



Yardi[®] Matrix

National Student Housing Report

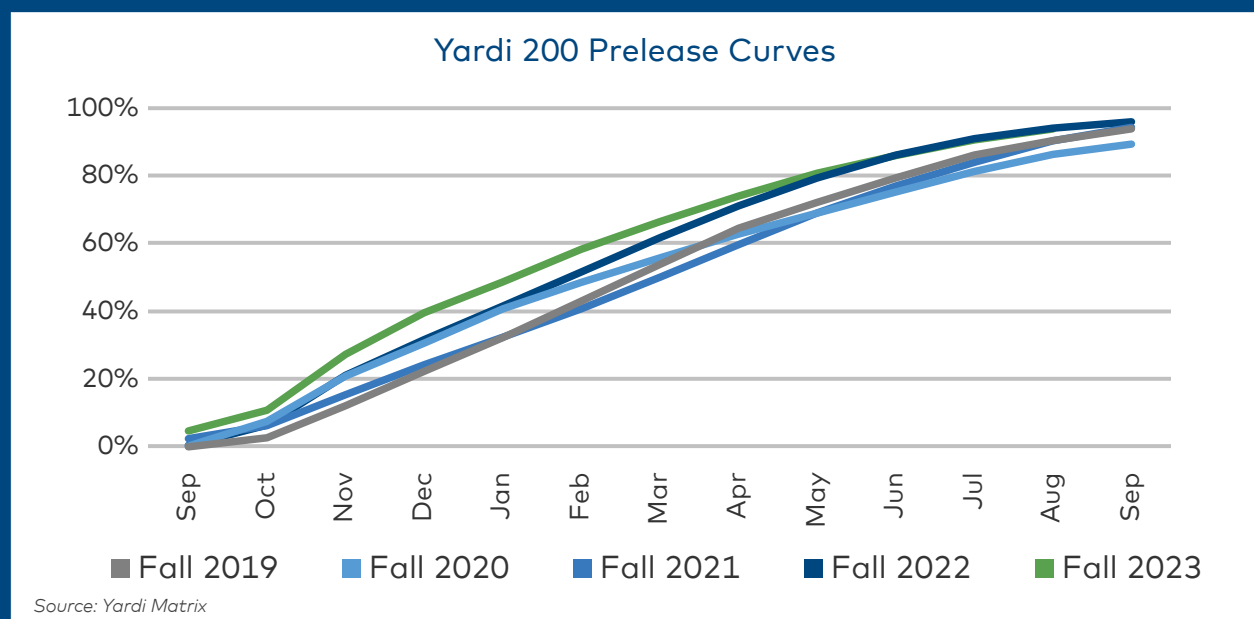
September 2023



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.



Preleasing Back on Pace With Last Year

- Preleasing for the 2023-2024 school year of 94% as of August 2023 compares to 94.2% August 2022 and an average of 89.2% in August the previous three years.
- Forty universities in the Yardi 200 were 100% preleased for the 2023-2024 school year, including 17 schools with four or more dedicated student housing properties. 18 of the 40 reached 100% preleasing just in August, including University of Wisconsin–Madison. Rent growth for 100% preleased markets with four or more properties averaged 8.6% versus 6.9% nationally.
- Thirteen markets had preleasing 10%+ above last year in August. These schools were on average 96.6% preleased in August, versus 80.6% preleased at the same time last year. This has come at the expense of rent growth at some of these schools, which averaged 5.7% versus 6.9% nationally.
- On the other hand, ten universities were 10%+ behind last year's lease up pace, including four with four or more student housing properties. New supply is likely impacting a number of these markets, including Boise State University, which has 1,030 beds delivering this year and was 21.8% behind on preleasing, and Washington State University with 2,101 beds delivering and was 13.9% behind.
- Twenty-six Yardi 200 universities were less than 85% preleased in August and an average of 8.6% behind last year. The University of Minnesota–Twin Cities, one of the largest student housing markets, was only 81.6% preleased in August and 7.3% behind last year. New supply is impacting that market as there are 3,458 beds under construction ranking the market fourth nationally.

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

University	YOY Growth in % Preleased
University of Southern Mississippi	22.7%
Ohio University-Main Campus	18.7%
University of Mississippi	14.4%
University of South Alabama	13.2%
Texas A & M University–Corpus Christi	10.9%
University of Louisville	10.3%
Binghamton University	7.9%
University at Buffalo	6.4%
Virginia Polytechnic Institute and State University	6.3%
University of Oregon	5.7%
West Virginia University	5.6%
University of Kentucky	4.9%
Florida International University	4.7%
Oklahoma State University–Main Campus	4.3%
Mississippi State University	4.0%
Saint Louis University	3.6%
University of Toledo	3.6%
Iowa State University	3.4%
Auburn University	3.2%
Brigham Young University	3.1%

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 August 2023

Student Housing Rents Continue to Reach New Highs

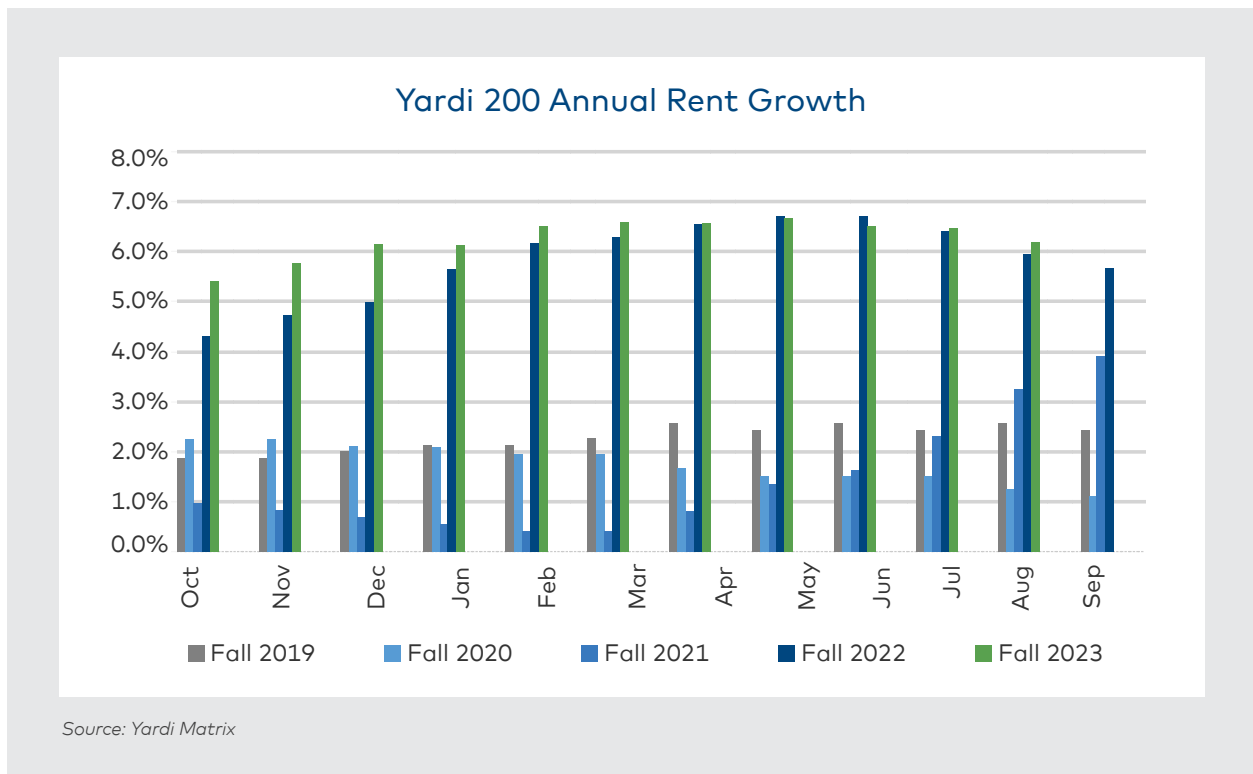
- Rent growth in the student housing sector continues to be the envy of the commercial real estate industry. In August, rent growth for the Yardi 200 was 6.9%, down from 7.3% in July and 2.4% above August 2022. Year-over-year rent growth has averaged 6.8% throughout the leasing season. Overall rent per bed remained at an all-time high of \$845.
- Rent growth varied at the university level, with 33 schools in the Yardi 200 posting double-digit growth and 22 schools showing rent declines in August. Rent growth generally follows strong preleasing as markets with double-digit growth were on average 95.8% preleased and markets with rent declines averaged 86.9% preleased, versus 94% preleased occupancy nationally.

Student housing rent growth has remained strong throughout the leasing season averaging 6.8% since October 2022 versus 3.6% average growth the previous leasing season and 2.2% prior years.

Some large public universities have posted the strongest growth, fueled by strong enrollment growth and few properties delivering this year. Arizona State University–Tempe, The University of Arkansas and University of Tennessee had rent growth over 19% in August after averaging 6% enrollment growth in 2022 compared to flat growth for all Yardi 200 schools. These schools were also

100% preleased as of August. Tennessee has been over 90% preleased since December 2022.

Markets that struggled to increase rents have failed to expand enrollment while also absorbing new supply. The 10 markets with the lowest rent growth saw enrollment decline an average of -1.8% in 2022. This includes the University of Nebraska–Lincoln which has 1,026 beds under construction and had 575 beds deliver last year. At the same time enrollment has declined every year for the last five years, down 2,274 or 8.7% between 2017 and 2022.





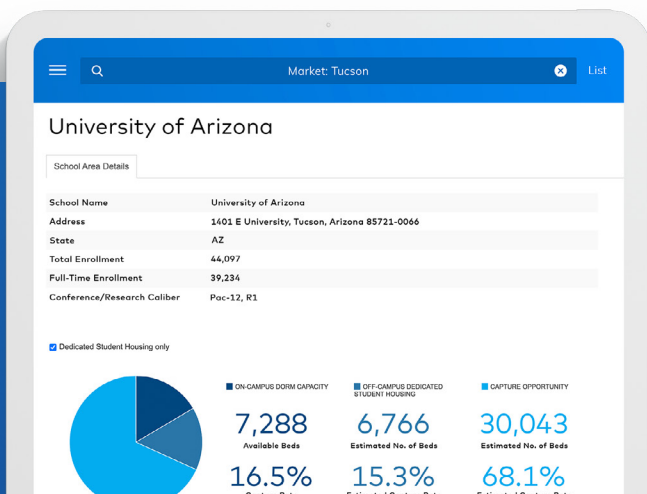
Yardi Matrix

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



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.



(800) 866-1144

Learn more at yardimatrix.com/student

Contact
US



Contacts

Tyson Huebner

Director of Research, Yardi Matrix
Tyson.Huebner@Yardi.com
(800) 866-1124 x5804

Ron Brock, Jr.

Industry Principal,
Matrix Products
JR.Brock@Yardi.com
(800) 866-1124 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(800) 866-1124 x2419

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(800) 303-615-3676

DISCLAIMER

Although every effort is made to ensure the accuracy, timeliness and completeness of the information provided in this publication, the information is provided "AS IS" and Yardi Matrix does not guarantee, warrant, represent or undertake that the information provided is correct, accurate, current or complete. Yardi Matrix is not liable for any loss, claim, or demand arising directly or indirectly from any use or reliance upon the information contained herein.

COPYRIGHT NOTICE

This document, publication and/or presentation (collectively, "document") is protected by copyright, trademark and other intellectual property laws. Use of this document is subject to the terms and conditions of Yardi Systems, Inc. dba Yardi Matrix's Terms of Use (<http://www.yardimatrix.com/Terms>) or other agreement including, but not limited to, restrictions on its use, copying, disclosure, distribution and decompilation. No part of this document may be disclosed or reproduced in any form by any means without the prior written authorization of Yardi Systems, Inc. This document may contain proprietary information about software and service processes, algorithms, and data models which is confidential and constitutes trade secrets. This document is intended for utilization solely in connection with Yardi Matrix publications and for no other purpose.

Yardi®, Yardi Systems, Inc., the Yardi Logo, Yardi Matrix, and the names of Yardi products and services are trademarks or registered trademarks of Yardi Systems, Inc. in the United States and may be protected as trademarks in other countries. All other product, service, or company names mentioned in this document are claimed as trademarks and trade names by their respective companies.

© 2023 Yardi Systems, Inc. All Rights Reserved.