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In Student Housing, Demand for Tanning Salons Still Hot

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By Dawn Wotapka

Owners of campus housing generally agree that the decline in demand many feared this fall because of the weak economy didn't materialize. "Business is flat year-over-year," says Paul Bower, chairman and chief executive of Memphis-based Education Realty Trust Inc., owner and operator of more than 38,000 student beds nationwide.



Despite the pool at Campus Apartments' College Station residences in Orlando, students from the University of Central Florida demand tanning facilities.

But the debate continues to rage over tanning machines, an amenity in many dorms that some budding scholars consider as essential as high-speed Internet and good cuisine.

These days, stand-up machines are out, while tanning beds are back, says Alexander Goldfarb, an analyst with Sandler O'Neill + Partners, L.P. Students, he explains, want to relax horizontally, instead of standing up.

But Campus Apartments—which controls some 24,000 resident beds and offers free tanning in 85% of its owned assets—says it is making the opposite move, phasing out tanning beds in favor of the stand-up product that costs 50% more to acquire and maintain. Students consider standing up more sanitary and, more importantly, it can be twice as fast, says Chief Executive David Adelman. "They want to be able to tan in between classes," he joked.

Operators say demand is highest in sunny areas, including Florida, Texas and Arizona, where students could easily opt for the real thing. But they are instead requesting more facilities, Mr. Adelman says.

It's a speedy solution for a generation that would pick Facebook over applying Banana Boat oil beachside. "Why do you need a tanning salon in the desert? I realized it's the same principal as microwaving your food," says Paula Poskon, an analyst with Robert W. Baird & Co. "It just takes less time."

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