



Yardi<sup>®</sup> Matrix

# National Student Housing Report

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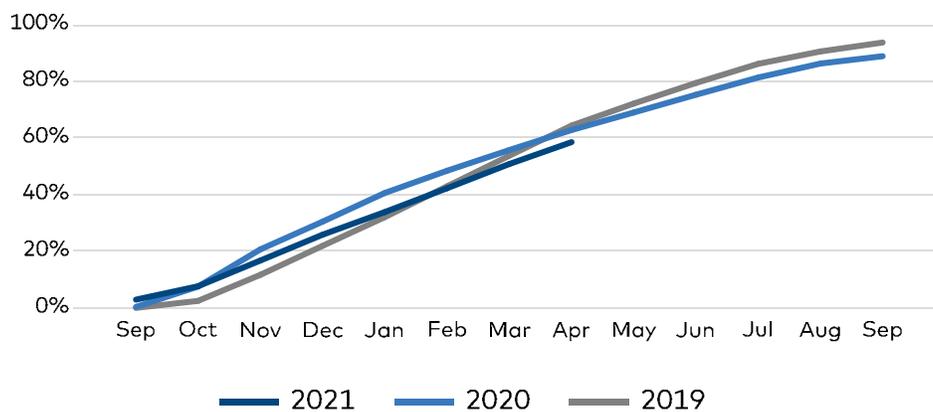
June 2021



# Student Housing Poised for Growth in 2021

- As the economy opens and vaccines continue to be distributed across the U.S., the outlook for the student housing industry is strengthening. Most universities have announced reopening plans for the fall semester, with many expecting all students on campus and vaccinated.
- Preleasing for the fall 2021 term is still lagging prior years. As of April, preleasing was at 58.6% for the Yardi 200, about 4.2% below the same time last year and 5.8% below 2019. We anticipate preleasing will continue to improve in the coming months as more students are vaccinated and those who took a year off return to campus this fall.
- Year-over-year rents for dedicated off-campus student housing properties dipped earlier this year, but have started to tick upward again. Rent growth for the Yardi 200 was 1.2% year-over-year as of April, up from 0.6% year-over-year in March. We expect rents will remain fairly stable or increase modestly, as demand for student housing properties accelerates through the summer.
- In general, universities in Eastern states have had better preleasing and rent growth, while universities in Western states have struggled a bit more. There is also a noticeable trend in campus settings, as college towns have generally performed better. These universities face less competition from conventional multifamily properties in the shadow market.
- Overall, we have a positive outlook for the dedicated off-campus student housing industry going into the upcoming fall term and beyond. Many factors are pointing to increased student housing demand, fueled by students who took a gap year now enrolling in four-year institutions, new high school graduates, and the gradual return of international students. As the industry begins to approach a sense of pre-pandemic normalcy, a potential headwind to watch will be localized supply-demand imbalances.

Yardi 200 Prelease Curves



Source: Yardi Matrix

# Student Housing Preleasing: Fall 2021 School Year Off to a Slow Start, But Picking Up

- Fall 2021 preleasing for the Yardi 200 is underway, at 58.6% as of April, about 4.2% below the same time last year and 5.8% below the year prior. Though preleasing is off to a slow start, it's up 7.8% from March, and is likely to continue picking up as the fall term approaches.
- Preleasing for Class B properties at Yardi 200 universities was lagging at just 57.1% as of April, well below Class A properties (71.4%) and Class C properties (63.4%). Studio and one-bedroom units have leased up the fastest so far for the upcoming fall term, outpacing larger units.
- The list of top universities for most year-over-year prelease occupancy growth as of April is fairly diverse by location, campus setting and size. However, with some exceptions, universities with strong preleasing tend to be located in the Northeast or Southeast and in college-town settings, as they face less competition from conventional multi-family properties in the shadow market.
- The universities that are struggling the most with preleasing are largely located in the western half of the country, with the notable exception of Oregon State University, which leads our prelease occupancy growth rankings. Pacific Northwest universities including Portland State University, the University of Washington-Seattle and the University of Oregon were all lagging last year's prelease levels by more than 20% as of April. Similarly, California universities including the University of California-Santa Barbara and the University of California-Riverside were also significantly lagging last April's prelease levels.

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

University	YOY Growth in % Preleased
Oregon State University	22.5%
University of New Hampshire-Main Campus	20.8%
Virginia Commonwealth University	19.9%
University of Georgia	17.4%
University of North Carolina at Chapel Hill	15.8%
University of Nevada-Las Vegas	14.8%
Purdue University-Main Campus	14.4%
Bowling Green State University-Main Campus	13.2%
Texas Christian University	12.4%
University of South Alabama	12.2%
University of Alabama at Birmingham	9.9%
University of Maryland-College Park	9.0%
Clemson University	8.5%
Texas A & M University-College Station	8.1%
University of Akron Main Campus	7.1%
University of Memphis	7.0%
The University of Tennessee-Knoxville	7.0%
Texas A & M University-Corpus Christi	6.7%
Louisiana State University and Agricultural & Mechanical College	6.6%
Western Michigan University	5.6%

Source: Yardi Matrix, data as of April 2021. 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. Universities with only one property in our coverage have been excluded from this list.

# Rent Growth Ticks Up After Months of Deceleration

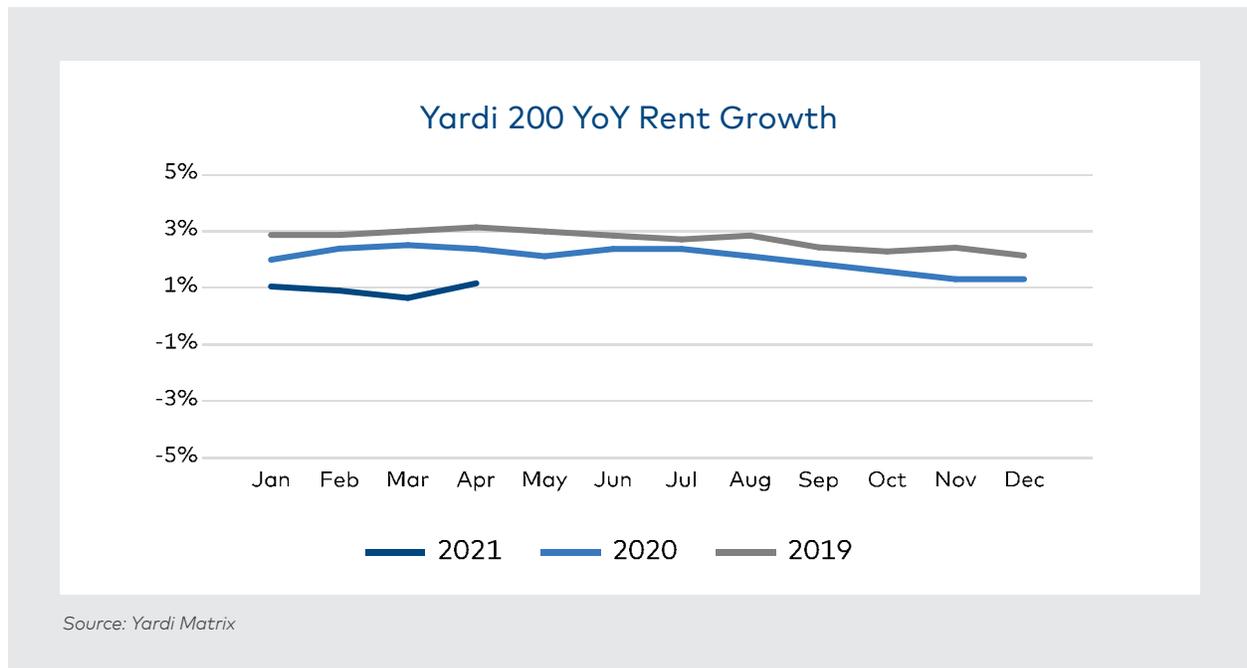
- After almost a year of decelerating rents, year-over-year rent growth for the Yardi 200 finally ticked up from 0.6% YOY in March to 1.2% YOY in April. This is a positive sign for the industry that demand for the upcoming term is starting to increase again.
- Class B rents at Yardi 200 universities have gotten hit the hardest amid slow preleasing. Average rents for Class B properties were down 0.1% year-over-year as of April, well below Class A rent growth of 1.2% and Class C rent growth of 2.8%. Although studio units have high preleasing for the upcoming fall term, rent growth is starting to dip, and turned negative at -0.2% year-over-year as of April.

Rent growth is rounding a corner after months of positive but decelerating rents fueled by the pandemic. The list of universities with the highest year-over-year rent growth in April is completely diverse by location, campus setting and size. Two universities, New Mexico State University and the University of Southern California, both had year-over-year rent growth exceeding 10% in April.

Universities that struggled with rent growth were in urban areas and most commonly in the Western U.S. Three University of California campuses—Los Angeles, Berkeley and Riverside—made the top 10 list of universities for lowest

year-over-year rent growth. Two Texas universities—Texas A & M University-Corpus Christi and the University of Texas at San Antonio—are also lagging in rent growth.

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 the University of California-Berkeley topping the list with average monthly rent of \$3,518 per bed as of April 2021, nearly \$1,000 more than the next highest priced, Georgetown University at \$2,585 per bed.



## New Supply Could Bring Headwinds To Universities in the South and Southwest

- Student housing deliveries did not slow much despite the pandemic. Just over 12,000 bedrooms were delivered at Yardi 200 universities last year, comprising about 2.2% of existing inventory. For reference, in pre-pandemic 2019, about 13,000 bedrooms were delivered, or 2.4% of existing stock.
- There are nearly 40,000 units in the various stages of development for the Yardi 200, with about 15,000 of those units under construction. Most development is still concentrated in the Southern and Southwestern United States—specifically in Florida, Texas and Arizona.
- Some universities with significant development pipelines may face absorption issues once those bedrooms are delivered. Florida International University, for example, currently has more than 800 units under construction, which will more than double the university's inventory once delivered. With only 25.6% of the university's bedrooms preleased as of April, 12.5% less than the same time last year, this new supply could bring serious trouble for the university's off-campus dedicated student housing.

### 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 Apr 2021
The University of Texas at Austin	1,057	20.0%	15.2%	51.8%
Florida International University	886	162.9%	6.3%	25.6%
Florida State University*	753	7.7%	15.8%	61.5%
University of Florida	700	9.9%	20.6%	58.2%
Texas Southern University	697	59.2%	21.0%	22.9%
Arizona State University-Tempe	636	15.1%	24.7%	57.8%
University of Oregon	566	24.9%	23.9%	41.2%
University of Arizona*	537	20.8%	17.0%	49.1%
Clemson University	517	26.6%	29.4%	88.5%
University of Washington-Seattle Campus	479	37.2%	21.5%	20.2%
The University of Texas at Dallas	387	46.4%	18.8%	43.7%
Texas State University	380	5.2%	17.9%	51.8%
University of South Florida-Main Campus	373	8.3%	14.2%	59.0%
University of Maryland-College Park	296	11.3%	29.5%	81.2%
University of North Texas*	287	9.8%	17.1%	40.1%
University of Nevada-Reno	278	35.8%	15.2%	62.8%
University of North Carolina at Charlotte	271	10.9%	20.4%	47.6%
Indiana University-Bloomington	270	12.6%	26.5%	70.3%
Pennsylvania State University-Main Campus	268	5.9%	30.7%	75.0%
University of Cincinnati-Main Campus	257	17.6%	17.9%	61.9%

\*University shares student housing properties with other nearby universities. Source: Yardi Matrix, data as of May 1, 2021

# Transactions Off to a Hot Start in Southeastern States

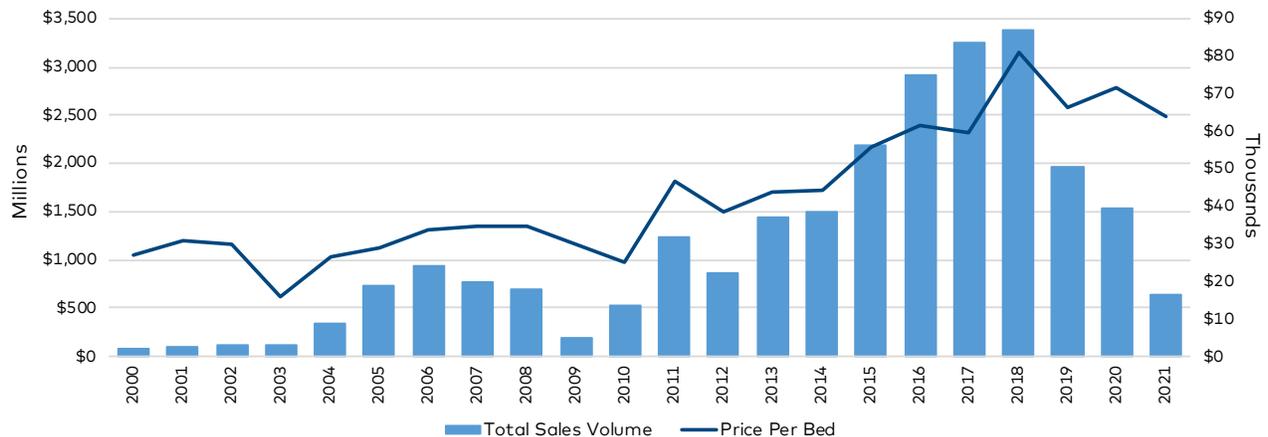
- Transaction volume slowed in 2020, with a shift from primarily foreign investors to domestic buyers. Though the \$1.5 billion in total sales volume for the Yardi 200 marked a drop-off from the prior year, average sales prices per bed remained elevated at about \$71,000.
- Total sales volume and average sales price per bed are off to a decent start this year. So far, more than \$600 million of student housing inventory has traded hands, with an average sales price per bed of about \$64,000.
- Universities in Southeastern states have had the most transactions so far this year. Georgia Institute of Technology, Clemson University, Florida Atlantic University and the University of Central Florida have all had well over \$50 million in transactions so far this year.

## Top 15 Universities With the Most Sales Volume (YTD as of May 1, 2021)

University	YTD Sales Price Per Bed (Thousands)	YTD Sales (Millions)
Yardi 200	\$64.11	\$642.29
Georgia Institute of Technology-Main Campus*	\$178.44	\$93.68
Clemson University	\$81.45	\$92.04
Florida Atlantic University	\$133.11	\$80.00
University of Central Florida	\$75.45	\$63.38
University of Maryland-College Park	\$146.92	\$54.21
Brigham Young University-Provo	\$81.75	\$47.33
University of Notre Dame	\$87.04	\$43.00
Texas A & M University-College Station	\$33.28	\$37.54
University of South Florida-Main Campus	\$82.21	\$34.20
University of Missouri-Columbia	\$42.52	\$28.75
University of North Carolina at Greensboro*	\$34.24	\$15.75
Florida State University*	\$49.45	\$15.73
Ohio State University-Main Campus	\$57.71	\$15.47
University of Colorado Colorado Springs	\$92.78	\$13.18
University of Arizona	\$32.86	\$8.05

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Source: Yardi Matrix

## Yardi 200 Total Sales



Source: Yardi Matrix

## University Fundamental Trends

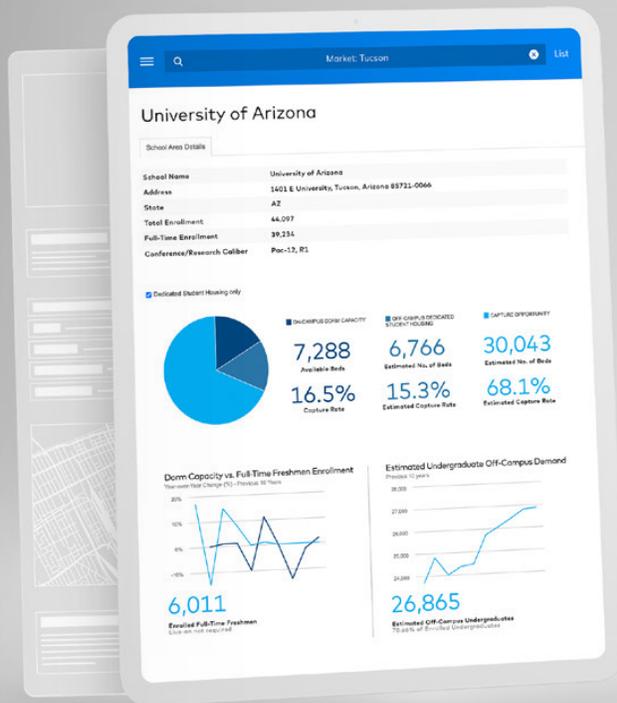
Universities	YOY Rent Growth as of Apr 2021	YOY Prelease Growth as of Apr 2021	Current Prelease as of Apr 2021	Capture Opportunity	Units Under Construction as a % of Stock	YOY Enrollment Growth
New Mexico State University-Main Campus	20.5%	-8.3%	41.7%	68.8%	N/A	0.0%
University of Southern California	10.6%	-11.5%	58.2%	74.7%	8.6%	2.1%
University of California-Santa Barbara	8.9%	-31.3%	24.3%	59.6%	N/A	1.3%
University of North Carolina at Charlotte	6.9%	-14.9%	47.6%	53.2%	10.9%	-0.3%
University of Notre Dame	6.6%	-5.7%	51.4%	32.3%	N/A	0.6%
Florida International University	6.3%	-12.5%	25.6%	91.8%	162.9%	1.3%
Arizona State University-Skysong	6.0%	-9.5%	58.6%	96.3%	22.5%	17.0%
University of Denver	6.0%	-32.3%	23.1%	73.7%	N/A	8.2%
Clemson University	5.9%	8.5%	88.5%	51.0%	26.6%	3.5%
North Carolina A & T State University	5.7%	1.2%	58.1%	23.2%	N/A	3.4%
Arizona State University-Tempe	5.5%	-13.2%	57.8%	58.7%	15.1%	3.3%
University of South Alabama	5.5%	12.2%	42.3%	58.2%	N/A	-2.9%
The University of Tennessee-Knoxville	5.4%	7.0%	79.7%	50.0%	N/A	2.0%
Rutgers University-New Brunswick	5.3%	-14.9%	25.1%	67.6%	N/A	-0.2%
University of North Carolina at Greensboro	5.0%	4.5%	56.7%	41.6%	N/A	0.4%
Utah State University	4.9%	-15.7%	75.4%	81.4%	18.3%	-0.4%
Auburn University	4.8%	-3.7%	65.6%	52.0%	4.9%	0.1%
Brown University	4.8%	-4.2%	30.9%	46.2%	N/A	0.7%
Brigham Young University-Provo	4.7%	-2.7%	67.0%	63.5%	N/A	-0.5%
Syracuse University *	4.6%	-12.7%	54.9%	51.8%	N/A	0.2%
University of Connecticut	3.6%	-27.6%	54.3%	50.7%	N/A	-0.5%
Georgia Southern University	3.6%	5.0%	74.5%	32.7%	N/A	-1.3%
Boise State University	3.5%	1.9%	65.1%	79.9%	N/A	2.8%
Ohio State University-Main Campus	3.3%	-6.3%	54.8%	66.6%	1.8%	0.4%
University of South Carolina-Columbia	3.1%	-14.3%	68.0%	52.6%	4.4%	1.6%
University of Kentucky	2.9%	-2.1%	67.2%	51.7%	N/A	0.8%
University of Alabama at Birmingham	2.6%	9.9%	55.6%	80.0%	22.4%	0.7%
Bowling Green State University-Main Campus	2.6%	13.2%	94.1%	54.7%	N/A	1.1%
University of Colorado Boulder	2.6%	-17.5%	53.1%	73.9%	N/A	3.3%
Western Michigan University	2.5%	5.6%	64.3%	43.0%	N/A	-4.8%

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