



Yardi<sup>®</sup> Matrix

# National Student Housing Report

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August 2024



## Preleasing Pace, Rent Growth Decelerate in July

- Student housing performance remained strong this summer, down slightly from previous highs but still more robust than historical norms. Surveyed preleasing for the Yardi 200 schools reached 89.2% in July 2024. The sector still has 5% to go to reach the 94.6% occupancy level achieved in fall 2023. Despite the slowdown, 41 schools have already reached a preleasing level above their fall 2023 occupancy, including 18 schools that failed to reach 90% last year.
- Average advertised rent per bed was \$897 in July 2024, up 4.7% year-over-year. Rents have remained flat for the past five months and rent growth has dropped from close to 7% early on in the leasing season as preleasing pace has slowed. Rent growth throughout the leasing season has averaged 6% for student housing, which compares to an average of 0.7% for conventional multifamily since October 2023 and 0.8% advertised rent growth in July.
- Yardi Matrix updated the supply forecast in July, projecting 41,432 beds to be delivered at Yardi 200 schools in 2024, a 6% decrease from the previous forecast and a 5% decrease from 2023. The 2025 forecast also declined, while 2026 increased to 33,805 beds each year, both below the long-term average of close to 40,000 beds per year. Yardi projects about 38,000 beds per year in 2027-2029.
- With high school graduates expected to peak in 2025 or 2026, colleges are bracing for an impact on enrollment, though recent school closures could absorb some of the decline in certain states. Continued issues with FAFSA have complicated the outlook for enrollment in fall 2024, as a smaller number of students applying for financial aid this year is expected to affect freshman enrollment. A recent announcement from the University of California system, the largest in the country, projecting record-high freshman enrollment for fall 2024 is a sign enrollment can continue growing despite these issues.
- Following excellent performance in the sector in recent years, transaction volume through July 2024 is matching last year's pace. There have been 45 properties sold so far this year, about even with last year, at an estimated average of \$81,627 per bed. While there have still been fewer trades than in a "normal" year, most property types have seen a noticeable decline in activity this year versus last.

