National Student Housing Report

November 2023

Preleasing Jumps Out With Fastest Start Ever in October

This month's report begins our coverage of the 2024-2025 leasing season, as many properties and markets have started preleasing sooner and faster than ever following last year's rapid preleasing pace.

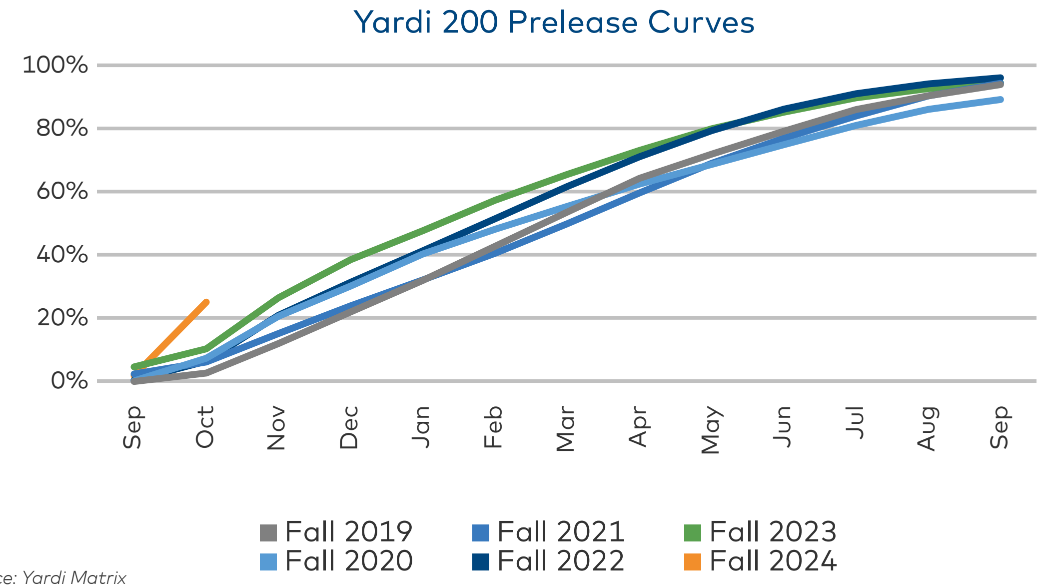
- Final occupancy for the Yardi 200 markets for the fall 2023 semester settled at 94.6% in September 2023, compared to 96.2% in September 2022. Lower occupancy this year can be partly attributed to new properties that delivered late or struggled with preleasing. New 2023-built properties only reached 81.7% occupancy for the fall 2023 semester.

- Preleasing for the 2024-2025 school year started off extremely strong, reaching 25.2% for the Yardi 200 in October 2023, well ahead of last year's record-setting pace of 10.4% preleased in October 2022. Preleasing this year is indicative of solid renewal activity early on and robust demand for housing at many major universities, with 14 schools already more than 40% preleased.

- In October 2023, average asking rent per bed was $854 among the Yardi 200 markets for the 2024-2025 school year, slightly higher than where it ended the 2023 preleasing season in September 2023 and 6.6% higher than October 2022. Some of the schools with the fastest preleasing are already seeing rents up 15-25% year-over-year, as operators take advantage of the surge in demand.

- Fall 2023 enrollment numbers for the Yardi 200 schools are trickling in and indicate a rebound in enrollment growth in fall 2023 from the prior year, which is likely benefiting the student housing market. Enrollment data for 118 schools shows average growth of 228 students, or 0.9% year-over-year, in fall 2023 vs. a 0.4% decline in fall 2022 for the same schools.

- Investment activity is down significantly from last year, as high interest rates continue to have an impact on deal flow. There have been 66 dedicated student housing properties sold thus far this year, compared to over 200 at this point last year and a pre-COVID average of 105 properties sold by early November. Price per bed is also down, to $71,703 vs. $76,095 last year.



Source: Yardi Matrix

Preleasing Tops 25% in October 2023, 15% Ahead of 2022

- Preleasing for the Yardi 200 is already well ahead of last year's record pace at 25% in October 2023 vs. 10% in October 2022. Following last year's surprising start, operators began preleasing earlier this year, and the strong start is more evidence of surging demand in the sector.
- Fourteen universities in the Yardi 200 are over 40% preleased, compared to only two schools at this time last year. Rent growth in these markets averaged 10.8%, indicating properties are taking advantage of the fast start by pushing rates. This includes the University of Tennessee, the University of Wisconsin and Clemson, which are 60-70% preleased.
- A total of 33 markets with four or more properties had not started preleasing or were 0% preleased in October 2023. Of these markets, 17 were preleasing as of October 2022 and were an average of 13.1% preleased then, including a few that were 20%+ preleased in October 2022. Rent growth at these schools averaged only 2.6% in October 2023.
- Twenty markets with a total of 236 properties are over 20% ahead of last year's lease-up pace. This includes some larger student markets, including the University of Wisconsin with 25 properties, the University of Arizona with 21 properties, and the University of Arkansas with 18 properties. All of these schools have seen strong enrollment growth since 2020.
- Eleven universities with 63 properties were 10% or more behind last year's lease-up pace in October 2023. This includes Purdue University, one of the best markets last year, which was 24.3% preleased, compared to 36.4% at this time last year. Most of these are smaller markets that have also been more cautious pushing rental rates, with the exception of Purdue, where rents are up nearly 30%.

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

University	YOY Growth in % Preleased
Ohio University-Main Campus	97.7%
University of Wisconsin–Madison	43.0%
Washington University in St Louis	34.0%
University of North Carolina at Chapel Hill	31.7%
University of Arizona	29.9%
University of Notre Dame	29.0%
Michigan State University	28.8%
University of Mississippi	28.1%
University of Delaware	25.2%
University of Arkansas	24.4%
University of Virginia–Main Campus	23.7%
University of Southern Mississippi	22.8%
Auburn University	21.6%
University of Kentucky	21.4%
California State University–Fresno	20.4%
University of South Carolina–Columbia	20.3%
Middle Tennessee State University	19.9%
East Carolina University	19.3%
Ball State University	19.2%
University of New Hampshire–Main Campus	19.0%

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 October 2023

Student Housing Rents Top $850 Per Bed

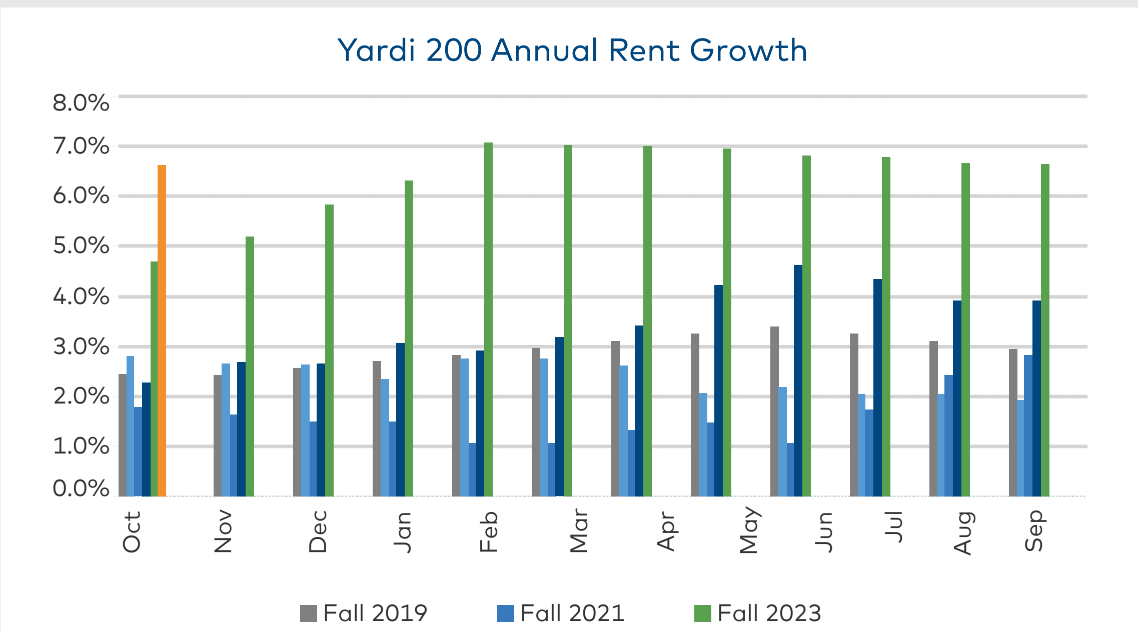
- Despite it being very early in the preleasing season, rent growth in October 2023 was 6.6%, compared to 4.7% in October 2022. Rents per bed were $854, compared to $801 in October 2022. Rents for the 2024-2025 school year started near where they ended the previous preleasing season but likely have more room to run, particularly in markets where preleasing is off to a solid start.

- Rent growth is market specific, with 37 markets in the Yardi 200 posting double-digit year-over-year growth, averaging 15.1% in October, but 34 markets showing rent declines, mostly in the -2.5% to 0% range. Many of the markets with the strongest growth are highly occupied, large primary state universities, while those with rent declines include a lot of smaller student housing markets.

Student housing rent growth usually starts the year lower as operators gauge demand through preleasing trends. But after last year's strong start and an even faster start this year, rent growth is already significantly ahead of previous Octobers and near the five-year high of 7% posted last summer.

Many of the same large primary state universities that did well last year have the strongest rent growth. Purdue University, the University of Tennessee, Arizona State University and the University of Arkansas all have enrollment over 30,000 students, with 17 or more dedicated student housing properties, 99%+ occupancy for fall 2023 and rent growth over 20% in October.

Student housing markets with rent declines in October include a number of markets that failed to reach 90% occupancy by fall 2023. This list includes the University of Louisville, University of Nevada-Reno, University of Nebraska, University of Southern Mississippi, University of Memphis and University of Southern California. These schools only reached an average of 82% occupancy in fall 2023 and averaged -4.7% rent growth in October.



Source: Yardi Matrix

Top Student Housing Markets Fundamentals

University	Off-Campus Student Housing: Beds Completed	Off-Campus Student Housing: Beds Under Construciton	Preleasing: Oct-23	Preleasing: Y-o-Y	Rent Per Bed: Oct-23	Rent Per Bed: Y-o-Y
University of Tennessee	8,370	3,174	**70.0%**	**16.2%**	$1,037	23.5%
University of Wisconsin	6,787	2,098	**65.1%**	**43.0%**	$1,237	8.5%
Clemson University	10,701	601	**60.5%**	**13.8%**	$887	9.0%
University of Arizona	8,373	596	**47.6%**	**29.9%**	$1,075	7.4%
Auburn University	13,510	0	**41.7%**	**21.6%**	$803	12.2%
Michigan State University	14,040	0	**41.5%**	**28.8%**	$763	8.8%
University of Arkansas	10,063	0	**41.3%**	**24.4%**	$807	21.2%
Virginia Tech	8,982	0	**39.2%**	**13.3%**	$961	6.7%
North Carolina State	9,817	0	**35.3%**	**16.0%**	$930	14.7%
Florida State University	26,771	2,772	**32.3%**	**17.5%**	$794	10.6%
University of South Carolina	11,663	807	**32.1%**	**20.3%**	$824	6.2%
University of Texas–Austin	21,867	4,705	**31.8%**	**16.3%**	$1,124	2.6%
University of Illinois	16,265	0	**30.9%**	**7.8%**	$827	10.3%
University of Georgia	12,708	2,445	**30.3%**	**14.2%**	$839	12.3%
University of Central Florida	18,943	1,750	**29.5%**	**18.4%**	$936	7.5%
Penn State University	15,303	856	**29.3%**	**13.8%**	$968	6.6%
University of Missouri	14,534	0	**28.1%**	**16.4%**	$673	5.8%
Indiana University	8,827	3,305	**26.2%**	**13.4%**	$888	8.3%
Arizona State University	11,693	0	**26.0%**	**8.1%**	$1,250	21.2%
University of Alabama	13,836	0	**25.6%**	**14.2%**	$803	11.4%
Purdue University	11,125	682	**24.3%**	**-12.7%**	$865	29.9%
Georgia Tech	12,671	847	**23.4%**	**10.8%**	$1,260	8.7%
Texas A&M–College Station	32,468	1,079	**23.0%**	**16.3%**	$759	10.5%
University of South Florida	15,654	1,110	**22.6%**	**12.2%**	$908	9.0%
Ohio State University	7,454	1,463	**21.5%**	**10.5%**	$1,020	10.6%
University of Florida	28,220	2,395	**18.7%**	**8.2%**	$776	3.7%
University of Minnesota	11,397	2,663	**17.2%**	**13.6%**	$1,012	1.6%
West Virginia University	8,411	0	**15.5%**	**8.4%**	$605	6.3%
Louisiana State University	12,152	383	**14.6%**	**4.2%**	$696	13.2%
University of Michigan	8,996	1,103	**14.4%**	**1.9%**	$1,494	9.1%
Texas Tech University	16,586	0	**10.2%**	**4.9%**	$627	2.8%
University of Maryland	8,088	2,649	**10.0%**	**-0.2%**	$1,230	4.4%

Note: Top 32 Power 5 schools with enrollment over 25,000 with the most dedicated off-campus student housing beds
Source: Yardi Matrix

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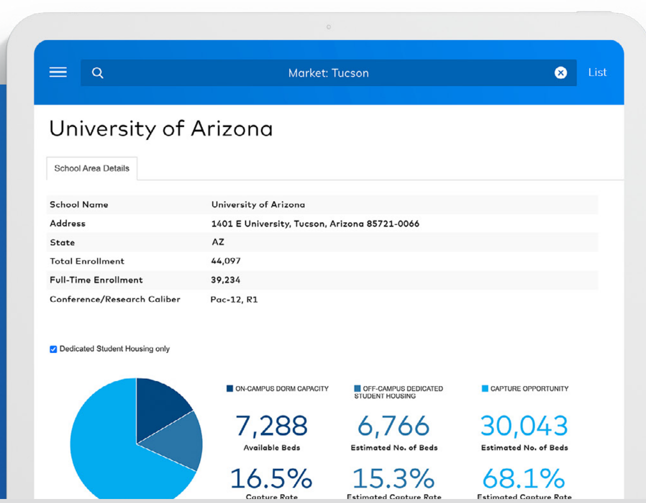

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