



Yardi[®] Matrix

National Student Housing Report

Third Quarter 2023



Student Housing Maintains Solid Performance Through Q2

- The off-campus dedicated student housing sector continues to perform well as the fall 2023 term approaches. Despite an anticipated mild recession in the fourth quarter of this year, we expect student housing fundamentals to perform well, as the sector is typically less impacted by recessions than other commercial real estate property types.
- As of June, 86.6% of beds at Yardi 200 universities were preleased for the upcoming fall term, a 5.2% increase from the prior month and a slight 0.4% increase over last year. June also marked the fifth consecutive month of annual rent growth over 7% at Yardi 200 universities, at 7.2%. Given that 2022 held the previous rent record for student housing, obtaining more than 7% growth off of previous record-high numbers is exceptional. The average rent per bed at Yardi 200 universities was \$846 at quarter-end, a new all-time high.
- Under the surface of solid overall fundamentals at the Yardi 200 level is mixed performance at individual schools, as some universities are doing exceptionally well while others fall short. Performance at the university level is mainly correlated to local supply-and-demand dynamics rather than higher-level trends.
- Though the industry has maintained record rent growth and preleasing activity, the sector isn't totally unscathed by current economic conditions. Transaction volume through the second quarter was down about 73% from the same time last year, a stark reminder of the weakening economic sentiment and the looming recession expected later this year.
- Even so, weakening investor interest hasn't slowed the off-campus dedicated student housing development pipeline, which expanded by approximately 28,000 bedrooms since the start of the year.

