



# INTERFACE STUDENT HOUSING

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APRIL 2023



## Jeff Adler, Vice President, Yardi® Matrix

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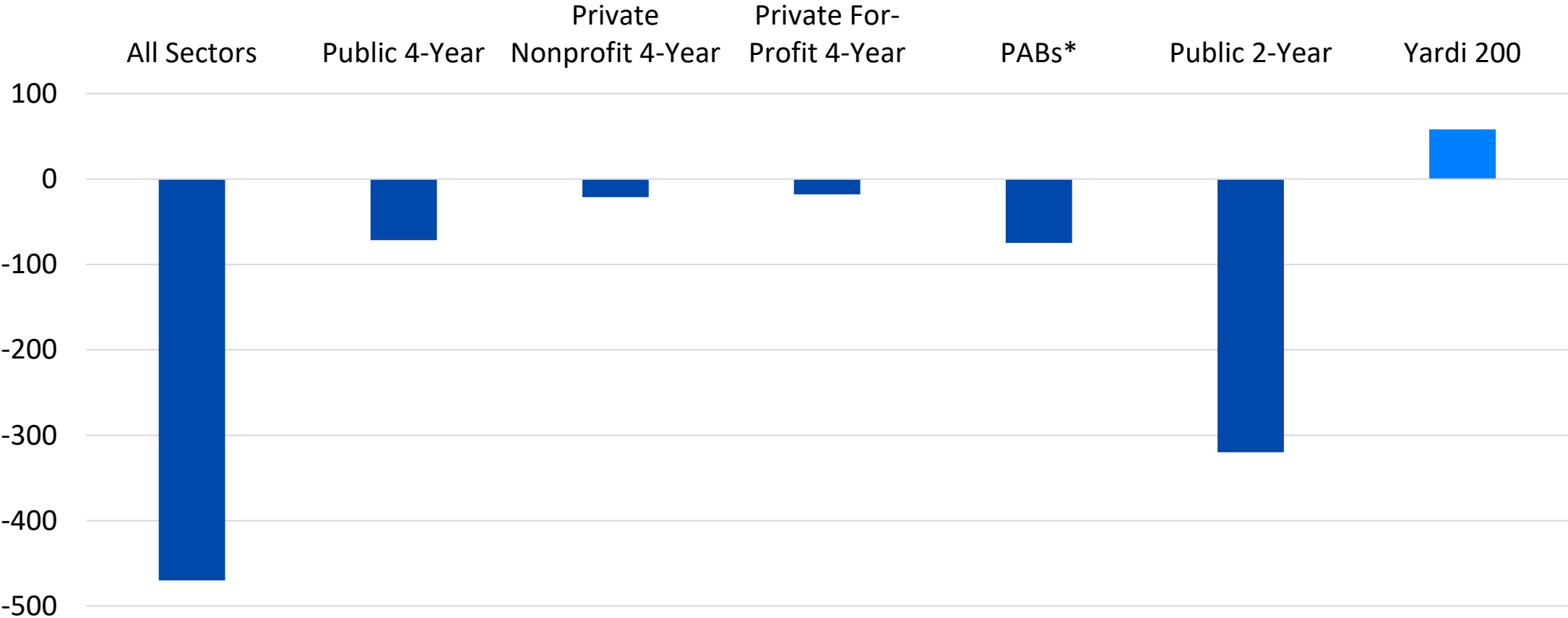
Jeff Adler is Vice President, Yardi Matrix, which offers the Commercial Real Estate industry's most comprehensive market intelligence service for USA multifamily/SFR BTR, student housing, self-storage, office, industrial, and retail property types. Yardi Matrix has over 1,000 clients both within the US and internationally comprising private equity investors, lenders, owners, managers, vendors, and US Gov't agencies.

Prior to joining Yardi in 2014, Mr. Adler held positions at AIMCO, Progressive Insurance, Oppenheimer & Co. and Strategic Planning Associates Inc., among others. He holds a BA in Economics from Yale '84 (*summa cum laude, Phi Beta Kappa*) and an MBA from Wharton, University of Pennsylvania '88 (*Beta Gamma Sigma*).

Mr. Adler is a Board Member of the National Multifamily Housing Council (NMHC), Chairman of the Urban Land Institute's (ULI) Multifamily Silver Council and lecturer at Harvard University's Graduate School of Design Real Estate Executive Education program.

# Fall 2021 Enrollment Fell by ~470k, Primarily at Public 2-Year Institutions, While Enrollment Increased at Yardi 200 Universities, Supporting Theory of Consolidation

Change in Total Fall Enrollment 2020 - 2021 by Sector, Thousands



\*Primarily Associate Degree Granting Baccalaureate Institutions | Source: Yardi Matrix; National Student Clearinghouse Research Center

# There Are Some Exceptions at the University Level, Particularly in Florida

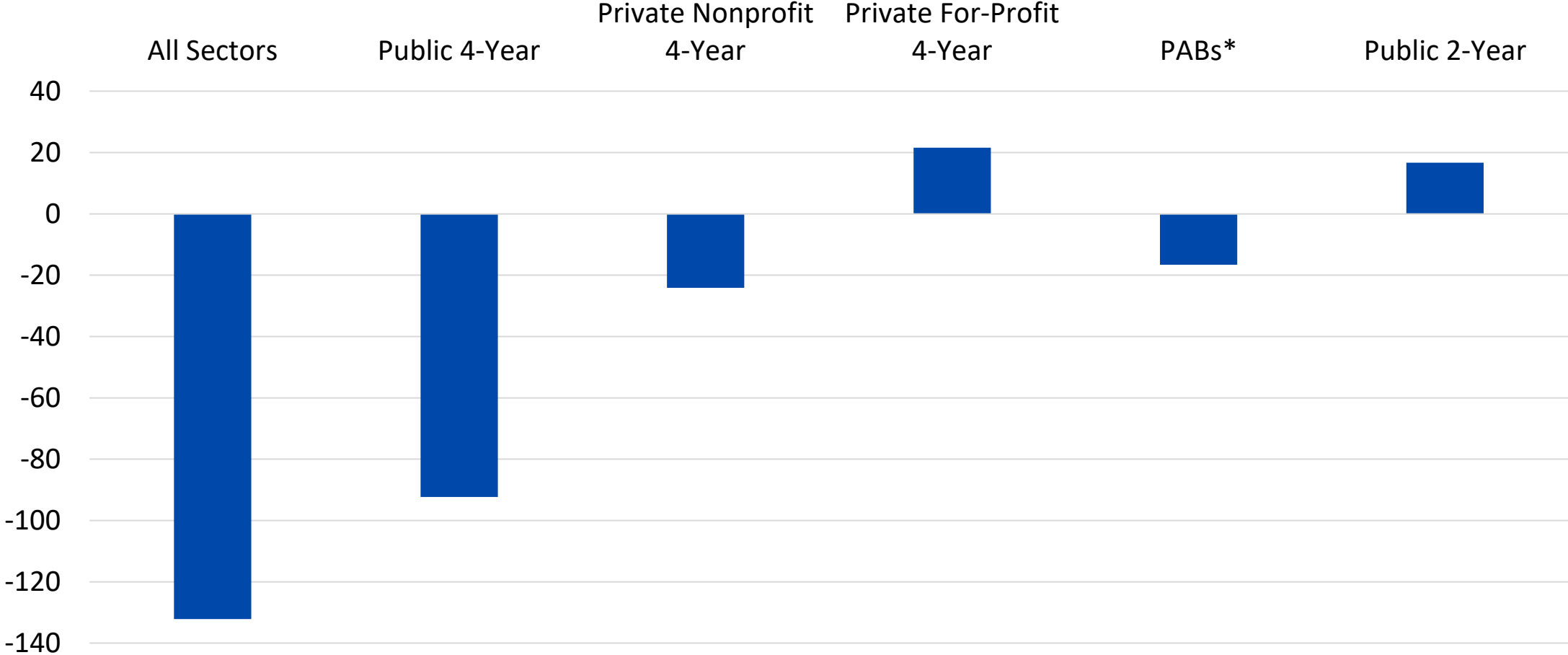
## Top 30 Universities in the Yardi 200 by Size

University	Fall 2021 Enrollment	Change 2020-2021
Texas A & M University-College Station	72,530	2,112
<b>University of Central Florida</b>	<b>69,919</b>	<b>-1,962</b>
Ohio State University	61,677	308
New York University	58,226	5,451
Arizona State University-SkySong	57,166	3,173
<b>Florida International University</b>	<b>56,732</b>	<b>-2,104</b>
University of Illinois Urbana-Champaign	56,607	3,928
University of Florida	55,781	2,409
Arizona State University-Tempe	54,866	2,480
University of Washington-Seattle	52,439	4,290
The University of Texas at Austin	51,991	1,515
Rutgers University-New Brunswick	50,804	393
University of Michigan-Ann Arbor	50,278	2,371
<b>Michigan State University</b>	<b>49,659</b>	<b>-36</b>
Purdue University	49,639	2,984

University	Fall 2021 Enrollment	Change 2020-2021
University of Arizona	49,471	3,870
University of Southern California	49,318	3,031
University of Wisconsin-Madison	47,932	3,292
Pennsylvania State University	47,560	1,659
<b>University of Houston</b>	<b>47,031</b>	<b>-59</b>
<b>University of Minnesota-Twin Cities</b>	<b>46,901</b>	<b>-5,116</b>
Florida State University	46,844	3,275
University of California-Los Angeles	46,391	1,802
<b>The University of Texas at Arlington</b>	<b>45,949</b>	<b>-2,123</b>
Indiana University-Bloomington	45,328	2,264
University of California-Berkeley	44,829	2,502
Georgia Institute of Technology	43,844	4,073
<b>University of South Florida</b>	<b>43,518</b>	<b>-7,108</b>
Kennesaw State University	42,983	1,802
University of North Texas	42,454	1,501

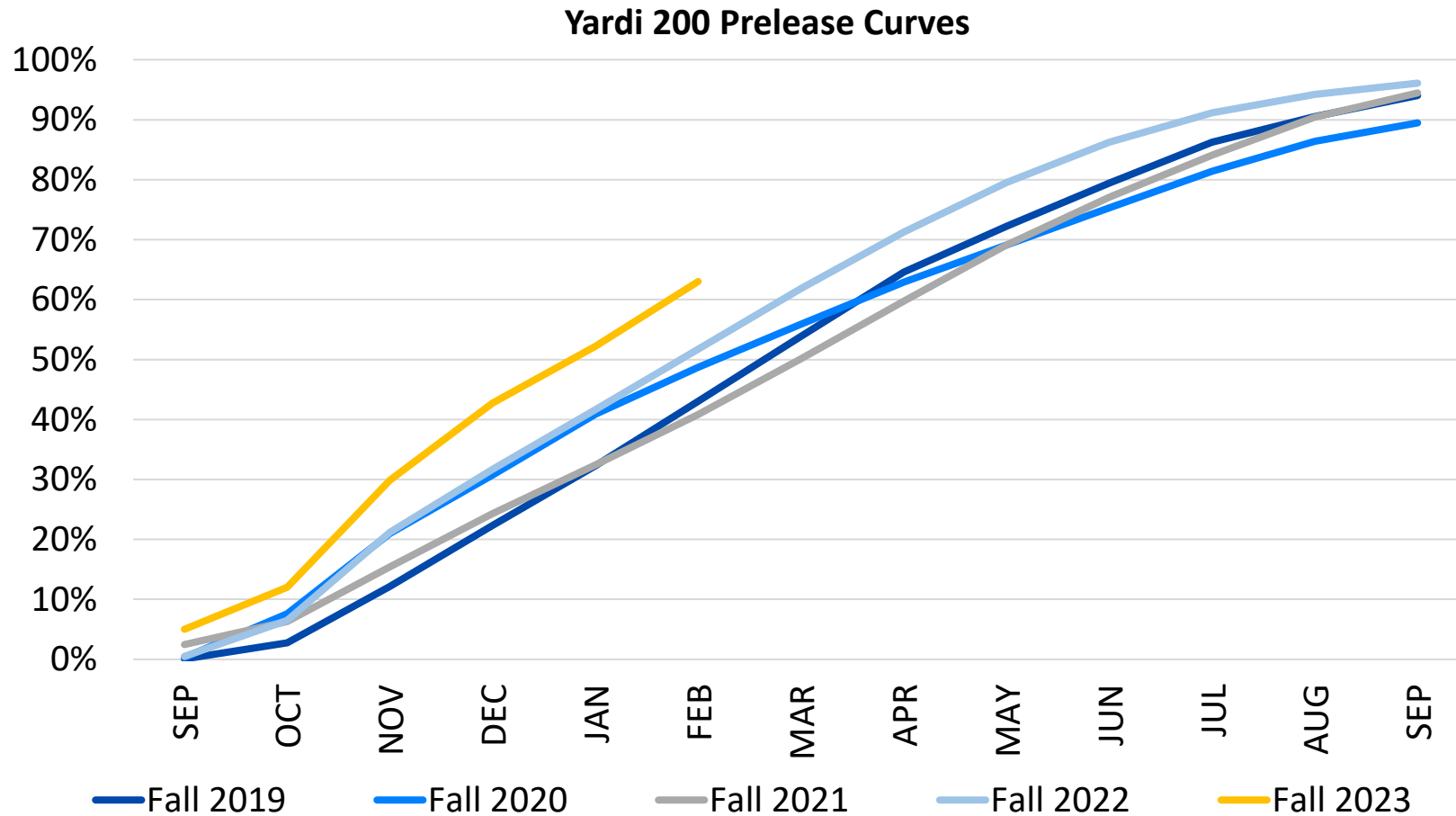
# However, Fall 2022 Data at the National Level Suggest This Trend May Be Reversing, With Public 4-Year Enrollment Down and Public 2-Year Enrollment Up

Change in Total Fall Enrollment 2021 - 2022 by Sector, Thousands



\*Primarily Associate Degree Granting Baccalaureate Institutions | Source: Yardi Matrix; National Student Clearinghouse Research Center

# Preleasing for the Fall 2023 Term is Far Outpacing Historical Leasing Activity

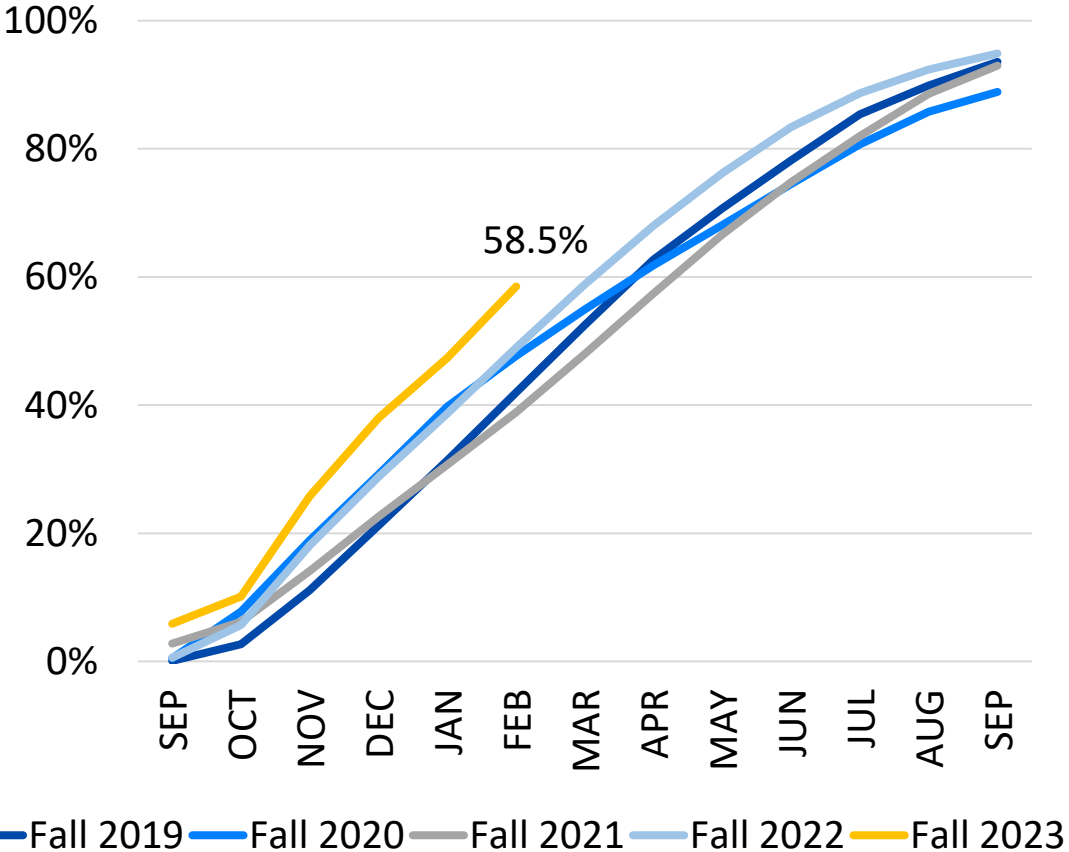


**% Preleased as of February**

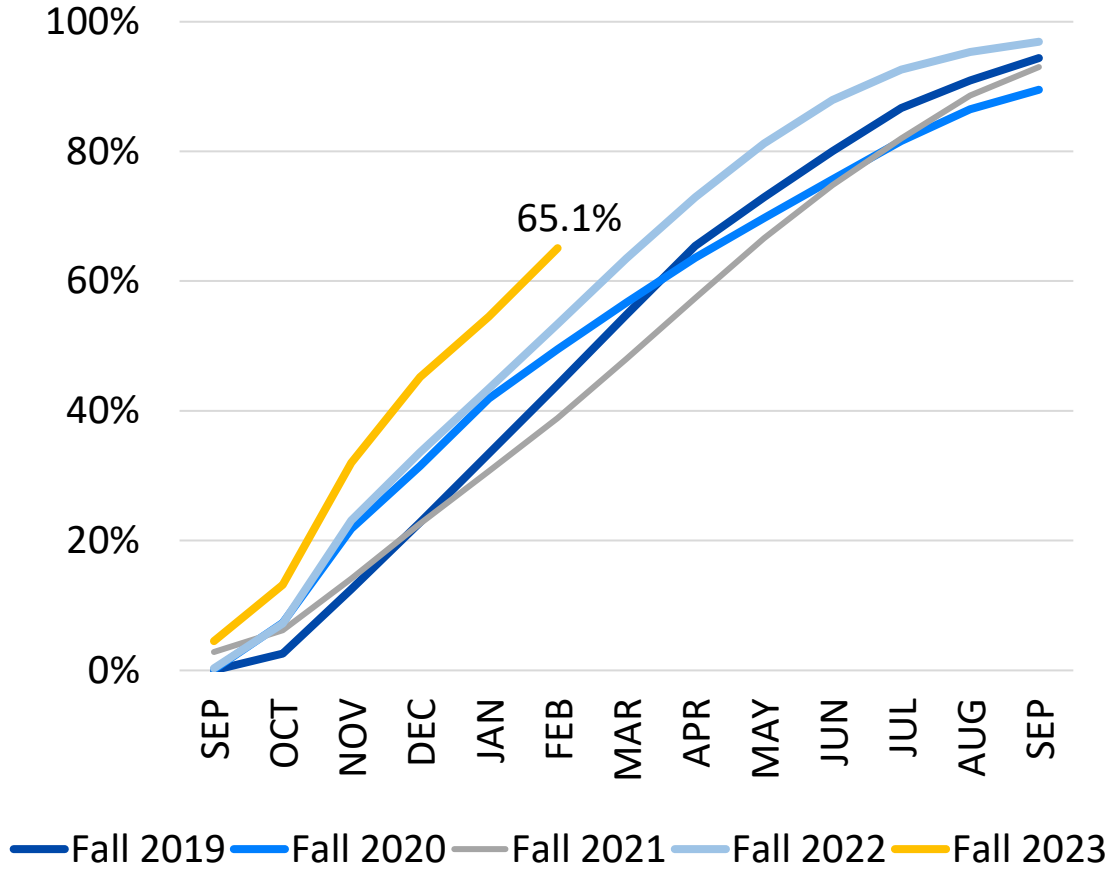
Fall 2019	43.1%
Fall 2020	48.7%
Fall 2021	40.8%
Fall 2022	51.7%
Fall 2023	63.0%

# Larger Schools Have Leased Up Quicker Than Smaller Schools for the Fall

**Yardi 200 Prelease Curves**  
**Total Enrollment Equal or Below 30K**



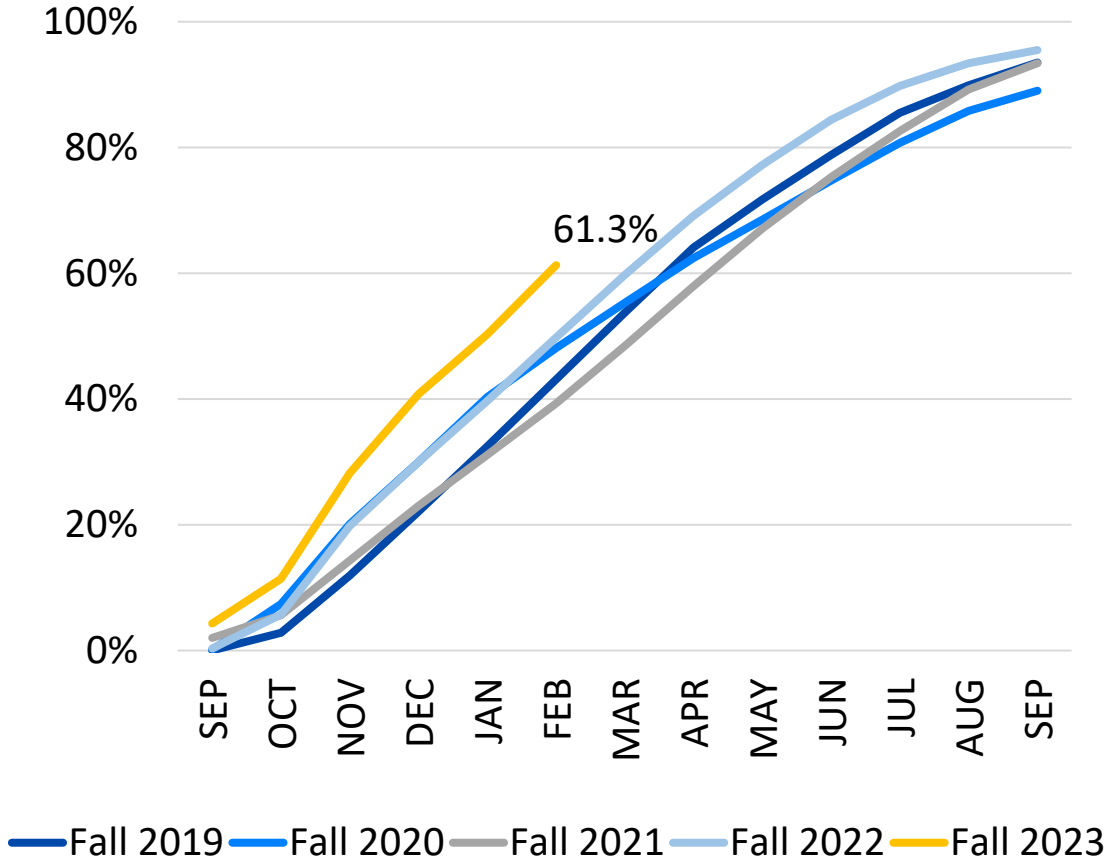
**Yardi 200 Prelease Curves**  
**Total Enrollment Above 30K**



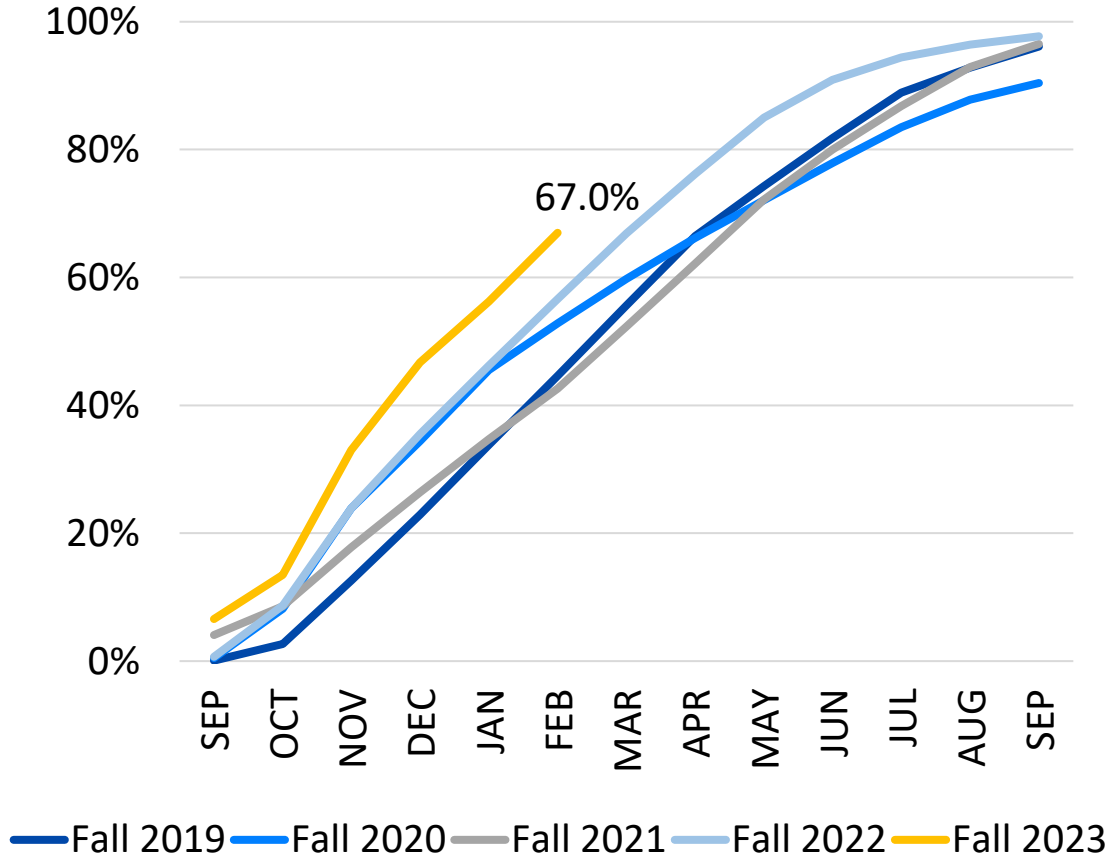
Source: Yardi Matrix

# Preleasing for Selective Schools Outpaced Less Selective Schools

**Yardi 200 Prelease Curves**  
**Acceptance Rate Above 50%**



**Yardi 200 Prelease Curves**  
**Acceptance Rate Equal or Below 50%**

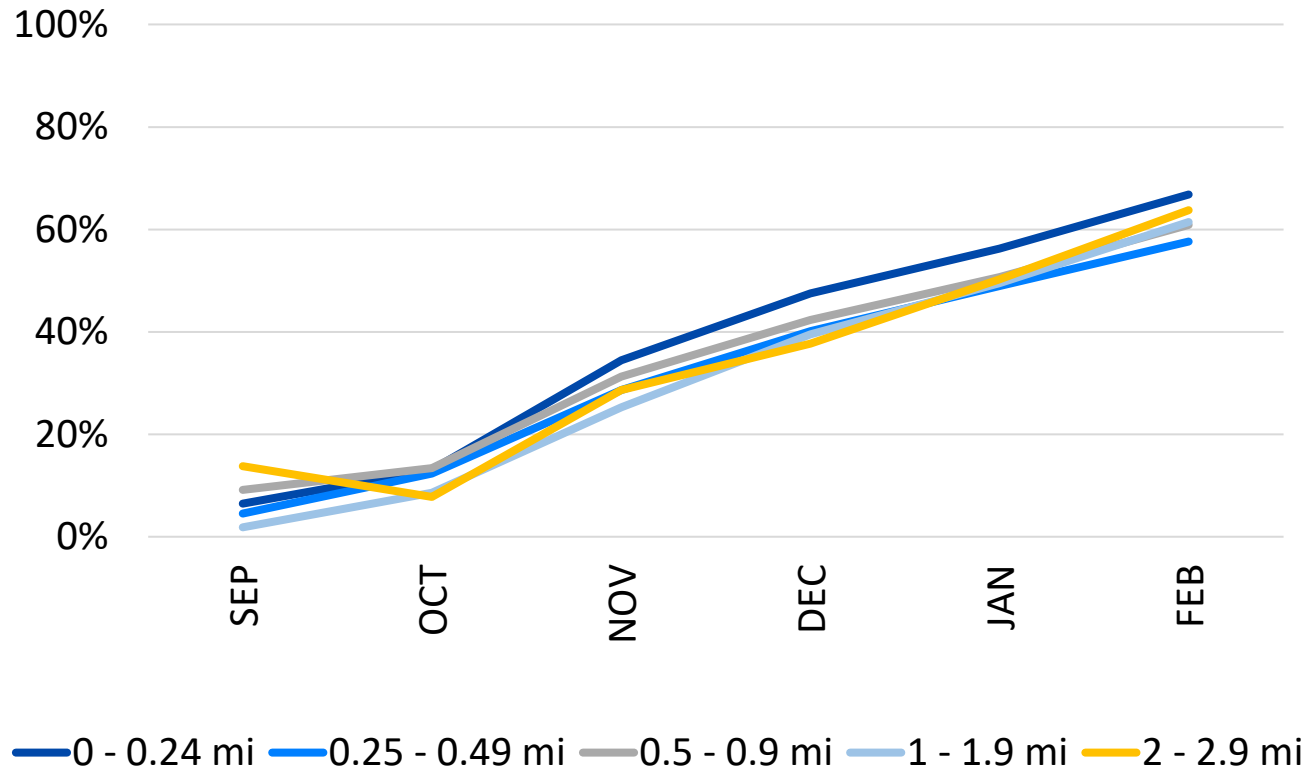


Source: Yardi Matrix



# Preleasing Performance Was Better Closer to Campus, As Expected

**Yardi 200 Fall 2023 Prelease Curves**  
Distance From Campus

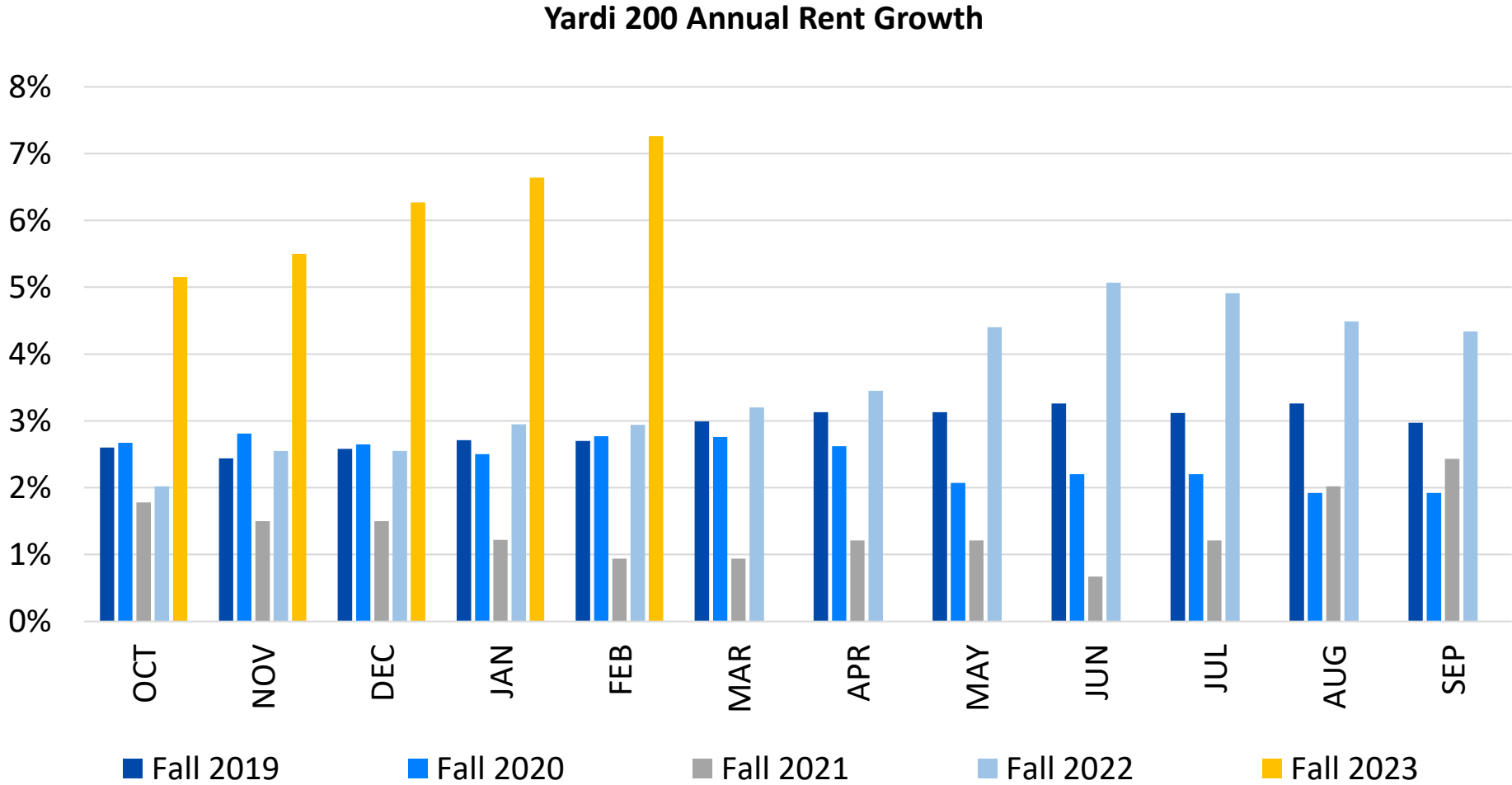


**% Preleased as of February**

Distance	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
0.00 - 0.24 mi	45.1%	46.1%	43.7%	56.3%	66.8%
0.25 - 0.49 mi	43.5%	41.9%	41.3%	48.5%	57.6%
0.5 - 0.9 mi	31.9%	39.9%	42.7%	50.8%	60.9%
1.0 - 1.9 mi	28.5%	38.5%	41.8%	47.2%	61.4%
2.0 - 2.9 mi	24.8%	31.1%	24.5%	44.3%	63.8%

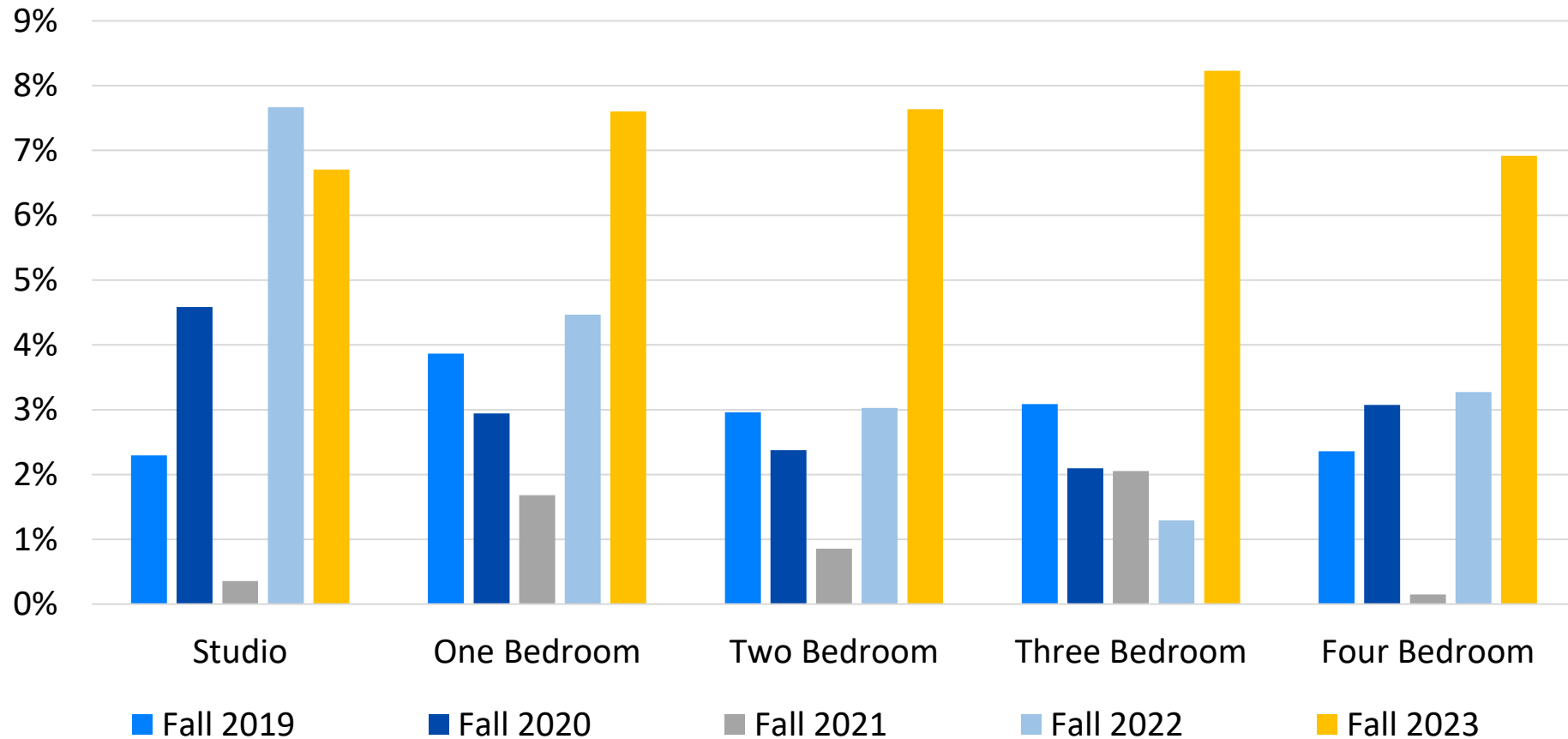


# Rent Growth at Yardi 200 Universities Maintains Stellar Performance

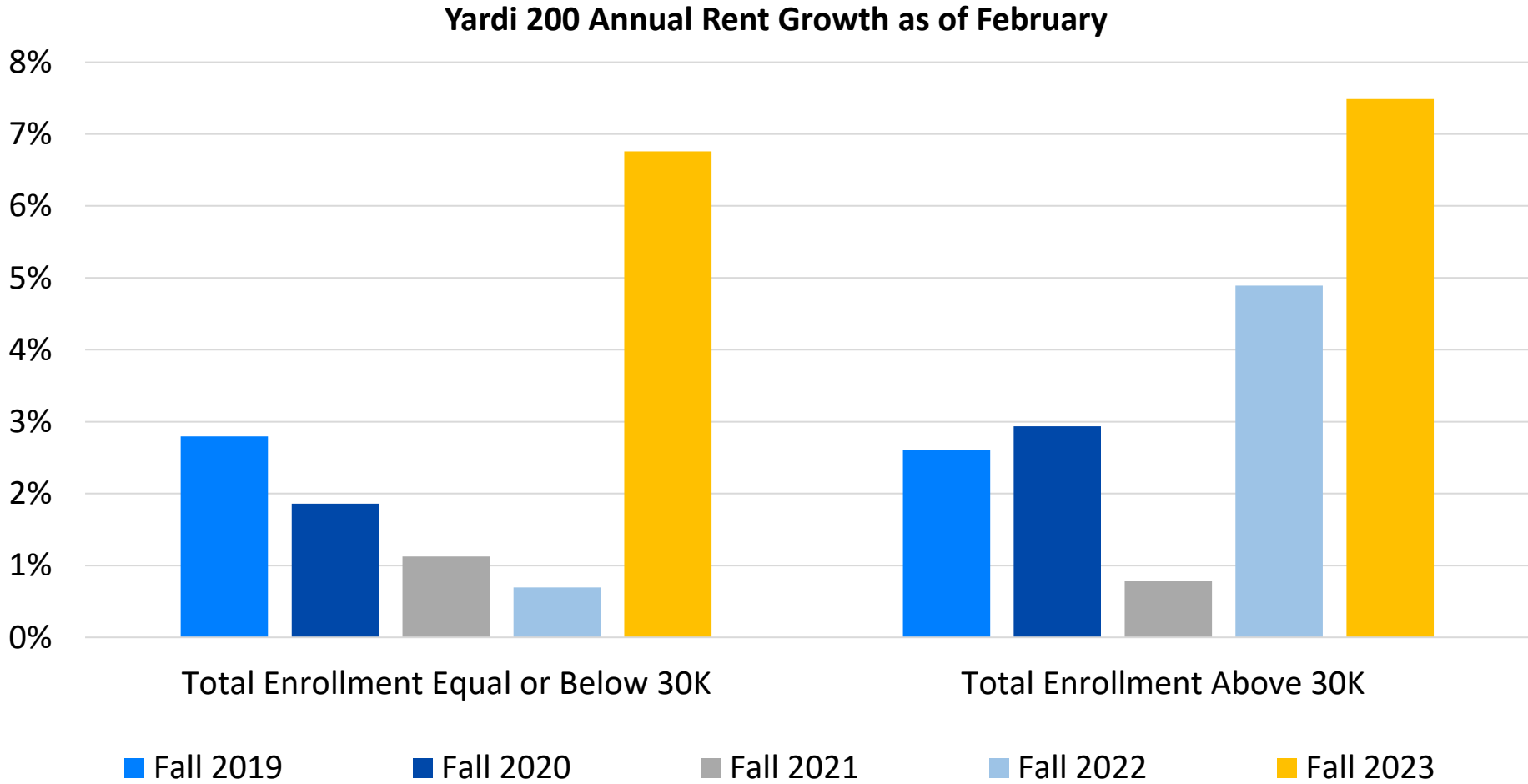


# Annual Rent Growth For Three Bedroom Units Had the Most Improvement Over Last Year

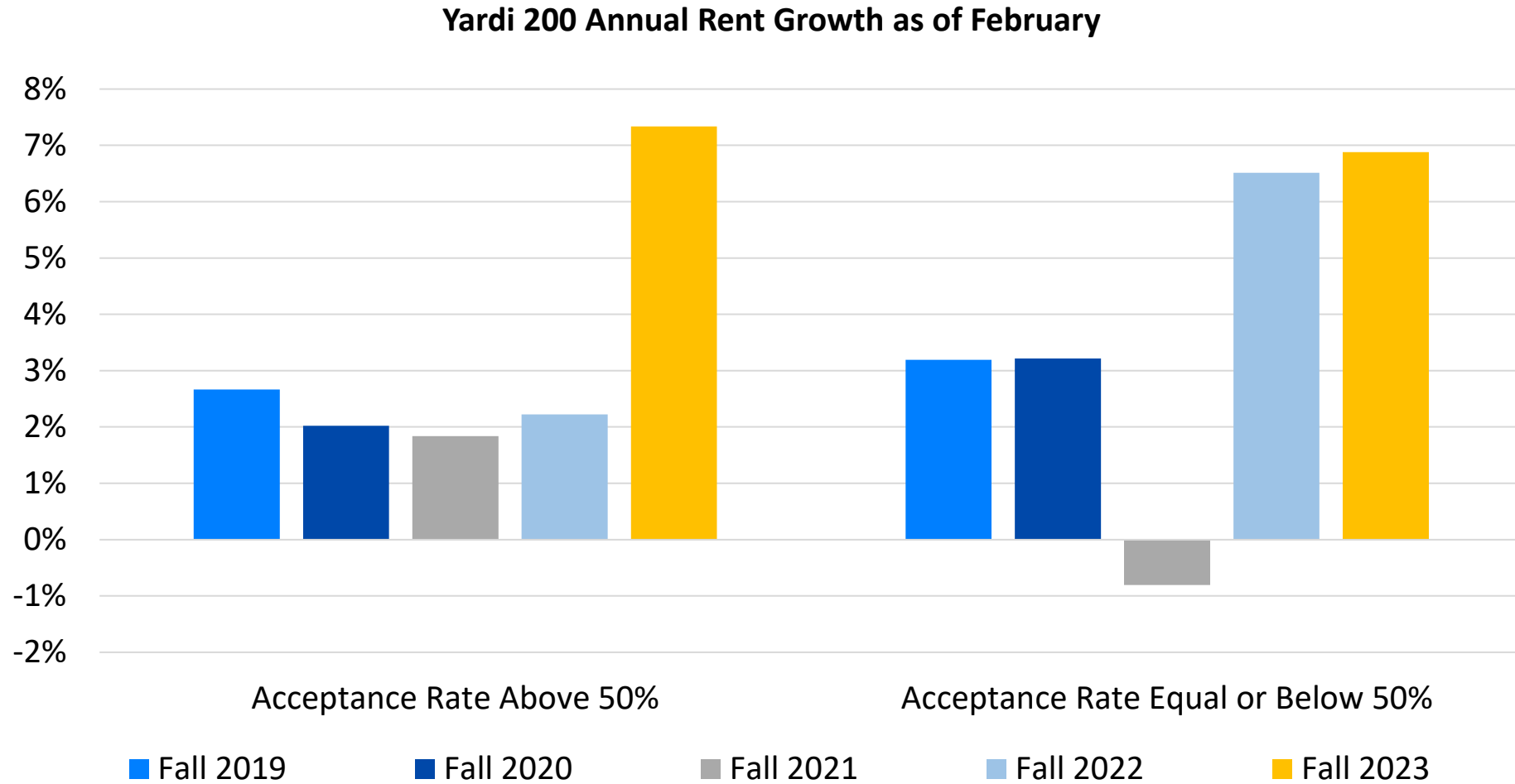
Yardi 200 Annual Rent Growth as of February



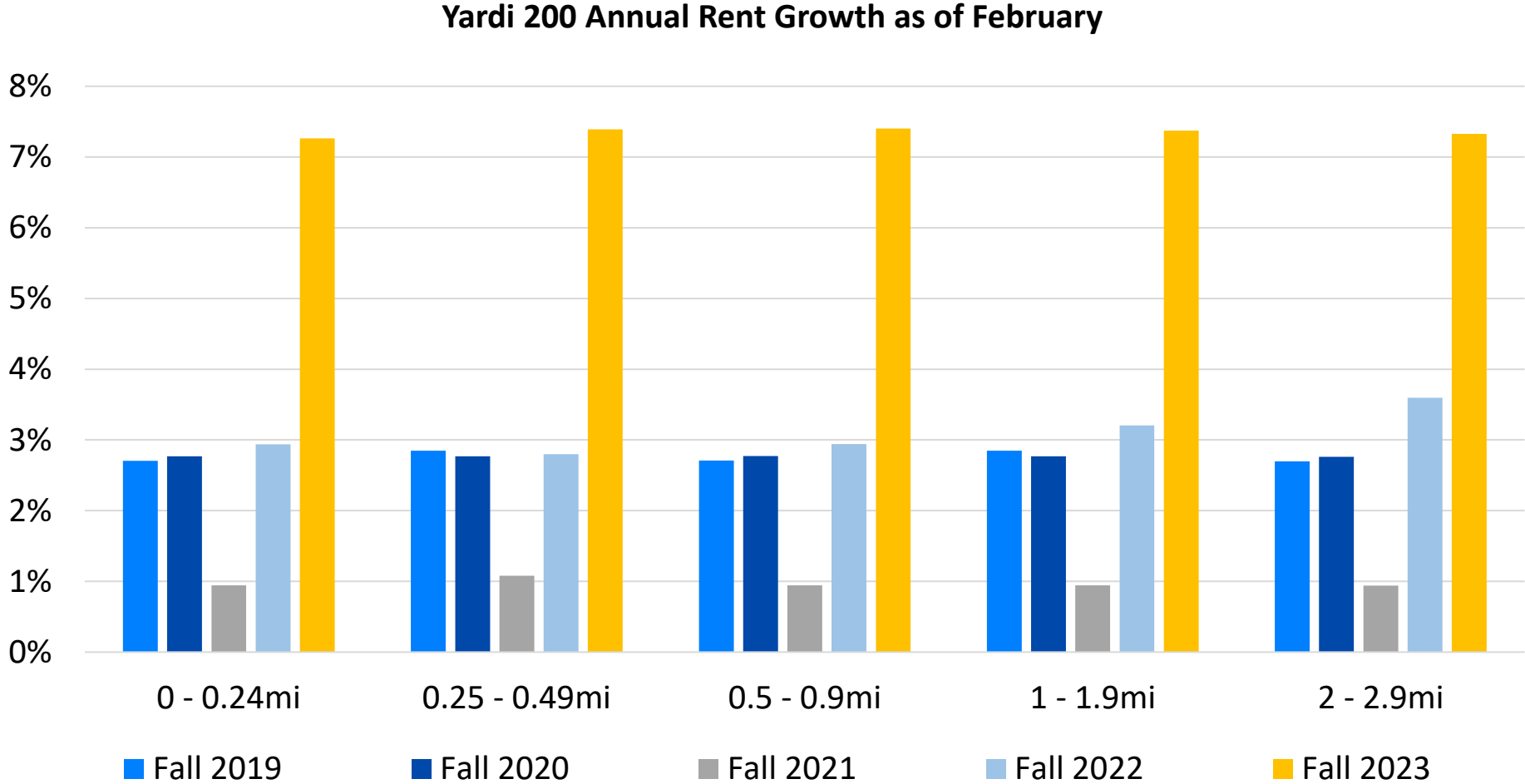
# Larger Schools Also Experienced Higher Rent Growth



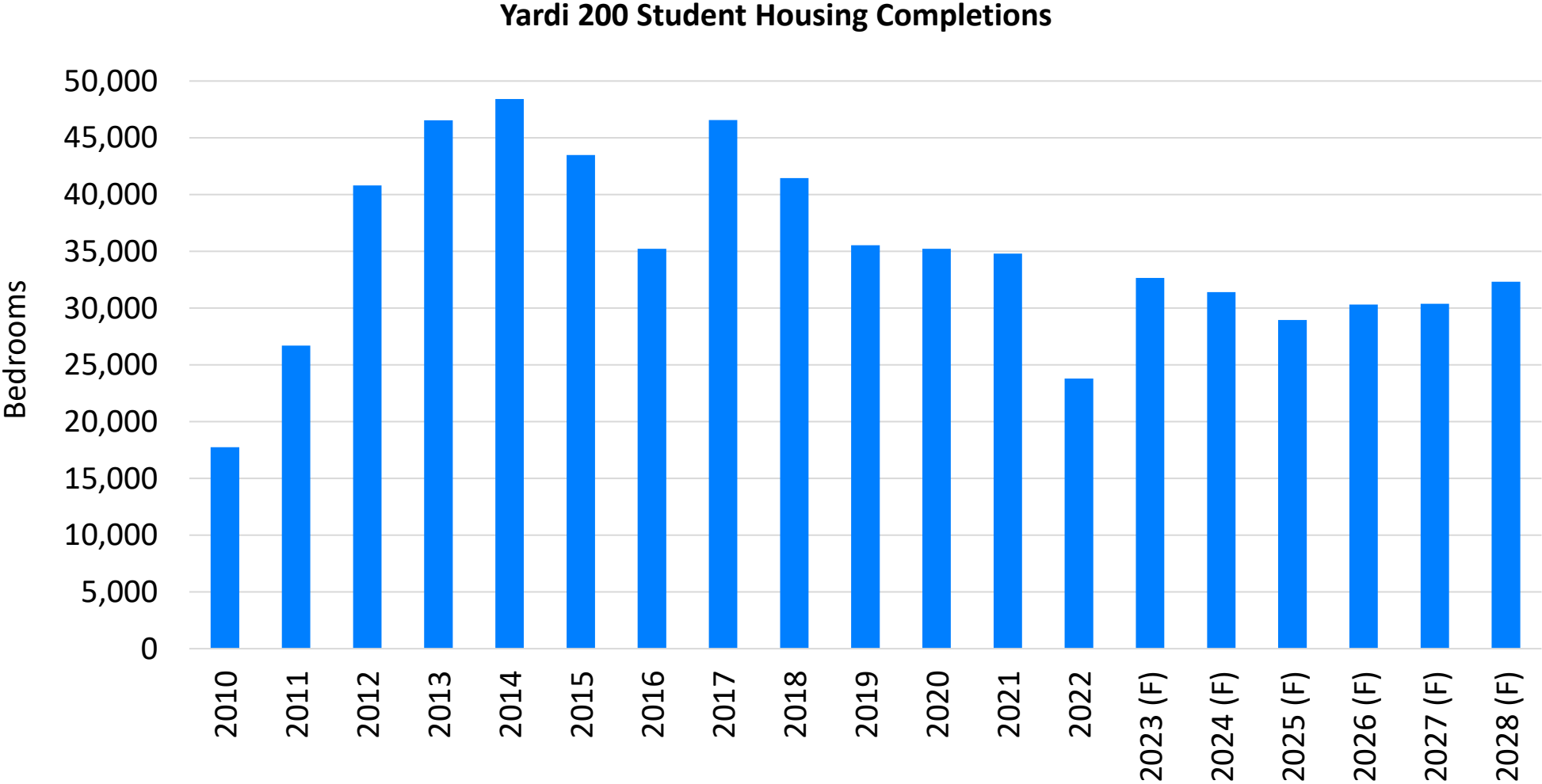
# Schools With Higher Acceptance Rates Had Higher Rent Growth in February



# Rent Growth Was Strong in February Regardless of Distance From Campus



# Student Housing Completions at the Yardi 200 Dipped in 2022, And Are Expected To Moderate Over the Next Few Years



# New Bedroom Deliveries in the Short-Term Will Be Spread Geographically, But With a Concentration at Florida Universities

Top Universities With Most Forecasted Off-Campus Bedroom Deliveries in 2023	Forecasted Off-Campus Bedroom Deliveries 2023	Forecasted Dorm Deliveries 2023	Total Forecasted Deliveries as a % of Forecasted Enrollment	Forecasted Capture Opportunity 2023	Feb 2023 Prelease %
Indiana University-Bloomington	3,231	-	7.2%	45.3%	60.1%
Georgia Institute of Technology	3,163	-	6.9%	52.5%	56.2%
Florida International University	2,703	-	4.6%	82.1%	51.5%
University of South Florida	2,107	-	4.5%	48.9%	67.4%
University of Florida	1,971	1,407	6.3%	22.7%	55.1%
University of Washington-Seattle Campus	1,712	-	3.2%	66.8%	42.2%
University of Minnesota-Twin Cities	1,689	-	3.3%	61.0%	50.7%
Mississippi State University	1,207	-	5.1%	36.5%	59.8%
The Pennsylvania State University	1,039	-	2.2%	37.8%	71.8%
Boise State University	1,030	-	3.9%	76.0%	61.1%
University of Alabama at Birmingham	949	1,248	9.6%	66.2%	37.3%
The University of Texas at Austin	925	-	1.8%	43.4%	76.9%
University of North Texas	883	-	2.1%	57.8%	64.9%
Ohio State University	859	-	1.4%	63.7%	53.8%
Northern Arizona University	764	-	2.6%	37.6%	72.1%



# Array of Universities Have Strong Development Prospects Based on 3-Yr Forecasts

University	3-Year Forecasts				
	2025 Enrollment	New Bedroom Deliveries 2023-2025	New Dorm Deliveries 2023-2025	2025 Capture Opportunity	Rent Growth 2023-2025
Rutgers University-New Brunswick	53,634	0	0	67.2%	20.5%
University of California-Santa Barbara	27,242	0	0	56.5%	17.7%
<b>University of South Florida</b>	<b>47,492</b>	<b>2,902</b>	<b>200</b>	<b>47.6%</b>	<b>13.6%</b>
University of California-Los Angeles	49,258	0	0	58.0%	12.7%
<b>Ohio State University</b>	<b>62,887</b>	<b>2,322</b>	<b>0</b>	<b>61.8%</b>	<b>12.4%</b>
University of Houston	48,999	580	0	71.9%	11.8%
Kennesaw State University	46,967	557	509	71.9%	11.1%
University of Connecticut	27,255	1,155	1,287	46.2%	10.6%
George Washington University	26,964	0	0	74.2%	10.5%
University of Georgia	41,363	1,362	0	43.1%	10.1%
University of Central Florida	73,740	2,544	0	62.3%	10.0%
Johns Hopkins University	34,802	0	0	78.9%	9.7%
University of California-Riverside	28,310	0	0	58.5%	9.5%
University of Southern California	52,019	2,132	0	71.5%	9.4%
Oklahoma State University	25,721	0	0	57.5%	9.2%
Wayne State University	24,161	0	0	85.8%	9.2%

Bold universities are also on the top 15 list for most bedrooms under construction | Yardi 200 universities with rent growth  $\geq 0\%$ ; enrollment  $\geq 22k$ ; acceptance rate  $\leq 70\%$ ; capture opportunity  $\geq 40\%$  | Data sorted by rent growth forecast | Source: Yardi Matrix

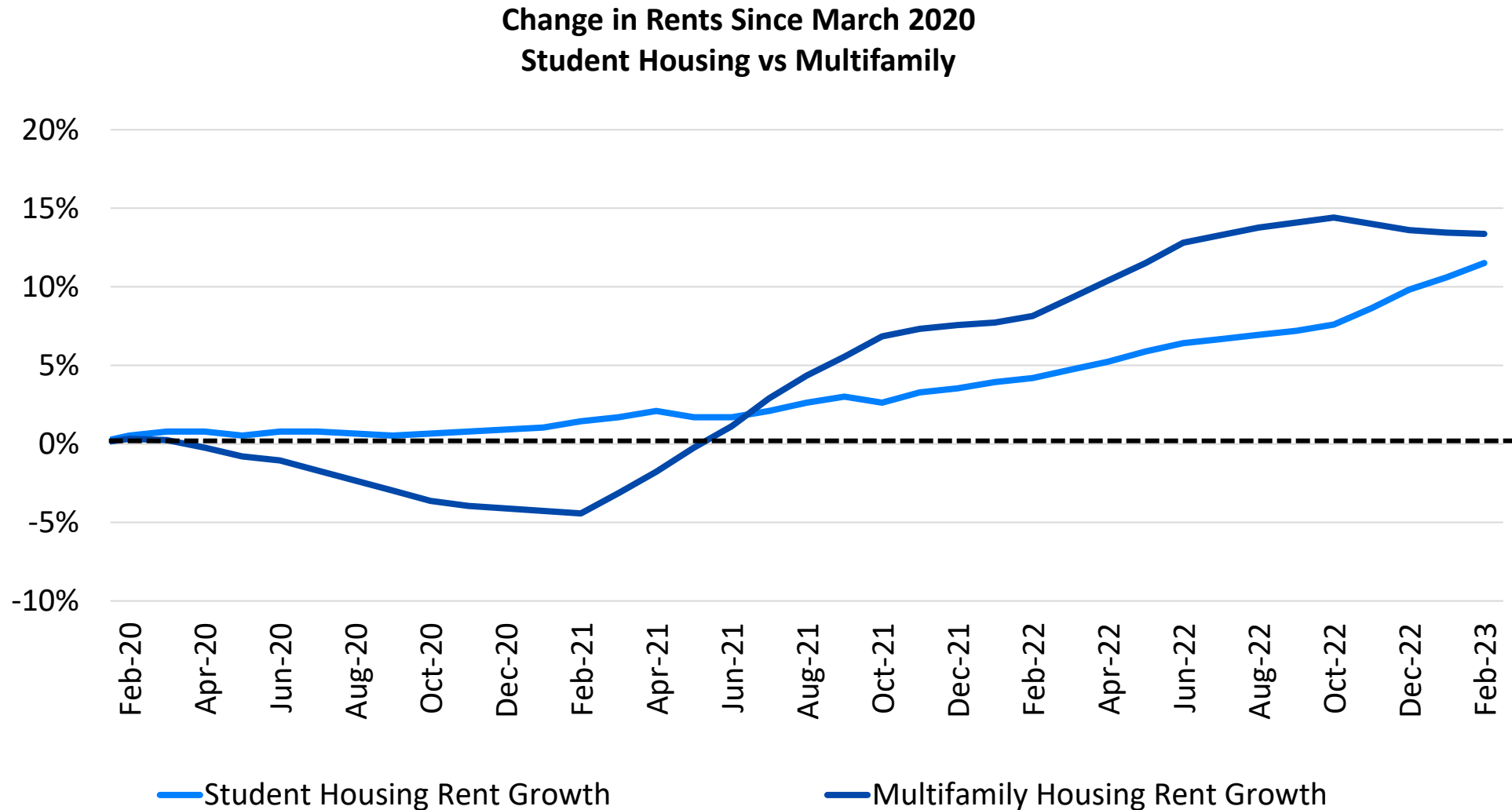


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University	3-Year Forecasts				
	2025 Enrollment	New Bedroom Deliveries 2023-2025	New Dorm Deliveries 2023-2025	2025 Capture Opportunity	Rent Growth 2023-2025
University of North Carolina at Chapel Hill	32,093	0	0	60.1%	8.9%
Texas A & M University-College Station	78,624	1,944	0	42.4%	8.8%
Texas Tech University	42,598	0	0	42.5%	8.0%
<b>University of Washington-Seattle Campus</b>	<b>56,071</b>	<b>1,712</b>	<b>0</b>	<b>67.9%</b>	<b>7.0%</b>
University at Buffalo	33,083	638	0	63.7%	6.8%
University of California-Berkeley	47,665	376	3,445	68.8%	6.3%
Georgia State University	37,503	3,720	0	49.2%	5.3%
University of California-Davis	41,576	2,658	0	54.3%	5.3%
<b>Georgia Institute of Technology</b>	<b>49,675</b>	<b>3,720</b>	<b>0</b>	<b>55.1%</b>	<b>5.3%</b>
Brigham Young University	34,204	363	0	56.1%	4.3%
University of California-Irvine	39,167	0	1,055	45.4%	3.5%
North Carolina State University at Raleigh	37,295	0	0	42.9%	3.1%
University of Maryland-College Park	42,216	2,649	0	46.5%	2.5%
University of Wisconsin-Madison	48,801	2,017	536	61.6%	2.1%
San Diego State University	37,173	455	0	73.8%	0.4%

Bold universities are also on the top 15 list for most bedrooms under construction | Yardi 200 universities with rent growth  $\geq 0\%$ ; enrollment  $\geq 22k$ ; acceptance rate  $\leq 70\%$ ; capture opportunity  $\geq 40\%$  | Data sorted by rent growth forecast | Source: Yardi Matrix

# Multifamily Rents Dipped Then Skyrocketed Coming Out of the Pandemic, While Student Housing Rents Have Gradually Caught Up



# The Spread Between Multifamily and Student Housing Rents is Largest in Urban Markets

University	Average Rental Rate by Bedroom – February 2023		
	Student Housing	Multifamily	Spread
University of California-Irvine	\$1,150	\$1,986	\$836
Portland State University	\$862	\$1,504	\$642
University of Illinois Chicago	\$1,429	\$2,030	\$601
University of Houston	\$828	\$1,345	\$517
University of Pennsylvania	\$1,254	\$1,727	\$473
University of Washington-Seattle Campus	\$1,517	\$1,951	\$434
The University of Texas at Austin	\$1,117	\$1,551	\$434
Florida International University	\$1,020	\$1,319	\$299
Virginia Commonwealth University	\$791	\$1,069	\$278
The University of Texas at San Antonio	\$702	\$972	\$270
San Diego State University	\$1,401	\$1,671	\$270
University of California-Riverside	\$1,117	\$1,379	\$262
Brigham Young University	\$676	\$936	\$260
Colorado State University-Fort Collins	\$778	\$992	\$214
Indiana University-Purdue University-Indianapolis	\$757	\$966	\$209



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. Student housing and multifamily rents are for properties within the same 3-mile radius of a university | Source: Yardi Matrix



THANK YOU

Feel free to contact me with any questions.

Jeff Adler | (800) 866-1144 x 2403 | [Jeff.Adler@Yardi.com](mailto:Jeff.Adler@Yardi.com)

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