



Yardi Matrix

# National Student Housing Report

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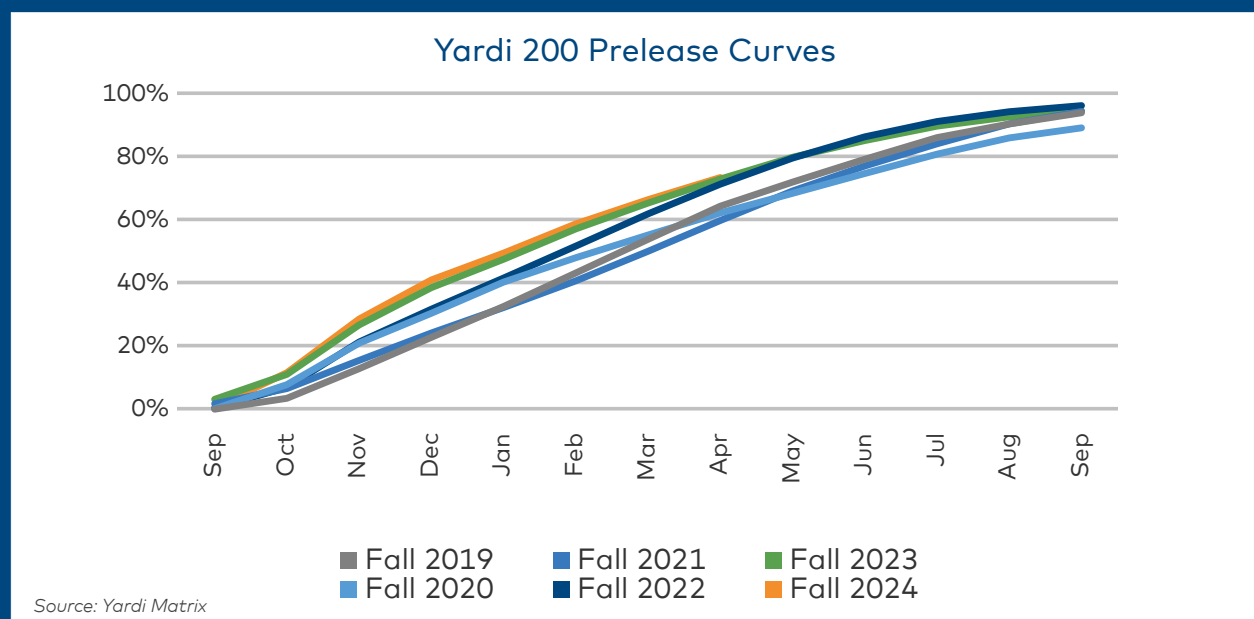
May 2024



## Preleasing, Rent Growth Slow Down but Stay Strong

Yardi Matrix attended the Interface Student Housing Conference in Austin on April 23-26. The tone at the conference was very positive, as the leasing season continues to be one of the best yet, with preleasing similar to last year's record pace and rent growth moderating but remaining well above average. Supply and demand remain in balance, with modest levels of supply coming online while enrollment growth, especially at the primary state schools, represents a tailwind for the sector. The consolidation of higher education and the waning demographic outlook are benefiting student housing, which is concentrated in markets best positioned for growth. Strong investor interest in the sector, particularly from new entrants and international capital, is promising for transactional activity, notably in the back half of 2024.

- Preleasing reached 73.5% in April 2024, 50 basis points above April 2023, as momentum slowed from previous months but remains above the pre-pandemic average for the sector. Some operators have noted the delay in FAFSA processing is causing a slowdown in preleasing pace recently.
- Average rent per bed reached \$895 in April 2024, a 5.5% increase year-over-year, and rent growth has averaged 6% this leasing season. Similar to preleasing pace, rent growth has slowed from the beginning of the leasing season but remains well above other commercial real estate sectors and the historical average growth rate of 3.5%. A number of key markets are still experiencing double-digit rent growth, while the number of markets with rent declines has dropped.
- Yardi Matrix's supply forecast projects 46,285 new beds will deliver in 2024 at Yardi 200 schools, an increase from 37,576 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 is trending much like last year, with 18 properties sold through April 30, 2024, the same number as this time last year. Despite a sluggish market this year, there have been a few large trades of high-quality assets, and the average pricing of \$100,857 per bed is well ahead of previous years, with recent rent growth contributing to higher pricing. Investors are hopeful that the second half of the year will see more sales activity, assuming there is greater clarity on interest rates.



# Preleasing Aligns With Last Year's Historic Pace

- Preleasing for the 2024-2025 school year is trending more in line with last year, reaching 73.5% in April 2024 versus 73% in April 2023. Although the pace has slowed in recent months, preleasing over the past few years has started earlier each year, outpacing typical pre-pandemic trends.
- A few schools have already preleased almost all of their beds or are close to full, with 19 schools over 90% preleased. This includes Ole Miss (100%), Kentucky (93.3%), Purdue (93%) and James Madison (92.5%).
- Preleasing has been slow in a few small student housing markets, including private schools and urban/suburban markets. Twenty-two schools were under 50% preleased in April, including UT-Arlington (44.7%) and Georgia State (47%), while NC State in Raleigh was only 54.8% preleased and was 9.9% behind last year.
- Preleasing is at least 10% ahead of last year in 34 markets, including 16 schools with four or more properties. Most of these schools have been able to avoid new supply in recent years and are recovering after failing to reach 90% occupancy by the start of school last year. Some have had to sacrifice rent growth to hit their stride this year, including Southern California (-5.7% rent growth), Central Michigan (-2.9%), Mizzou (-1.7%) and Nebraska (0.3%).
- Thirty-seven markets were more than 10% behind last year's pace, a notable increase over the past several months. Some of these schools preleased quickly last year and are still keeping pace with the sector, like Buffalo, 23.1% behind the 94.8% preleasing rate in April 2023; ASU, 18.8% behind last year's 91.1%; and Wisconsin, 10.4% behind last year's 91.4%. But many others are well behind the national preleasing pace, like Sacramento State, 61.2% preleased and 11.7% behind last year; Georgia State, 47% preleased and 13.2% behind; and VCU, 58.7% and 16.3% behind.

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

University	YOY Growth in % Preleased
Central Michigan	23.5%
Bowling Green State	19.7%
Ohio University	19.3%
UC-Riverside	18.7%
University of Kansas	17.7%
University of Missouri	16.7%
San Diego State	16.4%
Southern California	15.7%
University of Nebraska	14.2%
Temple University	14.1%
University of Iowa	13.5%
Mississippi State	13.5%
Grand Valley State	12.9%
University of Mississippi	12.7%
University of West Georgia	11.7%
University of Virginia	10.8%
University of Louisiana	9.9%
University of Kentucky	9.4%
University of South Carolina	9.1%
Georgia Southern	9.0%

*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 April 2024*

## Rent Growth Slows but Remains Relatively Strong

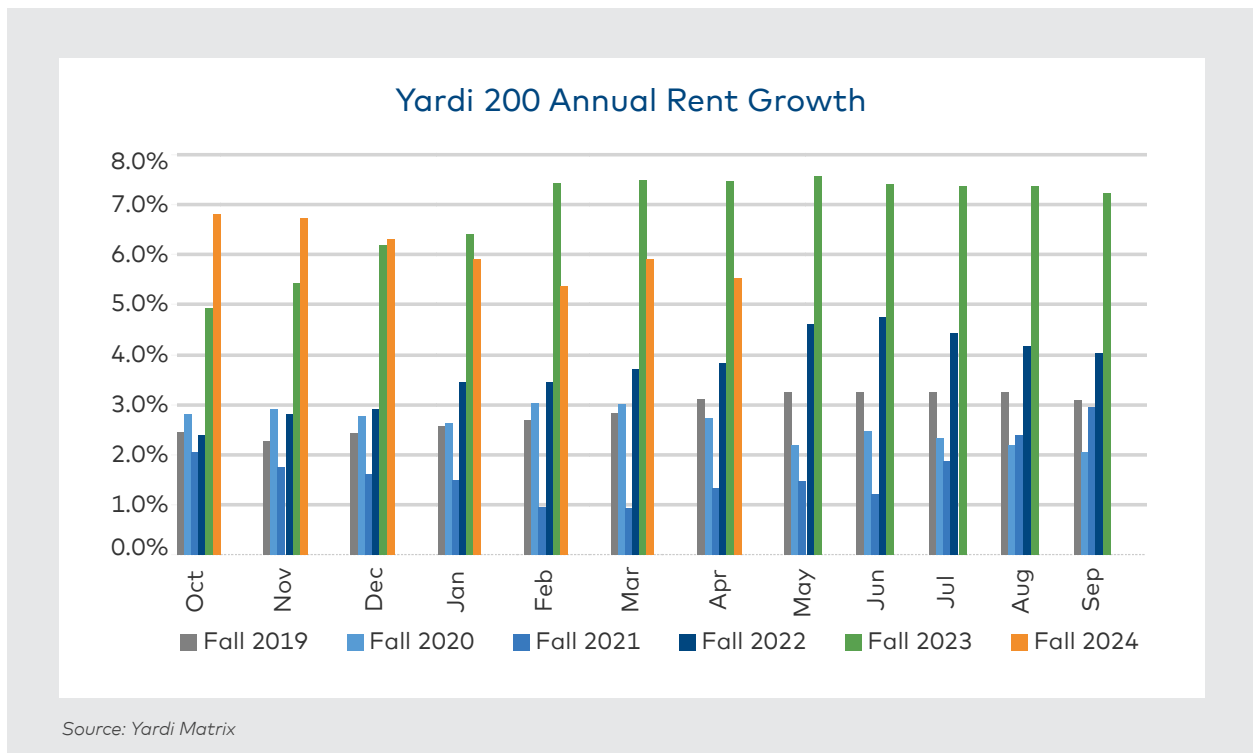
- Student housing rents rose 5.5% year-over-year in April, to \$895 per bed. Rent growth slowed from 6.8% early on in the leasing season and 5.9% last month but has averaged 6% throughout the leasing season, as nearly three-quarters of the beds nationally are already leased. Strong rent growth is indicative of solid demand for product and consolidation of higher education into the largest student housing markets, as primary state schools have been able to outgrow their peers.
- Student housing rent growth is a story of winners and losers, with 35 markets posting double-digit rent growth and 23 experiencing rent declines. Large primary state schools and secondary and tertiary state schools in Sun Belt states with growing enrollments have seen the biggest rent gains.

Strong rent growth is notable in markets that had above-average occupancy in fall 2023 and have had rapid preleasing so far this year. Among the 35 schools with double-digit rent growth in April, fall 2023 occupancy was 96.8%, compared to 94.6% nationally, and preleasing was 77.8% in April versus 73.5% for the industry.

Tennessee continues to lead all large student housing markets in rent growth, with rents up 17.6% year-over-year in April, followed by Clemson (16.7%), Ohio State (15.4%), North Texas (15.3%), Cornell (14.4%) and Appalachian State (13.6%). A few smaller markets have also been

able to increase rents significantly, including New Hampshire (16.7%), Ohio University (15.4%), UNLV (14.8%) and Notre Dame (14.4%).

Schools with declining rents include many that did not reach 90% occupancy in fall 2023, including Washington State, which only hit 80.6% and has seen rents drop 8.1%; Southern California, 83.8% occupied with rents down 5.7%; and Nevada-Reno, 83.9% occupied with -3.4% rent growth. A few Northeast schools have seen rents fall the most, like Brown (-14.9%), UMass-Amherst (-11.9%) and Carnegie Mellon/Pitt (-10.8%).



# Top Student Housing Market Fundamentals

University	Off-Campus Student Housing		Preleasing		Rent Per Bed	
	Beds Completed	Beds Under Construcion	Apr-24	Y-o-Y	Apr-24	Y-o-Y
University of Kentucky	6,852	435	93.3%	9.4%	\$846	13.0%
Purdue University	9,390	1,604	93.0%	-2.2%	\$920	12.6%
Virginia Tech	9,402	0	92.4%	4.4%	\$927	2.2%
University of Tennessee	8,224	3,961	92.0%	-6.8%	\$1,118	17.6%
University of Arkansas	10,236	0	89.3%	-6.9%	\$860	8.7%
University of Missouri	14,534	0	88.4%	16.7%	\$684	-1.7%
North Carolina State	9,501	0	85.0%	-1.6%	\$989	10.1%
Auburn University	13,399	0	84.0%	8.9%	\$851	10.7%
University of Arizona	8,068	596	83.0%	-0.7%	\$1,142	9.3%
Michigan State	13,505	0	82.8%	5.4%	\$792	2.9%
Penn State	14,970	856	82.6%	1.0%	\$999	5.0%
University of Alabama	12,900	0	82.3%	2.8%	\$896	9.4%
Clemson University	10,748	601	82.2%	-9.7%	\$998	16.7%
Texas A&M	32,130	1,657	81.5%	3.3%	\$793	8.6%
University of Georgia	14,491	750	81.4%	-3.9%	\$841	6.2%
Iowa State	8,046	0	81.2%	0.9%	\$635	5.0%
University of Central Florida	15,891	1,849	80.9%	-8.1%	\$1,068	12.8%
University of Oklahoma	6,974	0	79.7%	-2.6%	\$704	8.3%
University of Texas	21,656	3,460	79.2%	-2.2%	\$1,149	2.6%
Indiana University	10,740	1,203	78.3%	2.0%	\$1,008	11.8%
Florida State University	27,727	3,519	78.3%	-0.8%	\$842	5.9%
Louisiana State University	11,851	0	78.2%	5.5%	\$698	4.6%
University of South Carolina	12,198	940	75.3%	9.1%	\$867	4.6%
University of Michigan	7,321	1,103	75.3%	-6.2%	\$1,503	3.2%
University of Illinois	14,590	215	74.6%	4.1%	\$892	4.1%
Arizona State University	11,673	0	72.3%	-18.8%	\$1,264	3.5%
University of Florida	29,998	996	69.0%	-3.5%	\$799	3.2%
Texas Tech	16,586	679	69.0%	0.3%	\$627	-0.8%
University of South Florida	15,906	759	68.9%	-13.1%	\$941	8.0%
Georgia Tech	9,355	0	65.6%	-1.4%	\$1,275	-0.3%
Ohio State University	6,857	1,220	65.3%	-1.3%	\$1,106	15.4%
University of Maryland	9,193	989	63.7%	3.7%	\$1,312	6.0%

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



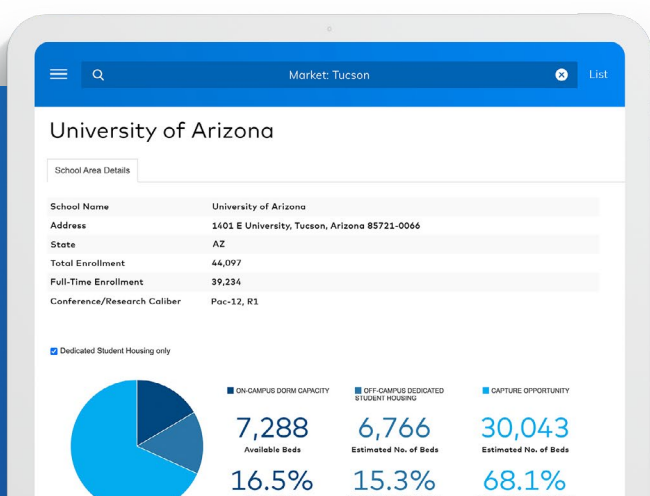
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- Search by school, conference or state in quarter-mile increments from campus
- Gain new supply information at the asset, competitive set and market levels
- Leverage data for both purpose-built and shadow market properties
- Access school year leasing and preleasing curve reports
- Produce reports on transaction, rent and portfolio data



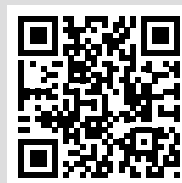
Yardi Matrix Student covers markets across the U.S., with a data set of over 2,000 colleges and universities including the top 200 of every major athletic conference.



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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

### **Jeff Adler**

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

### **Doug Ressler**

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

## Author

### **Tyson Huebner**

Director of Research,  
Yardi Matrix

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