



Yardi Matrix

National Student Housing Report

Restated March 2021



Yardi Matrix Announces New Student Housing Coverage

- Yardi Matrix recently released our student housing data offering, an industry-leading analytics tool that provides critical insight into the student housing sector.
- Yardi Matrix Student Housing covers key metrics including prelease occupancy, rent by bedroom and by unit, transaction activity, the new supply pipeline, the shadow market, ownership and property management contact information, university profiles and more.
- This report is the first in our quarterly series covering major trends and developments in the student housing industry. The current edition will focus on the Yardi 200, which includes all Power 5 conferences as well as Carnegie R1 and R2 universities. Yardi Matrix also hosts biannual student housing webinars. More information on the subscription data offering can be found at YardiMatrix.com.

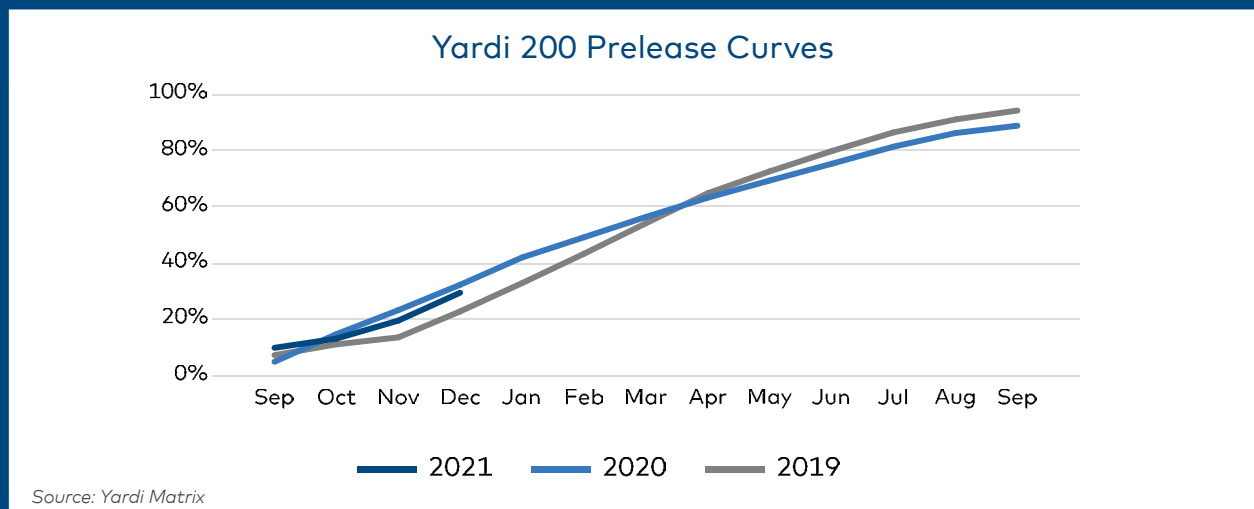
The COVID-19 pandemic has deeply impacted the global economy and commercial real estate markets, and the student housing industry is no exception. After most universities closed in the spring of last year, school administrators had only a few months to plan for what the 2020 fall term would look like, and most universities implemented some type of online learning.

According to the National Student Clearinghouse Research Center, overall postsecondary enrollment declined 2.5% in fall 2020, and the primary driver of this decline was undergraduate enrollment, which dropped 3.6%. However, four-year public and private universities had steady enrollment, which is positive for the student housing industry.

Year-over-year rent growth for the Yardi 200

has steadily declined each month since the shut-downs last March, but rent growth was still positive at 1.4% in December compared to December 2019. The fall 2020 preleasing period ended in September at 88.7% for the Yardi 200, about 5.5% below the prior year. While the recent deployment of COVID-19 vaccines has brought a sense of optimism, there has long been uncertainty as to when vaccines would be widely available. As a result, preleasing for the fall 2021 school year is off to a slow start, at 29.5% preleased as of December.

Though there is some short-term pain in the industry, Yardi Matrix is generally optimistic about the future of the purpose-built student housing industry, as the vaccines reach more people and as students who took a year off return to campus.



Year-Over-Year Growth in Student Housing Preleasing: Fall 2021 School Year Off to a Slower Start

- The Yardi 200 ended the fall 2020 preleasing period in September at 88.7%, about 5.5% below the prior year. Fall 2021 preleasing is already underway, at 29.5% as of December, about 2.8% below the same time last year. Though preleasing is off to a slow start, it's likely to pick up as the next school year approaches, given the deployment of the vaccine and universities being better prepared to offer in-person instruction.
- Year-over-year prelease occupancy growth as of December was driven mostly by large public universities, indicating strong demand among more affordable universities offering in-state tuition. The University of New Hampshire-Main Campus (25.6% YOY growth), the University of Louisiana at Lafayette (25.3%), the University of Georgia (24.5%), Pennsylvania State University-Main Campus (24.2%) and Saint Louis University (20.8%) led our rankings for annual prelease occupancy growth in December.
- The universities that are struggling the most with preleasing are those in expensive major markets and those that opted for primarily online instruction. California universities in particular—including the University of California-Berkeley, the University of California-Santa Barbara, the University of Southern California, San Diego State University and the University of California-Riverside—are among those with the lowest percentage preleased as of December. Two Chicago universities, Depaul University and the University of Illinois at Chicago, are also among those struggling with preleasing. Chicago and other major coastal cities in the Northeast and West are not only more expensive for students to live in but have faced stricter shutdowns during the pandemic, hurting both preleasing and rent growth at nearby universities.

Top 20 Universities With the Most Y-O-Y Growth in Percentage Preleased

| University | YOY Growth in % Preleased |
|--|---------------------------|
| University of New Hampshire-Main Campus | 25.6% |
| University of Louisiana at Lafayette | 25.4% |
| University of Georgia | 24.5% |
| Pennsylvania State University-Main Campus | 24.2% |
| Saint Louis University | 20.8% |
| University of Nevada-Las Vegas | 16.0% |
| Texas Christian University | 15.4% |
| University of Pittsburgh-Pittsburgh Campus * | 15.1% |
| Brown University | 14.7% |
| Purdue University-Main Campus | 14.0% |
| Clemson University | 13.9% |
| University of Akron Main Campus | 13.4% |
| University of Alabama at Birmingham | 13.0% |
| Carnegie Mellon University | 12.2% |
| Boise State University | 8.8% |
| University of North Carolina at Chapel Hill | 7.1% |
| University of Wisconsin-Madison | 7.0% |
| The University of Tennessee-Knoxville | 5.9% |
| Marquette University | 5.0% |
| Baylor University | 4.2% |

**University shares student housing properties with other nearby universities
Source: Yardi Matrix, data as of December 2020. Note: University-level prelease rates are based solely on properties that participate in our phone surveys. Properties that do not participate are excluded from weighted averages reported at the university level.*

Rent Growth Decelerating, But Still Positive

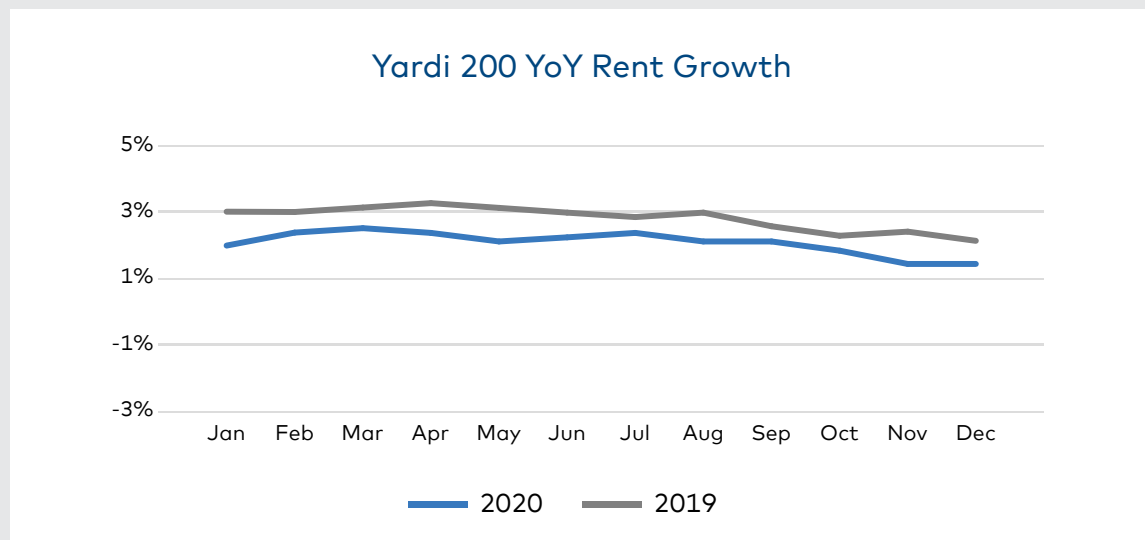
- Year-over-year rent growth has steadily decelerated for the Yardi 200 since the start of the pandemic; however, rent growth was still positive at 1.4% in December 2020 compared to December 2019. Though rent growth is still positive, the deceleration is a stark turn from the 3%-plus rent growth the industry had consistently enjoyed for many months prior to the pandemic.
- Whether a university had in-person or online instruction didn't have a huge impact on rents. The universities with the greatest drops in rent growth were schools in expensive urban areas or in states with strict COVID restrictions, while the universities with positive rent growth were geographically and instructionally diverse.

Although rent growth for the Yardi 200 has been decelerating, more than 60% of the universities with rent data reported year-over-year rent growth in December. A few universities stood out with exceptional growth: the University of California-Berkeley, New Mexico State University-Main Campus, Arizona State University-SkySong and Wichita State University, all with year-over-year rent growth exceeding 10%.

Universities that struggled with rent growth were in urban areas or in states with stricter COVID regulations. These include George Washington University, Texas A&M University-Corpus Christi, the University of Wisconsin-Milwaukee, Georgetown University and the University of California-Riverside.

The most expensive student housing rents can be found in markets where the cost of living remains elevated. Schools in Washington, D.C., Southern California and the Bay Area led our rankings, with Georgetown University at the top with average monthly rent of \$2,680 per bed as of December 2020, followed by George Washington University at \$2,475 per bed.

Despite negative rent growth at a handful of universities, we believe these are short-term effects of the COVID-19 pandemic. With the rollout of vaccines and continued limitations on dorm capacity, off-campus dedicated student housing will have a brighter outlook for the fall 2021 semester.



Source: Yardi Matrix

New Supply Concentrated in the South and Southwest

- Development continues, with 11,338 units under construction among the Yardi 200, with most construction concentrated at large universities across the Southern and Southwestern United States.
- As some universities have limited dorm capacity due to COVID-19 and distancing requirements, increased demand for off-campus student housing has accelerated the lease-up for certain properties. However, the laws of supply and demand remain, and some student housing properties have struggled with both rent growth and preleasing.

Large new developments around Southern and Southwestern universities are driving development in the student housing sector. The University of Texas at Austin currently has the most purpose-built student housing under construction at 1,057 units, which is 20% of existing stock. Florida International University currently has 886 units under construction, which will more than double existing stock when completed. This could lead to

absorption issues in the short term, as we've seen properties underperform in the face of significant development as a percentage of stock.

Other leading universities for purpose-built student housing include Arizona State University - Tempe (636 units) and The University of Texas at Dallas (633 units), and both schools already have large off-campus housing stocks.

Top 20 Universities With the Most Units Under Construction

| University | Units Under Construction | Units Under Construction as a % of Stock | Capture Opportunity | Preleasing as of Dec 2020 |
|---|--------------------------|--|---------------------|---------------------------|
| The University of Texas at Austin | 1,057 | 20.0% | 15.2% | 23.5% |
| Florida International University | 886 | 162.9% | 6.3% | 5.4% |
| Arizona State University-Tempe | 636 | 15.3% | 24.7% | 29.5% |
| The University of Texas at Dallas | 633 | 107.7% | 18.8% | 11.0% |
| University of Arizona | 537 | 20.8% | 17.0% | 19.2% |
| Florida State University * | 536 | 5.4% | 15.8% | 30.8% |
| University of Florida | 519 | 7.4% | 20.6% | 28.3% |
| Georgia Institute of Technology-Main Campus * | 507 | 19.1% | 27.7% | 28.7% |
| Pennsylvania State University-Main Campus | 495 | 11.0% | 15.7% | 43.1% |
| Texas State University | 380 | 5.2% | 17.9% | 20.5% |
| Kennesaw State University | 343 | 21.8% | 13.8% | 18.1% |
| Clemson University | 317 | 16.3% | 29.4% | 69.9% |
| University of North Texas * | 287 | 9.8% | 17.1% | 12.8% |
| University of North Carolina at Charlotte | 271 | 10.9% | 20.4% | 19.8% |
| University of Nevada-Reno | 267 | 34.4% | 15.2% | 20.4% |
| University of Cincinnati-Main Campus | 257 | 17.6% | 17.9% | 32.3% |
| Arizona State University-SkySong | 252 | 22.5% | 0.1% | 35.3% |
| Colorado State University-Fort Collins | 237 | 11.9% | 24.2% | 20.2% |
| Case Western Reserve University | 236 | 84.0% | 37.2% | N/A |
| University at Buffalo | 221 | 27.3% | 25.0% | 22.3% |

*Universities share student housing properties with other nearby universities. Source: Yardi Matrix, data as of December 2020

Student Housing Transactions: Thinning Buyer Pool

- The buyer pool for dedicated student housing has thinned out significantly since the onset of the pandemic.
- Getting debt financing at attractive rates has become more challenging, as most lenders now require higher debt service.
- Investors remain focused on top-tier, well-located universities with strong occupancy rates and rent collections in the 90% range.

The coronavirus-induced crisis brought uncertainties for the fall semester as universities and investors alike struggled to navigate the storm. Investment activity for student housing properties slowed down in the first six months after the outbreak, but started picking up steam in the fourth quarter, and investors remain cautiously optimistic.

The University of Arizona had the most sales volume in 2020 at nearly \$195 million. This stemmed from one sale in early January, prior to the onset of the pandemic. This sale also caused Arizona to have the highest sales price per bed on the list at about \$203,000 per bed.

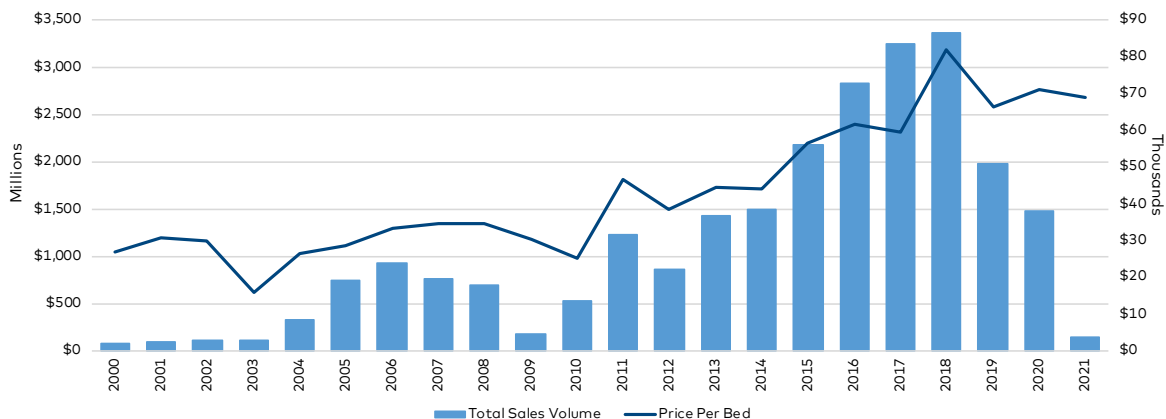
Top 15 Universities With the Most Sales Volume (YTD as of Dec. 31, 2020)

| University | YTD Sales Price Per Bed (Thousands) | YTD Sales (Millions) |
|---|-------------------------------------|----------------------|
| Yardi200 | \$71.02 | \$1,473.93 |
| University of Arizona | \$203.20 | \$194.67 |
| Arizona State University-Tempe | \$689.94 | \$158.44 |
| University of Maryland-College Park | \$162.07 | \$146.02 |
| University of North Carolina at Charlotte | \$107.38 | \$95.25 |
| Kennesaw State University | \$99.66 | \$81.32 |
| University of Nevada-Reno | \$108.93 | \$76.25 |
| Georgia Southern University | \$86.54 | \$74.27 |
| Florida State University* | \$62.13 | \$58.65 |
| Purdue University-Main Campus | \$52.63 | \$48.00 |
| Auburn University | \$79.44 | \$47.67 |
| Clemson University | \$76.90 | \$47.37 |
| Saint Louis University | \$87.12 | \$46.00 |
| The University of Tennessee-Knoxville | \$49.98 | \$44.54 |
| University of Kentucky | \$81.85 | \$39.82 |
| Rochester Institute of Technology | N/A | \$35.30 |

*University shares student housing properties with other nearby universities.

**Bedroom count pending. Source: Yardi Matrix

Yardi 200 Total Sales



Source: Yardi Matrix

University Fundamental Trends

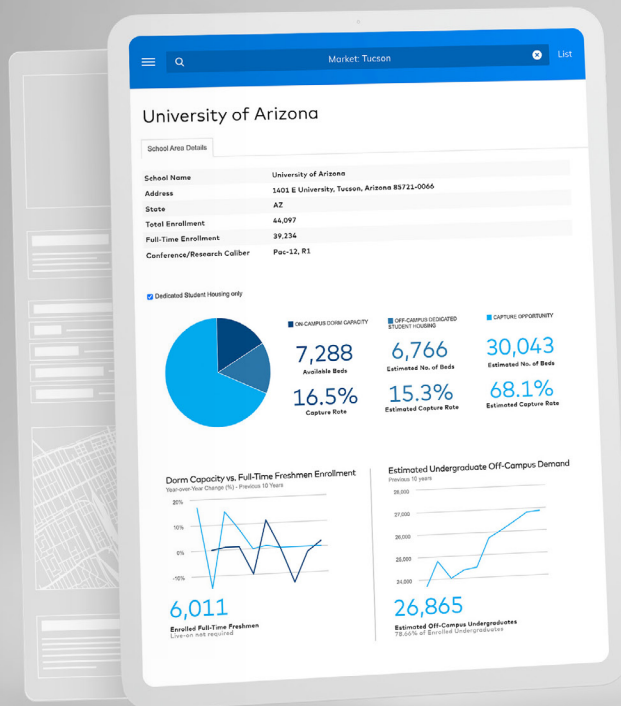
| Universities | YOY Rent Growth as of Dec 2020 | YOY Prelease Growth as of Dec 2020 | Current Prelease as of Dec 2020 | Capture Opportunity | Units Under Construction as a % of Stock | YOY Enrollment Growth |
|---|--------------------------------|------------------------------------|---------------------------------|---------------------|--|-----------------------|
| University of California-Berkeley | 19.3% | -8.2% | 1.0% | 76.8% | 91.7% | 1.6% |
| New Mexico State University-Main Campus | 16.7% | -8.7% | 12.4% | 69.8% | 27.5% | 0.0% |
| Arizona State University-Skysong | 12.7% | -16.6% | 35.3% | 96.3% | 22.5% | 17.0% |
| Wichita State University | 10.6% | -10.2% | 21.3% | 87.8% | N/A | -2.8% |
| Arizona State University-Tempe | 9.5% | -4.6% | 29.5% | 58.7% | 15.3% | 3.3% |
| North Carolina A & T State University | 8.1% | -4.9% | 17.0% | 23.2% | N/A | 3.4% |
| Northern Illinois University | 8.1% | -4.1% | 37.7% | 67.8% | N/A | -3.3% |
| University of North Carolina at Greensboro | 7.4% | -3.3% | 16.0% | 41.6% | N/A | 0.4% |
| University of California-Santa Barbara | 6.8% | -21.6% | 1.9% | 59.6% | N/A | 1.3% |
| University of Akron Main Campus | 6.7% | 13.4% | 35.0% | 74.3% | N/A | -6.0% |
| University of Alabama at Birmingham | 6.6% | 13.0% | 33.1% | 80.0% | N/A | 0.7% |
| University of North Carolina at Charlotte | 6.5% | -8.4% | 19.8% | 53.2% | 10.9% | -0.3% |
| Kent State University at Kent | 6.4% | 0.1% | 33.4% | 64.4% | N/A | -1.4% |
| Georgia Institute of Technology-Main Campus * | 6.0% | -1.3% | 28.7% | 57.7% | 19.1% | 10.9% |
| University of Denver | 5.2% | -7.5% | 7.0% | 73.7% | N/A | 8.2% |
| Bowling Green State University-Main Campus | 5.1% | 1.9% | 50.2% | 54.7% | N/A | 1.1% |
| Georgia Southern University | 5.0% | 4.0% | 38.5% | 32.7% | N/A | -1.3% |
| Eastern Michigan University | 4.9% | -28.2% | 6.0% | 72.9% | N/A | -7.0% |
| The University of Tennessee-Knoxville | 4.9% | 5.9% | 50.2% | 50.0% | N/A | 2.0% |
| Clemson University | 4.7% | 13.9% | 69.9% | 51.0% | 16.3% | 3.5% |
| University of Colorado Colorado Springs | 4.4% | 3.7% | 28.6% | 71.9% | N/A | -2.4% |
| Boise State University | 4.3% | 8.8% | 37.2% | 79.9% | N/A | 2.8% |
| University of Connecticut | 4.1% | -43.7% | 9.6% | 50.7% | N/A | -0.5% |
| Purdue University-Main Campus | 3.9% | 14.0% | 59.2% | 58.2% | N/A | 2.3% |
| Indiana University-Bloomington | 3.9% | -9.9% | 41.6% | 62.5% | 6.4% | -0.6% |
| University of Nevada-Las Vegas | 3.9% | 16.0% | 40.0% | 83.7% | N/A | 2.3% |
| Kennesaw State University | 3.9% | -9.0% | 18.1% | 72.9% | 21.8% | 6.7% |
| University of Oregon | 3.8% | -14.8% | 7.6% | 49.9% | N/A | -0.6% |
| Texas Christian University | 3.7% | 15.4% | 52.5% | 44.8% | N/A | 1.0% |
| Western Michigan University | 3.6% | 1.0% | 25.8% | 43.0% | N/A | -4.8% |

Source: Yardi Matrix. Note: University-level prelease rates are based solely on properties that participate in our phone surveys. Properties that do not participate are excluded from weighted averages reported at the university level.



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Yardi Matrix Student is active in markets across the U.S., covering over 2,000 colleges and universities including the top 200 in all major conferences.

Key features

- Search by school, conference or state in quarter-mile increments from campus
- Gain new supply information at the asset, competitive set and market levels
- Leverage data for both purpose-built and shadow market properties
- Access school year leasing and pre-leasing curve reports
- Produce reports on transaction, rent and portfolio data

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