

YARDI MATRIX STUDENT HOUSING WEBINAR



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1. Opening Remarks

2. What Happened This Fall?

- Assessment of our views from the Spring
- COVID-19 impact on universities that opened this Fall
- A look at some winners and losers

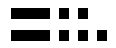
3. Spring Semester Outlook





Opening Remarks





Yardi Matrix House View October 2020

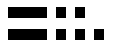


- Most universities elected to hold some type of in-person presence this fall, though some reversed course and decided to go fully online, or temporarily pause in-person instruction to get a hold of rising COVID-19 cases on campus
- Early indications of enrollment are mixed, but generally we are seeing increased enrollment at 4-year public universities and decreased enrollment at private universities
 - We have also seen an overall decrease in undergraduate enrollment and increase in graduate enrollment - perhaps a result of job losses encouraging professionals to further their education
- Construction seems to be continuing as normal as demand for off-campus student housing remains strong
 - Yardi Matrix data hasn't shown any slowing of cycle times or project cancellations thus far
- Preleasing and rent growth are lagging last year's numbers, but are still good overall
 - Preleasing as of August was 87.6%, 3% below 2019
 - Year-over-year rent growth as of September was 2.1%, 0.6% below 2019
 - There is a lot of variation among universities – but we've found the variation isn't due to whether classes were in-person, but rather due to enrollment and supply at each university
- **Overall, the student housing sector has proven to be fairly resilient and largely unaffected by university decisions. Ultimately, the sector's performance still relies on supply and demand fundamentals**



Assessment of Our Views From the Spring





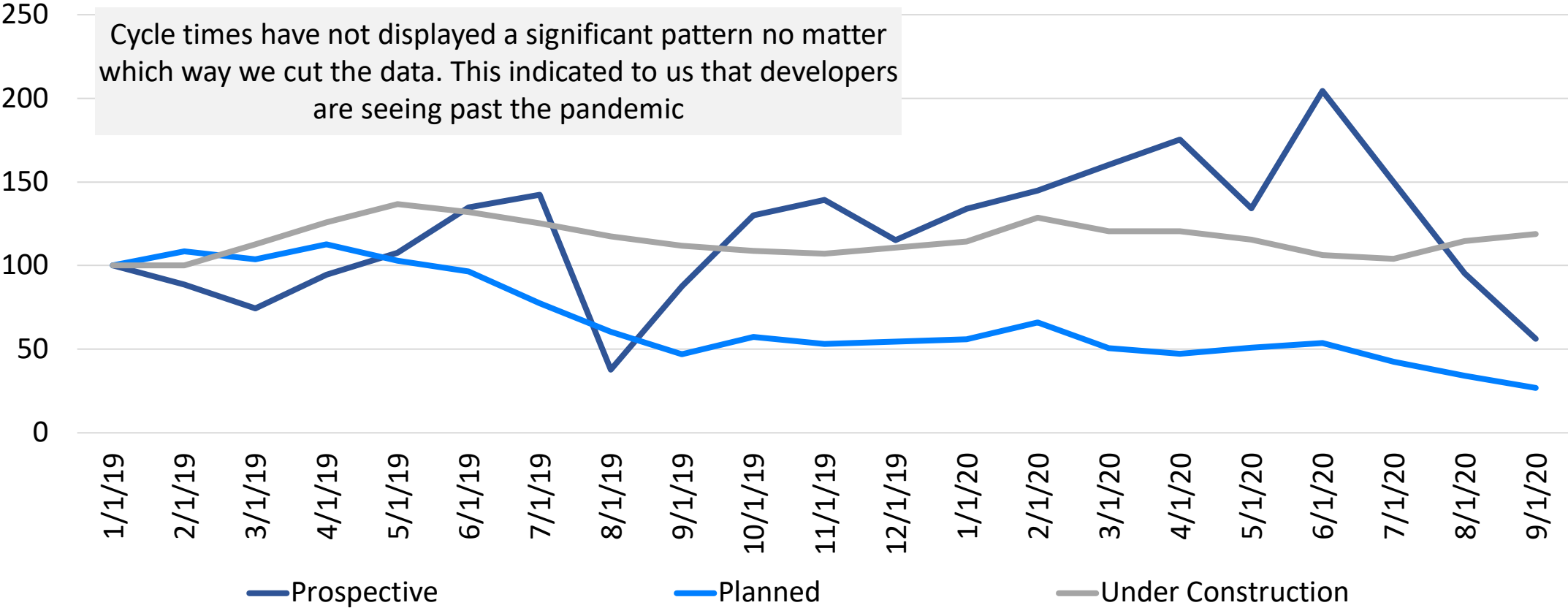
Our Views From This Spring



1. COVID-19 may slow projects in early stages of development
2. Domestic and international enrollment will likely decrease in 2020
3. Freshmen students are looking at schools closer to home
4. Dorm capacity will likely be cut in half, pushing more students to look off-campus, fueling strong demand for off-campus dedicated student housing
5. The student housing market at universities doing online instruction will be hit, but not too hard

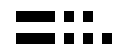
Projects in the Early Stages of Development Will be Slowed or Canceled – *IT DIDN'T HAPPEN*

Property Status Durations
3-Mo. Rolling Avg, Indexed to Jan 1 2019



Source: Yardi Matrix



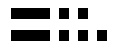


Projects in the Early Stages of Development Will be Slowed or Canceled – ***IT DIDN'T HAPPEN, AT LEAST NOT YET***



Out of our entire database of off-campus dedicated student housing properties in the prospective, planned, and under construction phases of development, we only found 2 properties that were canceled since the start of the pandemic

Project	University	Canceled Date
VIVO Phase III	University of Toledo	3/2/2020
4555 Roosevelt Way NE	University of Washington-Seattle Campus	9/8/2020



Enrollment Will Decrease in Fall 2020



A Little Early to Tell - ***WE WERE MORE RIGHT THAN NOT***

WHAT WE'VE GATHERED SO FAR

- Overall enrollment is **up** at major 4-year public universities
- Overall enrollment is **down** at private 2- and 4-year universities
- Undergraduate enrollment is **down**
- Graduate enrollment is **up**
- In-state enrollment is **up**
- Enrollment consists of **more minority students**

Major Public Universities Appear to Have Enrollment Growth

In the headlines...

All these universities saw:
increased in-state student enrollment and diversity of students at an all-time high

“Georgia State University sets records for enrollment and size of freshman class”

“U of I System enrollment tops 90,000 for the first time”

“LSU: Fall enrollment, shatters records, retention rates at an all-time high”

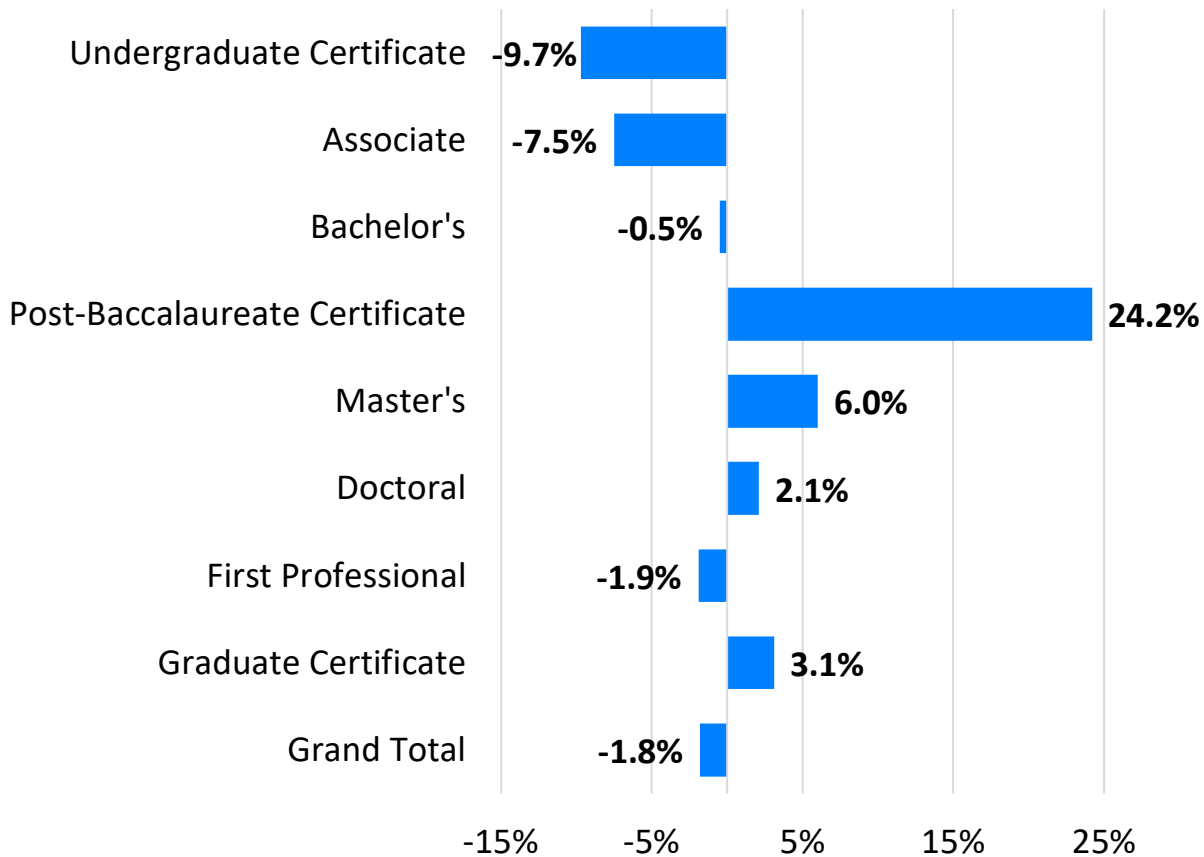
“Record breaker: UNCC enrollment tops 30,000 for first time ever”

“WEST LAFAYETTE, Ind. — Purdue University’s enrollment at its flagship campus is the highest ever.”

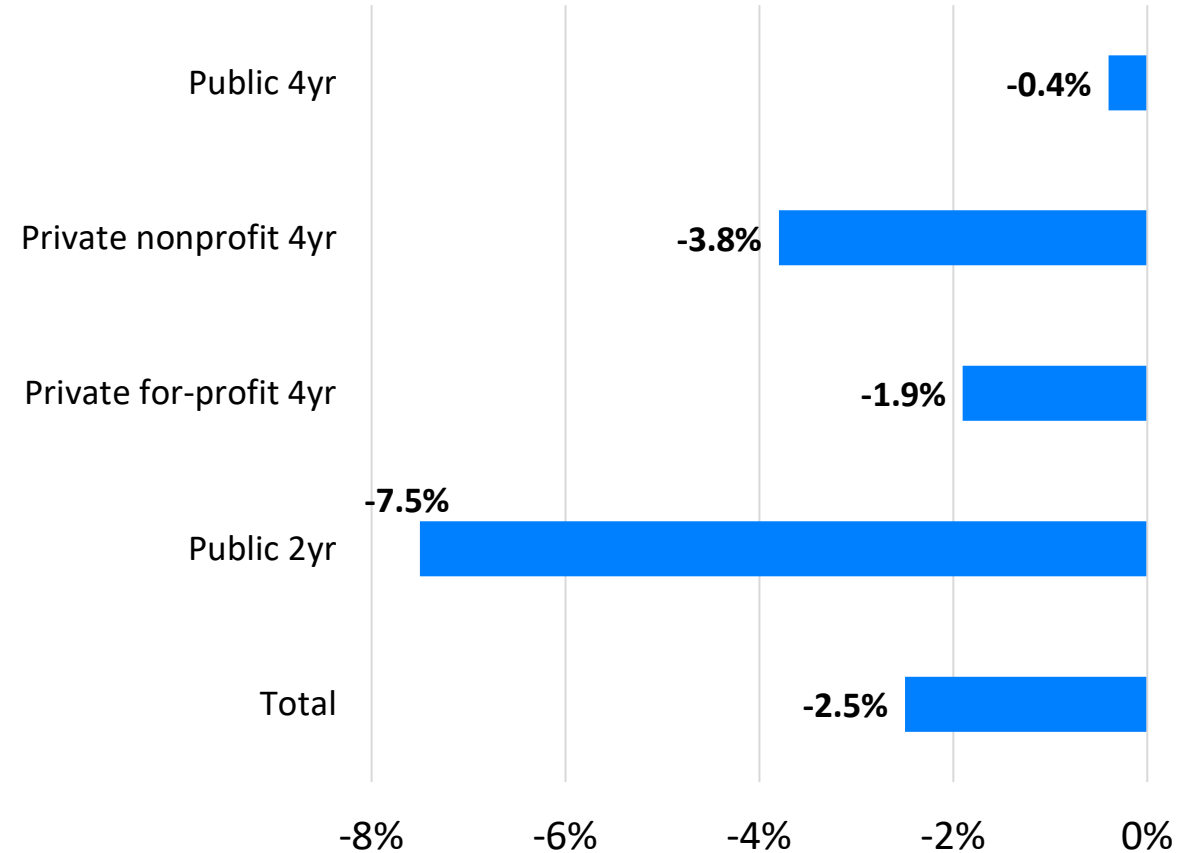
“Two Houston-area universities see record enrollment amid coronavirus pandemic”

Early Indications Show Overall Undergraduate Enrollment Down, Particularly at Private Universities, and Graduate Enrollment Up

Enrollment Changes by Credential Type



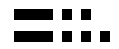
Undergraduate Enrollment Changes by Sector



*It should be noted that this is based on only 22% of institutions, most of which were private universities. Data as of Sept. 10

Source: Yardi Matrix; National Student Clearinghouse Research Center





Many Universities Saw an Increase in Freshmen Deferments and Less International Student Enrollment



University of Colorado Boulder

- New freshman enrollment declined 12% from last year, and freshmen deferments increased 264%
- Undergraduate international enrollment fell 22% and international graduate student enrollment fell 11%

Harvard University

- An estimated 20% of first-year students have chosen to defer this year

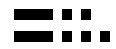
University of Illinois at Urbana-Champaign

- 576 fewer international undergraduates chose to continue their enrollment this fall

University of Central Oklahoma

- New undergraduate and graduate international students expected to fall about 74% from last year

American Campus Communities: As of September 11, occupancy at properties that primarily house upper classmen was about 93%, while properties that primarily house freshmen was about 80%



Freshmen Students are Looking at Schools Closer to Home – ***WE WERE RIGHT***

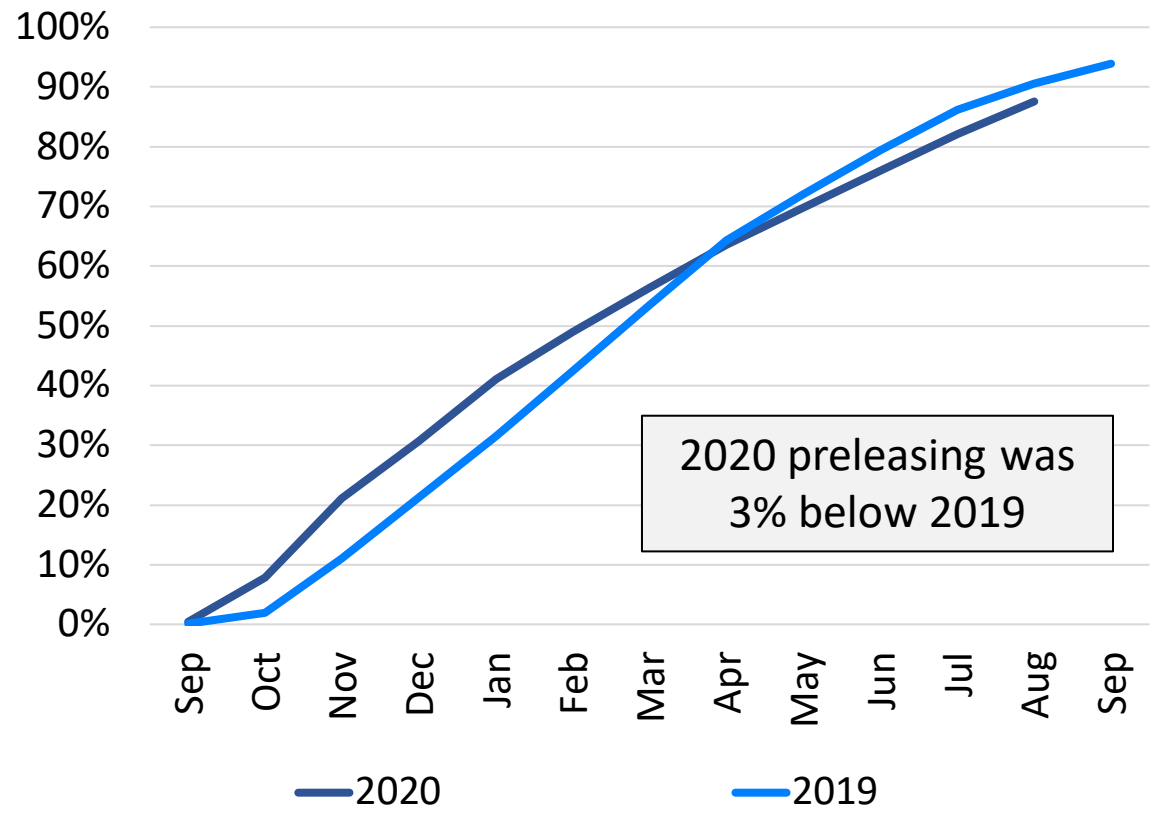


- University of South Carolina announces second-largest freshman class, increased in-state enrollment
- University of Alabama boasts in-state spike despite decrease in fall enrollment
- The University of North Carolina at Charlotte is larger than ever, and of the nearly 6,600 new undergraduates, more than 6,200 are from North Carolina. Significant graduate school growth is attributed to more than 700 new in-state students who enrolled
- The University of Illinois system saw gains among in-state undergraduate students
- The University of Wyoming had a decrease in out-of-state freshmen, but this was partially offset by an increase in in-state student enrollment
- The University of Wisconsin-Madison: 73% of applicants this year were in-state, up from 68% last year

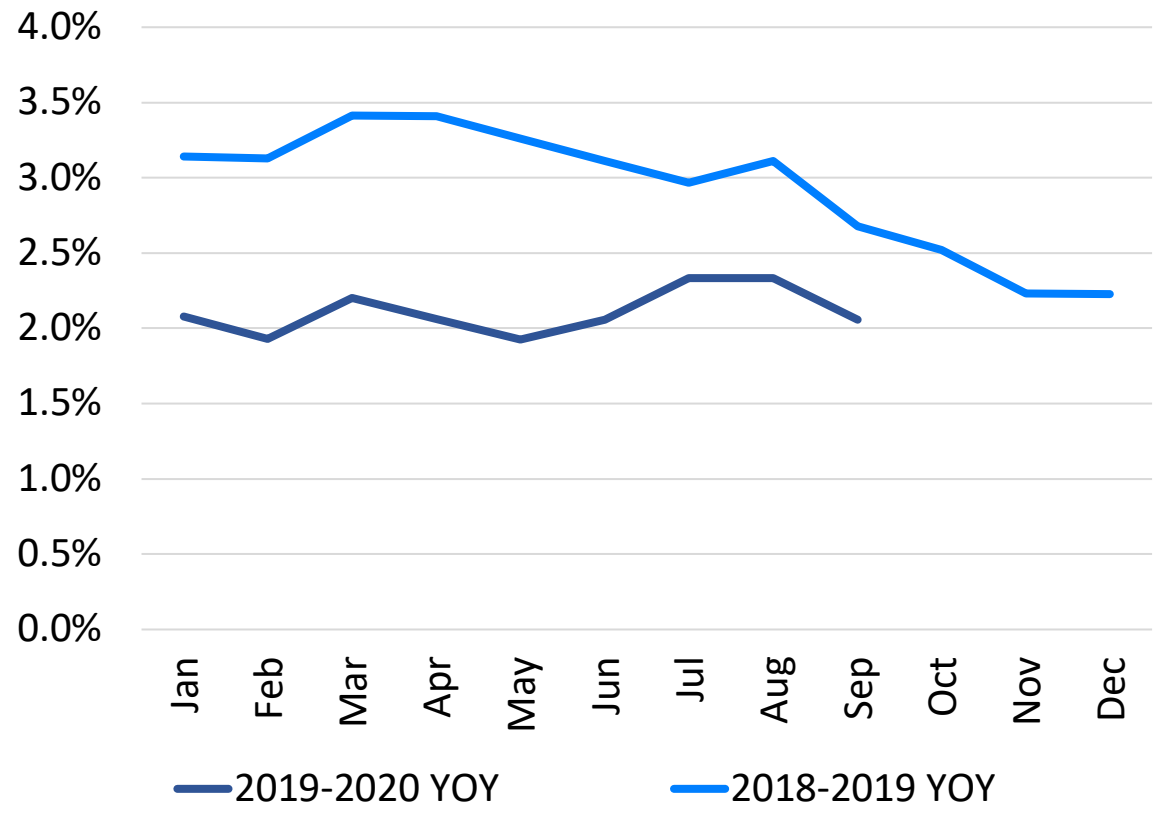
⚡ Limited Dorm Capacity Will Fuel Strong Demand for Off-Campus Dedicated Student Housing – ***WE WERE MOSTLY RIGHT***

THE INDUSTRY DODGED A BULLET

Yardi 200 Prelease Curves



Yardi 200 Rent Growth



Source: Yardi Matrix



☰☰☰ Dedicated Student Housing at Universities Doing Online ☺☺ Instruction Will Be Hit, But Not Too Hard – ***WE WERE MOSTLY RIGHT***

Of approximately 70 universities we analyzed that did online instruction:

16 universities have current prelease 2%+ over the same time last year

- Range 3.2% to 10.7%

15 universities have current prelease within 2% of the same time last year

- Range 1.6% to -1.9%

38 universities have current prelease less than 2% from the same time last year

- Range -2.2% to -43.1%



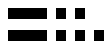
IN SUMMARY

- The COVID-19 pandemic didn't seem to affect new development. Cycle times don't appear to have slowed drastically and we have yet to see a lot of cancellations
- Overall enrollment this fall was up at public universities, and down at private universities, with some exceptions
- For the most part, undergraduate enrollment is down, while graduate enrollment is up, and those enrolled consist of more in-state and minority students
- Preleasing and rent growth are lagging last year's values, but at 87.6% and 2.1% respectively, the off-campus dedicated student housing industry appears to be well insulated



COVID-19 Impact on Universities That Opened This Fall





Reversals of Fall 2020 Plans



Suspended In-Person Instruction

University	Location	Date Reported
Lehigh University	Bethlehem, PA	10/2/2020
Corning Community College	Corning, NY	10/3/2020
Monmouth University	West Long Branch, NJ	10/2/2020
Finlandia University	Hancock, MI	9/28/2020
Michigan Technological University	Houghton, MI	9/27/2020
Merrimack College	North Andover, MA	9/27/2020
Olivet College	Olivet, MI	9/25/2020
Elmira College	Elmira, NY	9/25/2020
Campbell University	Buies Creek, NC	9/25/2020
University of Wisconsin – River Falls	River Falls, WI	9/18/2020
University of Colorado Boulder	Boulder, CO	9/21/2020
Providence College	Providence, RI	9/17/2020
SUNY College at Oswego	Oswego, NY	9/18/2020
University of Wisconsin – La Crosse	La Crosse, WI	9/13/2020
Saint Joseph’s College of Maine	Standish, ME	9/12/2020
Northern Illinois University	DeKalb, IL	9/11/2020
University of Scranton	Scranton, PA	9/11/2020
University of Wisconsin – Madison	Madison, WI	9/9/2020
Ozark Christian College	Joplin, MO	9/9/2020
Winona State University	Winona, MN	9/8/2020
Bradley University	Peoria, IL	9/8/2020
West Virginia University	Morgantown, WV	9/7/2020
Lincoln College	Lincoln, IL	9/4/2020
San Diego State University	San Diego, CA	9/2/2020
Tompkins Cortland Community College	Dryden, NY	9/2/2020
Lock Haven University	Lock Haven, PA	9/1/2020
Hartwick College	Oneonta, NY	9/1/2020
James Madison University	Harrisonburg, VA	9/1/2020
Gettysburg College	Gettysburg, PA	9/1/2020
University of Notre Dame	South Bend, IN	8/18/2020

Shift to Remote Instruction

University	Location	Date Reported
John Carroll University	Cleveland Heights, OH	9/4/2020
Roanoke College	Salem, VA	9/4/2020
Emerson College Los Angeles	Los Angeles, CA	9/4/2020
Temple University	Philadelphia, PA	9/3/2020
SUNY Oneonta	Oneonta, NY	9/3/2020
Colorado College	Colorado Springs, CO	9/1/2020
University of California, Santa Barbara	Santa Barbara, CA	8/28/2020
East Carolina State University	Greenville, NC	8/23/2020
North Carolina State University at Raleigh	Raleigh, NC	8/20/2020

Suspended In-Person Instruction = Paused in-person instruction with the intention of resuming at some point

Shift to Remote Instruction = All in-person instruction halted for the remainder of the semester



*Bolded schools are included in our Yardi 200 Source: Yardi Matrix; insidehighered.com



Sending Students Home vs. Keeping Students on Campus



Dr. Anthony Fauci on sending students home from college: *“It’s the worst thing you could do. When you send them home, particularly when you’re dealing with a university where people come from multiple different locations, you could be seeding the different places with infection.”*

Sending students home:

- James Madison University (21,820)
- California State University, Chico (17,110)
- University of North Carolina at Chapel Hill (29,877)
- East Carolina University (28,651)
- Colorado College (2,123)
- State University of New York at Oneonta (6,528)
- North Carolina State University (36,304)

Delay move-in/in-person classes:

- University of North Carolina at Charlotte (29,615)
- University of Minnesota (10,858)
- Eastern Michigan University (17,784)

Keep dorms open and make changes:

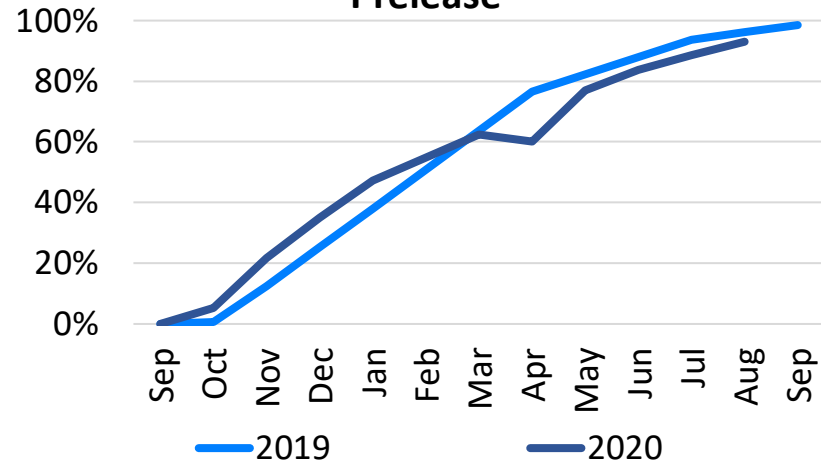
- University of Illinois at Urbana-Champaign (51,605)
- University of Alabama (38,100)
- San Diego State University (35,544)
- Iowa State University in Ames (33,372)
- Grand Valley State (24,033)
- Michigan State University (49,809)
- University of Arizona (44,577)
- University of Colorado at Boulder (37,883)
- University of Dayton (11,473)
- Hartwick College (1,169)
- University of Wyoming (12,249)
- University of Wisconsin La Crosse (10,623)
- Northern Illinois University (16,609)
- Indiana University at Bloomington (43,260)

Off-Campus Housing Demand Still Strong Despite Uncertainty Surrounding On-Campus Housing & Classes

North Carolina State University

Students Sent Home

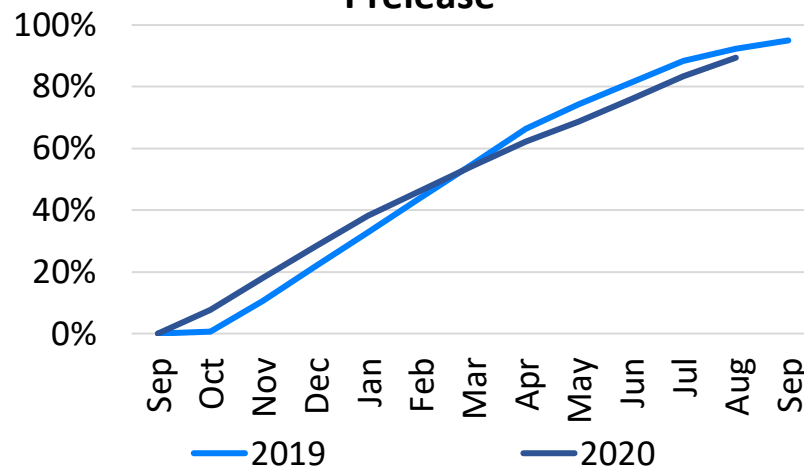
Prelease



University of North Carolina at Charlotte

Move-In Delayed

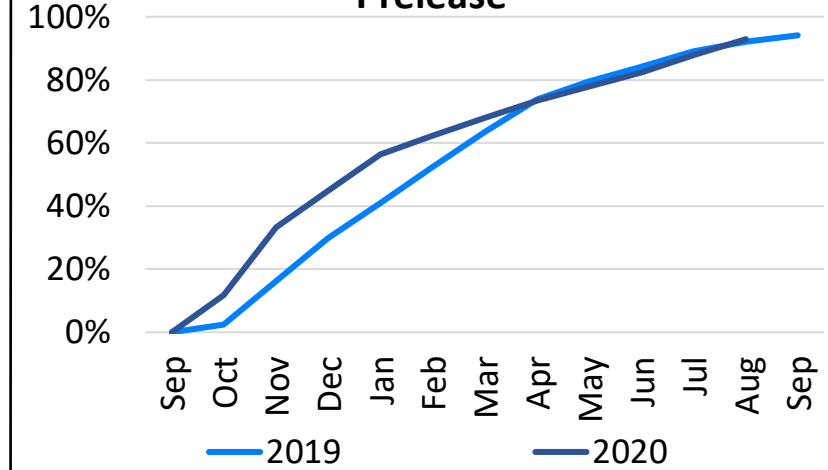
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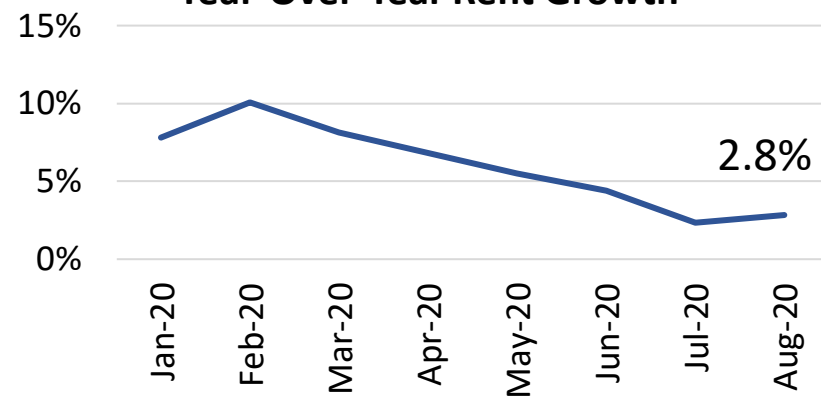
Michigan State University

Dorms Remain Open

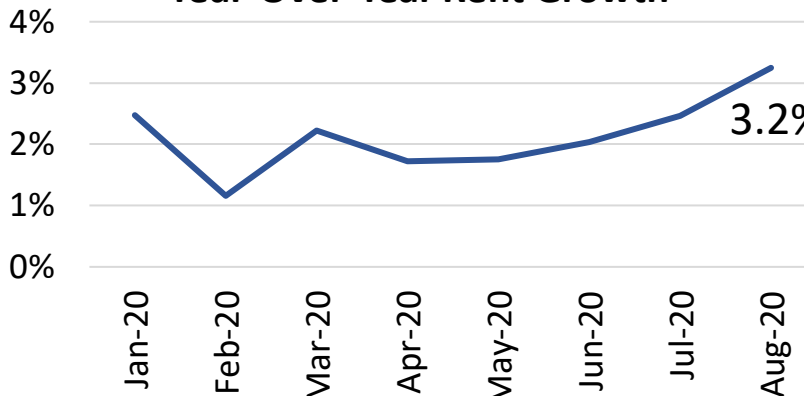
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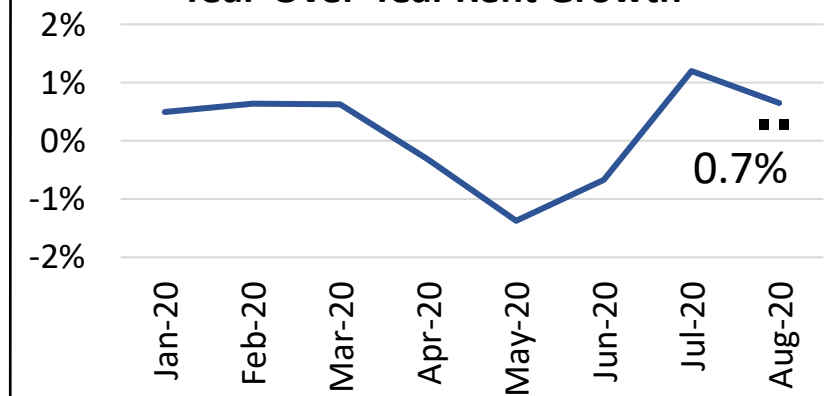
Year-Over-Year Rent Growth



Year-Over-Year Rent Growth



Year-Over-Year Rent Growth



Universities That Closed/Paused – What Did They Do Wrong?

University of North Carolina at Chapel Hill

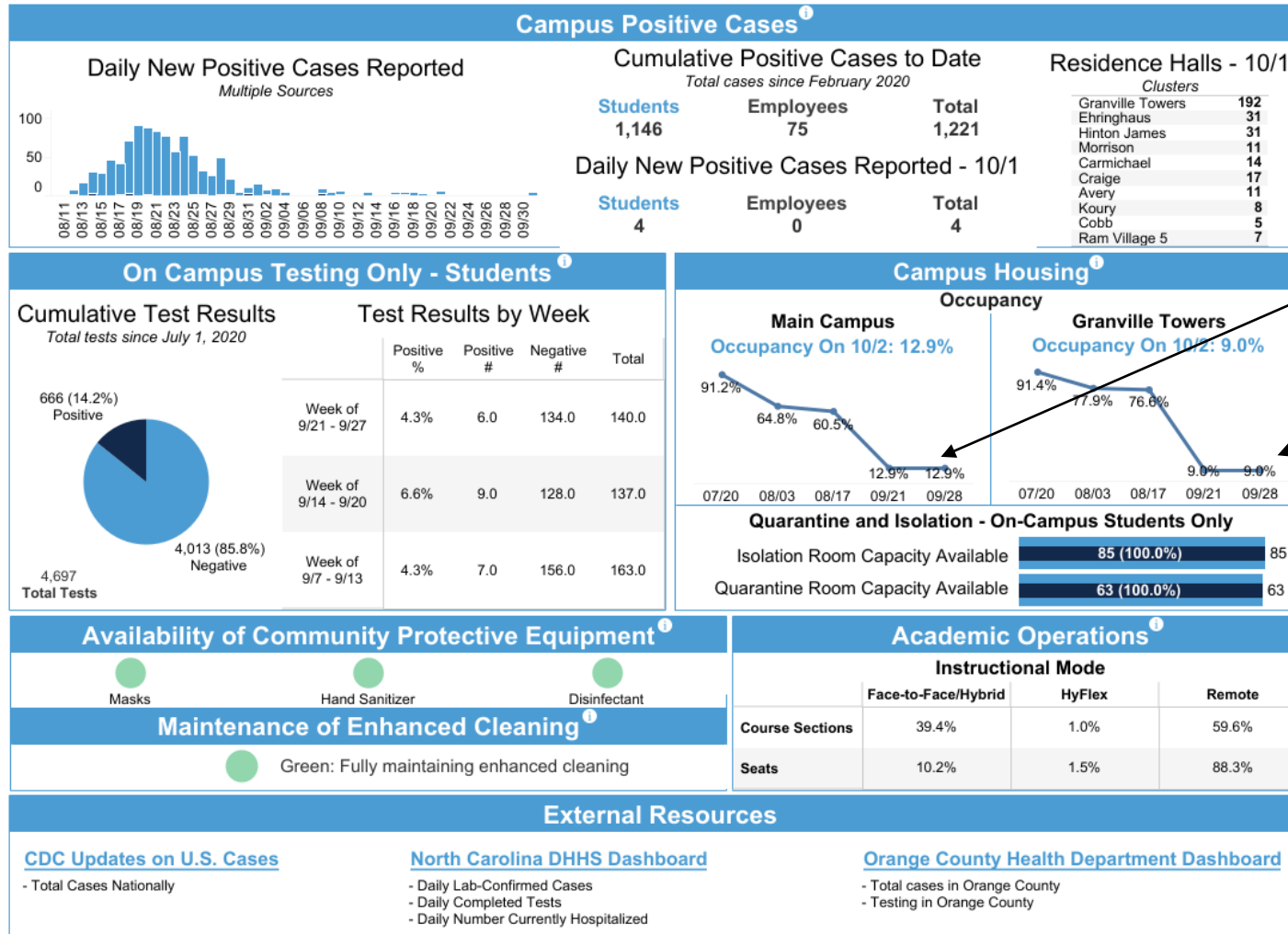
- On August 19, all undergraduate in-person instruction shifted to remote learning
- Made the decision after positivity rate rose from 2.8% to 13.6% during the week of August 10
- **What did they do wrong**
 - Only 148 rooms available for isolation and quarantine w/ over 9,000 students expected on campus – the school had just a 5.5% capacity for on-campus students who needed to quarantine on August 17
 - No campus-wide testing program in place & no requirements for a negative COVID-19 test before moving in
- **Since the school moved online**
 - Between 1,300 to 1,600 UNC students are still working on campus or living in campus housing
 - Students will now be able to get a daily COVID-19 test through Campus Health even if they don't have symptoms

University of Wisconsin-Madison

- UW-Madison paused in-person classes from Sept. 10 to 25
- Students who live in two residence halls were forced into a two-week quarantine – Witte Hall had a positive case rate of 10% and Sellery Hall had a positive case rate of 17%
 - The 2,230 students who live in the residence halls were given two hours notice to prepare for the quarantine
- **What did they do wrong**
 - The university is testing students who live on campus every two weeks – but more than three-quarters of students typically live in off-campus housing and there is no testing requirement for those students
- **Since the school moved online**
 - Students were NOT asked to move out of residence halls or leave town – but, all dining services were shifted to carry-out
 - Nearly doubled the number of campus contact tracers and continue to hire more
 - Mandated testing for live-in members of all fraternity and sorority chapters

UNC Chapel Hill Sees Huge Decline in On-Campus Housing Occupancy

UNC-Chapel Hill COVID-19 Tracking

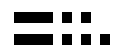


91.2% occupancy on 7/20 to 12.9% occupancy on 10/2

91.4% occupancy on 7/20 to 9.0% occupancy on 10/2

Last Updated: October 2, 2020 at 4:49 PM



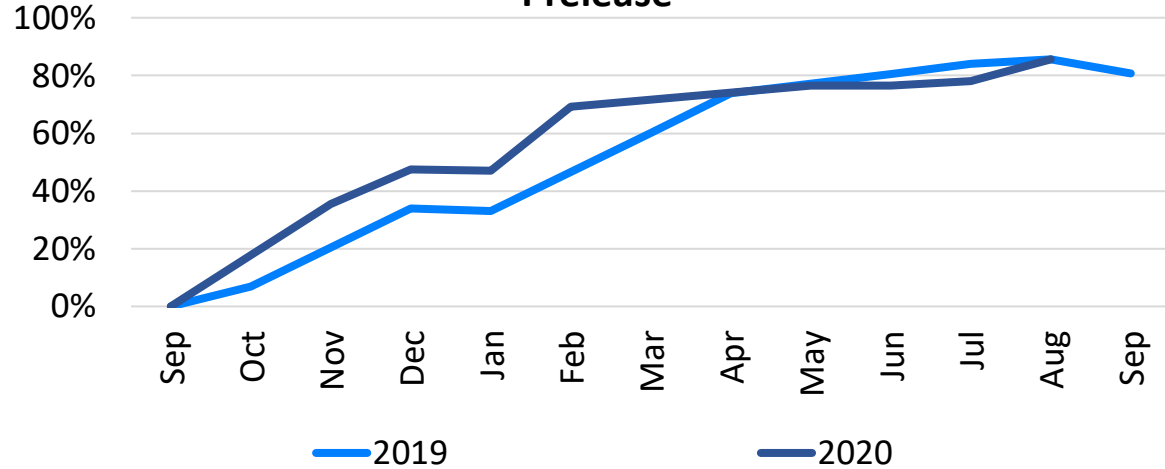


Campus Closures are Not Affecting Off-Campus Occupancy



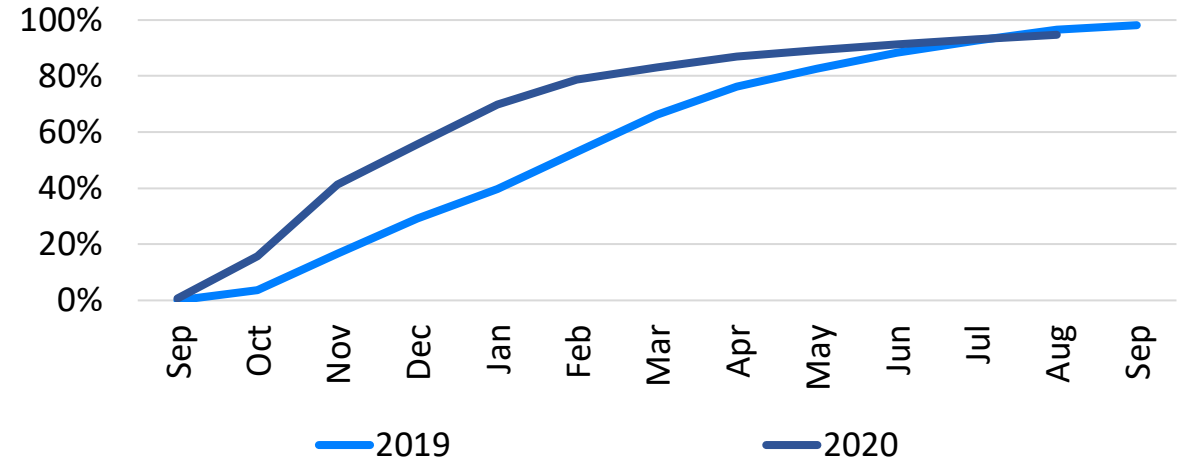
University of North Carolina – Chapel Hill

Prelease

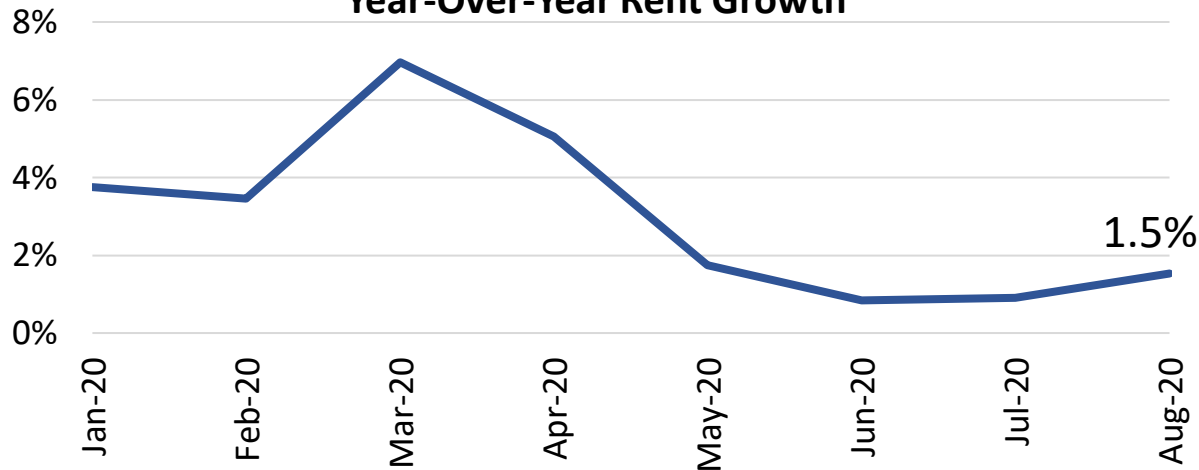


University of Wisconsin – Madison

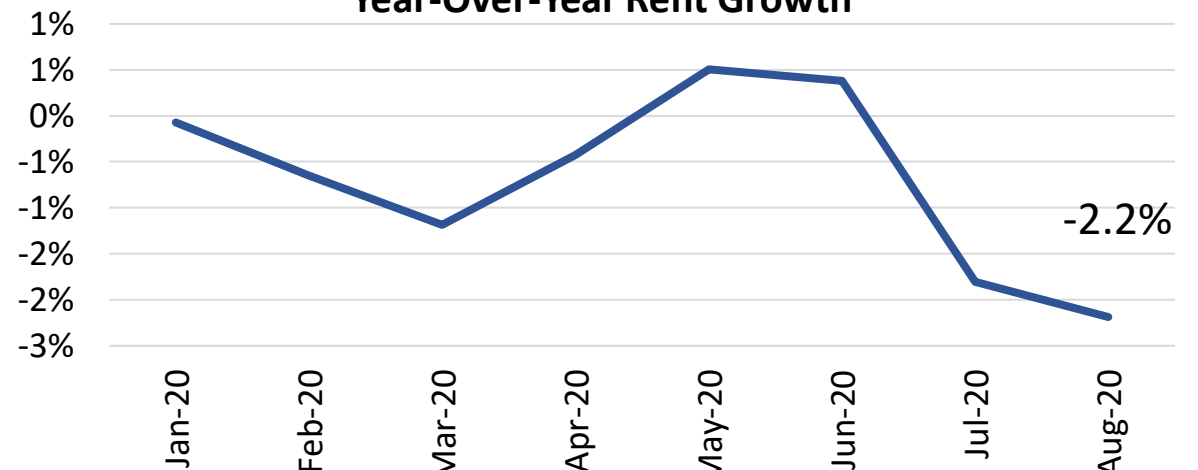
Prelease



Year-Over-Year Rent Growth



Year-Over-Year Rent Growth



Universities Keeping Cases Low – What Are They Doing Right?

There are few examples of large universities that reopened for on-campus classes that were able to keep cases low

Generally, schools that were able to keep cases low had at least two of these factors on their side:

- Community colleges with no students living on-campus, no athletics and no Greek life
- Comprehensive testing program, often extremely expensive
- Low community spread prior to reopening

Stark State College – North Canton, Ohio

- Community college with no cases of COVID-19 traced to the summer school session (750 students on-campus)
- Two cases traced to the Fall semester (about 5,000 students on-campus)
- Temperature scans are conducted at all entrances, face masks are required, class times are staggered throughout the day to limit the arrival and departure of students
- Class sizes have ranged from 10 to 12 students

Colby College – Waterville, Maine

- In June, Colby College announced it would conduct 85,000 tests for COVID-19, part of a reopening plan expected to cost the school \$10 million
- All school community members, including faculty & staff, will be tested three times during the opening weeks of the semester. Afterward, everyone will be tested twice a week
- Students are required to isolate in their residences until they have received a negative test
- 9 positive cases out of 32,991 tests, positivity rate = .03% (as of Sept. 21)

Universities Keeping Cases Low – What Are They Doing Right?

Villanova University

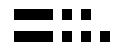
- Instituted a COVID-19 surveillance testing program. Villanova students, faculty and staff who are randomly selected for the program will receive an email (sent on Fridays) requiring them to sign up and register for a test
- Implemented a COVID-19 case investigation and contact tracing program
- Students who test positive for COVID-19 will have an intake assessment conducted by a VU contact tracer. The intake assessment includes education and instructions for a 10-day isolation
 - Students living within a 300-mile radius of campus will be expected to isolate at home
 - Students unable to travel home will be isolated away from the campus community in a designated area

Results: 10,800 students, 2,888 tests, 132 cases, 73 recovered, 59 active cases (as of 9/27)

Duke University

- The university required anyone returning to campus this fall to be tested for COVID-19
- In addition to the mandatory arrival testing, all students are required to participate in the university's pooled testing program & contact tracing program

Results: 16,766 students, 57,916 tests, 75 cases, 63 recovered, 8 active cases (as of 9/25)



University of Illinois at Urbana – Champaign

Had a Plan and Still Struggled to Contain Outbreak



Going into the Fall semester – UIUC had a comprehensive testing plan: Test more than 40,000 students once a week

Guidelines in place for students:

- After a model showed that once-a-week screening, as university administrators originally planned, was too little, too slow – the university increased the mandate to two test a week
- All students have an app on their phone that vouches that their test has come back negative and are only able to enter buildings with a negative test result
- Masks required on campus

As the semester progressed:

- Students continued to attend parties even after receiving a positive test result
- Some of the students that tested positive even tried to circumvent the app so that they could still enter buildings
- However, there are few signs of the virus spreading in classrooms or to the residents of the surrounding towns of Champaign and Urbana

Since the university sounded an alarm and cracked down on parties:



- The number of new cases has dropped, and there is hope that students are starting to take protocols more seriously
- Undergrads are only permitted to leave their homes or dorms for essential activities
- Set up a new team to isolate positive cases quicker
- Created an online forum to report risky behavior



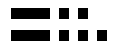
IN SUMMARY

- Despite varying fall plans, off-campus student housing seems to be insulated or even slightly benefitting from campuses moving fully online
- Reversals to fully online or paused in-person instruction is likely to continue throughout the semester, but is unlikely to disrupt off-campus housing
- There are few examples of universities that were able to contain COVID-19. It is really difficult to contain with students living together, no matter the extent of testing



A Look at Some Winners and Losers





In-Person Schools With the Highest Amount of Student Housing Preleasing



Sorted by Prelease % August 2020

Sorted by Prelease % Change August 2019–2020

University	Prelease % August 2020	Prelease % Change August 2019–2020
University of Georgia	96.6%	—
Texas Tech University	96.3%	6.4%
Brigham Young University-Provo	96.1%	3.8%
Rochester Institute of Technology	96.0%	-2.0%
University of Nebraska-Lincoln	95.4%	-2.7%
Virginia Commonwealth University	94.6%	1.9%
University of Central Florida	94.4%	-2.8%
North Carolina A & T State University	93.9%	3.7%
University of Oklahoma-Norman Campus	93.2%	4.9%
University of Toledo	93.0%	-3.2%

University	Prelease % August 2020	Prelease % Change August 2019–2020
Texas A & M University-Kingsville	89.5%	7.7%
Texas Tech University	96.3%	6.4%
Oklahoma State University-Main Campus	88.5%	5.4%
University of Oklahoma-Norman Campus	93.2%	4.9%
Ball State University	78.6%	4.4%
Brigham Young University-Provo	96.1%	3.8%
North Carolina A & T State University	93.9%	3.7%
Texas A & M University-Corpus Christi	81.8%	2.6%
Virginia Commonwealth University	94.6%	1.9%
Purdue University-Main Campus	90.0%	1.4%

*Yardi 200 schools noted to be primarily in-person. Bolded schools represents those with the highest amount of preleasing and with the greatest increase in preleasing year-over-year. Preleasing as of August 2020

Source: Yardi Matrix

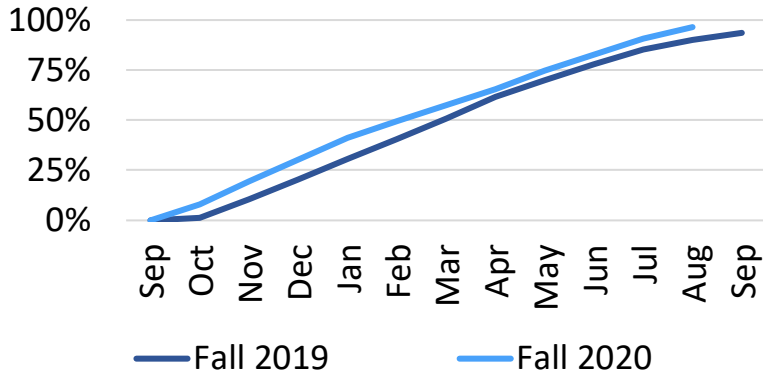


2020 Preleasing for In-Person Universities *Better* than 2019

Texas Tech University

In-State Freshmen	92%
Out-of-State Freshmen	6%
International Freshmen	2%

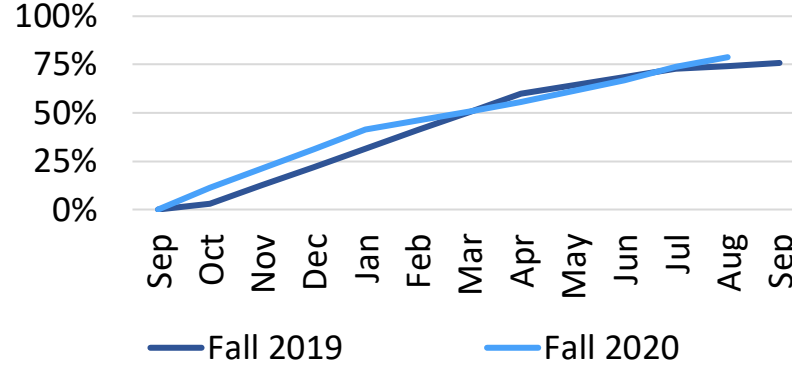
Prelease



Ball State University

In-State Freshmen	85%
Out-of-State Freshmen	15%
International Freshmen	0%

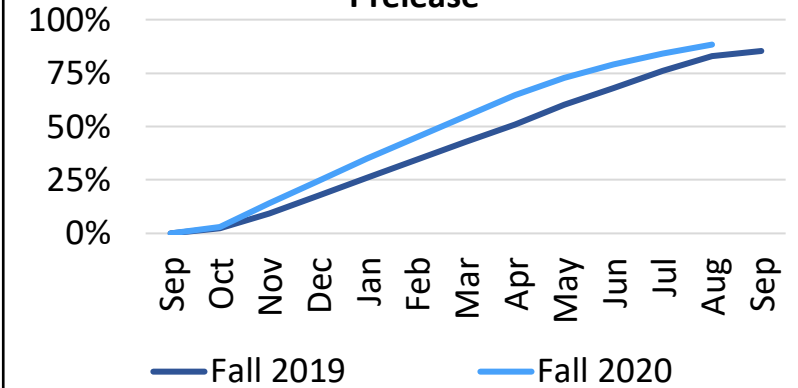
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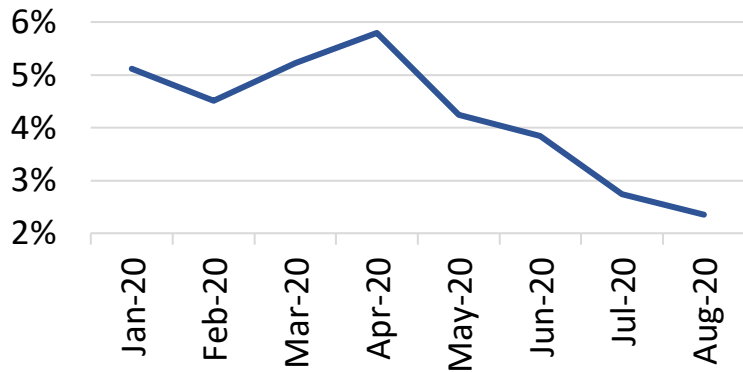
Oklahoma State University*

In-State Freshmen	63%
Out-of-State Freshmen	34%
International Freshmen	3%

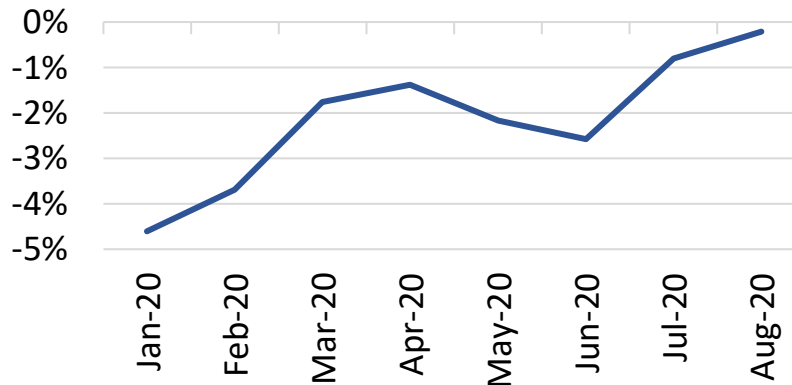
Prelease



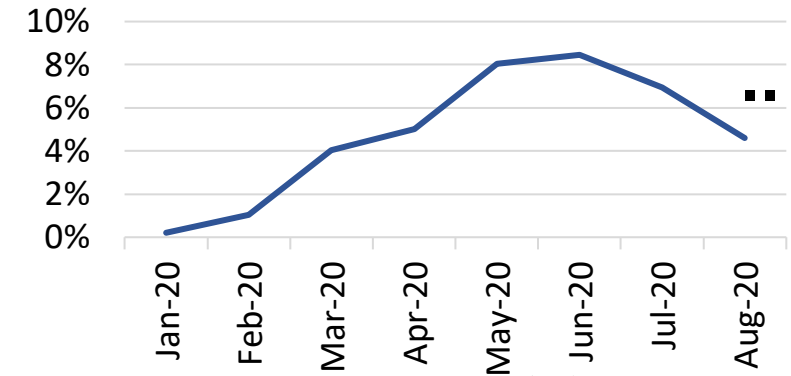
Year-Over-Year Rent Growth



Year-Over-Year Rent Growth

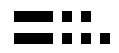


Year-Over-Year Rent Growth



*Oklahoma State University Main Campus location
Source: Yardi Matrix





Why Do Some In-Person Schools Continue to Do Well?



[Texas Tech University](#)

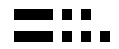
- Between 2010 and 2019, **Texas Tech University** saw total enrollment increase over **22%**

[Ball State University](#)

- Over the last 5 years, Ball State University has had **no increase in dedicated student housing inventory**
- Over this same time frame, **Ball State University** saw total enrollment in fall 2015 of **21,196** increase to **22,443** in fall 2019— up 6%

[Oklahoma State University – Main Campus](#)

- According to school officials, **Oklahoma State University (OSU)** saw a **1.5% bump in enrollment, while retention hit an all-time high despite the challenges of the 2020 fall semester**
- OSU also stated in the beginning of September 2020 campus housing was only at 89% compared to 97% the same time last year, **possibly suggesting students are opting to live off campus due to concerns over COVID-19**



Student Housing Properties Near In-Person Universities That Are Performing Better in 2020

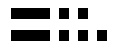


Student Housing Property	Nearest Yardi 200 University	Prelease % August 2020	Prelease % Change August 2019–2020
Vie Lofts	Texas State University	89.6%	36.3%
100 Midtown at 10th Street	Georgia Institute of Technology-Main Campus	100.0%	34.7%
University Village at Muncie	Ball State University	100.0%	29.9%
Campus Edge on Pierce	Purdue University-Main Campus	98.1%	27.3%
Stadium View	Texas A & M University-College Station	100.0%	26.9%
Riverfront Village	The University of Alabama	85.0%	26.2%
THRIVE Lubbock	Texas Tech University	85.0%	25.5%
Stillwater Flats	Oklahoma State University-Main Campus	100.0%	23.4%
Wildwood Lubbock	Texas Tech University	100.0%	21.7%
Hunter's Ridge	Western Michigan University	91.1%	20.9%

*Dedicated student housing properties within a 3-mile radius of Yardi 200 schools noted to be primarily in-person

Source: Yardi Matrix





In-Person Schools With the Lowest Amount of Student Housing Preleasing



Sorted by Prelease % August 2020

University	Prelease % August 2020	Prelease % Change August 2019–2020
University of Memphis	48.7%	-30.1%
The University of Alabama	72.8%	-5.9%
Boise State University	78.1%	-19.4%
Ball State University	78.6%	4.4%
Temple University	79.7%	-14.7%
Thomas Jefferson University	79.7%	-14.6%
Texas A & M University-Corpus Christi	81.8%	2.6%
University of Kansas	82.8%	-6.8%
Texas State University	84.0%	-5.8%
Georgia Institute of Tech-Main Campus	84.2%	-1.0%

Sorted by Prelease % Change August 2019–2020

University	Prelease % August 2020	Prelease % Change August 2019–2020
University of Memphis	48.7%	-30.1%
Boise State University	78.1%	-19.4%
Temple University	79.7%	-14.7%
Thomas Jefferson University	79.7%	-14.6%
University of Nevada-Reno	85.3%	-13.6%
Syracuse University	87.4%	-11.4%
Colorado State University-Fort Collins	86.7%	-9.3%
University of Kansas	82.8%	-6.8%
The University of Alabama	72.8%	-5.9%
Texas State University	84.0%	-5.8%

*Yardi 200 schools noted to be primarily in-person. Bolded schools represents those with the lowest amount of pre-leasing and with the greatest decrease in pre-leasing year-over-year. Pre-leasing as of August 2020

Source: Yardi Matrix

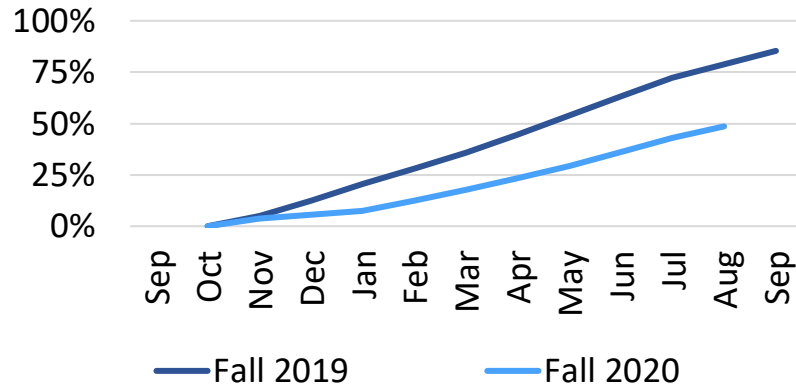


2020 Preleasing for In-Person Universities *Below* 2019 Levels

University of Memphis

In-State Freshmen	86%
Out-of-State Freshmen	12%
International Freshmen	2%

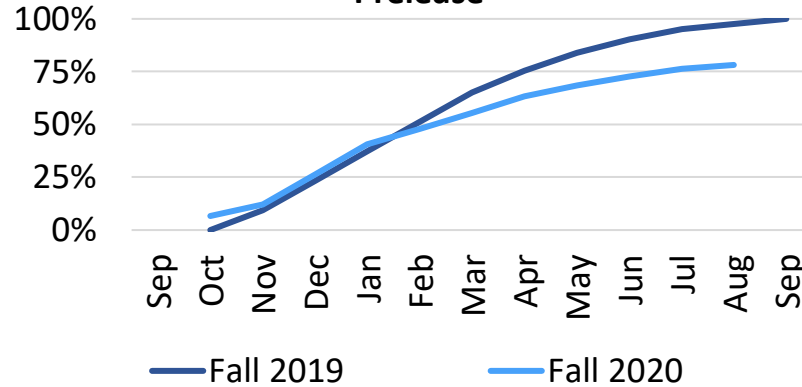
Prelease



Boise State University

In-State Freshmen	54%
Out-of-State Freshmen	45%
International Freshmen	1%

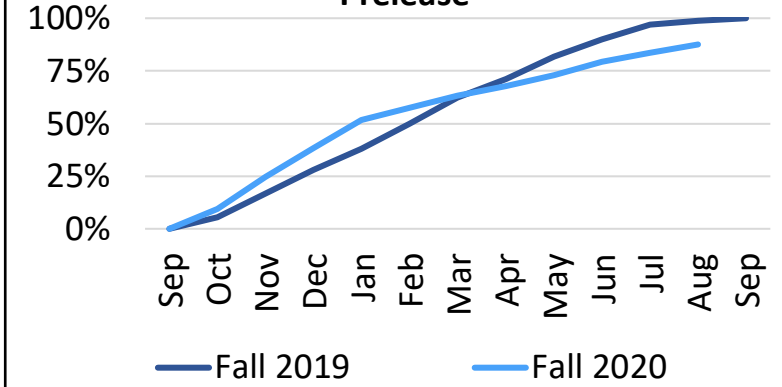
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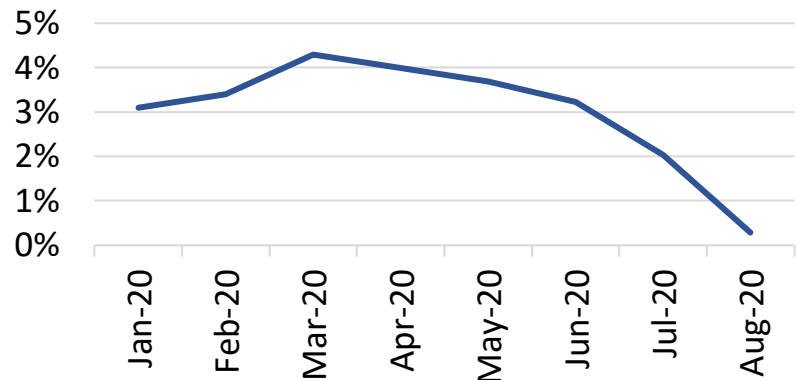
Syracuse University

In-State Freshmen	30%
Out-of-State Freshmen	56%
International Freshmen	14%

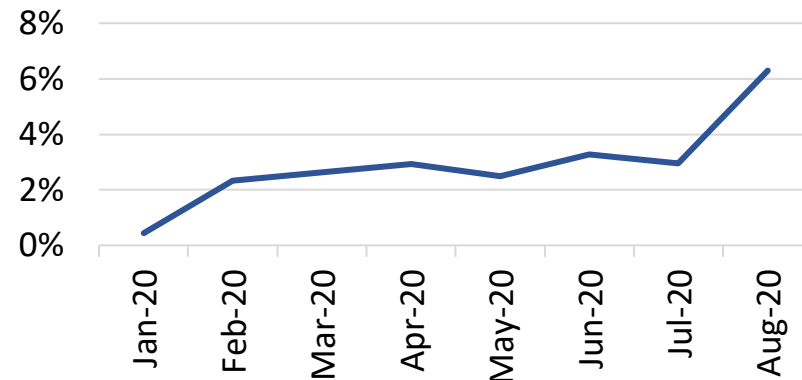
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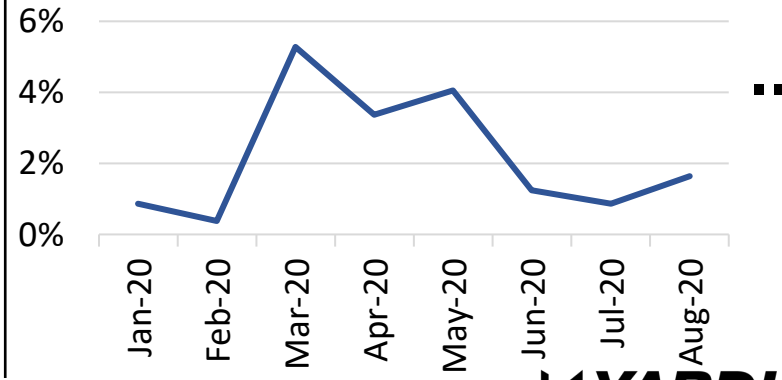
Year-Over-Year Rent Growth



Year-Over-Year Rent Growth



Year-Over-Year Rent Growth





Why Are Some In-Person Universities Struggling?



University of Memphis

- University of Memphis has seen freshmen enrollment decline the last few years
- Despite a **decline in enrollment**, the university has seen their dedicated student housing inventory **increase 55.8% over the last 5 years**

Boise State University

- According to a letter sent by University President, Marlene Tromp, Boise State University anticipated 3% increase in enrollment this fall, but only saw a 0.5% increase in total students
- **Boise State University also saw a 6% decrease in new Idaho undergraduate students this fall**
 - *“Many families experienced job loss and either couldn’t afford to send a student to school or needed the student to help support the family,” Tromp wrote*

Syracuse University

- **Despite steadily increasing enrollment over the last five years**, Syracuse University has seen dedicated student housing inventory **increase 91.7%** over this same time frame

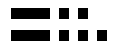
Student Housing Properties Near In-Person Universities That Are Performing Worse in 2020

Student Housing Property	Nearest Yardi 200 University	Prelease % August 2020	Prelease % Change August 2019–2020
The Vista West	Boise State University	25.8%	-73.8%
The Vista East	Boise State University	26.4%	-73.2%
LEV	University of Nevada-Reno	46.5%	-53.5%
Copper Beech Commons	Syracuse University	54.9%	-42.1%
University Club	Texas State University	48.3%	-40.8%
The Nine @ Memphis	University of Memphis	46.0%	-40.0%
Oxford Village	Temple University	45.7%	-39.8%
University Landing	North Carolina A & T State University	65.3%	-33.7%
The Flats	Georgia Institute of Technology-Main Campus	66.3%	-33.1%
Heights, The	Texas State University	67.3%	-32.7%

*Dedicated student housing properties within a 3-mile radius of Yardi 200 schools noted to be primarily in-person

Source: Yardi Matrix





Online Schools With the Highest Amount of Student Housing Preleasing



Sorted by Prelease % August 2020

Sorted by Prelease % Change August 2019–2020

University	Prelease % August 2020	Prelease % Change August 2019–2020
Columbia University in the City of New York	100.0%	—
Carnegie Mellon University	100.0%	3.4%
University of California-Irvine	100.0%	10.7%
University of California-Los Angeles	100.0%	0.0%
University of California-Santa Barbara	100.0%	3.6%
University of Denver	100.0%	5.0%
University of New Hampshire-Main Campus	100.0%	9.4%
University of Pittsburgh-Pittsburgh Campus	100.0%	7.1%
University of Utah	100.0%	0.0%
Washington University in St Louis	100.0%	0.0%

University	Prelease % August 2020	Prelease % Change August 2019–2020
University of California-Irvine	100.0%	10.7%
University of New Hampshire-Main Campus	100.0%	9.4%
Morgan State University	97.6%	9.1%
University of Kentucky	91.6%	8.7%
Johns Hopkins University	97.8%	7.9%
The University of Texas at Arlington	95.6%	7.4%
University of Pittsburgh-Pittsburgh Campus	100.0%	7.1%
Kent State University at Kent	97.8%	6.6%
Wright State University-Main Campus	75.0%	5.4%
University of Denver	100.0%	5.0%

*Yardi 200 schools noted to be fully online or primarily online. Bolded schools represents those with the highest amount of preleasing and with the greatest increase in preleasing year-over-year. Preleasing as of August 2020

Source: Yardi Matrix





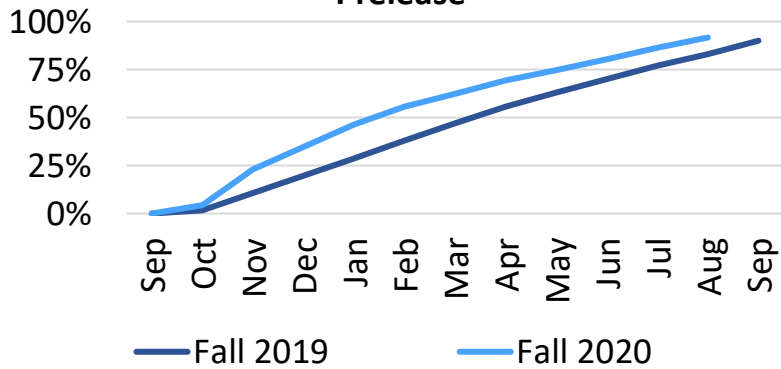
2020 Preleasing for Online Universities *Better* Than 2019



University of Kentucky

In-State Freshmen	64%
Out-of-State Freshmen	35%
International Freshmen	1%

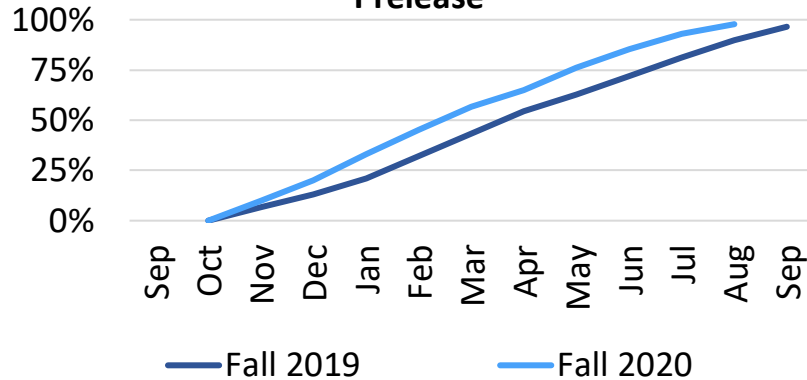
Prelease



John Hopkins University

In-State Freshmen	9%
Out-of-State Freshmen	80%
International Freshmen	11%

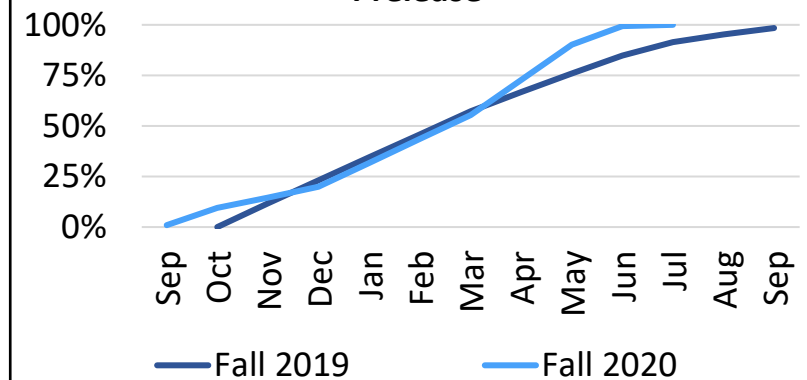
Prelease



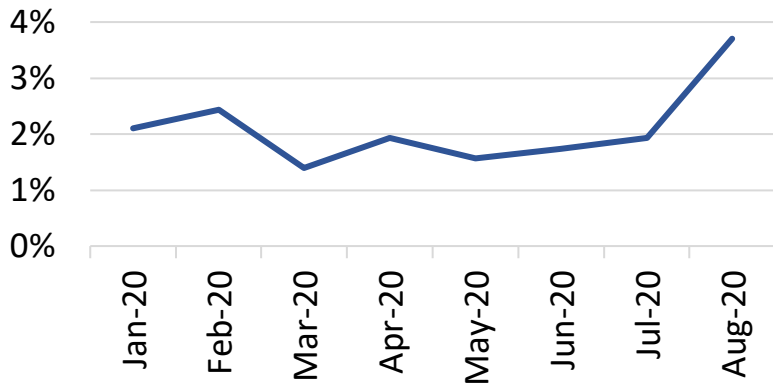
University of Denver

In-State Freshmen	32%
Out-of-State Freshmen	63%
International Freshmen	5%

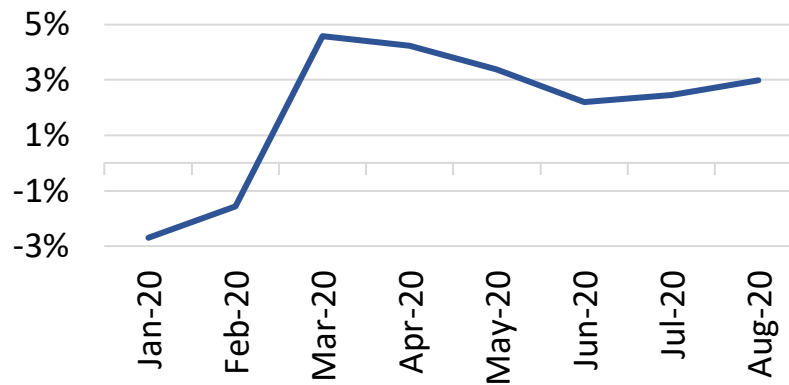
Prelease



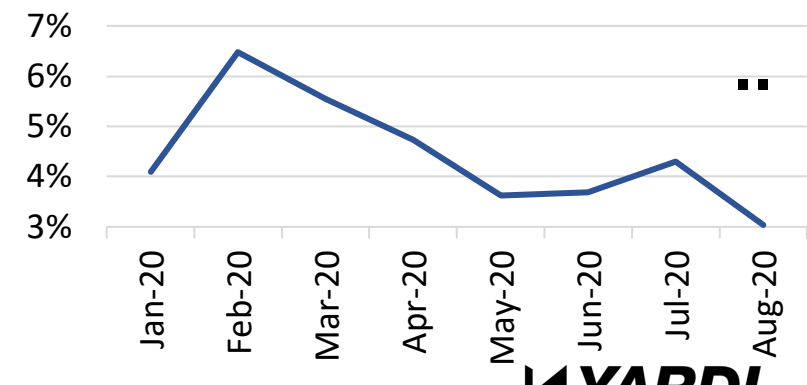
Year-Over-Year Rent Growth

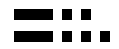


Year-Over-Year Rent Growth



Year-Over-Year Rent Growth





Why Are Some Online Schools Still Doing Well?



University of Kentucky

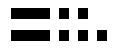
- University of Kentucky has seen no increase in dedicated student housing inventory over the last 5 years
- Dedicated student housing surrounding the University of Kentucky may be seeing an uptick in interest as on-campus housing options are limited due to a portion of dorm capacity being set aside for isolation of students with COVID-19

Johns Hopkins University

- *Between fall 2010 and fall 2020, total enrollment at Johns Hopkins University increased a substantial 29.1%*

University of Denver

- Over the last 5 years, there has not been **an increase in dedicated student housing at the University of Denver**, however, between fall 2015 and fall 2020 **total enrollment increased by nearly 10%**



Student Housing Properties Near Online Universities That Are Performing Better in 2020

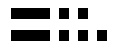


Student Housing Property	Nearest Yardi 200 University	Prelease % August 2020	Prelease % Change August 2019–2020
Trifecta	University of Louisville	91.6%	38.4%
101 Center	The University of Texas at Arlington	100.0%	35.0%
The District at West Market	University of North Carolina at Greensboro	100.0%	32.2%
The Mark at Tucson	University of Arizona	93.1%	32.1%
The Mark at Lexington	University of Kentucky	64.4%	29.0%
The Lodges at 777	Louisiana State University and Agricultural & Mechanical College	95.5%	26.0%
Arena District	University of Oregon	97.8%	23.9%
Irish Flats	University of Notre Dame	100.0%	23.1%
SkyVue	Michigan State University	99.0%	22.4%
The Exchange at Baton Rouge	Louisiana State University and Agricultural & Mechanical College	100.0%	22.1%

*Dedicated student housing properties within a 3-mile radius of Yardi 200 schools noted to be fully online or primarily

Source: Yardi Matrix





Online Schools With the Lowest Amount of Student Housing Preleasing



Sorted by Prelease % August 2020

University	Prelease % August 2020	Prelease % Change August 2019–2020
Rutgers University-New Brunswick	40.2%	-43.1%
University of Massachusetts-Lowell	46.7%	-32.9%
University of Hawaii at Manoa	50.2%	-14.1%
University of South Alabama	53.4%	-14.1%
Oregon State University	55.5%	-22.0%
San Diego State University	59.5%	-24.6%
University of Missouri-St Louis	59.9%	-28.9%
Brown University	62.2%	-35.0%
Florida International University	64.5%	-8.9%
Rutgers University-Camden	68.2%	-16.1%

Sorted by Prelease % Change August 2019–2020

University	Prelease % August 2020	Prelease % Change August 2019–2020
Rutgers University-New Brunswick	40.2%	-43.1%
Brown University	62.2%	-35.0%
University of Massachusetts-Lowell	46.7%	-32.9%
University of Missouri-St Louis	59.9%	-28.9%
University of California-Riverside	69.2%	-26.9%
San Diego State University	59.5%	-24.6%
Oregon State University	55.5%	-22.0%
Rutgers University-Newark	81.0%	-19.0%
University of Houston	70.7%	-17.7%
Emory University	80.9%	-16.4%

*Yardi 200 schools noted to be fully online or primarily online. Bolded schools represents those with the lowest amount of preleasing and with the greatest decrease in preleasing year-over-year. Preleasing as of August 2020

Source: Yardi Matrix





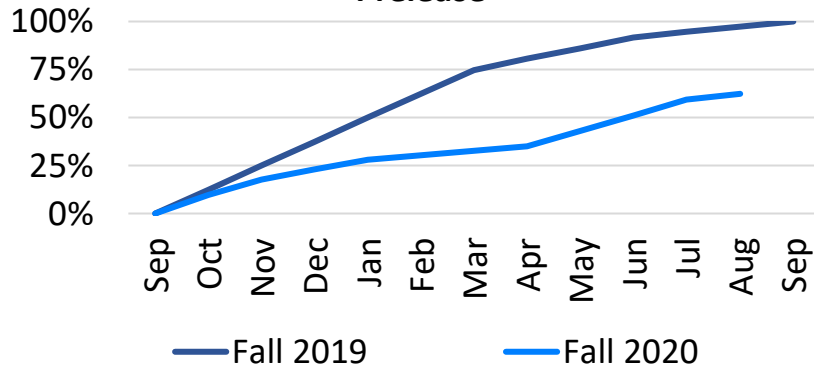
2020 Preleasing for Online Universities *Below* 2019 Levels



Brown University

In-State Freshmen	4%
Out-of-State Freshmen	81%
International Freshmen	15%

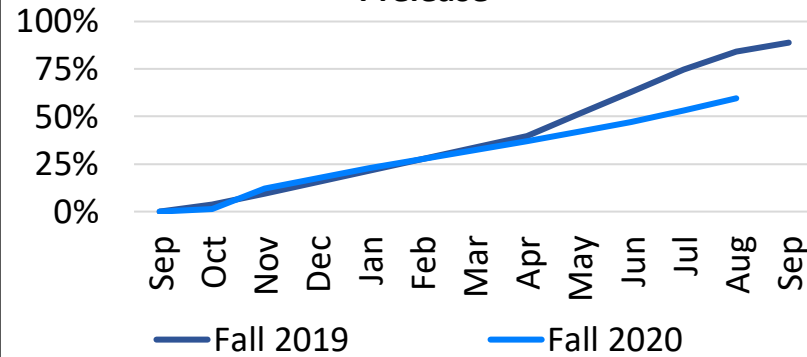
Prelease



San Diego State University

In-State Freshmen	80%
Out-of-State Freshmen	16%
International Freshmen	4%

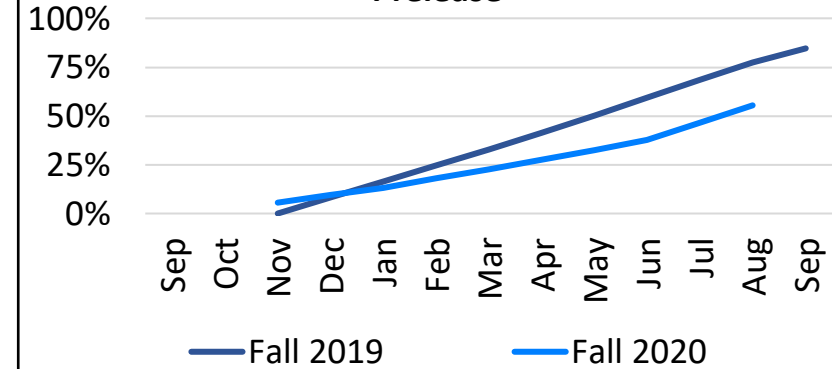
Prelease



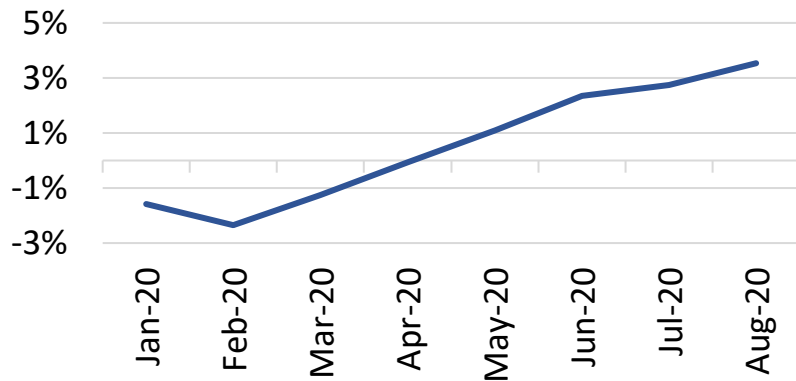
Oregon State University

In-State Freshmen	69%
Out-of-State Freshmen	29%
International Freshmen	2%

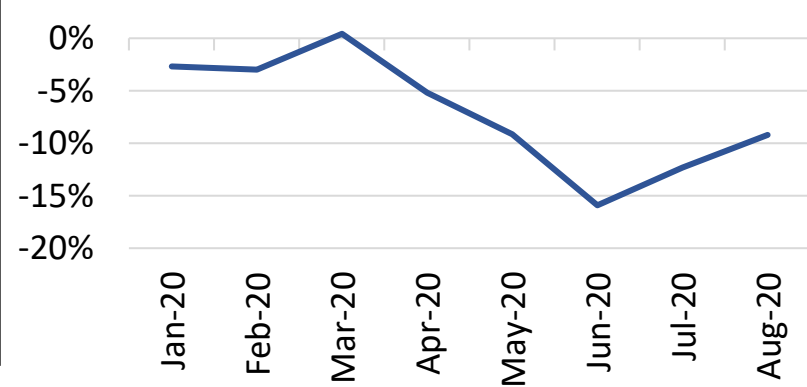
Prelease



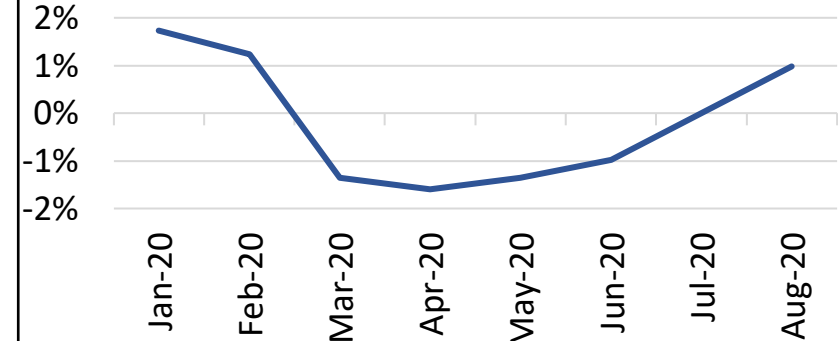
Year-Over-Year Rent Growth

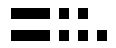


Year-Over-Year Rent Growth



Year-Over-Year Rent Growth





Why Are Some Online Universities Struggling?



Brown University

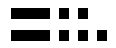
- In July, Brown University announced plans to bring students back to campus, but a **survey completed by sophomores, junior and seniors found 15.5% of respondents still planned to take courses remotely**
- Brown University **requires students live in on-campus housing for six semesters and requires pre-approval from the university to live off-campus**. With more students taking classes remotely, the university likely prioritized filling dorms

San Diego State University

- **Dorm capacity** at San Diego State University **jumped 31% in fall 2019**
 - The newly constructed residence hall opened in August 2019, adding capacity for 800 students on campus
- Meanwhile, enrollment remained relatively level, increasing less than 1% in 2018 and 2019

Oregon State University

- Gilbane Development Company just completed their off-campus student housing project, Sierra, with **228 units and 689 bedrooms** in time for the Fall 2020 semester
- Enrollment figures won't be released until late Oct, but it has been reported that **there was a 40% decrease in freshmen moving into the dorms compared to last year**, a poor sign for enrollment



Student Housing Properties Near Online Universities That Are Performing Worse in 2020



Student Housing Property	Nearest Yardi 200 University	Prelease % August 2020	Prelease % Change August 2019–2020
The Parsonage	University of Washington-Seattle Campus	50.2%	-49.8%
SoCam 290	Rutgers University-New Brunswick	40.2%	-43.1%
Mazza Grandmarc	University of Maryland-College Park	24.0%	-41.6%
Bellamy Louisville	University of Louisville	37.0%	-41.6%
The Proper	University of Houston	54.6%	-41.5%
The Edge	University of North Carolina at Greensboro	54.2%	-39.1%
Campus Quarters	University of South Alabama	44.5%	-37.3%
Stonehaven at UC Riverside	University of California-Riverside	60.0%	-36.2%
Wildcat Canyon Village	University of Arizona	64.1%	-35.9%
Highlander at North Campus	University of California-Riverside	62.5%	-35.7%

*Dedicated student housing properties within a 3-mile radius of Yardi 200 schools noted to be fully online or primarily online

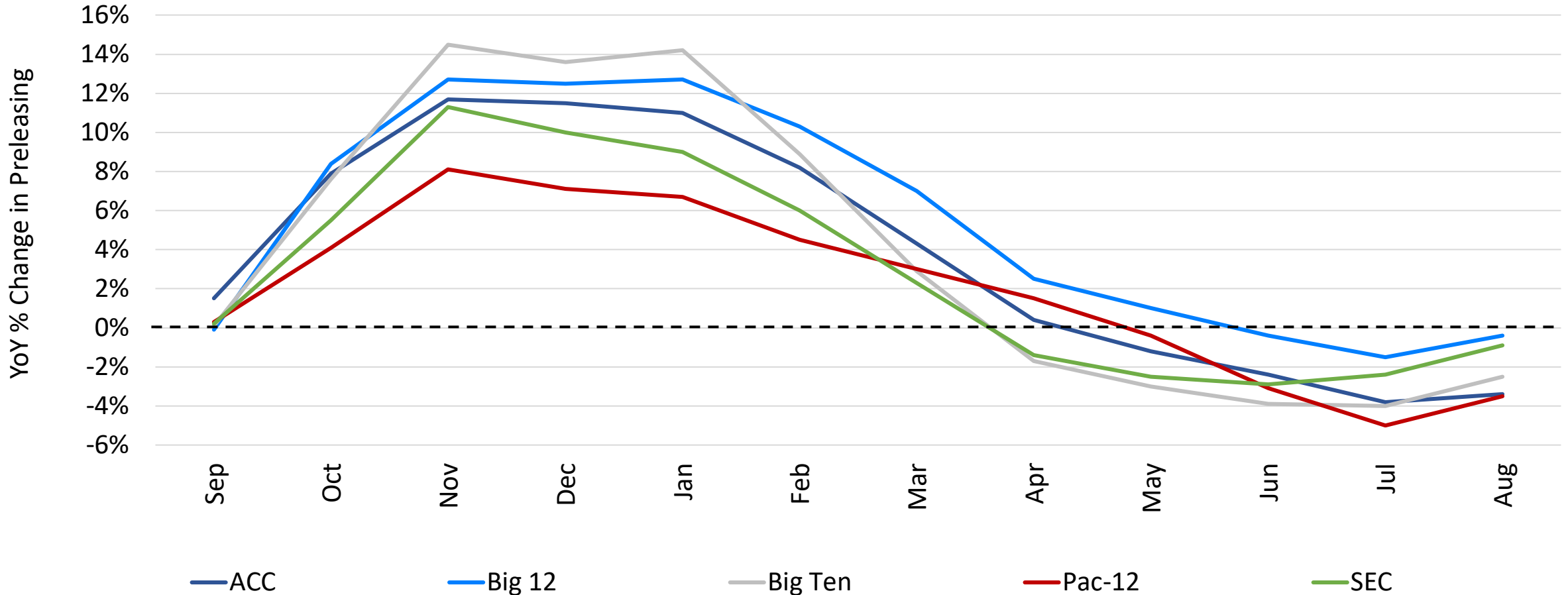
Source: Yardi Matrix



As of June, All Conferences Started Seeing A Slowdown in Preleasing Compared to Last Year



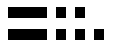
Preleasing by Conference: Year-over-Year Change



*2020 vs. 2019 Preleasing

Source: Yardi Matrix

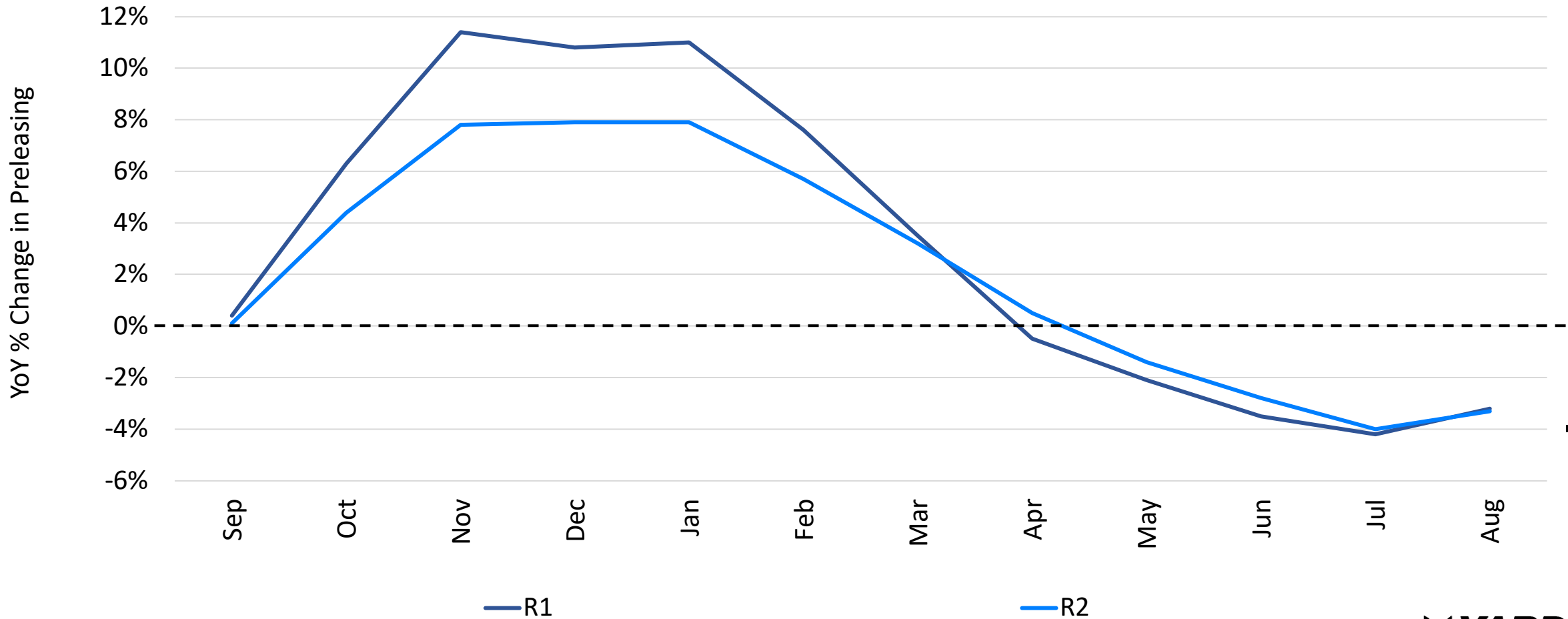




Schools in Research Calibers R1 & R2 Started Seeing a Drop in Preleasing Starting in April



Preleasing by Research Caliber: Year-over-Year Change



*2020 vs. 2019 Preleasing
Source: Yardi Matrix



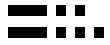
IN SUMMARY

- Despite resuming in-person education, some schools have still struggled with preleasing and rent growth for the Fall 2020 semester
- Some schools that have gone fully or primarily online are still performing well, while some of the online schools that are performing poorly seem to be changing their plans mid-semester to allow more students on to campus for in-person education
- All university conferences and research calibers (R1 and R2) have seen a drop in preleasing in 2020 compared to 2019
- A school's preleasing performance seems to be more dictated by supply-demand fundamentals of the student housing supply and total enrollment than a school's reopening status (online or in-person)



Spring Semester Outlook





Spring 2021 Semester Outlook

California State University system has announced that all 23 of its campuses will continue to offer virtual instruction for the academic term beginning in January 2021

Many universities are already canceling spring break:

- **Ohio State University:** spring semester will begin on January 11, and the first week of classes will be entirely online. In addition, there will be no spring break in an attempt to reduce travel-related exposure to the virus. Instead, there will be two days without classes, on February 9 & March 31
- **Carnegie Mellon University:** delay spring opening until Feb. 1 (3 weeks later than originally scheduled). Shorten the semester to 14 weeks, employ an abbreviated exam period and replace spring break week with two spring break days
- **Purdue University:** eliminating spring break, just as it did fall break during the current semester. However, unlike the fall semester, where students will finish classes and finals remotely after Thanksgiving the spring semester will be held on campus through finals week and commencement. Instead of spring break, Purdue will add three “reading days” during the semester, during which no classes will be held.
- **Kansas State University:** spring semester will begin one week later (Jan. 25) and will end with commencement on May 14-15, as previously scheduled. The new spring schedule eliminates spring break.
- **University of Nebraska, Lincoln:** considering starting next semester with an optional three-week session before the spring semester begins on Jan 25. The optional three-week session would run from Jan. 4 – 22. The schedule eliminates spring break (March 14-21) and ends with commencement on May 7-8.
- **CSCU Schools (Central Connecticut University, Southern Connecticut State University, Western Connecticut State University, Eastern Connecticut State University):** canceling spring break (March 15 to March 21) and will start the spring semester one week later than originally scheduled (Jan. 26)
- **Syracuse University:** canceling spring break

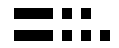




Spring 2021 Semester Outlook (Cont.)

- Fall data has told us as long as a school is open (online or in-person) it really does not impact student housing
- The headlines are full of **noise** – enrollment and supply balance is what matters

Stick to what you know because it works!



Current Student Housing Supply Picture



Top 20 Universities with the Most Dedicated Student Housing

University	Bed Count	Capture Opportunity	5-yr Enrollment Change	10-yr Enrollment Change	University	Bed Count	Capture Opportunity	5-yr Enrollment Change	10-yr Enrollment Change
Texas A & M University-College Station	25,937	43.7%	7.7%	39.9%	Georgia Southern University	11,113	32.7%	27.3%	32.3%
Florida State University	24,755	25.9%	4.0%	5.0%	Auburn University	9,839	52.0%	11.6%	21.5%
Texas State University	18,285	35.1%	0.5%	17.2%	The University of Alabama	9,756	52.0%	2.7%	26.5%
University of Florida	18,136	45.8%	3.5%	5.2%	University of Minnesota – Twin Cities	9,288	68.1%	1.3%	-0.8%
University of Central Florida	15,812	59.5%	10.2%	23.7%	Louisiana State University	9,051	46.7%	0.7%	7.8%
Texas Tech University	15,045	40.0%	8.0%	22.5%	Michigan State University	8,920	47.1%	-1.4%	6.0%
University of South Florida-Main Campus	13,742	56.1%	5.2%	9.4%	University of Georgia	8,753	52.8%	7.7%	12.2%
The University of Texas at Austin	11,679	61.9%	0.3%	-0.2%	North Carolina State University at Raleigh	8,685	50.9%	6.7%	5.6%
Pennsylvania State University	11,617	N/A	93.3%	102.1%	The University of Texas at San Antonio	8,682	60.6%	13.2%	7.7%
Arizona State University – Tempe	11,377	57.4%	2.5%	-24.4%	University of South Carolina – Columbia	8,251	52.6%	4.9%	19.5%

*Capture Opportunity = (Total Enrollment – On Campus Dorm Capacity – Off-Campus Dedicated Student Housing) / Total Enrollment

Source: Yardi Matrix





Where is Future Student Housing Supply Concentrated?



Top 10 Universities	Beds UC	UC as a % of Existing Stock	Capture Opportunity	Preleasing Aug 2020
The University of Texas at Dallas	370	26.3%	76.5%	83.9%
New Mexico State University	156	19.6%	69.8%	81.7%
Georgia Institute of Technology	800	15.2%	57.7%	84.2%
The University of Texas at Austin	1,693	14.5%	61.9%	87.8%
Kennesaw State University	656	13.0%	72.9%	95.5%
University of Arizona	482	7.1%	67.8%	82.0%
University of South Carolina – Columbia	486	5.9%	52.6%	93.9%
University of Cincinnati	128	4.4%	74.7%	97.3%
University of Southern California	113	3.2%	74.7%	96.1%
Texas State University	241	1.3%	35.1%	84.0%

Top 10 Universities	Units Planned	Planned as a % of Existing Stock	Capture Opportunity	Preleasing Aug 2020
Arizona State University – Downtown Phoenix	573	175.8%	80.3%	100%
University of California – Davis	767	61.4%	70.6%	82.6%
University of Cincinnati	850	58.2%	74.7%	97.3%
Georgia Institute of Technology	1,051	44.2%	57.7%	84.2%
Indiana University-Purdue University	279	39.5%	85.5%	83.8%
University of Washington – Seattle	492	38.2%	74.9%	75.5%
University of Alabama at Birmingham	300	36.0%	80.0%	87.0%
University of Michigan – Ann Arbor	682	29.3%	64.4%	95.5%
Colorado State University – Fort Collins	532	26.8%	59.5%	86.3%
University of Memphis	85	25.4%	82.7%	48.7%



*Capture Opportunity = (Total Enrollment – On Campus Dorm Capacity – Off-Campus Dedicated Student Housing) / Total Enrollment

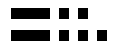
Source: Yardi Matrix



IN SUMMARY

- All of the drama of COVID-19 really does not matter as long as the university is open somehow
- Universities with large amounts of existing student housing inventory still have room to run, many show an ample amount of demand left to capture
- Construction seems to be continuing as normal as demand for off-campus housing remains strong
- **The student housing industry has proven itself to be fairly resilient and the investment case for student housing has been validated**





Yardi Matrix House View October 2020



- Most universities elected to hold some type of in-person presence this fall, though some reversed course and decided to go fully online, or temporarily pause in-person instruction to get a hold of rising COVID-19 cases on campus
- Early indications of enrollment are mixed, but generally we are seeing increased enrollment at 4-year public universities and decreased enrollment at private universities
 - We have also seen an overall decrease in undergraduate enrollment and increase in graduate enrollment - perhaps a result of job losses encouraging professionals to further their education
- Construction seems to be continuing as normal as demand for off-campus student housing remains strong
 - Yardi Matrix data hasn't shown any slowing of cycle times or project cancellations thus far
- Preleasing and rent growth are lagging last year's numbers, but are still good overall
 - Preleasing as of August was 87.6%, 3% below 2019
 - Year-over-year rent growth as of September was 2.1%, 0.6% below 2019
 - There is a lot of variation among universities – but we've found the variation isn't due to whether classes were in-person, but rather due to enrollment and supply at each university
- **Overall, the student housing sector has proven to be fairly resilient and largely unaffected by university decisions. Ultimately, the sector's performance still relies on supply and demand fundamentals**



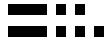
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THANK YOU

FOR ANY QUESTIONS PLEASE FEEL FREE TO CONTACT ME

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