledge economy, higher education institutions must adopt an entrepreneurial approach by aggressively promoting themselves (Judson and Taylor, 2014), forging collaborative partnerships (Tadaki and Tremewan, 2013; Mense et al., 2018), and proactively adapting to emerging disruptive technologies (Bickerstaff and Cormier, 2015; Cheng, 2016; Mense et al., 2018). Consequently, higher education institutions are aligning themselves as entrepreneurial models in both domestic and global markets (Barnett, 2011; Lane, Lemoine, Tinney, and Richardson, 2014; Mense et al., 2018).

Universities in Pakistan are not exempted from these concerns and face significant financial challenges, resulting in ongoing discussions regarding their funding. One issue that has been raised is the construction of housing colonies within university premises, which is seen as a misuse of valuable resources. The land owned by universities is a crucial asset and should be used strategically to ensure that the funds are allocated in the most effective way possible.

The objectives of this study encompass a range of aspects, the first being reorienting resource allocation: to critique the conventional practice of investing in housing colonies within university premises, advocating for a strategic reallocation of funds toward capacity-building initiatives with efficient land use to generate income. The second is economic and societal impact: to analyze the broader implications of such a shift, exploring the potential economic, social, and intellectual benefits that arise from directing resources toward the construction of shopping malls, hotels, art spaces, and apartments.

2. Global Comparison

In this study, we have considered three international universities—Harvard, Princeton, and Yale—and three national universities—Quaid e Azam University (QAU) in Islamabad, the University of the Punjab (PU) in Lahore, and the University of Peshawar. Our comparison reveals that the top international institutions strategically invest in their campus lands to maximize their potential and optimize their use. The images of Harvard University, Yale, and Princeton University in the following section serve as evidence that these universities go beyond constructing departmental buildings and instead have a visible presence of malls, shops, museums, and other multi-story structures (Figure 1). In contrast, universities in Pakistan often tend to leave their land unused or develop single-story houses in residential colonies, contributing to urban sprawl.

Figure 1: Land Utilization in International Universities



Source: Authors' Formulation

2.1 International Universities






Harvard's financial standing is underpinned by its endowment, a dedicated and permanent source of funding that plays a pivotal role in sustaining the institution's core teaching and research mission. According to the most recent data available in 2023, Harvard has an astounding \$50 billion in endowment. The institution uses a variety of strategies to increase its endowment, depending on contributions from philanthropists, alumni, and other sources (Table 1 and Figure 1). For the fiscal year 2023, Harvard's endowment yielded a 2.9 percent return.

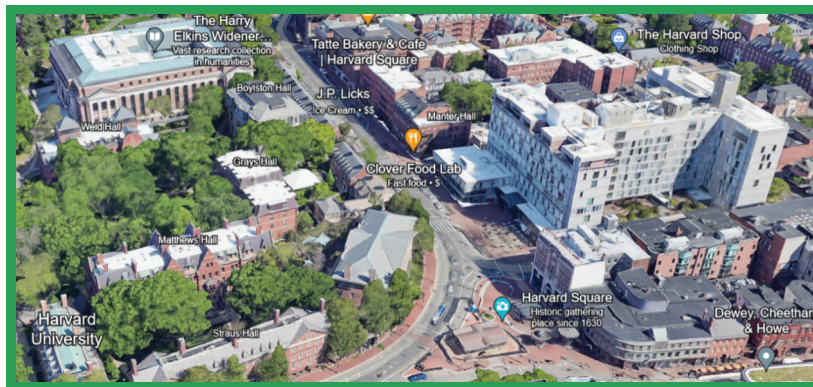
Table 1: Harvard's Key Sources of Endowments

Total Value: \$50 Billion, Return: 2.9%	
Sources of Endowments	Endowment Allocation
Endowments Investments <ul style="list-style-type: none"> • Stocks, bonds, etc. • Real estate (malls, restaurants, etc.) • Alternative investments 	Financial Aid
Donations and Gifts	Faculty Support
Bequests and Planned Giving	Research Programs and Innovation Initiatives
Grants and Contracts	Capital Projects
Tuition and Fees	Investment Management

Source: Harvard Financial Overview, 2023

Figure 2: Harvard University

-  Total Area: **5000 acres**¹
-  Restaurants: **50**
-  Shops/Malls: **20**²
-  Museums/Theatres: **10**
-  Libraries: **70**



Source: Google Earth

1. 1 acre: 8 kanal and 1 kanal: 20 marla
 2. approximately

Princeton University (Figure 3) effectively optimizes land utilization on its 690-acre campus. Through deliberate construction, it has incorporated 200 buildings within 600 acres, highlighting a uniform integration of academic, residential, and recreational spaces. Moreover, Princeton University maintains a sound financial position, strengthened by a robust endowment, diverse revenue streams, and effective financial management practices (Table 2).

Figure 3: Princeton University

-  Total Area: **690 acres**
-  Restaurants: **22**
-  Shops/Malls: **16**
-  Museums/Theatres: **28**
-  Libraries: **29**



Source: Google Earth

Table 2: Princeton's Key Sources of Endowments

Total Value: \$34.1 Billion, Return: 10.5 ³ %	
Sources of Endowments	Endowment Allocation
Bequests	Teaching and Research
Deferred/ Planned Gifts	General Support
<ul style="list-style-type: none"> • Gifts-in-kind • Cash • Securities • Real estate (malls, restaurants, etc.) 	Facilities and Operations Financial Aid Other Specific Purposes







Source: Princeton Investment Strategy

3. For the past 20 years

New Haven is the home of Yale University, famous for tourism, festivals, concerts, shops, and museums. Despite the vast difference in land area between Yale University and QAU (Figure 6), where Yale spans 1075 acres (Figure 4) compared to QAU's 1700 acres, the financial dynamics between the two institutions present a striking contrast.

While QAU finds itself as a burden on the national budget, as per the 2023 figure QAU finished its fiscal year with a deficit of Rs. 580.5 million (Abbasi, 2023), whereas Yale University concludes its year with a robust financial standing of \$44.7 billion in net assets (Table 3), Yale's fiscal health reflects both operational success and a solid balance sheet. This stark contrast prompts a critical examination of the fiscal management strategies employed by these universities, raising questions about resource allocation, revenue-generation models, and the potential for financial autonomy within academic institutions (Financial Report 2022–2023 Yale University, 2023).

Figure 4: Yale University

-  Total Area: **1075 acres**
-  Restaurants: **11**
-  Shops/Malls: **31**
-  Museums: **6**
-  Outdoor spaces: **12**
-  Libraries: **12**



Source: Google Earth

Table 3: Yale's Key Sources of Endowments

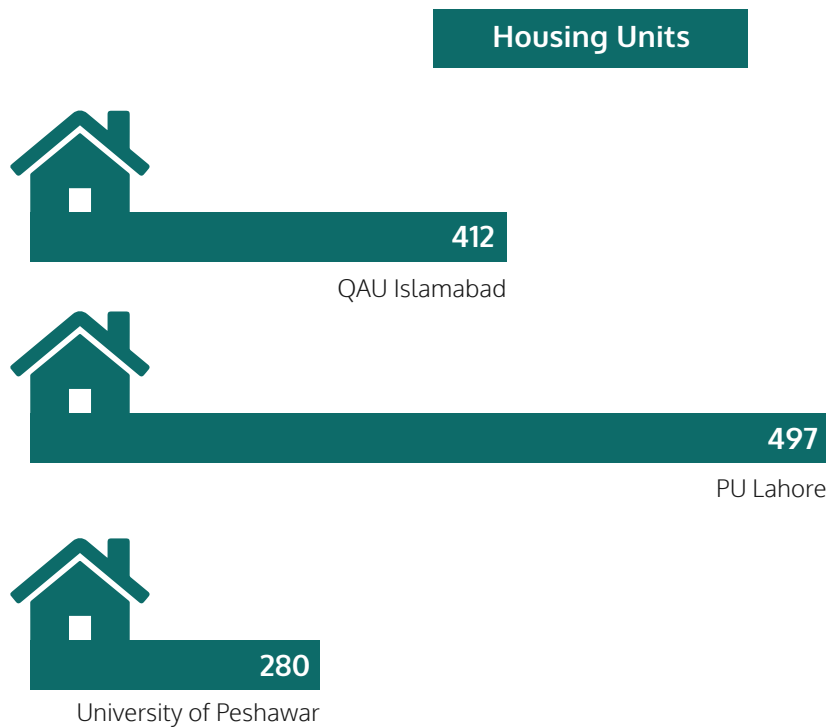
Total Value: \$40.7 Billion, Return: 1.8%	
Sources of Endowments	Endowment Allocation
Donations and Gifts	Teaching and Research
Income from Endowment	General Support
<ul style="list-style-type: none"> • Stocks • Real estate (malls, restaurants, etc.) • Alternative investments 	Facilities and Operations Financial Aid Other Specific Purposes

Source: Financial Report Yale University, 2023

2.2 Universities in Pakistan

Whereas images of universities in Pakistan (Figures 5, 6, 7, and 8), justify that residential colonies occupy the vast area of land in these institutions to house universities' employees. Moreover, it can be generalized to other public universities as well in Pakistan. The employees pay a relatively low amount to the institution compared to market rates. Additionally, the university takes on the responsibility of maintaining and repairing all the houses. In the case of PU Lahore, there are ongoing efforts to construct additional houses to accommodate a larger number of university staff members.

Figure 5: Housing Units in National Universities



Source: Authors' Formulation

Figure 6: Quaid e Azam University, Islamabad

Total Area: **1700 acres**



Area of Residential Units: **50 acres approx. (412 houses approx)**



Area Occupied: **4.8 acres**
No of Houses: **16 (1 kanal each (approx.))**



A & B Type Colony, Area Occupied: **6.3 acres**
No of Houses: **21 (1.3 kanal, 1.5 kanal and 2 kanal each)**



Area Occupied: **20.3 acres,**
No of Houses: **51 (1.7 kanal, and 1 kanal)**



C type colony
Area occupied:
4.5 acres
Houses:
52 (Area of each house: 18 Marla (approx.))

D type colony
Area occupied:
7.5 acres
No of Houses:
96 (Area of each house: 4-5 Marla (approx.))

Source: Google Earth

Figure 7: University of the Punjab⁴, Lahore

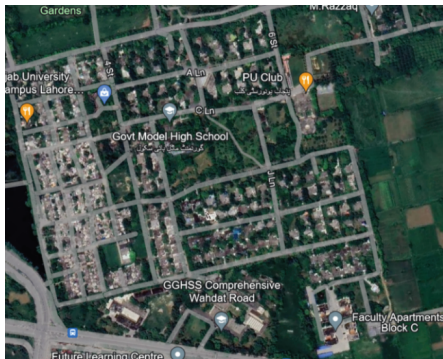
Total Area: **1800 acres**



Area of Residential Units: **100 acres approx. (497 houses approx)**



Area Occupied: **18.9 acres**
VC House: **2 acres, Block A**



Area Occupied: **83.5 acres**,
Blocks: B-I (Houses: **497**, Apartments: **97**, Family
Suites: **21**, Independent Rooms: **28**)

Source: Google Earth

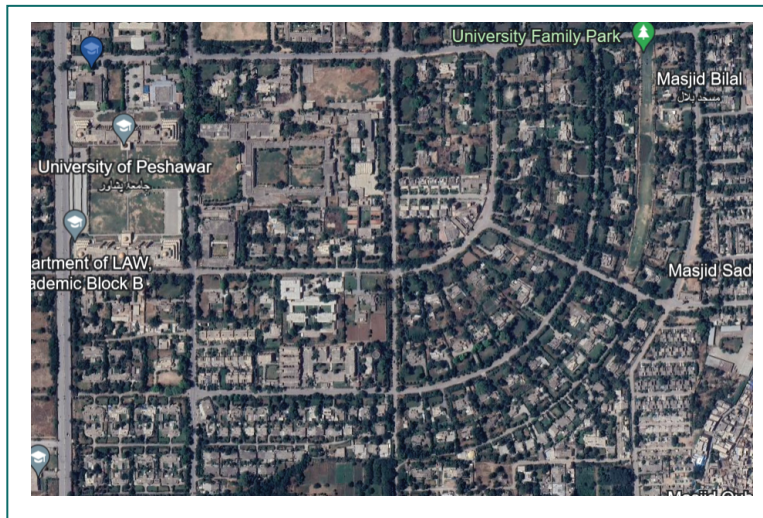
4. Quaid e Azam Campus (Main Campus)

Figure 8: University of Peshawar, Peshawar

Total Area: **1050 acres**



Area of Residential Units: **180 acres (280 houses approx) (8, 6, 4 and 2 kanal each)**



Source: Google Earth

3. Opportunity Cost of Housing Colonies on University Land- An Alternative Proposal

Land located within university premises holds significant value and serves as a valuable asset, providing universities with strategic choices regarding its utilization. This prime real estate offers an exceptional opportunity for universities to make conscious decisions that can shape the institution's future and significantly impact its financial sustainability. According to zameen.com, the average cost/price of a 1 Kanal house in different areas of Lahore, Islamabad, and Peshawar is depicted in Table 4, illustrating the substantial opportunity cost of houses within the university premises.

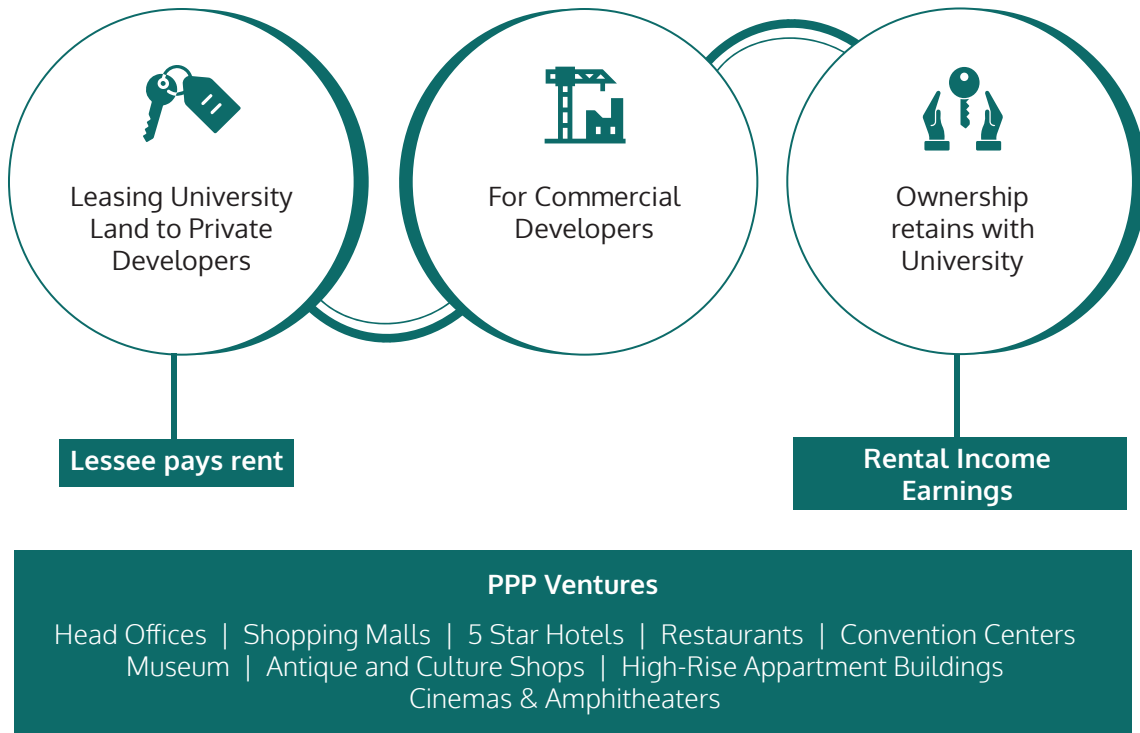
Table 4: Current and Rental Value of 1 Kanal House

City	Area	Current Value (Rs. crore)	Rental Value (Rs. Lakh/month)
Islamabad	F7	30	6
	F6	25	5
	Blue Area	10	3
	Bahria Town	10	2
Lahore	Gulberg	13	3
	Bahria Town	8	1.5
	Johar Town	8	2
Peshawar	Hayatabad	8	1.4
	University Town	7	2
	DHA Defense	7	2.5

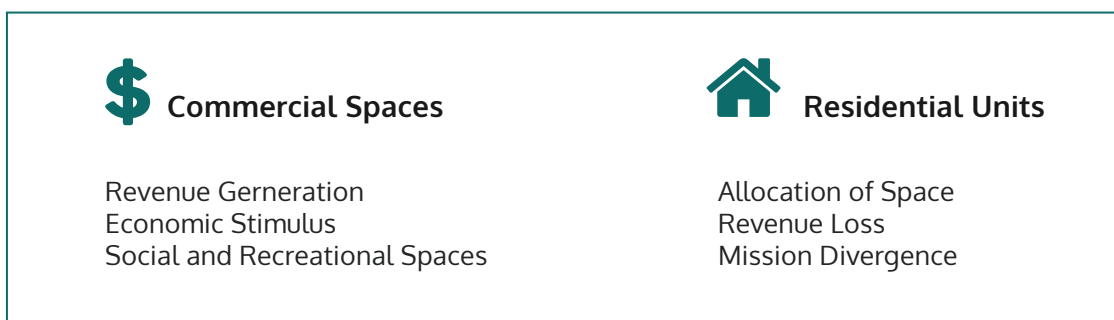
Source: zameen.com

Universities in Pakistan are endowed with substantial land holdings and stand at a critical crossroad. The conventional approach involves seeking government funds for recurrent expenses and infrastructure development. However, an alternative path exists—one that involves leveraging this land to generate revenue from commercial means through Public-Private Partnership (PPP). This paradigm shift involves considering land not merely as a space for academic expansion but as a potential source of revenue generation.

Institutions can tap into diverse revenue streams by leasing university land to private developers. The ownership of the land remains with the university as a public entity, while rental income is earned from the lease agreements. Commercial spaces within university premises can include malls, apartment buildings, museums, offices of national and international organizations, as well as renowned five-star hotels like Serena, Pearl Continental, and other well-known franchises. The shift from traditional housing colonies to commercial zones reflects a proactive stance in steering academic institutions toward financial self-sufficiency and greater autonomy.

Figure 9: Public-Private Partnership

Source: Authors' Formulation

Figure 10: Commercial Spaces vs Residential Units

Source: Authors' Formulation



Benefits of Commercial Zones

a.Revenue Generation: Commercial spaces have the potential to generate revenue through leases, and businesses operating within them. This revenue can partially offset the initial investment and ongoing maintenance costs. The apartment buildings in QAU Islamabad (being in proximity to the embassy and diplomatic enclave) can be given on rent to the diplomats and earn revenues.

b.Economic Stimulus: It can contribute to local economies by creating job opportunities, attracting businesses, and boosting consumer spending, potentially catalyzing economic activities.

c.Social and Recreational Spaces: They serve as social hubs, offering recreational spaces, entertainment options, and a variety of goods and services to the community.



Housing Colonies Drawbacks

a.Allocation of Space: Housing colonies utilize valuable land within university premises that could otherwise be used for educational or research facilities.

b.Limited Revenue Generation: Unlike commercial ventures, housing colonies might not generate revenue or contribute significantly to economic growth.

c.Mission Divergence: Building residences within academic institutions might divert focus and resources from core educational objectives, impacting the institution's primary mandate.

When comparing the two, commercial space presents a lower opportunity cost due to its potential for revenue generation, economic stimulation, and community engagement. Moreover, apartment buildings occupy less space than single-family homes (Haque, 2020).

On the other hand, housing colonies within university premises, although providing residential facilities, may not yield substantial returns or align closely with the primary objectives of educational institutions. The resources invested in housing could be allocated to endeavors that boost economic activity.

4. Concluding Remarks and Policy Reforms:

Housing colonies on universities' land illustrates a substantial opportunity cost. Hence, a paradigm shift is required, viewing land not merely as a space for academic expansion but as a potential source of revenue generation. Therefore, resources need to be redirected for efficient utilization of land to steer universities toward financial autonomy, fostering a vibrant and self-sustaining higher education system in Pakistan.

- Universities receive land as an endowment from the government, which is funded through the Public Sector Development Program (PSDP). A crucial reform is to monetize residential perks for faculty and establish standardized pay scales. Housing units should be rented out to the public, including university staff, at market rates, generating additional income for universities and promoting financial sustainability and inclusivity.
- Another Important reform involves that instead of sprawling housing complexes, universities should embrace high-rise developments comprising modern residential apartments, commercial spaces, and shopping malls as the opportunity cost of housing colonies is substantially higher.
- This effort can be realized through PPP, where both parties will enter into a contract for a certain period. PPP ventures in universities should operate on a profit-sharing model with defined terms and ownership structures outlined and agreed upon in advance. Ownership must remain with the university and upon the contract's expiry, the land will be transferred back to the university.
- The revenue generated can be reinvested in academic and research initiatives, reducing dependency on external funding. This reform aligns with contemporary urban development trends.

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