



Yardi[®] Matrix

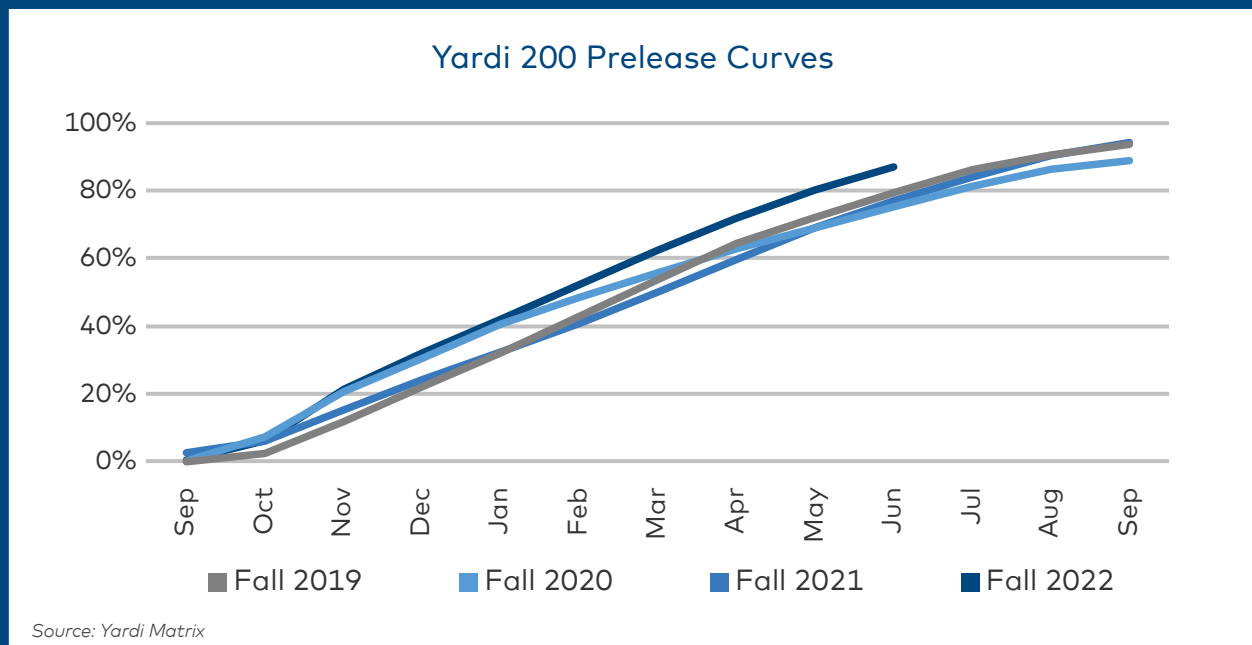
National Student Housing Report

Third Quarter 2022



Student Housing Breaks Records in Q2

- The student housing industry continued to break records in the second quarter of 2022. An 87.2% preleasing rate and rent growth of 5.0% in June were the highest we've seen for Yardi 200 universities, and transaction activity remains elevated despite rising interest rates. Confidence in the sector abounds as the fall semester approaches.
- Previous concerns of headwinds have largely been put to rest. While this spring marked the fifth consecutive semester of postsecondary enrollment declines, the losses have primarily been at community colleges and smaller schools rather than competitive private and public flagship universities. Fears about online learning deterring students from going to campus have also proven to be unwarranted, as students, particularly those just out of high school, have a strong preference toward attending college in person.
- As of June, Yardi 200 universities were 87.2% preleased for the upcoming fall term. This is 10.1% higher than last year and 7.7% higher than prepandemic 2019. With a few months to go in the leasing season, we expect Yardi 200 universities to start the fall term with record-breaking occupancy.
- Annual rent growth of 5.0% is unprecedented in the student housing industry, and is likely supported by the rising tide of multifamily rent growth, which is also at record levels. Compared to multifamily rent growth of 13.7% in June, student housing rents could see further growth to come, particularly for universities located in cities with a prominent shadow market.



Student Housing Preleasing: Another Incredible Leasing Season

- It has been a remarkable leasing season for the upcoming school year. As of June, 87.2% of beds at Yardi 200 universities were preleased, marking a 10.1% increase over the same time last year and a 7.7% increase over 2019's pre-pandemic prelease levels.
- More than a third of Yardi 200 universities were already over 90% preleased as of June, with a handful fully leased. Two University of California campuses—Irvine and Santa Barbara—were fully leased as of June, while also marking some of the highest growth in prelease levels. Overall, growth in leasing activity has been fairly widespread across universities of different sizes and geographies.
- Most universities are riding the wave of positive student housing fundamentals, with very few struggling with leasing this season. The University of Memphis (39.0% preleased) and University of Akron (55.3%) had the lowest percentage of bedrooms preleased as of June. However, that's typical for these universities at this time of year.
- The University of Southern California (-16.7% loss in preleasing compared to last year) and Middle Tennessee State University (-15.6%) had the greatest drop in preleased percentage from last year. However, 2021 represented a peak for these universities, and the prelease levels are more consistent with historical norms.

Top 20 Universities With the Most Year-over-Year Growth in Percentage Preleased

University	YOY Growth in % Preleased
University of California-Berkeley	30.4%
University of California-Irvine	29.6%
University of South Alabama	29.5%
University of California-Santa Barbara	28.7%
University of Cincinnati	24.7%
Rochester Institute of Technology	23.9%
University of Arkansas	23.5%
Oregon State University	22.7%
Oklahoma State University	22.2%
University of Arizona	21.2%
University of Illinois at Urbana-Champaign	20.5%
University of Nevada-Las Vegas	19.6%
Ball State University	18.7%
University of North Carolina Wilmington	18.1%
University of Notre Dame	18.1%
University of California-Davis	17.9%
The University of Texas at Austin	17.4%
University at Buffalo	17.0%
University of South Florida	16.7%
The University of Texas at San Antonio	16.5%

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, data as of June 2022

Rents Continue to Rise, With More Room to Grow

- Rent growth at Yardi 200 universities has inched up gradually since the start of the leasing season, but really took off in April and just hit a record 5.0% annual growth in June. Sequentially, rents are showing no sign of slowing just yet. The average rent per bedroom increased \$5 to \$791 as of June, a 0.6% increase month-over-month.
- While 5.0% annual rent growth in student housing is notable, it is not as striking compared to the 13.7% rent growth multifamily has experienced. For student housing properties with a substantial shadow market competing with multifamily properties, there could be more rent growth in the coming months.

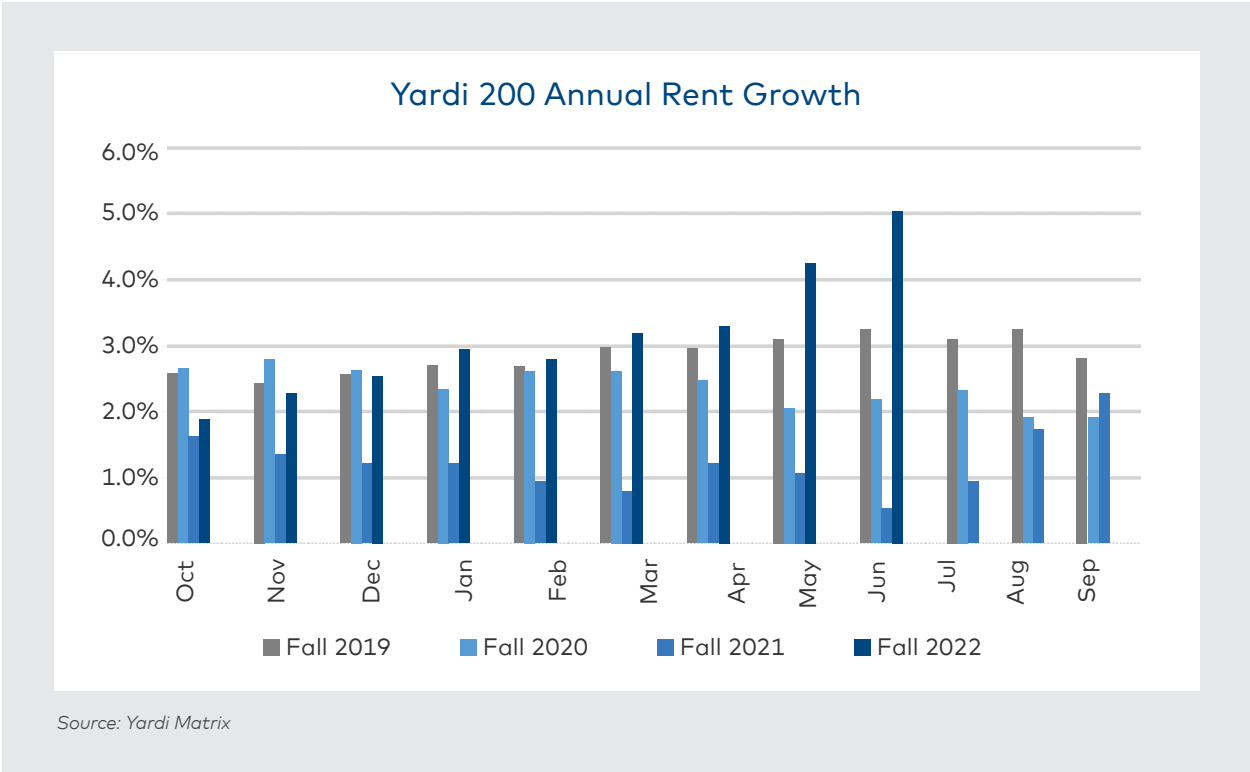
The positive story for dedicated off-campus student housing continues when it comes to rent growth. Of Yardi 200 universities with four or more properties, 21 had double-digit annual rent growth as of June, led by Ohio State University (17.4%) and the University of Nevada-Las Vegas (15.8%).

Only five universities in the Yardi 200 with four or more properties had negative annual rent growth as of June, and these five also had pretty exceptional leasing activity during that time.

The University of South Alabama (-7.9% rent

growth) had the third-highest prelease growth in June, increasing by 29.5 percentage points over last year to 86.5% preleased. A similar story played out at Florida International University (-6.2% rent growth), which had prelease growth of 15.7% over the year and is now fully leased, ahead of the fall term.

Yardi Matrix releases rent and occupancy forecasts each fall. Given the exceptional performance of the student housing industry, we expect to see an upward revision to the forecasts in the short to medium term.



New Student Housing Projects Continue to Break Ground

- The new-supply pipeline for dedicated off-campus student housing remains robust, growing 4.0% since last quarter with nearly 135,000 bedrooms in various stages of development at Yardi 200 universities. About 60,000 bedrooms are currently under construction, an increase of 14.0% since last quarter, and most new development is scattered geographically.
- Two new projects have started this year at Indiana University. The District at Latimer Square and The Standard at Bloomington both started construction this year, and will bring a total of 2,200 new bedrooms to the university once complete. Florida International University also has a large supply pipeline, but existing properties at the university are already fully leased for the upcoming term, and with a capture opportunity of 90.9%, any new supply will likely get absorbed.
- Student housing deliveries haven't slowed much, either, with just over 30,000 new bedrooms at Yardi 200 universities over the last 12 months. Given the expansion of the supply pipeline, we expect our next round of supply forecasts, to be released later this month, show a modest increase over the next couple of years.

Top 20 Universities With the Most Bedrooms Under Construction

University	Bedrooms Under Construction	Bedrooms Under Construction as a % of Enrollment	Capture Opportunity	% Preleased as of Jun 2022
Indiana University-Bloomington	4,713	10.9%	58.5%	84.8%
Florida International University	3,553	6.0%	90.9%	100.0%
University of Washington-Seattle Campus	3,476	7.2%	77.8 %	70.8%
University of Maryland-College Park	3,406	8.4%	53.3 %	86.3%
Georgia Institute of Technology	3,163	8.0%	58.0 %	86.2%
University of Michigan-Ann Arbor	2,980	6.2%	61.6 %	88.4%
The University of Texas at Austin	2,950	5.8%	57.0 %	94.0%
University of Florida	2,597	4.9%	40.6 %	90.1%
Virginia Polytechnic Institute and State University	2,495	6.7%	57.1 %	86.0%
University of South Florida	2,107	4.2%	58.6 %	97.8%
Washington State University	2,101	6.7%	65.1 %	76.7%
University of California-Davis	1,778	4.6%	67.0 %	93.5%
University of North Carolina at Charlotte	1,516	5.0%	54.0 %	80.5%
Clemson University	1,343	5.1%	47.6 %	96.3%
University of Oregon	1,252	5.8%	42.3 %	79.9%
Johns Hopkins University	1,146	4.0%	80.2 %	80.3%
Florida State University	1,111	2.5%	20.8 %	91.1%
University of California-Berkeley	1,084	2.6%	75.7 %	88.3%
Auburn University	1,073	3.5%	50.4 %	83.4%
University of Alabama at Birmingham	949	4.2%	80.6 %	72.2%

Note: Prelease rates for universities are based solely on properties that participate in our phone surveys.

Source: Yardi Matrix, data as of June 2022

Student Housing Transaction Activity Persists

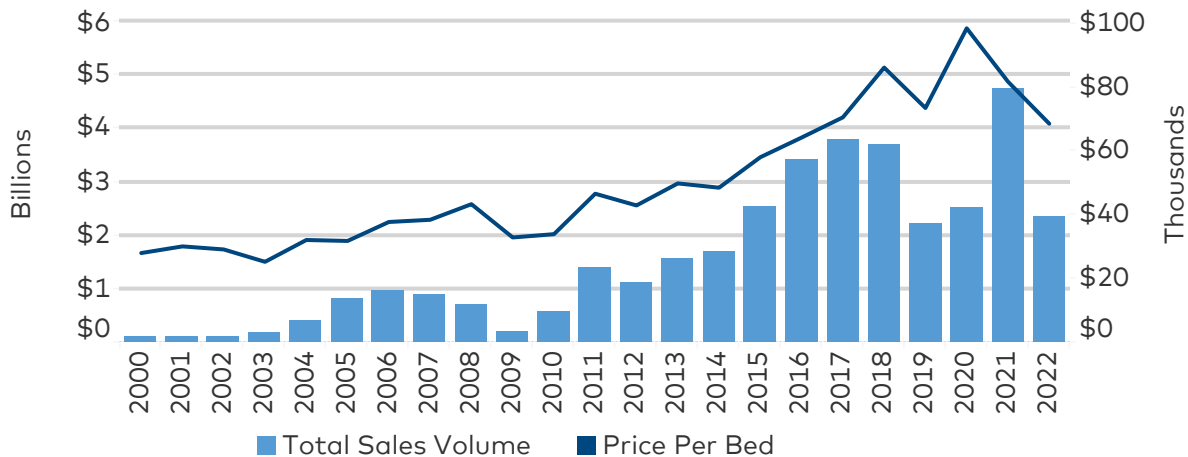
- Investor interest in student housing remains strong, as market fundamentals are robust and future prospects are bullish. Blackstone's \$12.8 billion acquisition of American Campus Communities, which was announced in April and is expected to close this quarter, is a notable bet that the sector will continue to perform well.
- Yardi 200 sales volume has totaled nearly \$2.4 billion so far this year, with an average sales price per bed of about \$69,000. While total sales volume is keeping pace with last year, sales prices per bed appear to be dropping.
- Similar to last quarter, universities in the South and Southwest are registering the most investment activity, particularly in Florida.

Top 15 Universities With the Most Sales Volume

University	YTD Sales Price Per Bed (Thousands)	YTD Sales (Millions)
Yardi 200	\$69.07	\$2,363.68
University of South Florida	\$80.34	\$314.75
Arizona State University-Tempe	\$127.15	\$138.08
University of South Carolina-Columbia	\$96.27	\$136.71
The University of Tennessee-Knoxville	\$104.08	\$130.20
Florida State University	\$62.89	\$120.37
University of North Carolina at Charlotte	\$74.78	\$100.28
Middle Tennessee State University	\$45.43	\$95.95
University of Florida	\$46.17	\$75.17
Kennesaw State University	\$77.06	\$70.44
North Carolina State University at Raleigh	\$122.37	\$64.00
Texas A & M University-College Station	\$76.12	\$60.67
Northern Arizona University	\$67.16	\$54.67
East Carolina University	\$82.31	\$53.50
University of California-Berkeley	\$729.17	\$52.50
University of North Carolina at Chapel Hill	\$95.66	\$52.04

Source: Yardi Matrix, data as of June 2022

Yardi 200 Total Sales



Source: Yardi Matrix

University Fundamentals, Sorted by Top Rent Growth

University	Fall 2022 Annual Rent Growth Jun 2022	Fall 2022 Annual Prelease Growth Jun 2022	Fall 2022 Current % Preleased Jun 2022	Capture Opportunity	Bedrooms Under Construction as a % of Enrollment	Year-over-Year Enrollment Growth
Ohio State University	17.4%	13.4%	88.1%	67.9%	-	0.0%
University of Nevada-Las Vegas	15.8%	19.6%	91.5%	83.6%	-	-0.1%
University of Memphis	14.7%	-7.1%	39.2%	83.9%	-	2.4%
University of California-Riverside	13.8%	2.1%	66.3%	61.3%	-	3.5%
Baylor University	13.5%	16.5%	96.1%	35.7%	-	7.0%
University of Oregon	13.5%	2.9%	79.9%	42.3%	5.8%	-3.4%
Northern Arizona University	12.8%	9.0%	95.8%	44.2%	2.6%	-3.8%
Arizona State University-Tempe	11.9%	10.0%	93.2%	44.4%	-	-1.7%
Washington State University	11.8%	14.1%	76.7%	65.1%	6.7%	-1.4%
University of North Texas	11.7%	12.4%	88.6%	62.9%	1.1%	4.1%
University of South Florida	11.5%	16.7%	97.8%	58.6%	4.2%	14.4%
The University of Tennessee-Knoxville	11.5%	10.5%	100.0%	49.6%	-	3.7%
University of Washington-Seattle Campus	10.9%	14.4%	70.8%	77.8%	7.2%	1.2%
University of Arizona	10.7%	21.2%	93.4%	68.4%	-	2.3%
University of Colorado Boulder	10.5%	6.3%	87.3%	74.9%	-	-1.2%
Georgia Southern University	10.5%	3.4%	89.4%	36.6%	-	3.4%
University of Houston	10.4%	7.2%	63.8%	74.2%	-	2.0%
Kent State University at Kent	10.4%	3.3%	93.6%	64.3%	-	-3.2%
University of Wisconsin-Madison	10.3%	7.3%	100.0%	65.7%	-	0.9%
University of Toledo	10.1%	-3.8%	82.0%	67.8%	-	-7.0%
University of Southern California	10.0%	-16.7%	75.7%	73.5%	1.5%	-4.2%
University of Colorado Colorado Springs	9.9%	8.6%	89.0%	67.7%	-	-3.3%
DePaul University	9.8%	5.3%	73.0%	79.2%	-	-0.6%
Utah State University	9.8%	5.6%	92.3%	81.3%	1.0%	-0.4%
University of California-Davis	9.5%	17.9%	93.5%	67.0%	4.6%	1.1%
Western Michigan University	9.4%	-4.9%	75.4%	39.7%	-	-7.4%
Texas A & M University-College Station	9.3%	12.9%	91.4%	42.3%	1.2%	2.5%
University of Florida	9.3%	9.2%	90.8%	40.6%	4.9%	1.8%
Boise State University	9.2%	8.0%	96.8%	78.1%	-	-8.2%
University of Georgia	9.2%	4.1%	90.9%	52.6%	2.4%	0.6%

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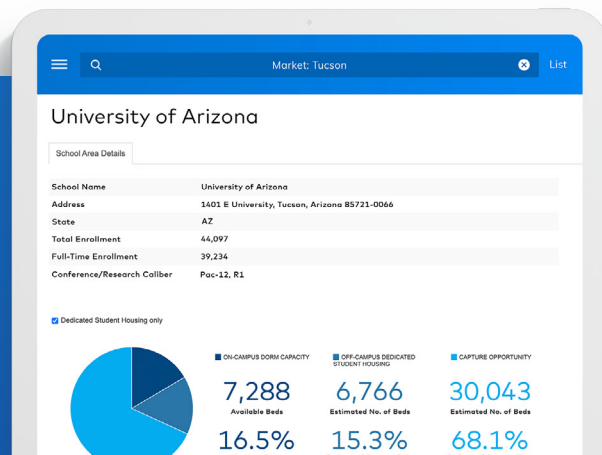
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