



Yardi Matrix

# National Student Housing Report

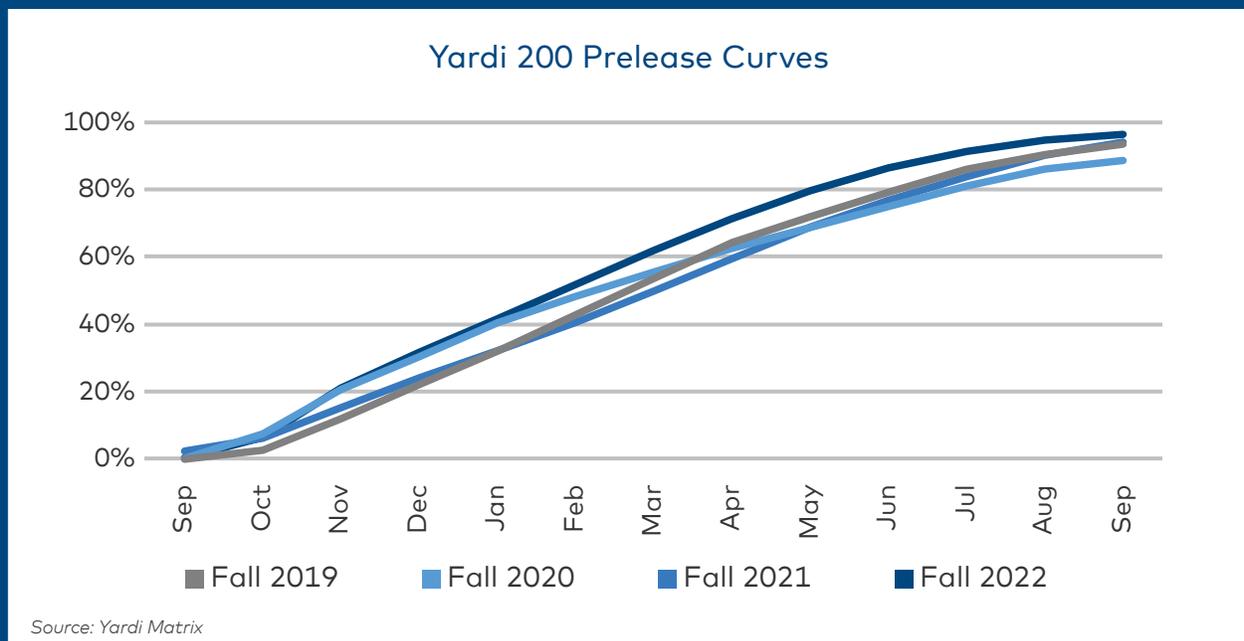
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Fourth Quarter 2022



## Student Housing Continues Stellar Performance in Q3

- The student housing industry continued to outperform in the third quarter as universities welcomed students back to campus. The fall 2022 preleasing period closed with a record percentage of bedrooms leased in September, and rent growth remained very strong. Meanwhile, elevated transaction activity continues despite rising interest rates, and the new-supply pipeline is robust. Overall, confidence in the sector is strong, although there are signs of some slowing.
- Healthy demand for student housing continues to support strong fundamentals. While official enrollment numbers for the 2022-2023 school year have yet to be announced, early indications show a similar pattern to last year, with a lot of disparity in enrollment by school type. Highly selective universities with strong name recognition continue to get a flood of applications, while the opposite is true for less selective schools and community colleges. Meanwhile, student housing supply at a number of universities with increasing enrollment hasn't been sufficient to house the incoming class. A problem that used to be unique to California schools has now become more widespread, with stories of universities making deals with local hotels to house students who can't find on- or off-campus student housing options.
- The fall 2022 preleasing period ended in September with 96.6% of bedrooms at Yardi 200 universities leased, marking another record-breaking year. Meanwhile, annual rent growth was 4.1% as of September, exceptionally high by historical standards. While student housing rent growth is starting to decelerate, there is still a significant spread between student housing and multifamily rents, which could support continued growth over the next couple of years. The impact of multifamily rent trends on student housing will be stronger in university areas with a prominent shadow market, given the availability of options within a close radius.



# Student Housing Preleasing: Another Record-Breaking Leasing Season

- The fall 2022 preleasing period ended with another consecutive record high. As of September, 96.6% of beds at Yardi 200 universities were leased, marking a 2.3% increase over last year's record high.
- Just over a quarter of all Yardi 200 universities were fully leased by the time the fall 2022 school year started last month, and over half of universities were more than 97% leased.
- The pace of preleasing was a bit quicker for selective universities with higher enrollment. However, the positive performance was widespread among university types across the country. Twelve universities had double-digit growth in preleasing levels in September compared to last year, with Washington State University (18.9% growth) and the University of Houston (16.4%) topping the list.
- Very few universities struggled with leasing for the 2022-2023 school year. The University of South Alabama (80.6% preleased) had the lowest percentage of bedrooms preleased as of September, although that was a record high for the university. Thirty of the Yardi 200 universities had a drop in percentage preleased compared to last year, but the drops were not significant.
- The University of California-Riverside (12.4% loss in preleasing compared to last year) had the greatest drop in preleasing compared to last year. Preleasing this year is more consistent with historical norms, after an unusually high preleasing season last year.

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

University	YOY Growth in % Preleased
Washington State University	18.9%
University of Houston	16.4%
University of South Alabama	13.4%
Ball State University	13.1%
Portland State University	13.0%
University of California-Berkeley	12.0%
University of North Carolina Wilmington	11.7%
University of Memphis	10.8%
Saint Louis University	10.6%
The University of Alabama	10.5%
University of Arizona	10.1%
University of Mississippi	10.0%
University of Cincinnati	9.4%
Wichita State University	9.3%
Oklahoma State University	8.2%
University of Notre Dame	8.2%
Rochester Institute of Technology	8.0%
University of Kansas	7.6%
Miami University-Oxford	7.3%
University of Louisville	7.2%

*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 September 2022*

## Rent Growth Strong, But With Signs of Cooling

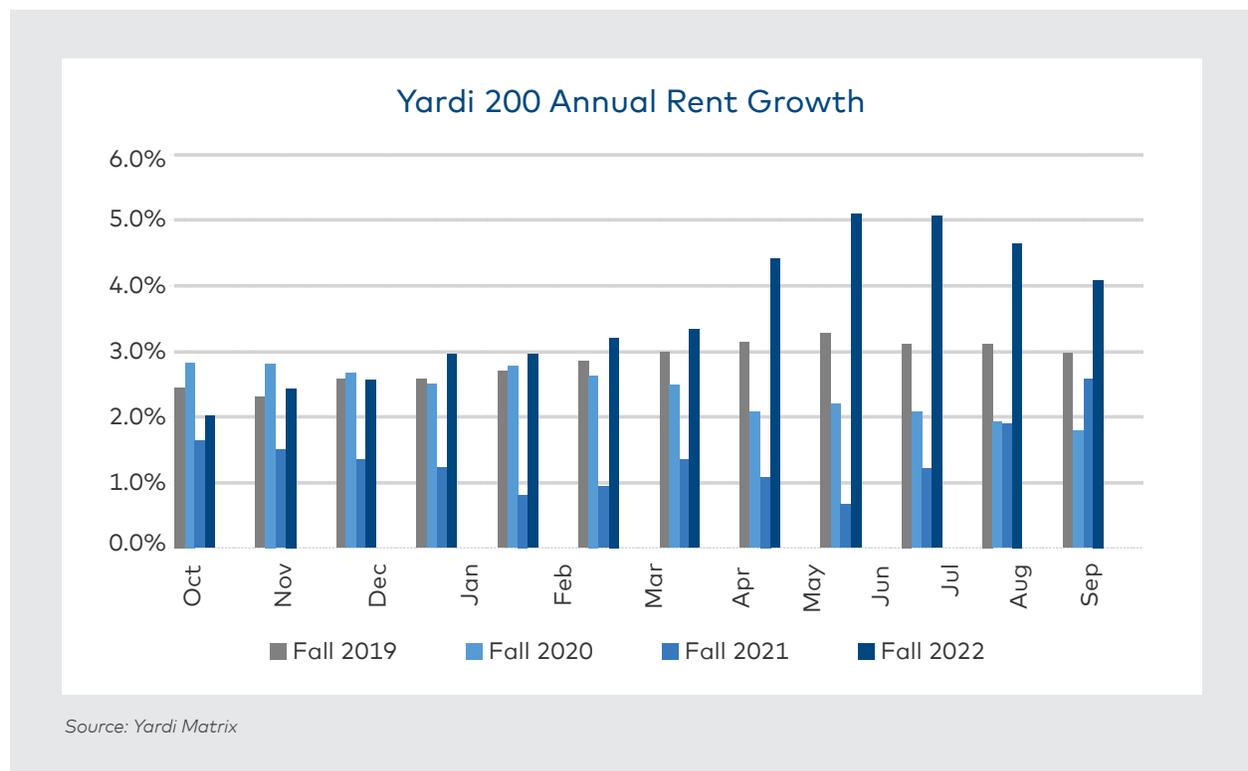
- Annual rent growth at Yardi 200 universities was 4.1% as of September, down from the peak 5.1% growth earlier this year but still strong. The average rent per bedroom was flat at \$789 in September, unchanged from last month.
- There is still a significant spread between student housing and multifamily rents. Although rent growth at the Yardi 200 level is showing signs of cooling, universities in urban markets competing with multifamily properties may still have room for growth, considering the alternative options students have between the dedicated student housing market and the shadow market.

While rent growth is starting to decelerate, many universities still have exceptional growth. Among Yardi 200 universities with four or more properties, 12 had double-digit annual rent growth as of September, led by Northern Arizona University (17.7%) and the University of California-Santa Barbara (17.3%).

Only four universities in the Yardi 200 with four or more properties had negative annual rent growth as of September, led by the University of South Alabama with a decrease of 3.3% over last year.

However, the University of South Alabama also had the third-highest growth in preleasing, at 13.4% over last year, so properties chose to prioritize leasing up quickly at the expense of some rent growth.

Despite rents starting to cool a bit across the country, a surge in applications to competitive universities and exceptional preleasing activity across the country indicate rent growth should remain healthy over the short term.



## New Supply Pipeline Starting to Cool

- The new-supply pipeline for dedicated off-campus student housing has decreased by a few thousand bedrooms since last quarter, but remains strong. A little over 130,000 bedrooms were in various stages of development at Yardi 200 universities as of September, with almost 62,000 currently under construction.
- While new supply is scattered geographically, the University of Texas at Austin has a particularly large pipeline, with more than 5,000 bedrooms currently under construction. The Union on 24th in Austin started construction this year and will add more than 1,500 bedrooms to the West Campus when complete. Although the capture opportunity at the university is on the lower end at 47.7%, preleasing and rent growth have been solid.
- Student housing deliveries are starting to show signs of slowing. About 18,000 new bedrooms have been delivered at Yardi 200 universities over the past 12 months, down from 30,000 bedrooms last quarter. With recent news of supply shortages at a handful of universities, a shrinking new-supply pipeline could boost preleasing and rents but pose a problem for universities unable to house students.

### Top 20 Universities With the Most Bedrooms Under Construction

University	Bedrooms Under Construction	Bedrooms Under Construction as a % of Enrollment	Capture Opportunity	% Released as of Sep 2022
The University of Texas at Austin	5,315	10.5%	47.7%	98.7%
Indiana University-Bloomington	3,979	9.2%	55.9%	97.8%
University of Michigan-Ann Arbor	3,714	7.8%	61.6%	94.6%
Florida International University	3,553	6.0%	90.9%	100.0%
Georgia Institute of Technology	3,163	8.0%	58.0%	99.2%
University of Maryland-College Park	2,922	7.2%	53.3%	96.5%
University of Washington-Seattle Campus	2,820	5.9%	76.6%	88.2%
University of South Florida	2,107	4.2%	57.5%	99.2%
Washington State University	2,101	6.7%	65.1%	97.3%
University of Florida	1,971	3.7%	35.1%	96.4%
University of Nebraska-Lincoln	1,878	7.5%	57.6%	94.8%
University of California-Davis	1,778	4.6%	67.0%	99.9%
University of North Carolina at Charlotte	1,451	4.8%	54.0%	97.0%
Florida State University	1,355	3.1%	20.7%	97.7%
Clemson University	1,343	5.1%	42.8%	98.9%
University of Oregon	1,252	5.8%	42.3%	95.7%
University of California-Berkeley	1,084	2.6%	75.7%	93.7%
Auburn University	1,073	3.5%	48.9%	92.8%
Virginia Polytechnic Institute and State University	1,045	2.8%	57.1%	93.1%
Pennsylvania State University	1,039	2.3%	41.6%	100.0%

Note: Prelease rates for universities are based solely on properties that participate in our phone surveys.  
Source: Yardi Matrix, data as of September 2022

# Investor Interest Persists in the Sector

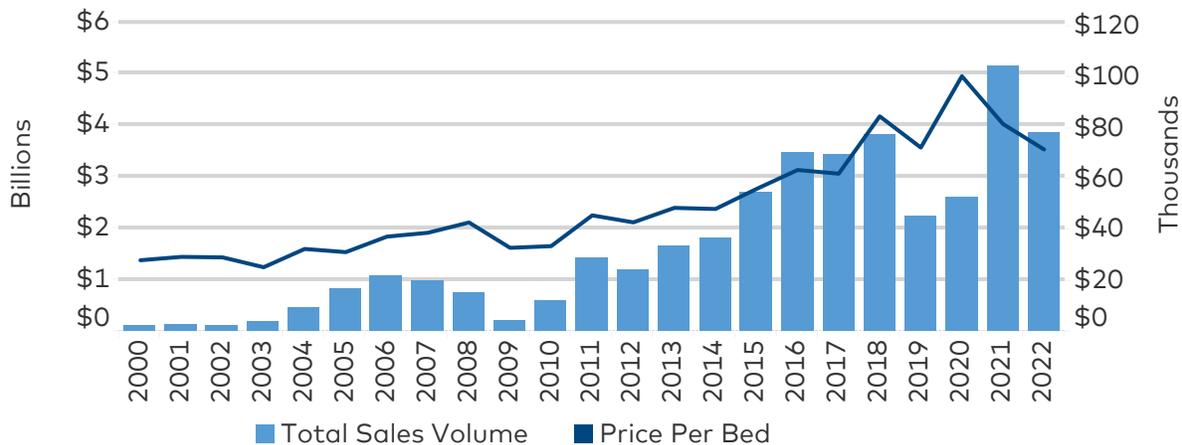
- Impressed by the sector's strong performance, investors continue to flock to student housing. With about \$3.9 billion in sales volume at Yardi 200 universities through September, transaction activity is approaching last year's record levels, although the average sales price per bed seems to be moderating.
- Student housing is attractive because it has high growth prospects and is not as competitive as multifamily. However, the rapid increase in interest rates is almost certain to take a toll on deal flow and pricing.
- Universities in the South and Southwest continue to attract the most investment, given their ability to maintain strong enrollment, preleasing and rent growth.

## Top 15 Universities With the Most Sales Volume

University	YTD Sales Price Per Bed (Thousands)	YTD Sales (Millions)
Yardi 200	\$71.99	\$3,878.41
Arizona State University-Tempe	\$143.66	\$335.58
University of South Florida	\$80.34	\$314.75
University of North Carolina at Charlotte	\$70.62	\$218.28
The University of Tennessee-Knoxville	\$110.44	\$181.89
Middle Tennessee State University	\$53.43	\$151.95
Texas State University	\$76.93	\$137.56
University of South Carolina-Columbia	\$96.27	\$136.71
Florida State University	\$59.03	\$129.04
Arizona State University-Downtown Phoenix	\$193.76	\$118.00
University of Pennsylvania	\$163.99	\$105.78
University of Arizona	\$126.50	\$103.60
University of Mississippi	\$46.32	\$86.02
Louisiana State University and Agricultural & Mechanical College	\$89.20	\$80.10
University of Florida	\$46.17	\$75.17
University of North Carolina at Chapel Hill	\$95.66	\$52.04

Source: Yardi Matrix, data as of September 2022

## Yardi 200 Total Sales



Source: Yardi Matrix

## University Fundamentals, Sorted by Top Rent Growth

University	Fall 2022 Annual Rent Growth Sep 2022	Fall 2022 Annual Prelease Growth Sep 2022	Fall 2022 Current % Preleased Sep 2022	Capture Opportunity	Bedrooms Under Construction as a % of Enrollment	Enrollment Growth 2019-2020
Northern Arizona University	17.7%	1.5%	99.8%	41.6%	2.6%	-3.8%
University of California–Santa Barbara	17.3%	0.0%	100.0%	60.6%	–	-0.5%
Ohio State University	16.9%	4.6%	99.2%	67.9%	0.7%	0.0%
Rochester Institute of Technology	14.3%	8.0%	100.0%	41.0%	3.6%	-0.6%
University of Memphis	13.9%	10.8%	90.9%	83.9%	–	2.4%
University of Oregon	12.8%	-3.8%	95.7%	42.3%	5.8%	-3.4%
University of California–Berkeley	12.6%	12.0%	93.7%	75.7%	2.6%	-2.0%
Baylor University	11.9%	3.4%	100.0%	35.7%	–	7.0%
The University of Tennessee–Knoxville	11.6%	0.3%	100.0%	48.4%	–	3.7%
Kent State University at Kent	11.4%	1.2%	100.0%	64.3%	–	-3.2%
University of Wisconsin–Madison	11.2%	0.0%	100.0%	65.7%	–	0.9%
Western Michigan University	10.8%	-1.1%	94.3%	39.7%	–	-7.4%
University of Colorado Colorado Springs	10.3%	1.8%	98.0%	67.7%	–	-3.3%
University of Georgia	9.4%	1.6%	97.9%	47.1%	1.6%	0.6%
Brigham Young University–Provo	9.2%	1.0%	98.2%	64.0%	1.0%	6.2%
Kansas State University	9.2%	5.9%	100.0%	64.6%	–	-4.0%
The University of Texas at Arlington	9.1%	1.4%	100.0%	73.4%	–	-1.2%
University of Toledo	8.9%	-1.7%	98.0%	67.8%	–	-7.0%
University of Southern California	8.9%	-2.7%	97.3%	73.5%	1.0%	-4.2%
Kennesaw State University	8.7%	0.5%	100.0%	72.4%	0.4%	8.9%
Texas A & M University–College Station	8.7%	3.5%	98.2%	41.0%	1.2%	2.5%
Miami University–Oxford	8.7%	7.3%	92.1%	36.9%	–	-4.2%
Clemson University	8.5%	-0.2%	98.9%	42.8%	5.1%	2.3%
University of Florida	8.2%	0.4%	96.4%	35.1%	3.7%	1.8%
University of North Texas	7.9%	4.3%	99.9%	61.1%	1.1%	4.1%
Syracuse University	7.8%	5.6%	99.9%	47.6%	–	-6.7%
University of Cincinnati	7.8%	9.4%	100.0%	73.2%	–	4.0%
University at Buffalo	7.7%	-4.8%	92.9%	67.5%	–	1.3%
Middle Tennessee State University	7.5%	-0.2%	96.2%	61.6%	–	1.7%
University of Louisiana at Lafayette	7.5%	1.8%	88.8%	64.9%	–	-2.9%

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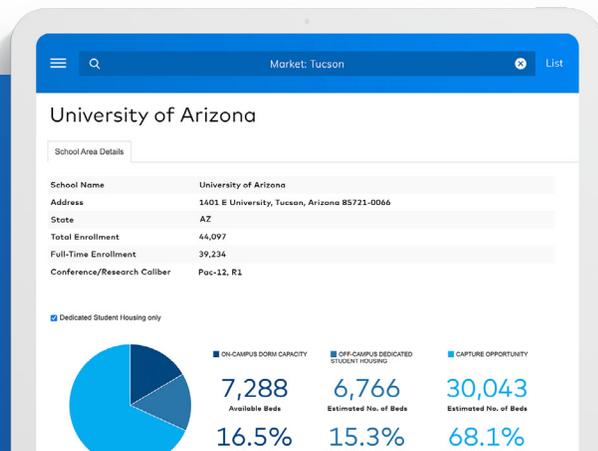
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