



Yardi[®] Matrix

National Student Housing Report

First Quarter 2023



Student Housing Maintains Positive Outlook in 2023

- The student housing industry concluded its best year on record in 2022, and momentum is strong heading into the new year, even as the effect of higher interest rates takes hold in the economy and has led multifamily rents to decelerate. Yet student housing remains largely unaffected, as the industry typically does better during times of economic volatility.
- The enrollment story we've seen since the start of the pandemic remains: Highly selective universities with name recognition are maintaining their interest among incoming students, while smaller schools are having more difficulty with enrollment. Universities that weren't able to recover financially from the pandemic and struggle with enrollment will continue to close or consolidate, as was the case with the dozens of universities that made announcements over the past couple of years.
- The slowing economy is having an impact on new supply. With interest rates increasing, the new-supply pipeline is contracting. The development pipeline for Yardi 200 universities—including planned, prospective and under-construction properties—decreased by over 3,000 bedrooms from December to January, representing a 2.6% contraction. The shrinking new-supply pipeline paired with the closing and consolidating of many universities nationwide will lead to more competition for housing, ultimately buoying rent growth and speeding up the rate of preleasing.
- As of December, 48% of beds at Yardi 200 universities were already leased for the fall 2023 school year, representing a new record high for this time of year. Rent growth also remained strong in December, at 4.7% annual growth. With over eight months to go until the start of the next school year, we anticipate 2023 being another record-breaking year for student housing performance.

