



Yardi[®] Matrix

National Student Housing Report

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.

