



Yardi Matrix

National Student Housing Report

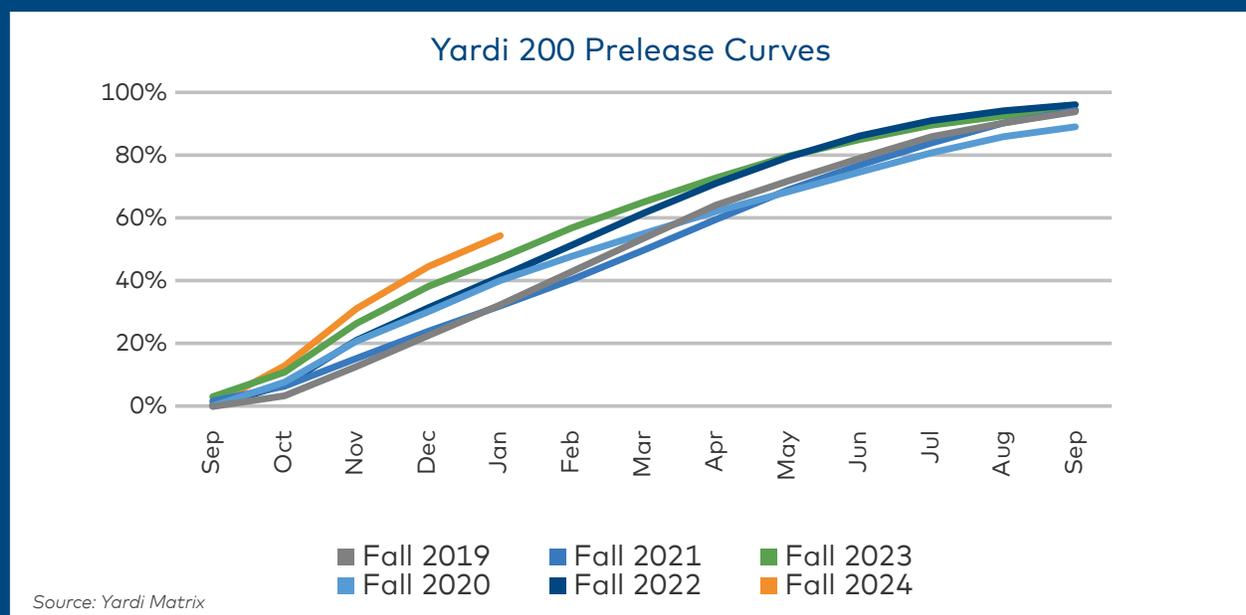
February 2024



Preleasing Continues to Expand Lead on Previous Years

Student housing preleasing continues to be robust even as rent growth has decelerated in recent months. Early data suggests the combination of strong enrollment growth and less new supply is driving performance in many university markets.

- Preleasing for the 2024-2025 school year has continued to surge past last year's record highs, reaching 54.5% in January 2024, up 710 basis points from the same month a year ago. The year-over-year spread has expanded as enrollment growth has driven strong demand in both large and small student housing markets. Twenty-two schools are already at least 75% preleased, while four are above 90%.
- At \$863 per bed in January 2024, asking rates have continued to set new highs at Yardi 200 schools. Year-over-year rent growth fell to 4.4% in January, down from 6.3% a year ago and 6.5% at the beginning of the leasing season. Solid preleasing compared to previous years suggests another stellar year for revenue growth. Most beds for the 2024-2025 school year are already accounted for.
- Fall 2023 enrollment data for 165 schools indicates a rebound in enrollment growth. Total enrollment is up 0.8% from last year, compared to -0.3% growth in fall 2022, and has benefited mostly primary state schools. The best-performing schools for preleasing and rent growth include the University of Tennessee, University of Mississippi and University of Kentucky.
- Yardi Matrix's supply forecast projects 46,285 new beds will deliver in 2024, a sharp increase from 35,610 beds delivered in 2023 and near the peak years of 2013 and 2014. Over the next five years, supply will drop below the long-term average of 36,322 beds per year going back to 2010.
- Student housing investment was down considerably in 2023, with only 76 properties sold compared to an average of 205 properties sold in 2021 and 2022. Only five portfolios sold last year, half of the average of the previous five years. Less activity translated to a lower price per bed of \$75,410 in 2023, vs. over \$80,000 per bed in the previous five years. Owners held on to their best assets.



Strong Demand Early in Leasing Season

- Preleasing for the 2024-2025 school year hit 54.5% in January, 7.1% ahead of last year and more than 15% above the five-year average. Operators have started preleasing earlier each year, as demand has increased due to strong enrollment growth among both new freshmen and existing undergraduates and supply has failed to keep up.
- Of the 145 schools with data in January, 51 were more than 60% preleased, vs. only 28 at this time last year. Twelve university markets were over 80% preleased, seven of them with more than four properties. Those included the University of Tennessee, University of Arkansas and Purdue, while North Carolina State in Raleigh was close at 79%.
- Only 34 schools were less than 30% preleased in January, compared to 50 at the same time last year. Some markets typically prelease more slowly, but a handful were behind last year on preleasing, mostly smaller schools with fewer than four student properties with preleasing data. Of the 34 under 30%, only 12 had four or more properties with data.
- Nineteen markets were at least 20% ahead of last year in preleasing, including nine with four or more properties. At 98% preleased, Ole Miss is significantly ahead of last year and is benefiting from strong enrollment growth over the past few years. Mizzou is 70% preleased and well ahead of last year, as well. Both were among the worst-performing markets just a few years ago.
- Eighteen markets were more than 10% behind last year's lease-up pace, many of them smaller urban markets with only a few student housing properties. Overall, preleasing in these markets averaged 31%. Among the schools trailing last year's pace were CU-Boulder and Baylor, which were both under 45% preleased as of January.

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

University	YOY Growth in % Preleased
University of Mississippi	47.8%
Binghamton University	39.1%
Oregon State	27.5%
Johns Hopkins University	25.3%
University of Missouri	23.2%
University of Louisiana	21.3%
University of Kentucky	20.1%
Central Michigan	18.7%
Illinois State	16.4%
North Carolina State	16.3%
Iowa State	16.0%
San Diego State	15.8%
Texas A&M	15.1%
University of Kansas	14.9%
University of West Georgia	14.5%
Temple University	14.0%
Kent State	13.8%
Oklahoma State	13.6%
Mississippi State	13.3%
Fresno State	13.1%

*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 January 2024*

Rent Growth Bests Primary Property Sectors

- Yardi 200 rents averaged \$863 per bed in January, up 4.4% year-over-year. Growth has decelerated in the early months of the leasing season, with rents up only 0.1% from December, as they have been more stubborn in markets with slower preleasing activity. But overall, strong preleasing indicates student housing owners can expect solid revenue growth for the 2024 school year.
- Twenty-four university markets posted double-digit rent growth in January, slightly fewer than at this time last year, while 32 schools had rent growth of less than -0.5%. Markets with at least 10% rent growth averaged 60.8% preleased, while schools with declines were on average 32.1% preleased. Rent growth ranged by market from -12.5% at UC–Berkeley to 18.5% at Tennessee and Florida Gulf Coast.

Rent growth patterns in student housing vary by market. Some operators push rates hard at the beginning of the leasing season to test the market and ease rent growth later on to fill the remaining beds. Slowing rent growth also reflects the fact that increases were high a year ago as operators took advantage of record preleasing pace.

Student housing markets with the highest rent growth have some combination of above-trend preleasing rates and significant enrollment growth. This includes Tennessee, Ole Miss, Purdue and Kentucky, which are all more than 80%

preleased and saw total enrollment growth of 4% or higher so far this year.

Rent declines have been most notable at schools with an influx of deliveries and/or below-average enrollment growth over the past several years. Markets such as Southern California, Nevada–Reno, Nebraska, Utah Valley and UC–Davis fall into this camp. UT–Austin has enjoyed enrollment increases in recent years, but the -2.5% rent growth there is likely a function of increasing supply. UT–Austin has 3,460 beds under construction, one of the most active pipelines nationally.



Top Student Housing Markets Fundamentals

University	Off-Campus Student Housing		Preleasing		Rent Per Bed	
	Beds Completed	Beds Under Construcion	Jan-24	Y-o-Y	Jan-24	Y-o-Y
University of Tennessee	8,220	3,961	90.1%	-6.6%	\$1,070	18.5%
University of Arkansas	10,063	0	84.0%	4.2%	\$825	6.5%
Purdue University	10,046	2,080	81.6%	-3.5%	\$907	14.5%
North Carolina State	9,501	0	78.9%	16.3%	\$966	12.3%
Virginia Tech	9,163	0	77.1%	4.5%	\$976	6.4%
Clemson University	10,748	601	73.9%	-8.7%	\$904	10.0%
University of Missouri	14,534	0	70.3%	23.2%	\$683	4.1%
University of Arizona	8,478	596	68.3%	7.2%	\$1,069	2.9%
Penn State	15,377	856	68.0%	7.4%	\$997	6.3%
University of Texas	22,854	3,460	65.7%	2.8%	\$1,091	-2.2%
Auburn University	13,369	0	63.9%	11.3%	\$814	7.8%
Arizona State University	11,693	0	63.1%	-9.4%	\$1,244	8.6%
Texas A&M	32,561	1,079	62.8%	15.1%	\$771	8.7%
University of Georgia	12,708	2,445	62.6%	0.6%	\$861	10.5%
Michigan State	14,052	0	61.6%	11.4%	\$792	5.7%
University of Illinois	16,107	215	61.1%	10.1%	\$827	4.0%
Florida State University	26,852	2,737	60.4%	6.3%	\$828	8.2%
Indiana University	10,740	1,105	60.2%	8.0%	\$930	4.3%
University of Central Florida	15,267	1,849	60.0%	0.0%	\$961	5.6%
University of Alabama	13,739	0	59.2%	5.4%	\$825	5.1%
University of South Carolina	12,470	902	56.2%	9.0%	\$832	3.9%
Louisiana State University	11,837	0	53.3%	7.4%	\$694	8.4%
University of South Florida	16,138	759	52.3%	-1.7%	\$913	8.6%
West Virginia University	8,411	0	49.6%	6.1%	\$601	4.0%
University of Florida	29,587	1,365	49.1%	4.5%	\$780	2.4%
University of Michigan	7,647	1,103	46.3%	-8.4%	\$1,470	4.7%
Ohio State University	7,454	1,463	46.0%	1.3%	\$1,038	11.5%
University of Maryland	9,165	989	45.6%	5.5%	\$1,262	3.1%
University of Minnesota	13,290	2,709	44.2%	5.1%	\$1,003	1.0%
Texas Tech	16,586	679	42.1%	1.4%	\$637	1.8%
Georgia Tech	13,507	0	35.8%	-2.9%	\$1,265	4.5%
University of Oregon	8,163	618	35.0%	-1.9%	\$971	4.5%

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



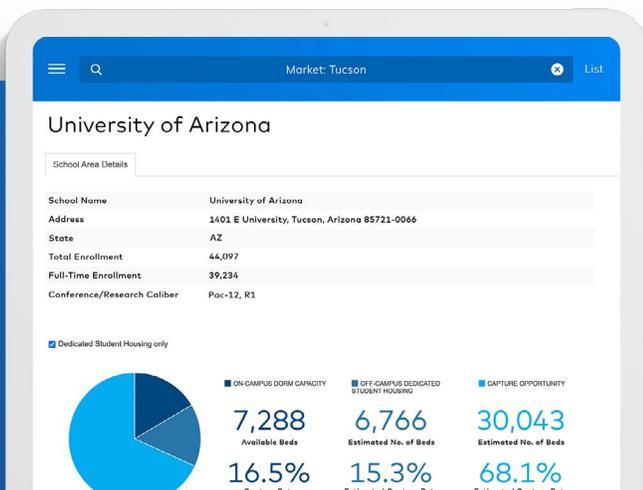
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STUDENT HOUSING KEY FEATURES

- 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
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- Produce reports on transaction, rent and portfolio data



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