



Yardi<sup>®</sup> Matrix

# National Student Housing Report

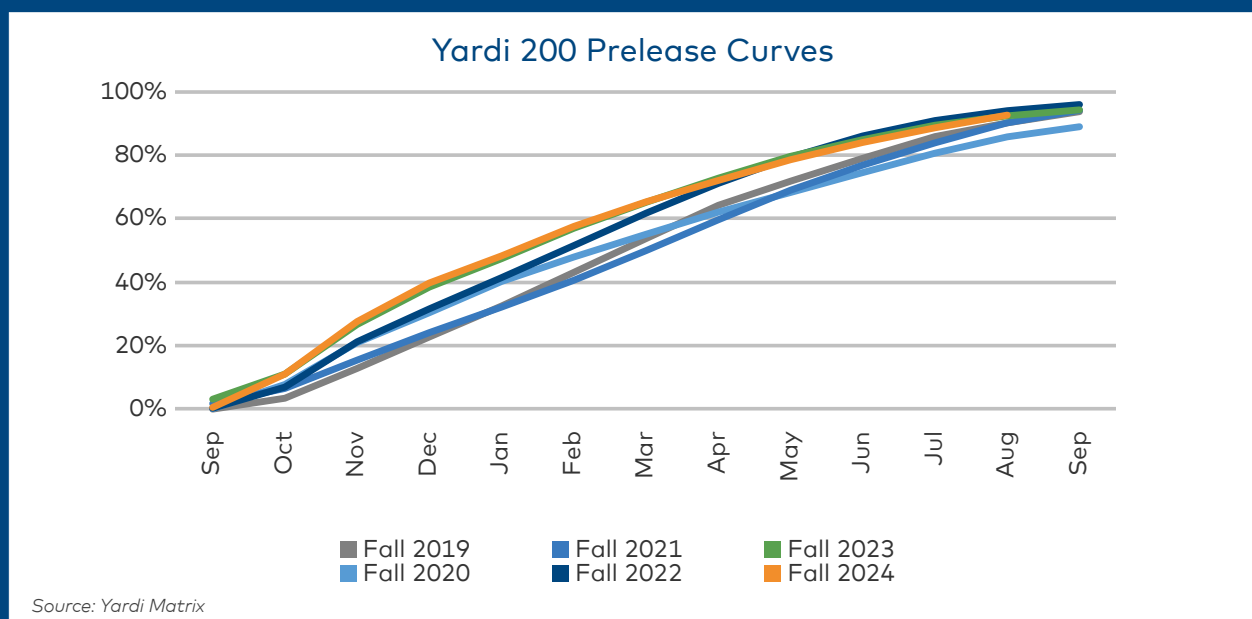
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September 2024



# 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.



# Preleasing Bests Five-Year Average but Underperforms 2022

- Preleasing of 92.9% in August 2024 is slightly above the 92.7% of August 2023 but below the 94.3% in August 2022. Similar to last year, preleasing was extremely strong up until April, when slowed FAFSA processing delayed college enrollment decisions for many students. Preleasing still has a few percentage points to go to reach the typical 94-96% occupancy for the sector.
- Thirty-five schools were 99%+ preleased, 14 more than last month, including Oklahoma State, Ohio, Oregon State, VCU, Auburn, Illinois State and Grand Valley State, which all reached this level in the past month.
- Thirty-five schools are under 85% preleased, including many secondary and tertiary schools in major metro areas. This includes Houston (84.7% preleased), UNC-Charlotte (84.4%), Temple (82.9%), East Carolina (82.3%), Miami-Oxford (80.2%) and UT-Arlington (78.4%). A few have made big improvements in the past month, including Houston and Arlington.
- Fourteen schools are more than 10% ahead of last year's preleasing level, including Nebraska, Illinois State, USC, Washington and Mississippi State, all of which failed to reach 90% occupancy by September 2023. Only two of these, Washington and USC, are still under 90% preleased, but Washington does not start classes until September.
- Nineteen markets are still at least 10% behind last year's preleasing pace, including many smaller secondary and tertiary state schools with fewer than four dedicated student housing properties. The largest student housing markets behind on preleasing include ASU, with 17 properties 87.2% preleased and 10.2% behind last year, and UT-Arlington, with nine properties that were 17.2% behind August 2023. Clemson, which has 20 dedicated student housing properties, was 8.2% behind last year at 88.2% preleased in August. Two primary state schools in smaller states, Hawaii and Montana, were also more than 10% behind.

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

University	YOY Growth in % Preleased
University of Nebraska	12.8%
Illinois State	11.6%
University of Washington	11.3%
Alabama-Birmingham	10.8%
Southern California	10.6%
University of Louisiana	10.1%
Mississippi State	9.7%
Bowling Green State	9.5%
University of Missouri	9.3%
University of Pennsylvania	9.0%
Southern Illinois-Carbondale	8.9%
Central Michigan	8.8%
University of Nevada-Reno	8.7%
University of Iowa	8.6%
Grand Valley State	6.9%
University of Minnesota	6.5%
Boise State	6.4%
University of Southern Miss	6.3%
Michigan State	5.9%
Auburn University	5.6%

*Note: Surveyed 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 August 2024*

## Rent Growth Continues to Decelerate in Final Stretch

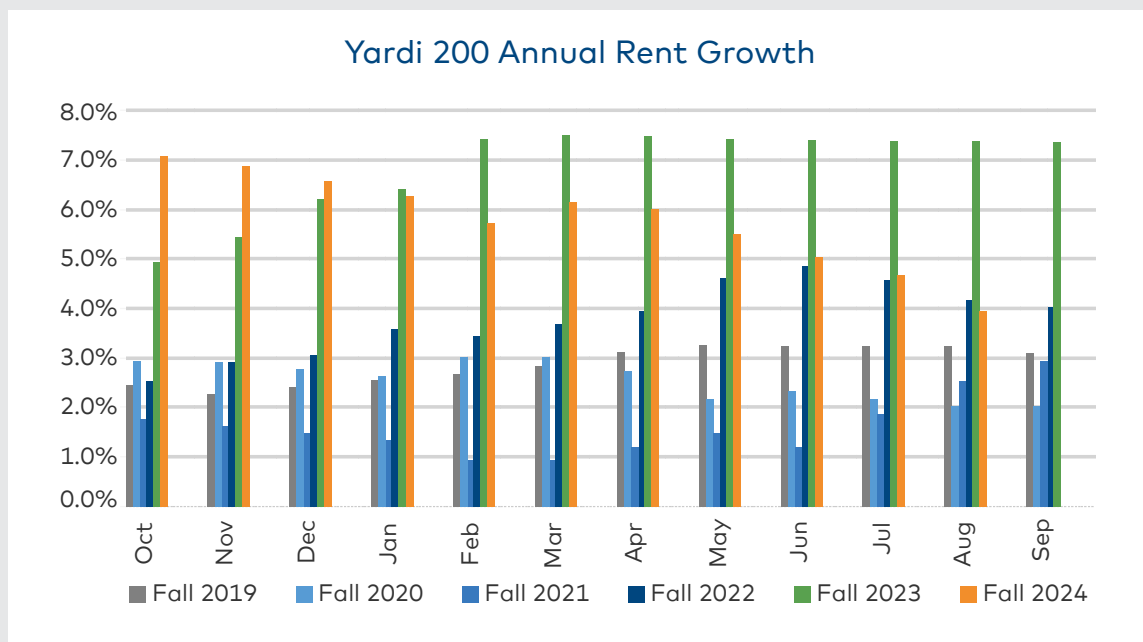
- Average advertised rent per bed for the Yardi 200 was \$892 in August, a \$5 drop from last month, as annual rent growth slipped to 4% from 4.7%. Rent growth has slowed in nine of the past 10 months after starting the leasing season at 7%. The slowdown coincided with a deceleration in preleasing pace, which also began the leasing season extremely strong.
- At a market level, rent growth ranged from -12.8% at UC-Berkeley, which has the highest rents per bed of any market at \$2,542 per bed, to 16.3% at Kennesaw State, where operators dropped rates at this time last year to fill beds. Twenty-nine schools with 283 properties posted double-digit rent growth in August, while 33 schools with 257 properties had rent declines greater than 1%.

All of the top 10 markets for rent growth had flat or increasing enrollment last year, averaging 3.3% growth versus 0.4% for the entire Yardi 200. On the other hand, the bottom 10 markets for rent growth posted an average enrollment decline of 0.9%, and a few had a significant amount of new supply deliver recently, including UC-Berkeley, Washington State and Minnesota.

Most of the schools with at least 10% rent growth have preleased very well this year, including 11 out of 28 that were at least 98% preleased in August. There were a few exceptions—like Carnegie Mellon/Pitt, which was 86.2% preleased but with

14.3% rent growth; UNC-Charlotte, 84.4% preleased with 13.7% rent growth; and Indiana, impacted by new supply and only 80.5% preleased with 10% rent growth.

Of the 33 schools with a rent decline greater than 1%, 18 are less than 90% preleased, and half of the bottom 10 are less than 85% preleased. This group includes previously mentioned UC-Berkeley (78.9% preleased with -12.8% rent growth), Washington State (75.5% preleased, -9.3% rent growth), Miami-Oxford (80.2% preleased, -7.5% rent growth) and Memphis (61.2% preleased, -7.4% rent growth).



Source: Yardi Matrix

# Top Student Housing Market Fundamentals

University	Off-Campus Student Housing		Preleasing		Rent Per Bed	
	Beds Completed	Beds Under Construcion	Aug-24	Y-o-Y	Aug-24	Y-o-Y
Virginia Tech	9,392	0	99.8%	3.9%	\$956	3.9%
Auburn University	13,044	0	99.5%	5.6%	\$868	10.4%
Purdue University	10,142	1,371	99.5%	-0.3%	\$922	10.4%
University of Missouri	14,534	0	99.2%	9.3%	\$700	-0.4%
University of Kentucky	6,852	280	99.1%	-0.1%	\$866	12.9%
University of Tennessee	9,609	3,371	98.6%	-1.2%	\$1,124	14.9%
North Carolina State	9,501	1,926	98.4%	-0.2%	\$986	5.1%
University of Oklahoma	7,072	0	98.3%	-0.2%	\$738	9.5%
Michigan State	13,595	0	97.4%	5.9%	\$844	6.6%
University of Arizona	8,085	648	97.3%	0.0%	\$1,182	10.2%
Louisiana State University	11,851	0	97.2%	4.6%	\$725	7.2%
University of Alabama	12,900	0	96.9%	3.4%	\$912	11.5%
Florida State University	28,882	2,436	96.8%	-0.8%	\$840	4.7%
Texas A&M	32,130	1,657	96.8%	0.8%	\$791	5.2%
Iowa State	8,046	0	96.7%	1.3%	\$624	1.3%
University of Central Florida	16,402	1,338	96.5%	-3.2%	\$1,051	8.7%
University of Arkansas	10,236	0	95.1%	-3.6%	\$885	10.5%
University of Wisconsin	7,863	2,043	95.0%	-4.6%	\$1,313	6.2%
University of Texas	24,819	578	94.4%	-0.2%	\$1,193	5.7%
University of Illinois	14,115	215	94.3%	2.1%	\$877	1.0%
Penn State	16,060	392	94.1%	-2.6%	\$962	3.0%
University of Michigan	7,227	1,520	93.7%	-5.0%	\$1,529	1.9%
University of South Florida	15,906	759	93.6%	-2.3%	\$898	-0.3%
University of Georgia	14,058	1,465	93.4%	-5.2%	\$844	2.3%
University of Maryland	9,326	989	93.2%	4.7%	\$1,212	-3.7%
University of South Carolina	12,198	940	92.5%	5.5%	\$875	3.1%
University of Florida	29,998	996	92.4%	0.5%	\$774	-0.5%
Georgia Tech	9,355	0	90.9%	0.7%	\$1,277	-1.6%
Ohio State University	6,857	1,220	90.7%	-0.1%	\$1,135	13.3%
Texas Tech	16,586	679	89.1%	-0.9%	\$609	-2.6%
Clemson University	10,752	601	88.2%	-8.2%	\$980	8.9%
Indiana University	11,802	591	88.1%	2.7%	\$978	6.1%

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



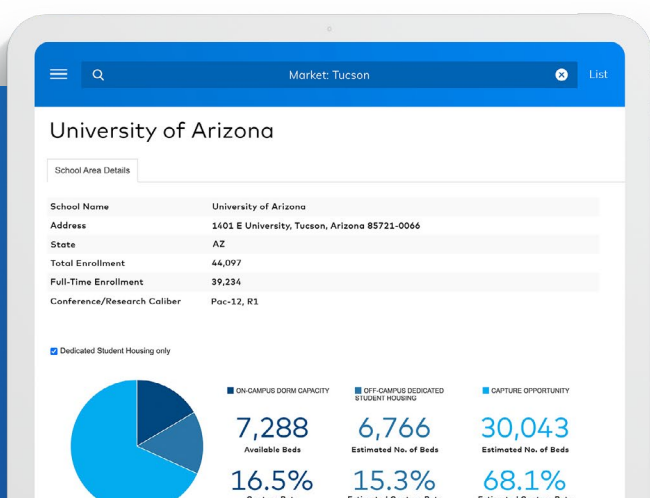
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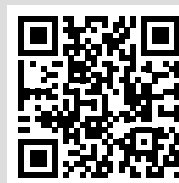
Yardi Matrix Student covers markets across the U.S., with a data set of over 2,000 colleges and universities including the top 200 of every major athletic conference.



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