# Yardi Matrix

National Student Housing Report

August 2023

Student Housing Preleasing Reaches 90%

This report inaugurates our monthly coverage of student housing performance trends. This first report focuses on preleasing and rental rates, while future reports will include a rotating special topic such as enrollment trends, transaction volume or development activity.

■ The off-campus dedicated student housing sector has continued to outperform previous years and other property types as the fall 2023 term approaches. Preleasing was near a record high for July, and year-over-year rent growth throughout the leasing season has been ahead of last year. The sector is in prime position to weather a potential recession, with solid occupancy and rent growth for the 2023-2024 school year and counter-cyclical demand.

■ As of July, 90.9% of beds at Yardi 200 universities were preleased for the upcoming fall term, a 4.6% increase from the prior month and about even with last year. Preleasing has slowed recently from rapid growth at the beginning of the leasing season. Month-over-month rent growth has also decelerated. Despite the drop, fall occupancy is projected to reach last year's level at around 96%, while rent growth remains high at 7.1% year-over-year.

■ Despite solid fundamentals nationally, there are a handful of schools that are underperforming on preleasing and rent growth due to a variety of factors, including weak enrollment growth and new supply. Thirty-five universities in the Yardi 200 were 5% or more behind last year's preleasing pace, and 33 schools experienced rent declines year-over-year in July.

■ Interest rate increases have taken their toll on investment sales. The number of beds sold in the first half of 2023 was down 73.1% year-over-year, while the price per bed was down 10.0% vs. last year, to $66,823 per bed. Future reports will cover this topic and development on a quarterly basis.

■ Strong and consistent fundamentals continue to fuel development, and Yardi Matrix projects approximately 40,000 new beds to deliver in fall 2023 at Yardi 200 universities, vs. 27,000 delivered in fall 2022. Solid preleasing and rent growth suggests much of the supply has already been absorbed.

Yardi 200 Prelease Curves

Source: Yardi Matrix
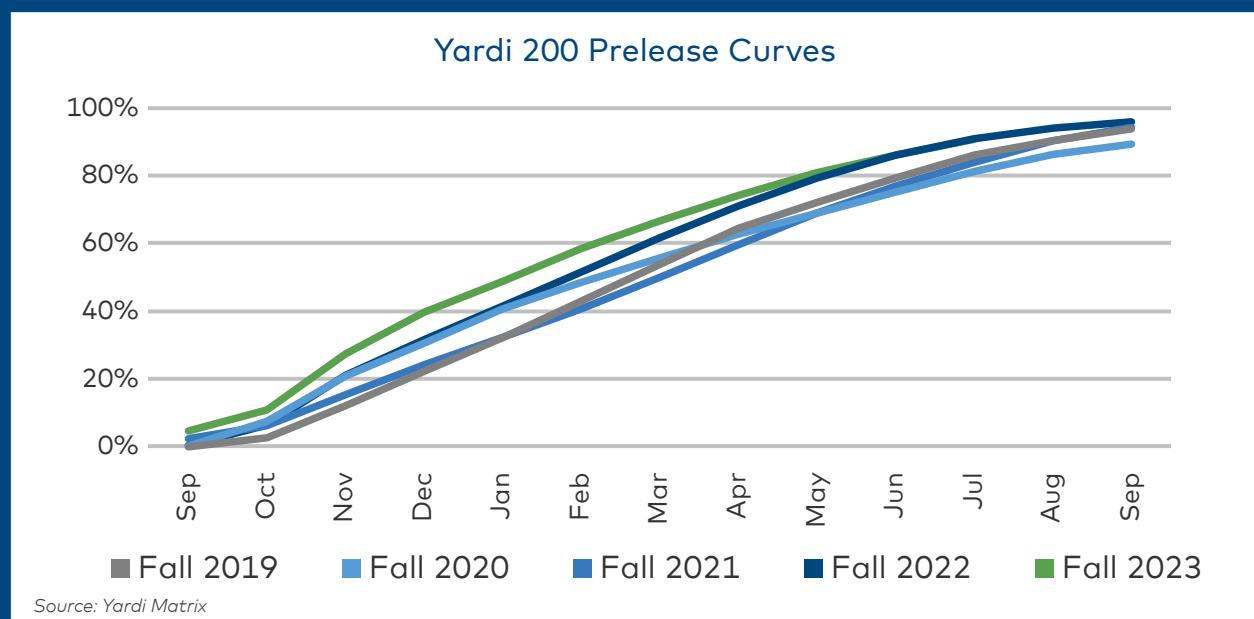
Preleasing Back on Pace With Last Year

- Preleasing for the 2023-2024 school year started off extremely strong, but as of July was slightly below last year at 90.9%. This still compares well to previous years.

- Twenty-one universities in the Yardi 200 were 100% preleased for the 2023-2024 school year, including seven schools with four or more dedicated student housing properties. This includes large markets like the University of Tennessee–Knoxville and the University of Central Florida. Another 45 universities were over 95% preleased, 34 with four or more properties. Average rent growth in these markets was notably above the national rate.

- A handful of schools had preleasing well ahead of last year, including five where preleasing was 10% above last July. All of these have four or more dedicated student housing properties and are over 90% preleased, including the University of Mississippi, which has previously struggled with occupancy and rent growth. On average, rent growth at these schools is trailing rent growth nationally.

- A few markets were struggling with preleasing. Thirteen universities in the Yardi 200 were 10% or more behind last year's pace in July, including Syracuse University, which was 77.9% preleased, 15.7% below July 2022. Still, student housing properties in Syracuse pushed rents 14% year-over-year this July—which may have contributed to the slow preleasing.

- Twenty-five Yardi 200 universities were less than 80% preleased for the 2023-2024 school year and behind last year's lease-up pace. Many of these schools experienced recent enrollment declines, including Portland State University (38.4% preleased as of July), which has seen total enrollment decline by 5,181 students, or 19%, in the last four years.

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

University	YOY Growth in % Preleased
Ohio University-Main Campus	24.9%
University of Southern Mississippi	24.7%
University of Mississippi	18.6%
University of California–Riverside	12.7%
SUNY Binghamton (State Univ of New York)	10.2%
University of Kentucky	9.2%
University of Louisville	8.2%
University of South Alabama	7.8%
The University of Alabama	7.2%
Kansas State University	6.6%
Oklahoma State University–Main Campus	6.5%
SUNY Buffalo	6.5%
Virginia Polytechnic Institute and State University	6.5%
Southern Illinois University–Carbondale	6.0%
University of Illinois Chicago	5.8%
West Virginia University	5.3%
Texas A & M University–Corpus Christi	5.1%
Louisiana Tech University	5.0%
University of Cincinnati–Main Campus	4.6%
Oregon State University	4.6%

Note: Prelease rates for universities are based solely on properties that participate in our phone surveys. Universities with fewer than four properties in our coverage have been excluded from this list. | Source: Yardi Matrix, data as of July 2023

Student Housing Rents Continue to Reach New Highs

■ Strong preleasing early on gave managers confidence to push rates aggressively. Dedicated off-campus student housing rent per bed averaged $849 in July at Yardi 200 universities, a new high for the sector and 7.1% above July 2022. As preleasing has cooled month-over-month, so has rent growth, but growth this year has significantly outpaced previous years.

■ Rent growth varied at the university level, with 38 schools in the Yardi 200 posting double-digit rent growth and 33 schools showing rent declines. Most top schools for rent growth also had strong preleasing. The top six schools with four or more properties were on average 99.9% preleased with 20.1% rent growth, while the bottom six were 75.1% preleased with a 6.7% rent decline.

Student housing performance is stellar at the Yardi 200 level. Rent growth has remained above 7% for six months despite a slowdown in rent growth month-over-month.

Large state schools led the pack, with Purdue University, the University of Arkansas and Arizona State University showing rent growth greater than 20% year-over-year. All three have had new supply deliver recently, including two properties delivering at both Purdue and Arkansas this year. Already one of the largest universities, Arizona State has expanded enrollment by over 4,000 students, or

8%, since 2019 at the main Tempe campus, which has helped the market absorb 3,545 off-campus beds that opened in 2020-2021.

Markets that struggled to increase rents have failed to expand enrollment while also absorbing new supply. The University of Southern California had flat enrollment over the past few years, but had 442 new off-campus beds come online in 2021 and 2022 and will add another 726 beds for fall 2023. As of July, preleasing of 75.4% was 7.6% below last year and -11.3% rent growth was the lowest out of the Yardi 200 universities.
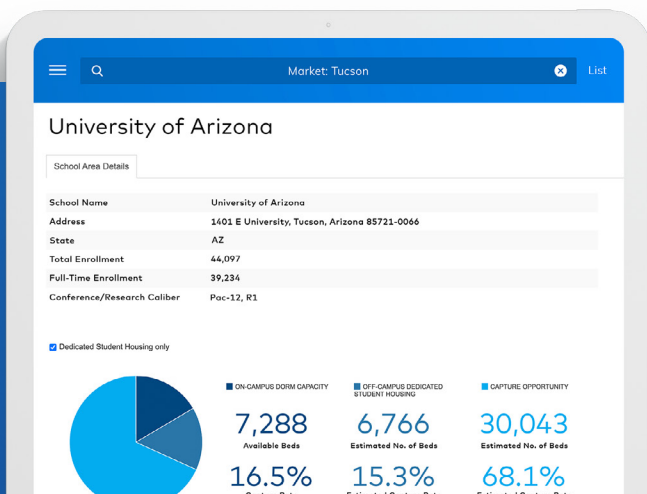
Yardi 200 Annual Rent Growth

Source: Yardi Matrix
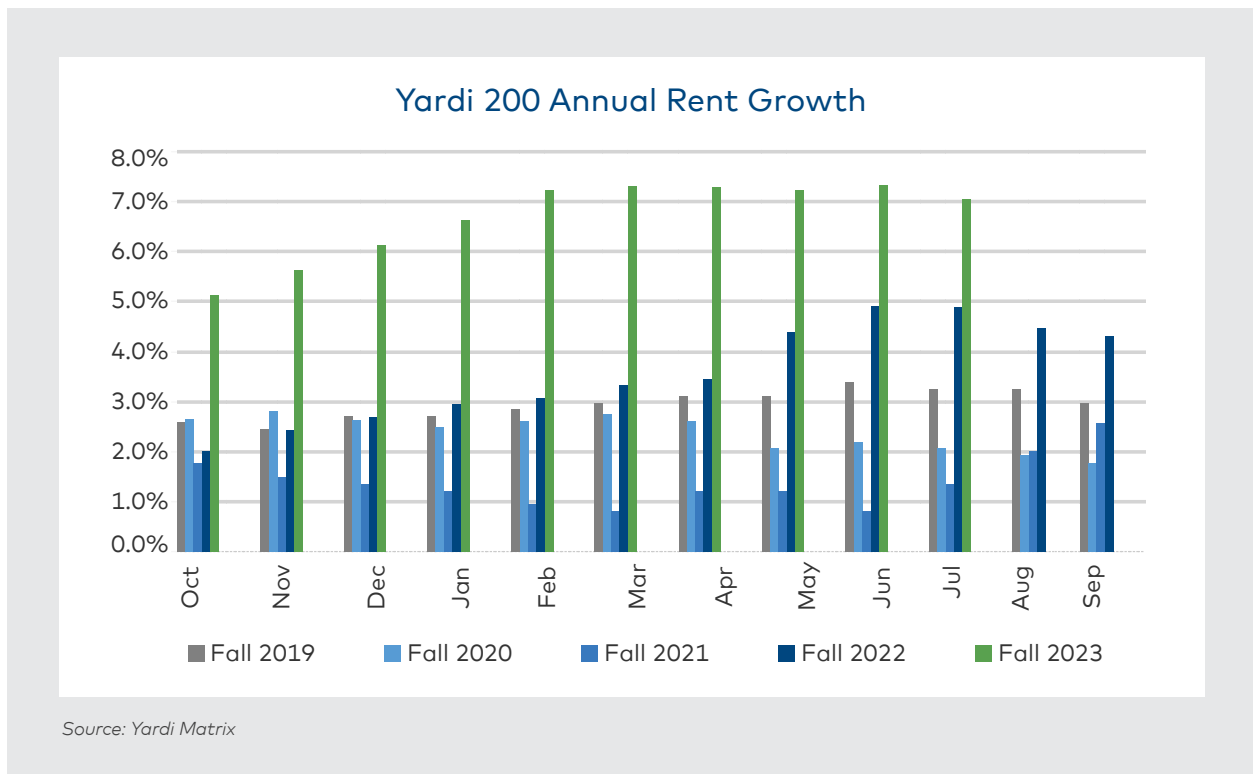
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Yardi Matrix

Power your business with the industry's leading data provider

STUDENT HOUSING 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 preleasing curve reports
- Produce reports on transaction, rent and portfolio data

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Market: Tucson — List

University of Arizona

School Area Details

School Name	University of Arizona
Address	1401 E University, Tucson, Arizona 85721-0066
State	AZ
Total Enrollment	44,097
Full-Time Enrollment	39,234
Conference/Research Caliber	Pac-12, R1

☑ Dedicated Student Housing only

■ ON-CAMPUS DORM CAPACITY ■ OFF-CAMPUS DEDICATED STUDENT HOUSING ■ CAPTURE OPPORTUNITY

7,288	6,766	30,043
Available Beds	Estimated No. of Beds	Estimated No. of Beds
16.5%	15.3%	68.1%
Capture Rate	Estimated Capture Rate	Estimated Capture Rate

Yardi Matrix Student covers markets across the U.S., with a data set of over **2,000 colleges and universities** including the top 200 of every major athletic conference.

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Contact us

(800) 866-1144

Learn more at yardimatrix.com/student
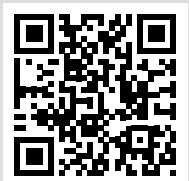
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