



Yardi[®] Matrix

National Student Housing Report

September 2024



Preleasing, Rent Growth Decelerate, Inching Toward Finish

- Although preleasing and rent growth have decelerated since the spring, surveyed preleasing for the Yardi 200 reached 92.9% in August 2024, 20 basis points ahead of August 2023, as many markets welcomed students back during the month. September data will reflect final occupancy. In August, 78 markets had preleased to a level at or above September 2023 occupancy, but 29 schools still had to lease 10% or more beds to reach last year's occupancy level.
- Average advertised rent ticked down in August from July to \$892, but that is still 4% higher than August 2023. Rent growth has decelerated from 7% in the first few months of the leasing season to 4% in August. Operators have cited FAFSA delays as a reason behind the slowdown in both preleasing and rent growth, but growth is still stronger than conventional multifamily and has averaged 5.8% throughout the leasing season.
- Yardi Matrix recently attended the IMN Student Housing Forum in Dana Point, Calif. The change in preleasing pace and rent growth when the new FAFSA portal kicked off was a major topic of discussion, as was affordability. Many believe fall 2024 enrollment growth has been impacted, particularly at secondary and tertiary state schools, but are hopeful the delays will boost spring or fall 2025 enrollment. Student housing affordability concerns are believed to be a result of supply-demand imbalances, both on and off campus, and rising construction costs. Meanwhile, a weaker multifamily market has created more competition from the shadow market in major MSAs, particularly with high-rent new student housing supply translating to lower rent growth in many of these markets.
- Yardi Matrix's supply forecast is unchanged, with 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. After 2024, annual supply will drop below the long-term average of 40,000 beds delivered per year for the last 10 years.
- Transaction volume so far in 2024 has paced last year, with 56 properties consisting of 26,000 beds sold at Yardi 200 schools, at an average price per bed of around \$77,000. Sales volume year-to-date still trails the previous five-year average of 86 properties/46,500 beds sold by this time.

