



Yardi<sup>®</sup> Matrix

# National Student Housing Report

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April 2024



## Preleasing and Rent Growth Outpace Historical Average

Preleasing continues to outpace all previous years and rent growth remained strong in March. Yardi Matrix will host a webinar April 18 at 1 PM EST with a detailed dive into these trends and more by market.

- Preleasing in March 2024 hit 67.7%, 240 basis points above March 2023. The spread in preleasing has started to come down as we have verified data from more properties, but is still more than 10% ahead of the average from 2019-2022. Strong preleasing is an indication of solid demand from growing enrollment and suggests the market is easily absorbing any new beds for fall 2024.
- Average rent per bed reached \$895 in March 2024, up 6% from March 2023. Year-over-year growth had shown signs of slowing in previous months, but reaccelerated in March as preleasing continued to trend above last year. Rent growth in the sector has averaged 6.2% over the course of the leasing season, making student housing one of the best-performing commercial real estate sectors.
- Yardi Matrix has collected detailed fall 2023 enrollment data from 183 schools, which showed a strong rebound in growth from the previous year. Total enrollment was up 0.7% year-over-year, compared to -0.5% in fall 2022. Enrollment growth has mostly benefited large, primary state schools in Power 5 conferences, which has translated to stronger performance at these schools, as well.
- Yardi Matrix's supply forecast projects 46,285 new beds will deliver in 2024, a sharp increase from 37,576 beds delivered in 2023 and near the peak years of 2013 and 2014. Over the next five years, supply will drop below the long-term average of 36,322 beds per year going back to 2010.
- This year's student housing sales are shaping up to be similar to 2023, with 12 properties sold in Q1 2024 compared to 11 in Q1 2023. Both were down from the more than 50 sold in Q1 2022 and average of 32 properties sold in Q1 2017-2021. Although there is heightened interest in the sector, sales have been impacted by higher interest rates, which have kept sellers on the sidelines waiting for interest rates and cap rates to come back down. There have been a few high-profile trades so far, with three over \$100,000 per bed and two over \$200,000.

