



Yardi[®] Matrix

National Student Housing Report

August 2023



Student Housing Preleasing Reaches 90%

This report inaugurates our monthly coverage of student housing performance trends. This first report focuses on preleasing and rental rates, while future reports will include a rotating special topic such as enrollment trends, transaction volume or development activity.

- The off-campus dedicated student housing sector has continued to outperform previous years and other property types as the fall 2023 term approaches. Preleasing was near a record high for July, and year-over-year rent growth throughout the leasing season has been ahead of last year. The sector is in prime position to weather a potential recession, with solid occupancy and rent growth for the 2023-2024 school year and counter-cyclical demand.
- As of July, 90.9% of beds at Yardi 200 universities were preleased for the upcoming fall term, a 4.6% increase from the prior month and about even with last year. Preleasing has slowed recently from rapid growth at the beginning of the leasing season. Month-over-month rent growth has also decelerated. Despite the drop, fall occupancy is projected to reach last year's level at around 96%, while rent growth remains high at 7.1% year-over-year.
- Despite solid fundamentals nationally, there are a handful of schools that are underperforming on preleasing and rent growth due to a variety of factors, including weak enrollment growth and new supply. Thirty-five universities in the Yardi 200 were 5% or more behind last year's preleasing pace, and 33 schools experienced rent declines year-over-year in July.
- Interest rate increases have taken their toll on investment sales. The number of beds sold in the first half of 2023 was down 73.1% year-over-year, while the price per bed was down 10.0% vs. last year, to \$66,823 per bed. Future reports will cover this topic and development on a quarterly basis.
- Strong and consistent fundamentals continue to fuel development, and Yardi Matrix projects approximately 40,000 new beds to deliver in fall 2023 at Yardi 200 universities, vs. 27,000 delivered in fall 2022. Solid preleasing and rent growth suggests much of the supply has already been absorbed.

