



Yardi<sup>®</sup> Matrix

# National Student Housing Report

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September 2023



## Student Housing Preleasing Reaches 94%

Our second student housing monthly report focuses on preleasing and rent growth in August. Next month we will be revising our Yardi 200 list to include more markets with institutionally-owned properties and report on final occupancy in September.

- As we enter the 2023-2024 school year, student housing preleasing matches last year's solid trend and year-over-year rent growth has continually outpaced last year's historic growth, as well as other property sectors. The sector is in prime position to weather a potential recession with counter-cyclical demand patterns and solid occupancy and rent growth "baked in" for the 2023-2024 school year.
- As of August 2023, 94% of beds at Yardi 200 universities were preleased, a 3.3% increase from the prior month and 0.2% behind August 2022. Preleasing started off the season with a bang on average 6% ahead of last year throughout most of the leasing season and tracking last year's pace more recently. Rents remained flat in August from July at \$845 per bed, but year-over-year rent growth of 6.9% in August 2023 was still well above the historic average for the sector.
- Despite a successful leasing season nationally so far, a few schools trail last year's pace and still have a significant amount of beds to lease up. In August, 32 student markets were more than 5% behind last year on preleasing and 27 markets saw rents down year-over-year. Many of these schools are dealing with declining enrollment and/or above-average new deliveries recently.
- Transaction volume is down noticeably from last year. In the Yardi 200 markets, there were 42 deals with 24,792 beds sold by the end of August, down 72.6% from last year. There have been only two portfolios (two or more properties) sold this year versus 20 through August 2022, and eight of the top 10 buyers from last year have been inactive so far this year.
- 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.

