



STUDENT HOUSING NATIONAL OUTLOOK

FALL 2021

PRESENTERS



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AGENDA

- Opening Remarks
- Fall 2021 Overview
- Fundamentals: Preleasing, Rent Growth, Supply and Transactions
- Yardi Matrix Forecasts
- Important Trends Impacting the Industry

OPENING REMARKS

Yardi Matrix House View – September 2021

- Early indications of fall enrollment show growth at competitive, big-name universities
- This August, preleasing for Yardi 200 universities surpassed pre-pandemic levels at 91.1% preleased, while rent growth also had a significant jump at 3.4% year-over-year
- Universities that performed well for both preleasing and rent growth were diverse among geography, size and campus setting
- The pandemic did not slow student housing deliveries, and Texas and Florida currently have the most student housing projects under construction
- Transaction volume was slowing just prior to the pandemic, but there is still a lot of institutional interest in the sector
- Given all the noise in the student housing industry, there will be an increased emphasis on identifying schools that have long-term enrollment growth potential with balanced new supply
- Overall, we have a very positive outlook for the student housing industry, particularly at first tier institutions

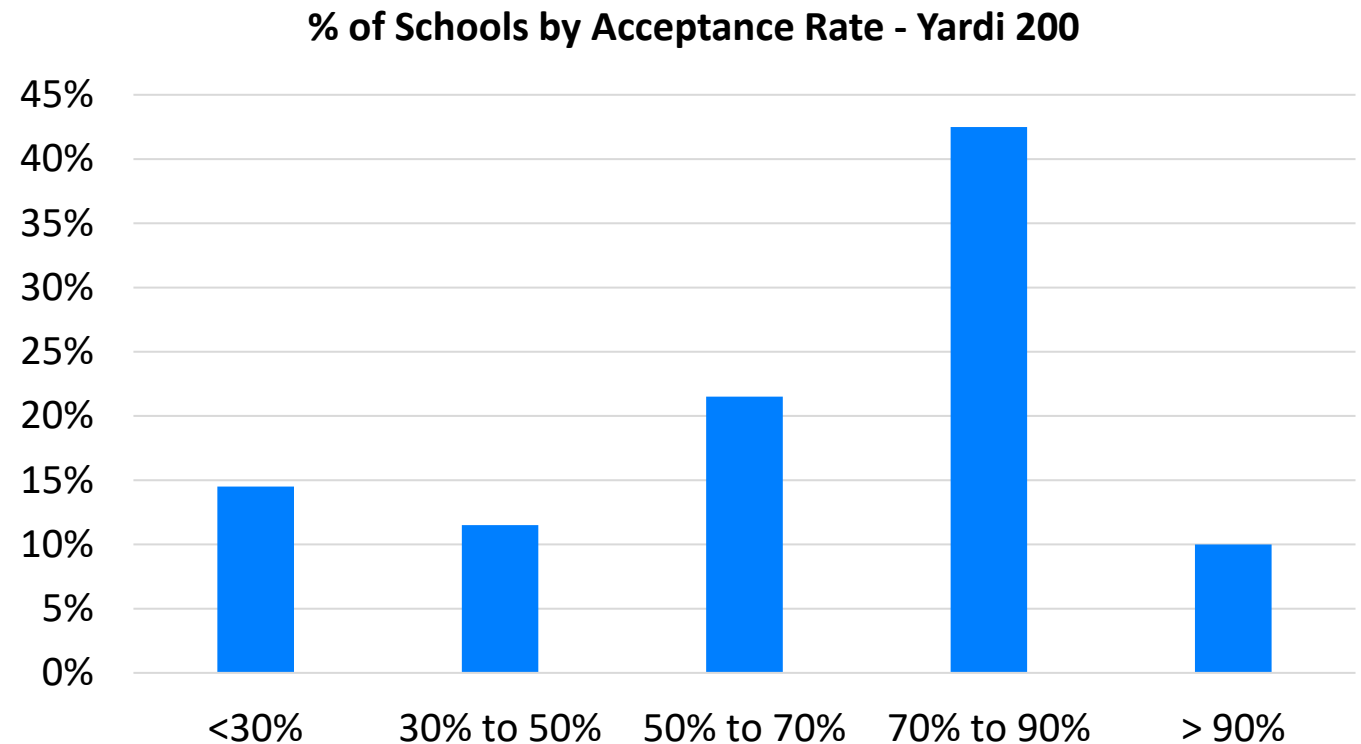
FALL 2021 OVERVIEW

Fall 2021 Enrollment Summary

- Thousands of universities did not require SAT or ACT scores this year, driving a surge in applications
- There has been a shift in where students are applying
 - Larger, competitive universities received a large increase in applications, while smaller, less competitive universities did not
- Early indications of fall enrollment show many big-name public universities recording enrollment growth
 - Arizona State University, The University of Missouri, Purdue University, Oklahoma State University, Michigan State University, University of Arizona, University of South Carolina, University of Tennessee, and more
- The composition of enrollment has shifted to more out-of-state students in recent years, and we expect that trend will continue this year
 - Out-of-state students pay higher tuition, and this is a way for universities to bring in more revenue
 - A new report by the Brookings Institution found that 48 out of 50 flagship universities increased their share of out-of-state freshmen from 2002 to 2018
 - The pandemic's influence on this “student swap” is yet to be known, but it's likely that universities struggling financially will continue this trend

Schools With a Lower Acceptance Rates Have the Ability to Boost Enrollment by Decreasing Admission Criteria

- A school's acceptance rate can be an indicator of how vulnerable a school is to future enrollment declines
- A school with a low acceptance rate can adjust admission criteria to boost enrollment, whereas a school with an already high admission rate does not have that ability
- Some schools waived standardized test scores during the pandemic which prompted more interest and applications to typically selective schools

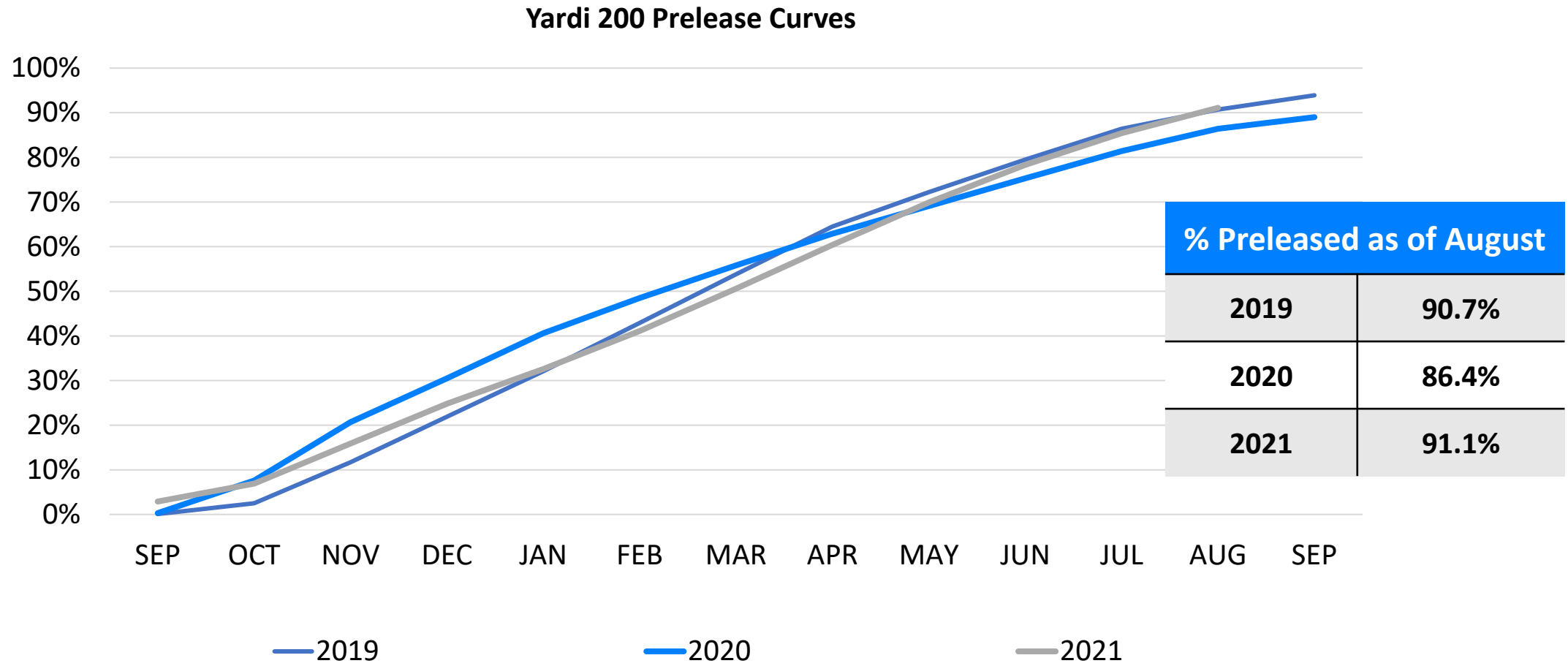


Delta Variant Impacts on Universities

- Over 1,000 universities nationwide have opened this fall with vaccine requirements for at least some students and employees
- The FDA approval of the Pfizer vaccine led more universities to require the vaccine for students and faculty
- A handful of universities disenrolled students who did not comply with vaccine requirements, including Virginia Tech University and University of Maryland
- The Delta variant may present new challenges to universities this fall, but with vaccine requirements and better preparedness, off-campus student housing should not face much disruption

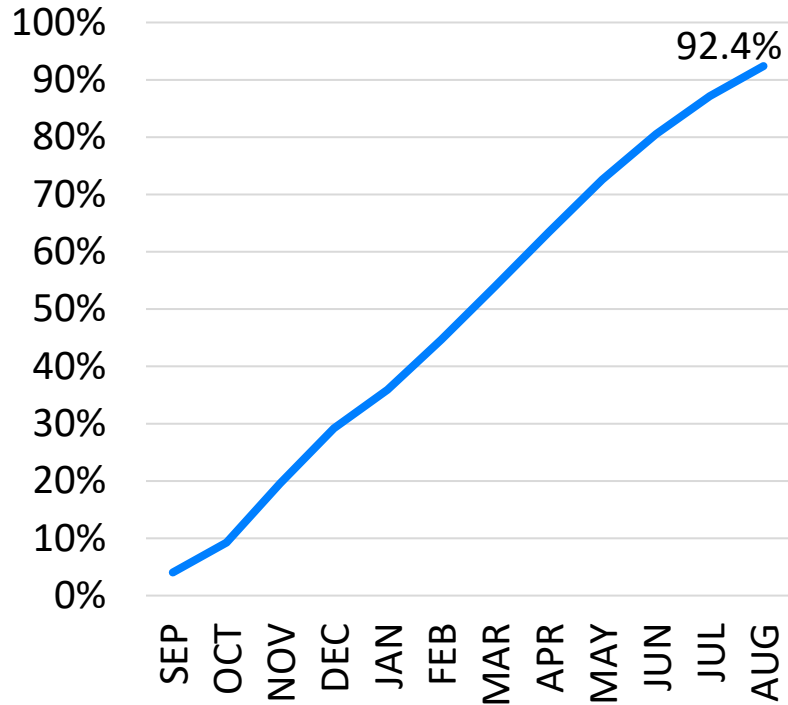
STUDENT HOUSING FUNDAMENTALS

Preleasing for the Fall 2021 Term Surpassed 2019 Levels in August

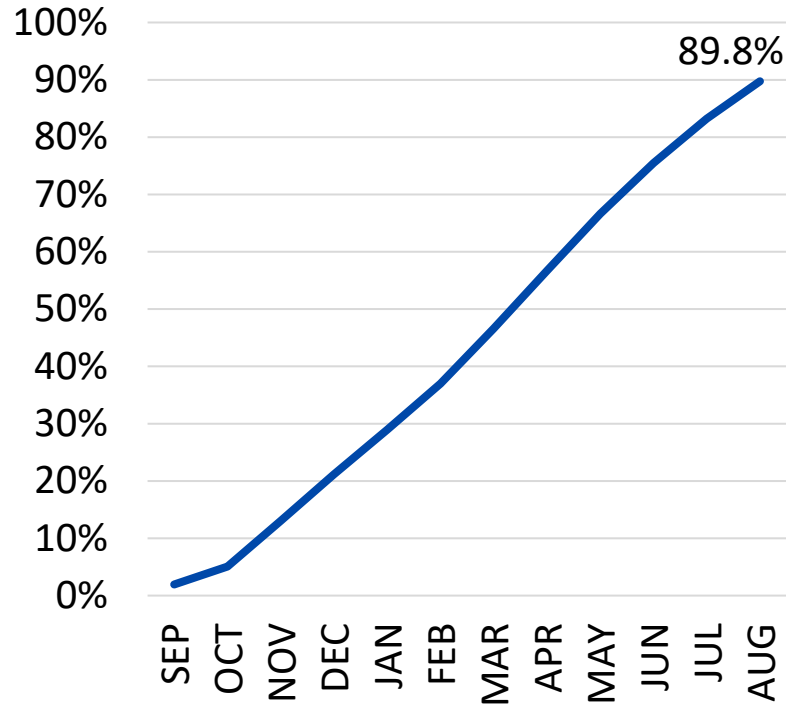


Preleasing for Class B Properties Slightly Behind Classes A and C

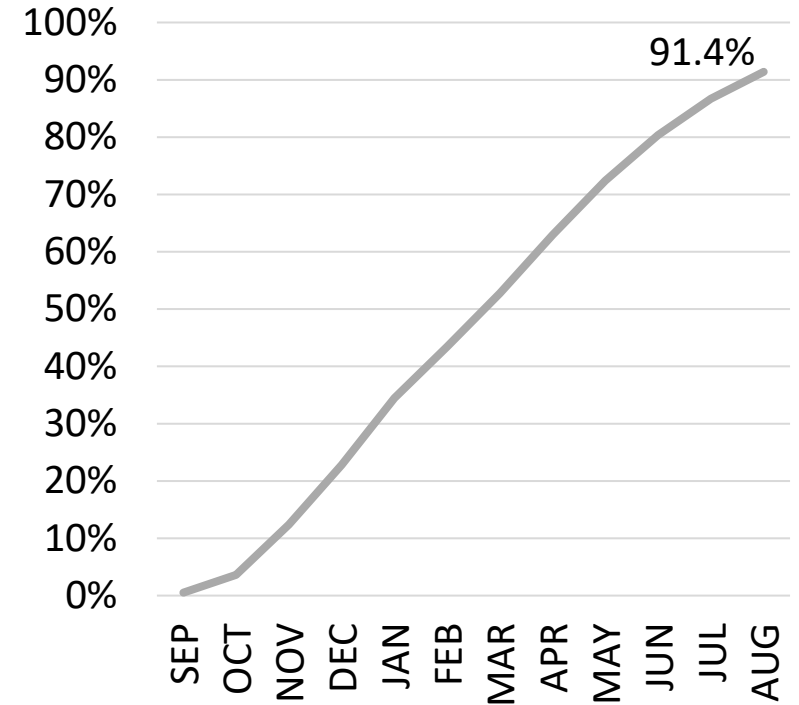
Yardi 200 Fall 2021 Prelease Curve Class A



Yardi 200 Fall 2021 Prelease Curve Class B

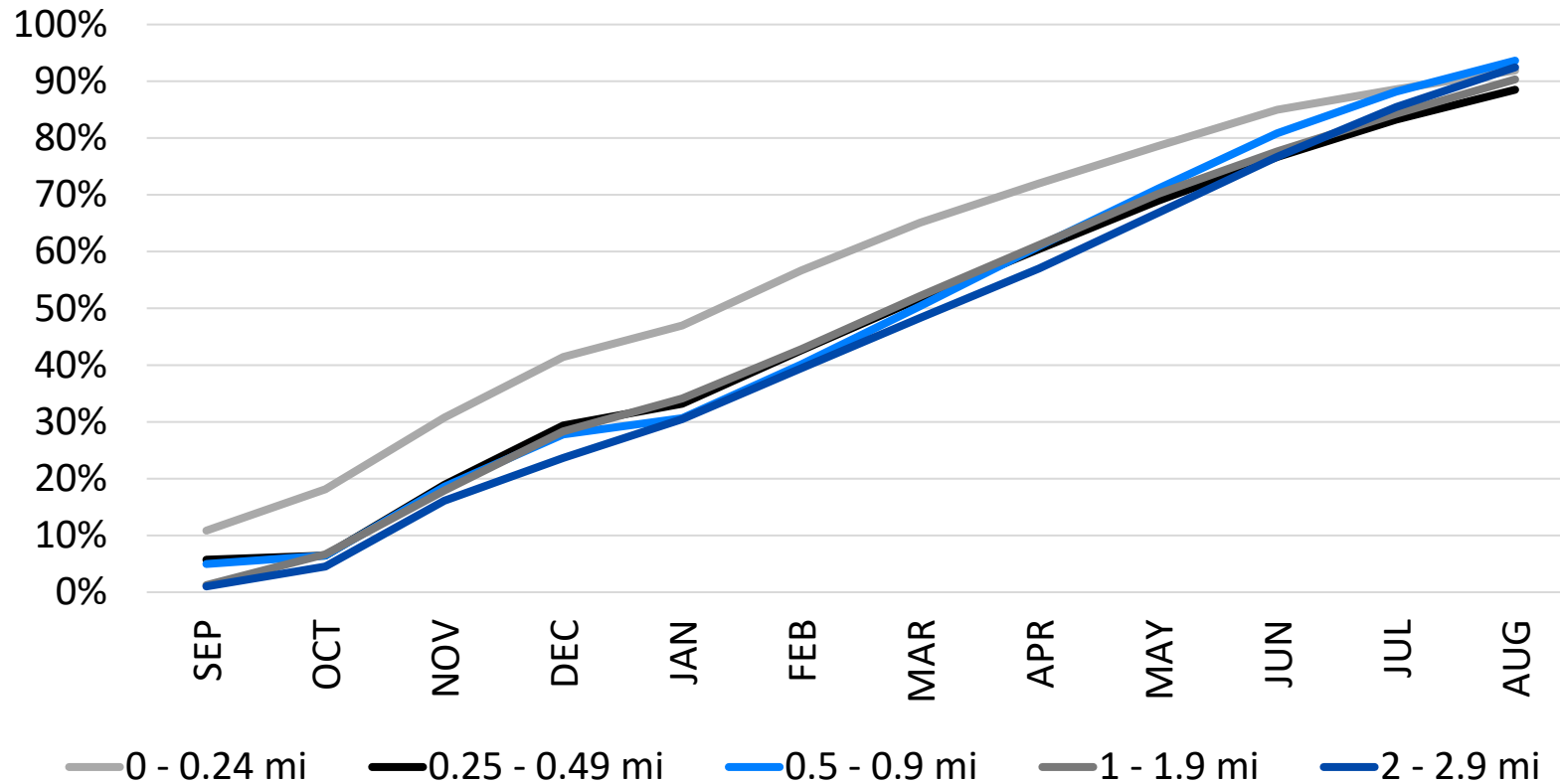


Yardi 200 Fall 2021 Prelease Curve Class C



There Are No Meaningful Differences Between Preleasing by Distance From Campus

**Yardi 200 Fall 2021 Prelease Curves
Distance From Campus**



% Released as of August 2021	
0 - 0.24 mi	91.9%
0.25 - 0.49 mi	88.5%
0.5 - 0.9 mi	93.6%
1 - 1.9 mi	90.3%
2 - 2.9 mi	92.4%

Universities With the Most Growth in Preleasing – Fall 2021

Preleasing Improved at a Range of Universities of Different Geographies, Sizes and Campus Settings

University	Release August 2020	Release August 2021	YoY Growth in % Preleased	Bedrooms Delivered Aug 2020-2021
University of Nevada-Las Vegas	80.9%	98.2%	17.3%	-
Boise State University	77.7%	94.4%	16.6%	-
The University of Texas at San Antonio	79.1%	95.0%	15.9%	-
University of Akron	66.1%	80.0%	13.9%	-
University of North Texas	81.0%	94.6%	13.6%	-
Georgia Institute of Technology	82.0%	93.6%	11.6%	1,127
Indiana University-Purdue University-Indianapolis	74.2%	85.5%	11.3%	-
Texas Christian University	89.3%	100.0%	10.7%	-
University of Florida	86.0%	96.3%	10.3%	1,353
Purdue University	89.7%	100.0%	10.3%	-
Pennsylvania State University	87.6%	97.5%	10.0%	776
University of Alabama at Birmingham	83.4%	93.2%	9.8%	521
University of Houston*	68.6%	78.4%	9.8%	-
University of Arizona	80.4%	89.8%	9.4%	1,521
Western Michigan University	89.7%	98.7%	8.9%	-

*Universities share student housing properties with other nearby universities. Note: Prelease rates for universities are based solely on properties that participate in our phone surveys. Universities with less than four properties in our coverage have been excluded from this list. | Source: Yardi Matrix



Universities With the Least Growth in Preleasing – Fall 2021

New Supply Issues Did Not Seem to Be the Reason Most Universities Struggled With Preleasing

University	Release August 2020	Release August 2021	YoY Growth in % Preleased	Bedrooms Delivered Aug 2020-2021
Miami University-Oxford	89.5%	75.5%	-14.0%	-
Utah State University	99.8%	90.1%	-9.7%	-
University of Kentucky	93.5%	85.1%	-8.4%	-
University of Cincinnati	97.1%	88.9%	-8.2%	-
University at Buffalo - SUNY	94.6%	87.4%	-7.2%	-
University of California-Santa Barbara	99.3%	92.7%	-6.6%	-
Johns Hopkins University*	89.1%	83.6%	-5.6%	-
University of Notre Dame	90.6%	85.2%	-5.3%	-
Oklahoma State University	90.0%	85.4%	-4.6%	-
University of South Carolina-Columbia	95.0%	90.5%	-4.5%	-
University of Delaware	99.0%	94.7%	-4.3%	-
University of Minnesota-Twin Cities	86.0%	82.3%	-3.7%	-
University of Louisville	75.4%	71.7%	-3.7%	591
Michigan State University	92.1%	88.9%	-3.2%	362
The University of Texas at Arlington	89.8%	87.2%	-2.7%	-

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Absolute Preleasing: Winners & Losers - Fall 2021

Universities With the Highest and Lowest Absolute Preleasing Were Diverse Among Size and Geography

Universities with the Highest Preleasing	Release August 2021
Purdue University	100.0%
The University of Tennessee-Knoxville	99.9%
University of Toledo	99.7%
University of Michigan-Ann Arbor	99.7%
University of Southern California	99.4%
University of Nebraska-Lincoln	99.2%
University of Wisconsin-Madison	98.8%
Indiana University-Bloomington	98.7%
Western Michigan University	98.7%
University of North Carolina at Chapel Hill	98.6%
Brigham Young University-Provo	98.5%
University of Nevada-Las Vegas	98.2%
University of Maryland-College Park	98.2%
Georgia Southern University	98.0%
University of Colorado Boulder	97.9%

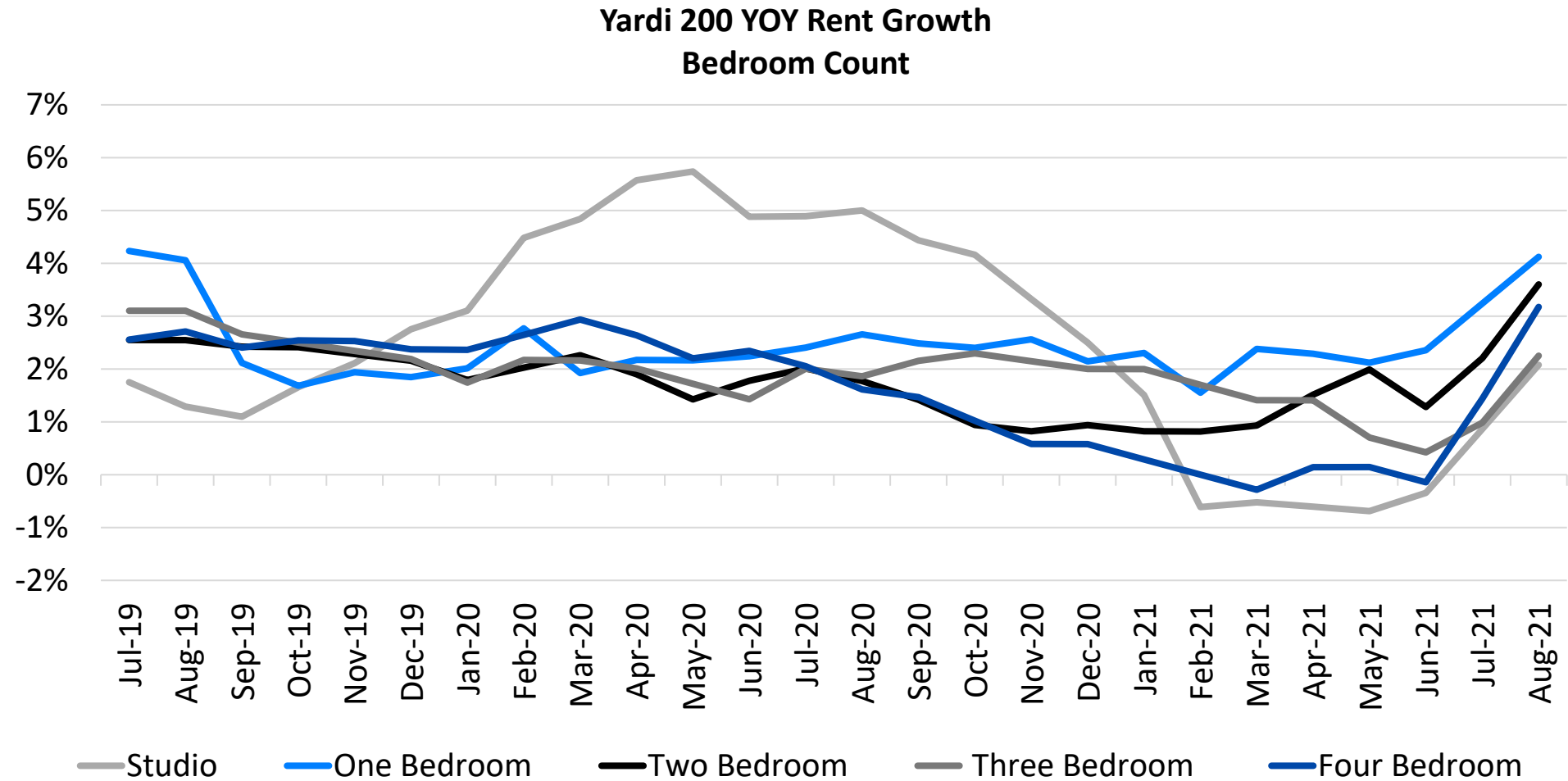
Universities with the Lowest Preleasing	Release August 2021
University of Louisville	71.7%
University of Washington-Seattle Campus	72.6%
Miami University-Oxford	75.5%
University of Houston*	78.4%
Temple University*	78.6%
University of Kansas	78.7%
University of Akron	80.0%
The University of Alabama	80.8%
University of Minnesota-Twin Cities	82.3%
Johns Hopkins University*	83.6%
University of North Carolina Wilmington	84.8%
University of Kentucky	85.1%
University of Notre Dame	85.2%
Oklahoma State University	85.4%
Indiana University-Purdue University-Indianapolis	85.5%

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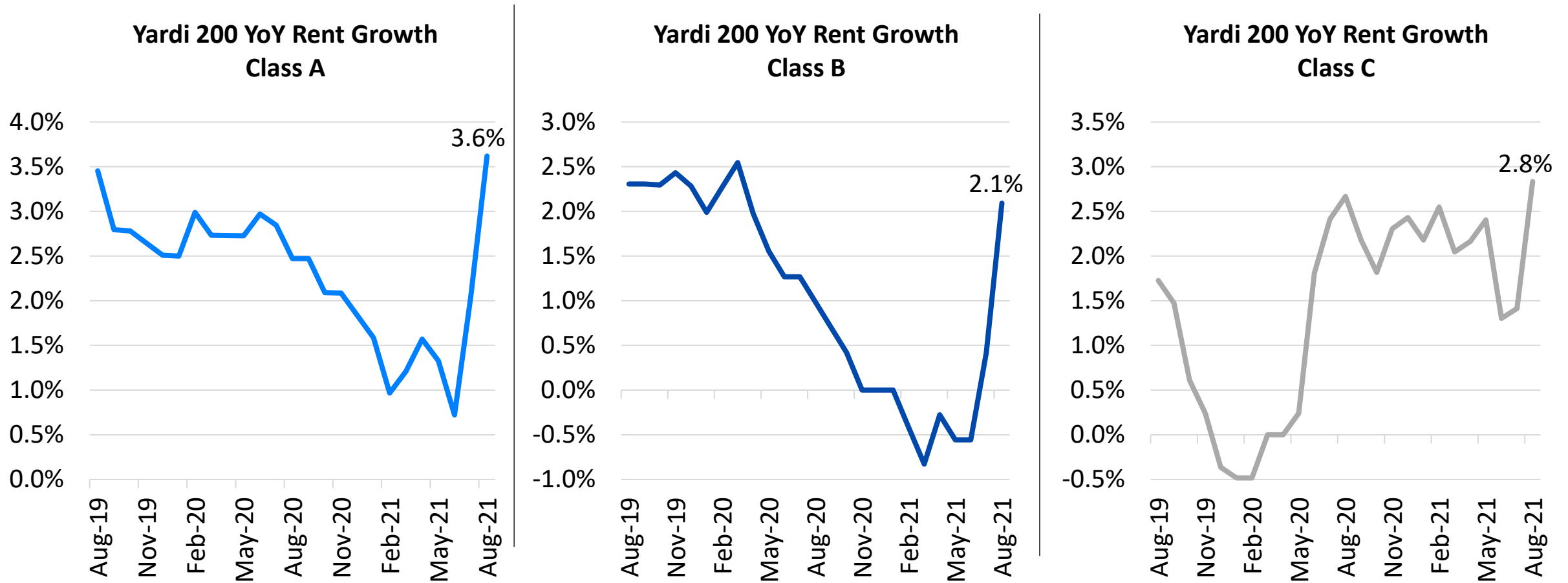
Rent Growth Had a Significant Jump in August at Yardi 200 Universities



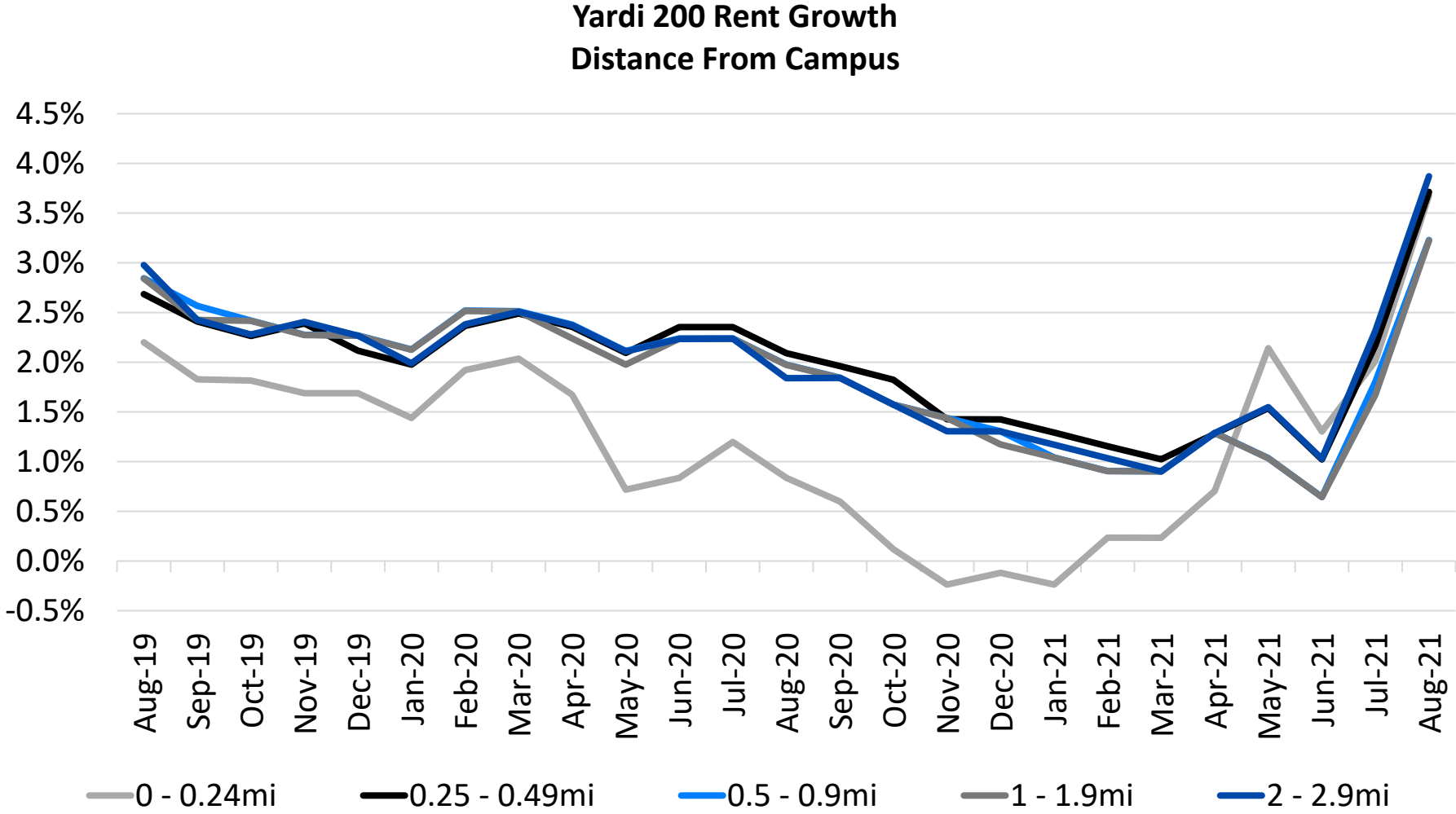
Rent Growth for Studio Units Surged During Pandemic, But Has Since Fallen Off



Class B Rents Were Hit the Worst Amid Slow Preleasing, But Were Still Healthy at 2.1% Year-Over-Year



Properties Within a Quarter Mile of Campus Struggled With Rent Growth During the Pandemic, But Have Turned a Corner



Source: Yardi Matrix



Universities With the Highest YoY Rent Growth

Universities That Performed Well Were Mostly In the South and Western U.S.

University	Rent August 2020	Rent August 2021	YoY Rent Growth	Bedrooms Delivered Aug 2020-2021
University of Nevada-Reno	\$751	\$839	11.6%	-
Georgia Institute of Technology*	\$1,047	\$1,168	11.6%	1,127
University of Nevada-Las Vegas	\$638	\$708	11.0%	-
University of New Hampshire	\$966	\$1,065	10.3%	-
Arizona State University-Tempe	\$877	\$966	10.1%	3,206
University of South Florida	\$709	\$777	9.7%	640
University of North Carolina at Charlotte	\$685	\$749	9.4%	-
University of North Carolina at Chapel Hill	\$896	\$978	9.2%	1,003
University of California-Riverside	\$897	\$977	8.9%	-
The University of Tennessee-Knoxville	\$671	\$729	8.6%	538
University of Kansas	\$510	\$553	8.4%	510
University of Southern California	\$2,271	\$2,461	8.4%	-
Louisiana State University and A&M College	\$560	\$606	8.1%	832
North Carolina State University at Raleigh	\$725	\$784	8.1%	1,570
Clemson University	\$730	\$785	7.5%	994

*Universities share student housing properties with other nearby universities. Note: Rental rates for universities are based solely on properties that participate in our phone surveys. Universities with less than four properties in our coverage have been excluded from this list. | Source: Yardi Matrix

Universities With the Lowest YoY Rent Growth

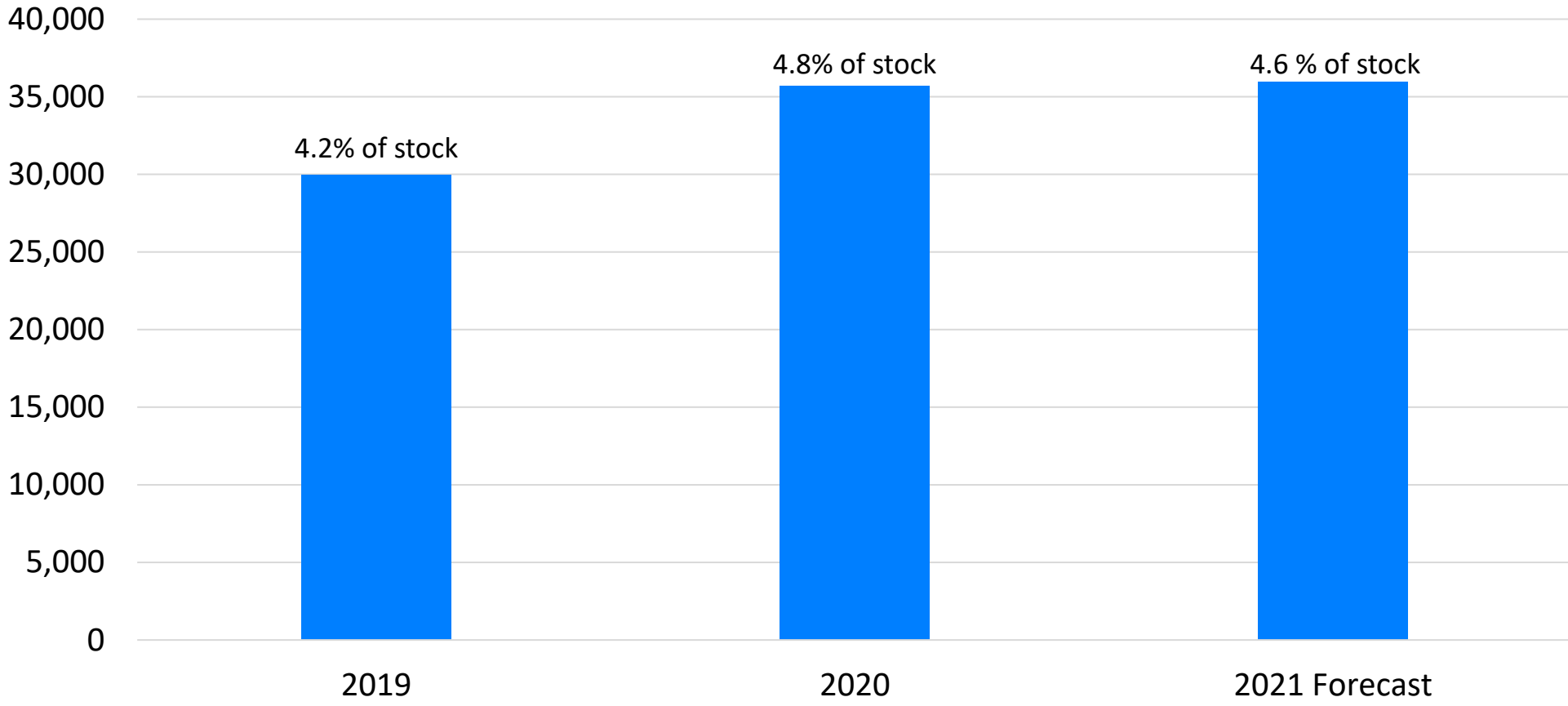
Universities That Struggled With Rent Growth Are Scattered Across the Country

University	Rent August 2020	Rent August 2021	YoY Rent Growth	Bedrooms Delivered Aug 2020-2021
Miami University-Oxford	\$618	\$584	-5.5%	-
University at Buffalo - SUNY	\$808	\$780	-3.5%	-
The University of Alabama	\$673	\$651	-3.4%	-
University of Notre Dame	\$815	\$818	0.3%	-
University of Nebraska-Lincoln	\$619	\$622	0.5%	-
University of South Carolina-Columbia	\$764	\$768	0.6%	-
Portland State University	\$867	\$872	0.6%	-
The University of Texas at Arlington	\$710	\$715	0.7%	-
University of Toledo	\$622	\$632	1.5%	-
Syracuse University	\$1,081	\$1,098	1.5%	-
Temple University*	\$1,244	\$1,264	1.5%	-
Michigan State University	\$664	\$674	1.6%	362
University of Colorado Colorado Springs	\$663	\$677	2.0%	-
University of North Texas	\$691	\$705	2.1%	-
University of Louisiana at Lafayette	\$499	\$511	2.4%	-

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Deliveries Did Not Slow Down Despite the Pandemic

**Yardi 200 Bedroom Deliveries by Year
Overall Count and % of Stock**



Source: Yardi Matrix



Universities in Texas and Florida Are Adding a Lot of Student Housing Inventory

Universities With the Most Bedrooms Under Construction – September 2021	Bedrooms Under Construction	Bedrooms Under Construction as a % of Stock	Capture Opportunity
The University of Texas at Austin	4,504	32.7%	47.5%
University of Illinois at Urbana-Champaign	2,863	24.9%	41.6%
Florida International University	2,570	156.0%	84.8%
University of Washington-Seattle Campus	2,037	97.9%	75.1%
Texas Southern University	2,022	64.4%	38.7%
Florida State University*	1,867	6.9%	0.0%
University of Florida	1,856	8.9%	0.0%
Clemson University	1,704	27.4%	50.3%
University of Oregon	1,643	23.2%	44.7%
Georgia Institute of Technology	1,327	16.8%	0.0%
The University of Texas at Dallas	1,276	71.9%	75.2%
The University of Alabama	1,274	12.0%	41.6%
Pennsylvania State University	1,182	9.8%	45.1%
University of Maryland-College Park	1,132	16.7%	53.9%
University at Buffalo - SUNY	1,122	44.2%	67.1%

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

*Universities share student housing properties with other nearby universities | Source: Yardi Matrix

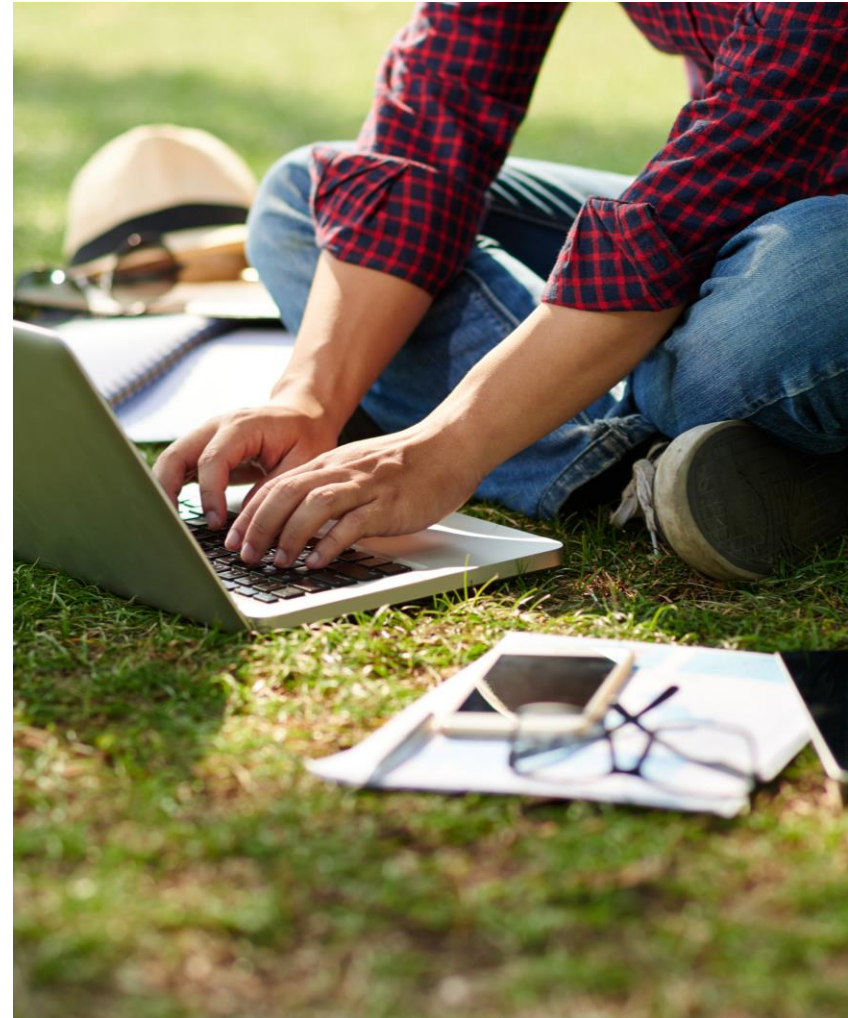
Development Trends Amid COVID-19

Trends accelerated by COVID-19

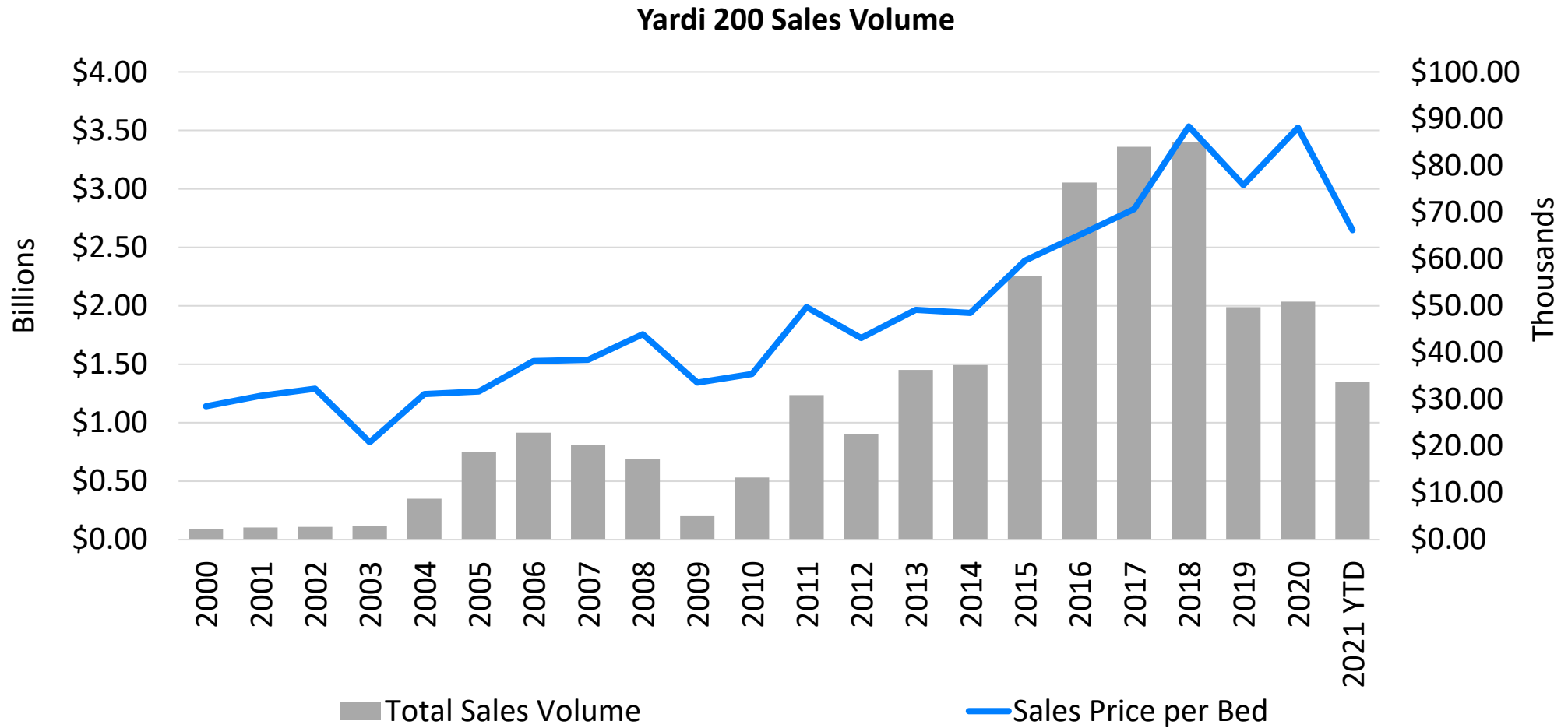
- High-quality Wi-Fi has become a must
- Apps that allow students to make requests for services remotely (e.g. maintenance)
- More outdoor and open spaces
- Touchless environment – keycard touchpads, automatic front door openers, elevator cards

Trends reversed by COVID-19

- Four-bedroom/two-bathroom unit mix – common prior to the pandemic, now it is crucial that each student has their own bathroom
- Size of kitchen – communal kitchens might be re-sized to allow for group quarantine due to an anticipated aversion to dining halls



Transaction Volume Was Slowing Just Prior to the Pandemic



Sales Volume in 2020 by University

University	Sales Price Per Bed (Thou.)	Sales Volume (Mil.)
Yardi 200	\$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	\$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

University	Sales Price Per Bed (Thou.)	Sales Volume (Mil.)
Rochester Institute of Technology	N/A	\$35.30
Temple University*	\$44.04	\$33.65
University of Akron	\$56.19	\$29.79
University of North Carolina Wilmington	\$77.59	\$27.00
Oklahoma State University	\$49.63	\$27.00
North Carolina State University at Raleigh	\$88.09	\$25.90
University of Georgia	\$53.19	\$25.53
University of Oregon	\$106.38	\$25.00
University of Nevada-Las Vegas	\$57.11	\$21.70
Pennsylvania State University	\$52.21	\$17.75
Indiana University-Bloomington	\$43.62	\$12.65
Baylor University	\$26.46	\$10.00
The University of Texas Rio Grande Valley	\$17.13	\$9.87
University of North Carolina at Greensboro*	\$24.31	\$8.75
Northern Illinois University	\$22.38	\$5.78

*Universities share student housing properties with other nearby universities

Source: Yardi Matrix



Universities in the South and West Have Had the Most Student Housing Transactions 2021 YTD

University	Sales Price Per Bed (Thou.)	Sales Volume (Mil.)
Yardi 200	\$66.19	\$1,349.84
Clemson University	\$98.99	\$142.94
University of Central Florida	\$78.25	\$138.50
University of Nevada-Reno	\$110.13	\$118.83
Georgia Institute of Technology*	\$178.44	\$93.68
Florida Atlantic University	\$133.11	\$80.00
University of Maryland-College Park	\$141.06	\$78.71
Syracuse University	\$180.38	\$69.44
University of Houston*	\$82.43	\$59.10
University of Mississippi	\$40.75	\$56.40
Brigham Young University-Provo	\$81.75	\$47.33
Louisiana State University and A&M College	\$48.74	\$43.77
University of Notre Dame	\$87.04	\$43.00
University of South Carolina-Columbia	\$82.47	\$41.57
The University of Texas at Austin	\$148.96	\$38.13

University	Sales Price Per Bed (Thou.)	Sales Volume (Mil.)
Texas A & M University-College Station	\$33.28	\$37.54
University of South Florida	\$82.21	\$34.20
University of Missouri-Columbia	\$42.52	\$28.75
The University of Alabama	\$54.77	\$24.10
Middle Tennessee State University	\$30.44	\$23.01
University of Georgia	\$44.44	\$22.18
Arizona State University-Tempe	\$88.36	\$20.50
University of Oregon	\$90.00	\$18.00
University of North Carolina at Greensboro*	\$34.24	\$15.75
Florida State University*	\$49.45	\$15.73
Ohio State University	\$57.71	\$15.47
University of Colorado Colorado Springs	\$92.78	\$13.18
University of Memphis	\$47.06	\$12.00
University of Arkansas	\$42.92	\$10.00
University of Arizona	\$32.86	\$8.05

*Universities share student housing properties with other nearby universities

Source: Yardi Matrix



Student Housing Continues to Attract Significant Investment

- The student housing sector has proven its resilience during the pandemic, and large institutional investors have taken notice
- **Blackstone** is forming a \$784 million joint venture with **Landmark Properties** to invest in U.S. student housing
 - **Blackstone** will have a majority stake in a Class A student housing portfolio consisting of eight properties with 5,416 beds across the U.S.
- **Brookfield** is in talks with student housing developer **Scion Group LLC** to form a joint venture that would acquire around \$1 billion in student housing properties
- A joint venture between **Cardinal Group Investments** and **TPG Real Estate Partners** has made multiple acquisitions so far this year
- Smaller investors are also active in student housing, and total transaction volume is expected to surpass 2019 and 2020 levels for Yardi 200 universities

NEW: YARDI MATRIX FORECASTS

New Yardi Matrix Student Housing Forecasts

- Enrollment in public four-year universities has grown about 2% each year for the last 10 years – more than double population and employment growth
- However, enrollment growth will face headwinds as Gen Z is a smaller cohort than millennials
- The shrinking student-age population, combined with the recent pandemic, will cause uneven growth in university enrollment
- Moving forward, student housing operators will need to identify schools that will continue to have long-term **positive enrollment** and **balanced new housing supply**

To help identify these opportunities, we are developing Yardi Matrix forecasts:

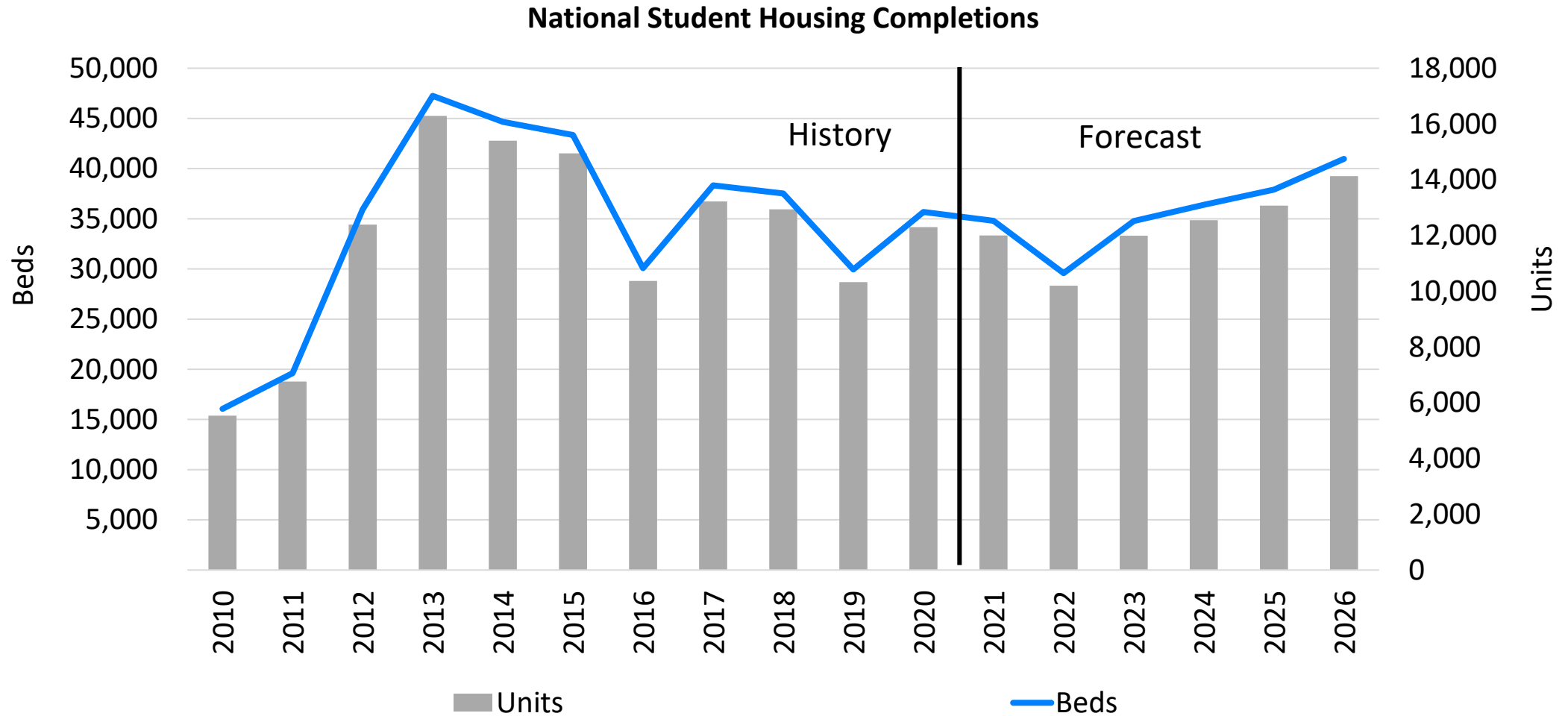
Supply Forecasts – *released*

Enrollment Forecasts – *released*

Rent Forecasts – *coming soon*

Occupancy Forecasts – *coming soon*

National Student Housing Completions Are Expected to Dip in the Short-Term, Then Increase Modestly Each Year

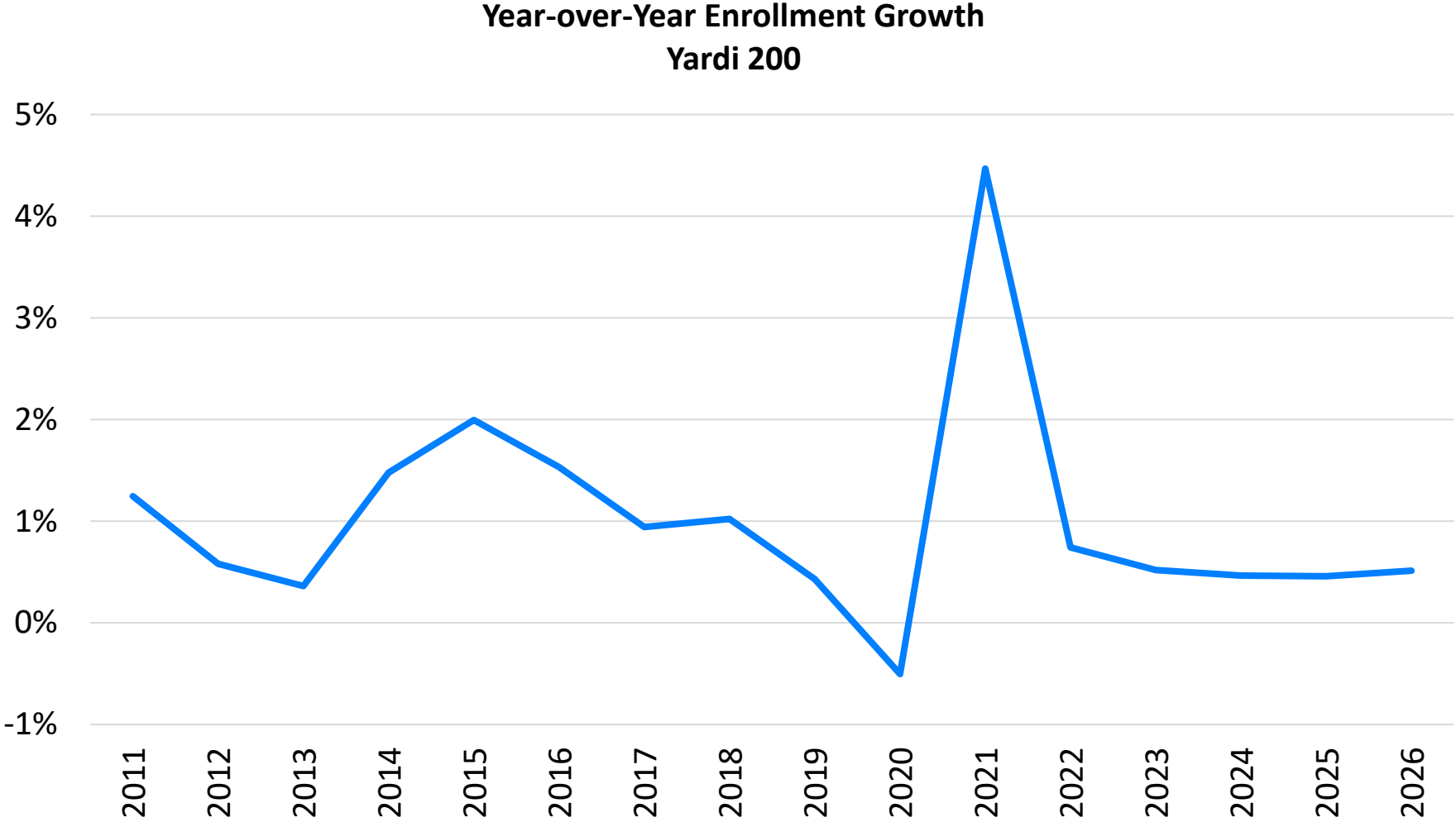


Schools in the South and West Are Slated to Have the Most New Supply as a % of Stock Over the Short-Term

University	Bedroom Deliveries '21-'22	% of Stock '21-'22
Florida International University	2,569	162.8%
University of California-Berkeley	519	117.0%
University of California-Los Angeles	447	90.7%
Texas Southern University	2,022	59.2%
University of California-Davis	2,601	56.5%
Washington State University	1,612	55.8%
University of Washington-Seattle Campus	2,044	54.8%
The University of Texas at Dallas	1,276	52.8%
University of Cincinnati	2,108	49.8%
University at Buffalo - SUNY	1,088	46.4%
University of Nevada-Reno	774	34.3%
Clemson University	1,801	30.9%
The University of Texas at Austin	4,034	26.3%
University of Memphis	247	25.4%
Case Western Reserve University	186	22.8%

University	Bedroom Deliveries '21-'22	% of Stock '21-'22
Arizona State University-SkySong	731	22.5%
University of Alabama at Birmingham	542	22.4%
Virginia Commonwealth University	487	21.7%
University of Maryland-College Park	1,598	21.0%
University of Arizona	1,558	20.8%
University of Oregon	1,641	20.2%
University of California-Santa Barbara	191	19.4%
Georgia Institute of Technology*	1,557	18.9%
Utah State University	290	18.3%
University of Houston	621	18.2%
Arizona State University-Tempe	1,844	15.3%
Montana State University	162	13.8%
Northern Arizona University	1,099	13.6%
University of Nebraska-Lincoln	447	13.2%
Indiana University-Bloomington	783	13.0%

Enrollment at Yardi 200 Universities is Expected to Spike This Year After Dropping Slightly During the Height of the Pandemic



Source: Yardi Matrix



Universities With Favorable Supply-Demand Balances Forecasted

University	Forecast Bedroom Deliveries 2020-2026	Forecast New Enrollment 2020-2026	Difference: Enrollment - Deliveries	Prelease August 2021	Capture Opportunity Fall 2019
Arizona State University-Skysong	1,508	28,365	26,857	98.5%	96.3%
Arizona State University-Tempe	4,506	24,314	19,808	97.3%	58.7%
Georgia Institute of Technology	2,914	12,971	10,057	93.6%	0.0%
University of Central Florida	2,784	12,009	9,225	95.7%	54.6%
The University of Texas at Arlington	595	9,726	9,131	87.2%	67.8%
University of California-Los Angeles	447	8,639	8,192	93.0%	56.4%
Florida International University	3,454	11,442	7,988	96.2%	84.8%
Texas Tech University	290	7,333	7,043	95.5%	40.0%
Oregon State University	661	6,443	5,782	82.9%	79.2%
The University of Texas at Dallas	2,767	8,468	5,701	81.4%	75.2%
University of Minnesota-Twin Cities	1,282	6,937	5,655	82.3%	43.1%
Columbia University in the City of New York	232	5,866	5,634	100.0%	0.0%
University of Houston	1,992	7,518	5,526	78.4%	76.5%
Colorado State University-Fort Collins	3,266	8,657	5,391	91.7%	56.6%
University of Pittsburgh-Pittsburgh Campus	0	5,313	5,313	100.0%	21.9%

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

Source: Yardi Matrix



Universities With Unfavorable Supply-Demand Balances Forecasted

University	Forecast Bedroom Deliveries 2020-2026	Forecast New Enrollment 2020-2026	Difference: Enrollment - Deliveries	Prelease August 2021	Capture Opportunity Fall 2019
Central Michigan University	0	-11,604	-11,604	81.8%	0.0%
The University of Alabama	3,555	-3,597	-7,152	80.8%	41.6%
University of Akron Main Campus	902	-6,191	-7,093	80.0%	77.0%
Kennesaw State University	896	-6,080	-6,976	93.5%	72.9%
Northern Arizona University	4,205	-2,602	-6,807	99.1%	46.3%
The University of Montana	2,595	-3,049	-5,644	100.0%	62.7%
University of Florida	7,242	1,821	-5,421	96.0%	0.0%
Texas A & M University-College Station	0	-4,642	-4,642	92.0%	43.0%
Texas State University	3,921	-678	-4,599	90.4%	8.8%
Northern Illinois University	595	-3,934	-4,529	100.0%	67.8%
University of Oregon	6,368	1,984	-4,384	96.3%	44.7%
University of North Texas	2,399	-1,143	-3,542	94.6%	61.4%
Eastern Michigan University	0	-3,344	-3,344	100.0%	72.9%
University of California-Berkeley	1,679	-1,526	-3,205	100.0%	77.0%
University of Nevada-Reno	1,937	-1,264	-3,201	89.0%	74.2%

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

Source: Yardi Matrix



IMPORTANT TRENDS IMPACTING THE INDUSTRY



Important Topics to Consider: We Will Begin to Pick These Up Next Year!

- Since the onset of the pandemic, the main focus has been on basic fundamentals and survival of the sector
- Student housing has performed well, and fundamentals are back to 2019 levels
- However, there are still fundamental long-term issues we will continue to track:
 - Consolidation of the higher education system
 - Value proposition of higher education and value of certain majors from specific universities
 - Distance learning and the hybrid education model
 - Demographic trends impacting enrollment

There is a Mass Consolidation in the Higher Education System

- Some universities have been struggling financially, particularly small liberal arts colleges and community colleges and the pandemic has exacerbated the situation
- Many states are looking to consolidate their higher education systems to reduce costs and overhead
- Some states already had these plans in motion prior to the pandemic, such as Georgia, which started its consolidation process back in 2013 and has reduced the size of its system from 35 institutions to 26 today
- Some examples:
 - Twelve community colleges in Connecticut are merging under the name Connecticut State Community College (CT State) with its first semester of operation in Fall 2023
 - Pennsylvania's State System of Higher Education will consolidate six of its 14 schools into two universities
 - Additional states are making moves to consolidate their higher education systems, including Maine, Oregon, Vermont, New Hampshire and more

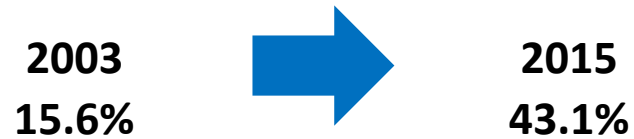
Examining the Value Proposition of Higher Education

- The cost of higher education continues to climb, particularly at big-name public universities
- 123 U.S. colleges and universities now have sticker prices over \$70K, according to The Business Journals
- Student borrowers take on nearly \$40K in debt on average to fund higher education
- Of the 25 most expensive colleges in the U.S., the sticker prices grew an average of 37% over the last decade, **even as average U.S. wages remained stagnant**
- The skyrocketing cost of attending college begs the questions:
 - Do the lifetime earnings post-university offset the cost of attendance?
 - Are there any differences in value proposition of a college education by major and by university?

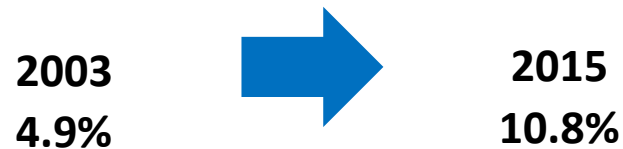
Distance Learning and the Hybrid Education Model

Distance Learning Was Trending Pre-Pandemic & Has Increased Since

% of undergraduate students enrolled in a distance learning class



% of students whose entire program is through distance learning



Will Universities Reshape How They Operate Long-Term?

Traditional Model (Pre-COVID)

Online and in-person learning were completely divided with different management structures, tuition rates and degree requirements

Longer-term: The Hybrid Campus

“A blended, immersive, and digital residential experience that fuses the online and physical worlds across campus”

Implications of the Hybrid Campus on the Student Housing Industry

Living on campus is less necessary, allowing more students to commute

Commuting in urban areas is more common than rural – therefore, **universities near cities would be most affected, while universities in remote areas would be most insulated**

Universities near urban areas with a large in-state student base will be even more impacted, given students’ ability to live at home and commute to school more easily

Demographic Trends Impacting Higher Education Enrollment

- International enrollment started to drop prior to the pandemic, and then plummeted as a result of the pandemic
- Generation Z is a smaller cohort than millennials, and the birth rate continues to decline
- Male enrollment at two- and four-year colleges as fallen behind women by record levels
 - U.S. schools had 1.5 million fewer students than 5 years ago, and men accounted for over 70% of the decline, according to National Student Clearinghouse



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We Will Begin to Explore
These Topics More in
Depth Next Year!

POLL QUESTION #1

TRENDS IMPACTING STUDENT HOUSING

POLL QUESTION #2

INVESTMENT STRATEGY

Yardi Matrix House View – September 2021

- Early indications of fall enrollment show growth at competitive, big-name universities
- This August, preleasing for Yardi 200 universities surpassed pre-pandemic levels at 91.1% preleased, while rent growth also had a significant jump at 3.4% year-over-year
- Universities that performed well for both preleasing and rent growth were diverse among geography, size and campus setting
- The pandemic did not slow student housing deliveries, and Texas and Florida currently have the most student housing projects under construction
- Transaction volume was slowing just prior to the pandemic, but there is still a lot of institutional interest in the sector
- Given all the noise in the student housing industry, there will be an increased emphasis on identifying schools that have long-term enrollment growth potential with balanced new supply
- Overall, we have a very positive outlook for the student housing industry, particularly at first tier institutions



Upcoming Events

NMHC Student Housing Conference

Huntington Beach, CA

OCTOBER 4 - 6

Fall Multifamily National Outlook Webinar

OCTOBER 20 at 10 A.M. PDT



THANK YOU

Feel free to contact me with any questions.

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