Yardi® Matrix

National Student Housing Report

January 2024

Preleasing Tops Previous Year

This month's report picks up coverage of the 2024-2025 leasing season, with preleasing jumping out well ahead of last year's record pace and rent growth remaining strong amidst rent declines in other sectors.

■ Final occupancy for the Yardi 200 markets for fall 2023 settled at 94.6%, compared to 96.2% in fall 2022. Lower occupancy can be attributed to new properties that delivered late or struggled with preleasing. New 2023-built properties only reached 81.7% occupancy for the fall 2023 semester.

■ Preleasing for the 2024-2025 school year is off to a record start, reaching 47.3% in December 2023, compared to 38.4% in December 2022. Strong preleasing is indicative of heavy renewal activity as students vie for housing in markets with limited supply. Fifty-one university markets have already filled half their beds, while 10 are at least 75% preleased.

■ Average asking rent per bed continues to reach new highs, at $858 in December, up 4.9% year-over-year. Rent growth has slowed from 6.4% in October and is behind the 6% of December 2022. Many of the markets with the fastest preleasing are seeing the strongest rent growth, as operators take advantage of the surge in demand. Twenty-seven schools with 10%+ rent growth in December are, on average, 5% ahead of preleasing last year.

■ Yardi has collected fall 2023 enrollment data for more than 150 schools, which shows a rebound in enrollment growth this year. Total enrollment for these schools is up 1.4% from last year, compared to 0.5% growth in fall 2022, and has benefited the largest schools. Some of the schools with the highest enrollment growth this year have also been among the best performing.

■ Student housing sales are down noticeably this year as higher interest rates continue to impact commercial real estate investment. Early 2023 data reveals 73 properties sold in the Yardi 200 markets, vs. an average of 205 properties sold annually in 2021 and 2022, and a pre-COVID average of 121 properties sold per year. The investment environment has also affected pricing, with an average sale price of $75,310 per bed in 2023, compared to $78,884 per bed in 2021-2022.

Yardi 200 Prelease Curves

Source: Yardi Matrix

Legend: Fall 2019, Fall 2020, Fall 2021, Fall 2022, Fall 2023, Fall 2024