

BERKADIA STUDENT HOUSING REPORT

FALL 2021

BERKADIA[®]

STUDENT HOUSING

a Berkshire Hathaway and Jefferies Financial Group company



INTRODUCTION

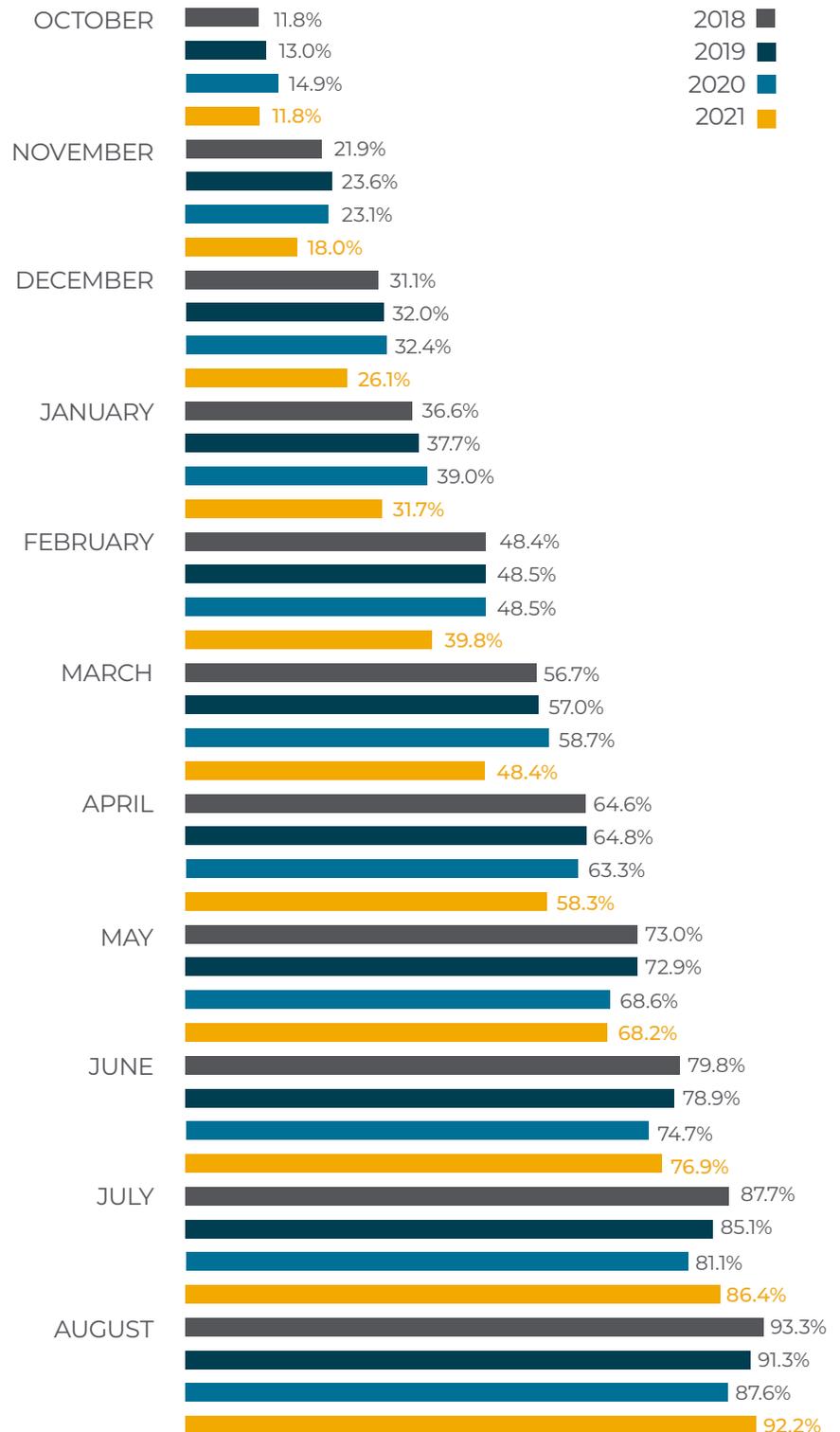
The student housing industry is emerging from the Covid-19 pandemic with proven strength and resiliency. Universities across the nation are reporting strong enrollment and students are continuing to return to the classroom environment. Our research shows pre-leasing started slowly, maintained constant momentum, and resulted in a fall occupancy rate of 92.2%, a market increase of 90 basis points over August 2019.

Tier 1 schools are leading the recovery with more available capital than student product. The discipline in development has resulted in the lowest off-campus new supply rate in almost a decade, creating an environment for positive rental and occupancy growth. Transaction volume is returning to former levels as an influx of capital is becoming available and positive returns are being realized. Emerging from this worst-case scenario, the future of student housing is robust and promising.

HISTORICAL PRELEASE



WRIGHT STATE PORTFOLIO
FAIRBORN, OH



PRELEASE %

BY REGION AND DISTANCE

REGION	2020 REGIONAL LEASE RATE*	2021 REGIONAL LEASE RATE*	CHANGE (BPS)
Midwest	88.6%	90.5%	190
Northeast	91.7%	91.0%	-70
Rocky MTN	90.9%	93.9%	300
Southeast	87.8%	92.9%	510
Texas/OK	86.0%	92.9%	690
West Coast	75.6%	89.5%	1,390
Weighted Avg	87.6%	92.2%	460

	2020 LEASE BY DISTANCE*	2021 LEASE BY DISTANCE*	CHANGE (BPS)
<0.5	88.3%	92.5%	420
0.5-1.5	87.3%	92.5%	520
>1.5	84.7%	87.7%	300
Weighted Avg	87.6%	92.2%	460

RENTAL RATES

BY REGION AND DISTANCE

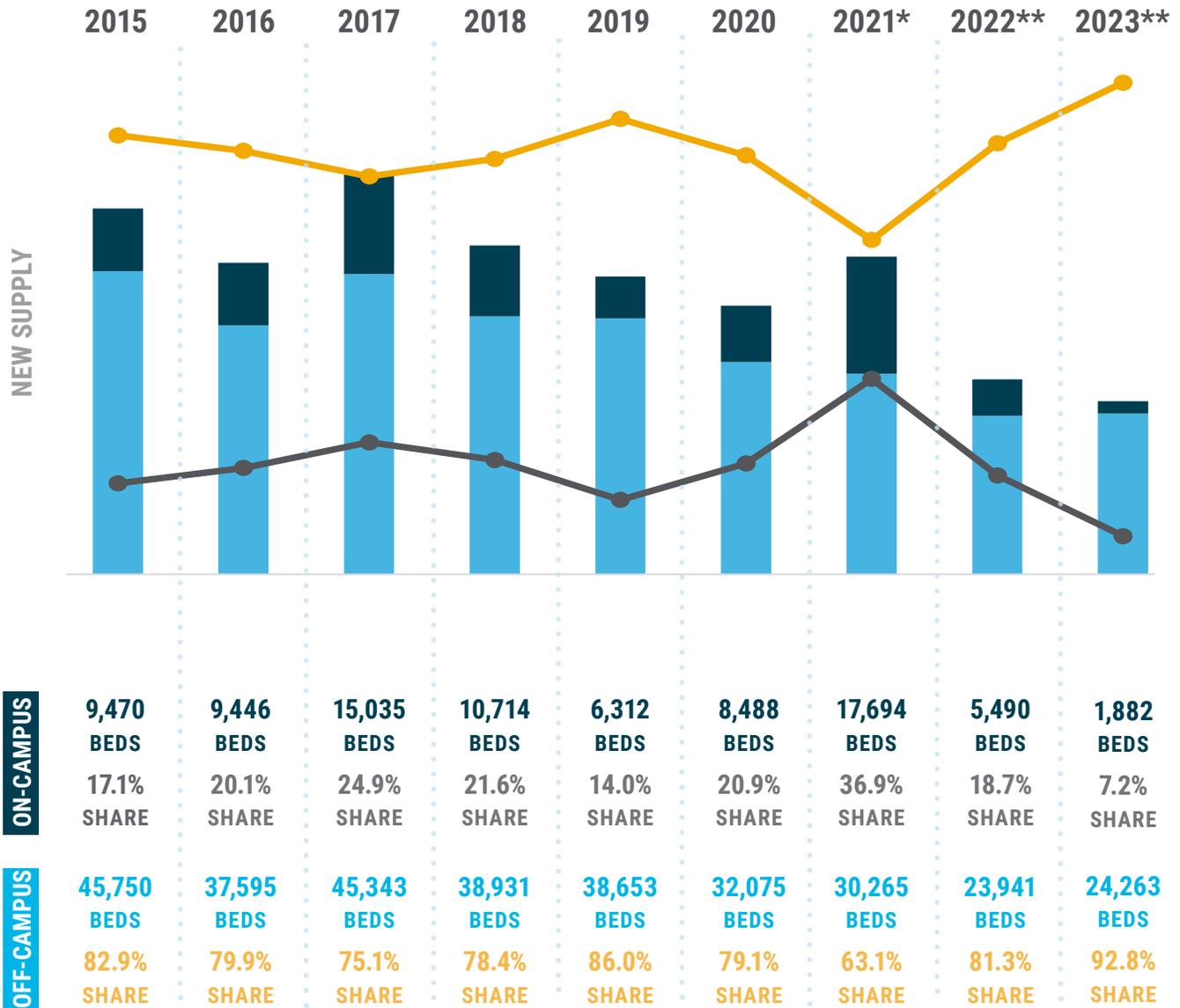
REGION	2020 REGIONAL EFF RENTAL RATE*	2021 REGIONAL EFF RENTAL RATE*	CHANGE
Midwest	\$671	\$688	2.5%
Northeast	\$904	\$937	3.7%
Rocky MTN	\$673	\$706	4.9%
Southeast	\$648	\$676	4.3%
Texas/OK	\$675	\$693	2.7%
West Coast	\$937	\$973	3.8%
Weighted Avg	\$699	\$726	3.9%

	2020 EFF RENTAL RATE BY DISTANCE*	2021 EFF RENTAL RATE BY DISTANCE*	CHANGE
<0.5	\$760	\$788	3.7%
0.5-1.5	\$608	\$629	3.5%
>1.5	\$554	\$579	4.5%
Weighted Avg	\$699	\$726	3.9%

*As of August 2021. Source: Axiometrics; all universities tracked by Axiometrics; stabilized on-campus and off-campus student housing properties.

STUDENT HOUSING NEW SUPPLY

NATIONAL



As of 9/21/2021; Axio Top 175 Schools

*Estimated completions 9/1/2020 to 8/31/2021; under construction or under construction/lease-up stage; subject to change. Some institutions still implementing on-campus living restrictions may result in a portion of new on-campus beds unavailable for occupancy.

**Projected completions 9/1/2021 to 8/31/2022 for 2022 and 9/1/2022 to 8/31/2023 for 2023; subject to change.

STUDENT HOUSING

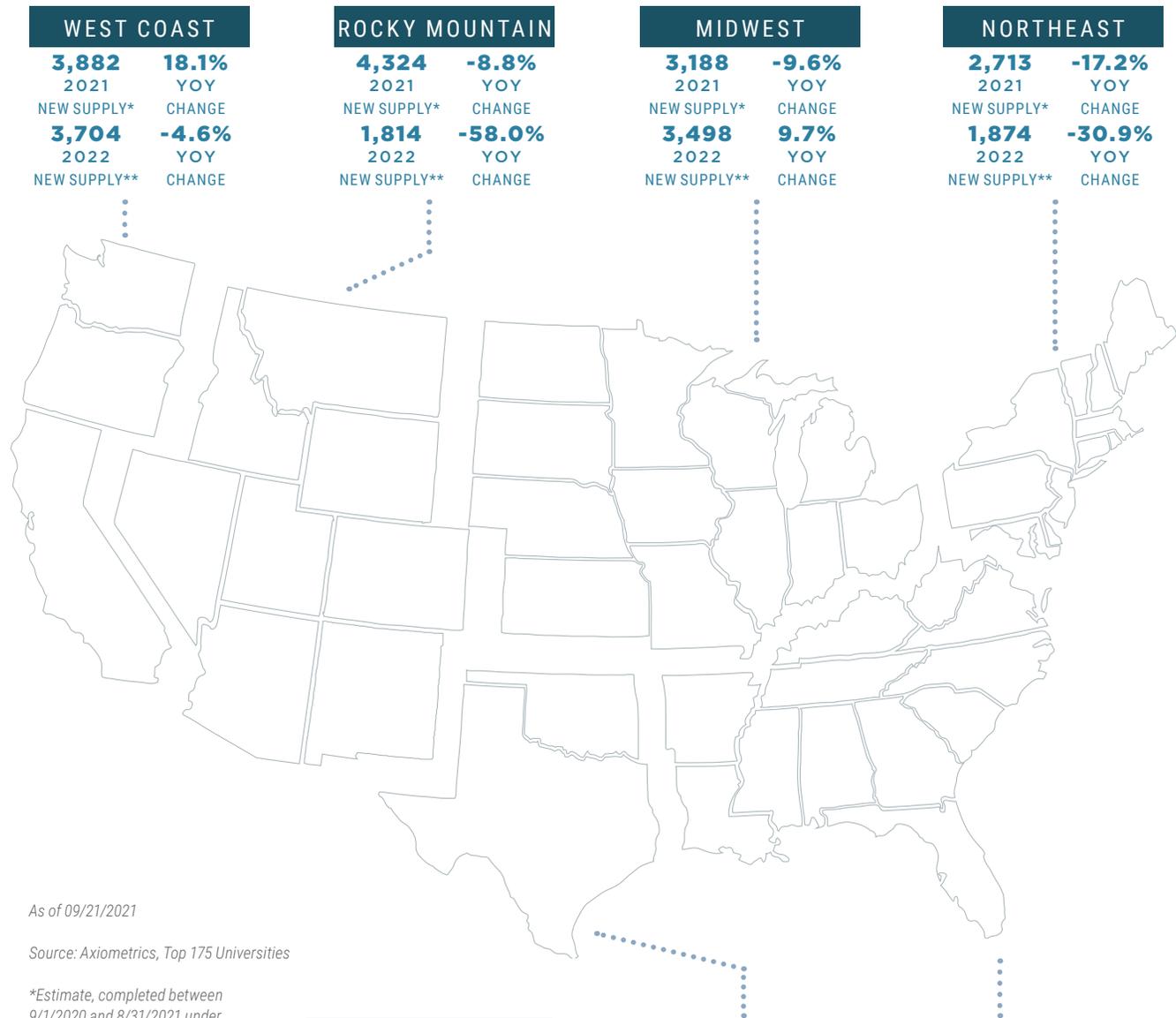
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THE ARROW TOWNHOMES & FLATS
BOZEMAN, MT



PURPOSE-BUILT OFF-CAMPUS

STUDENT HOUSING | NEW SUPPLY – REGIONAL



WEST COAST

3,882	18.1%
2021	YOY
NEW SUPPLY*	CHANGE
3,704	-4.6%
2022	YOY
NEW SUPPLY**	CHANGE

ROCKY MOUNTAIN

4,324	-8.8%
2021	YOY
NEW SUPPLY*	CHANGE
1,814	-58.0%
2022	YOY
NEW SUPPLY**	CHANGE

MIDWEST

3,188	-9.6%
2021	YOY
NEW SUPPLY*	CHANGE
3,498	9.7%
2022	YOY
NEW SUPPLY**	CHANGE

NORTHEAST

2,713	-17.2%
2021	YOY
NEW SUPPLY*	CHANGE
1,874	-30.9%
2022	YOY
NEW SUPPLY**	CHANGE

As of 09/21/2021

Source: Axiometrics, Top 175 Universities

*Estimate, completed between 9/1/2020 and 8/31/2021 under construction and under construction/lease-up stage; subject to change.

**Projected, completion between 9/1/2021 and 8/31/2022; subject to change.

In pre-planning, planning, under construction, or under construction/lease-up, with completion date from 9/1/2021 to 8/31/2022; subject to change.

NATIONAL

30,265	-5.6%
2021	YOY
NEW SUPPLY*	CHANGE
23,941	-20.9%
2022	YOY
NEW SUPPLY**	CHANGE

TEXAS/OKLAHOMA

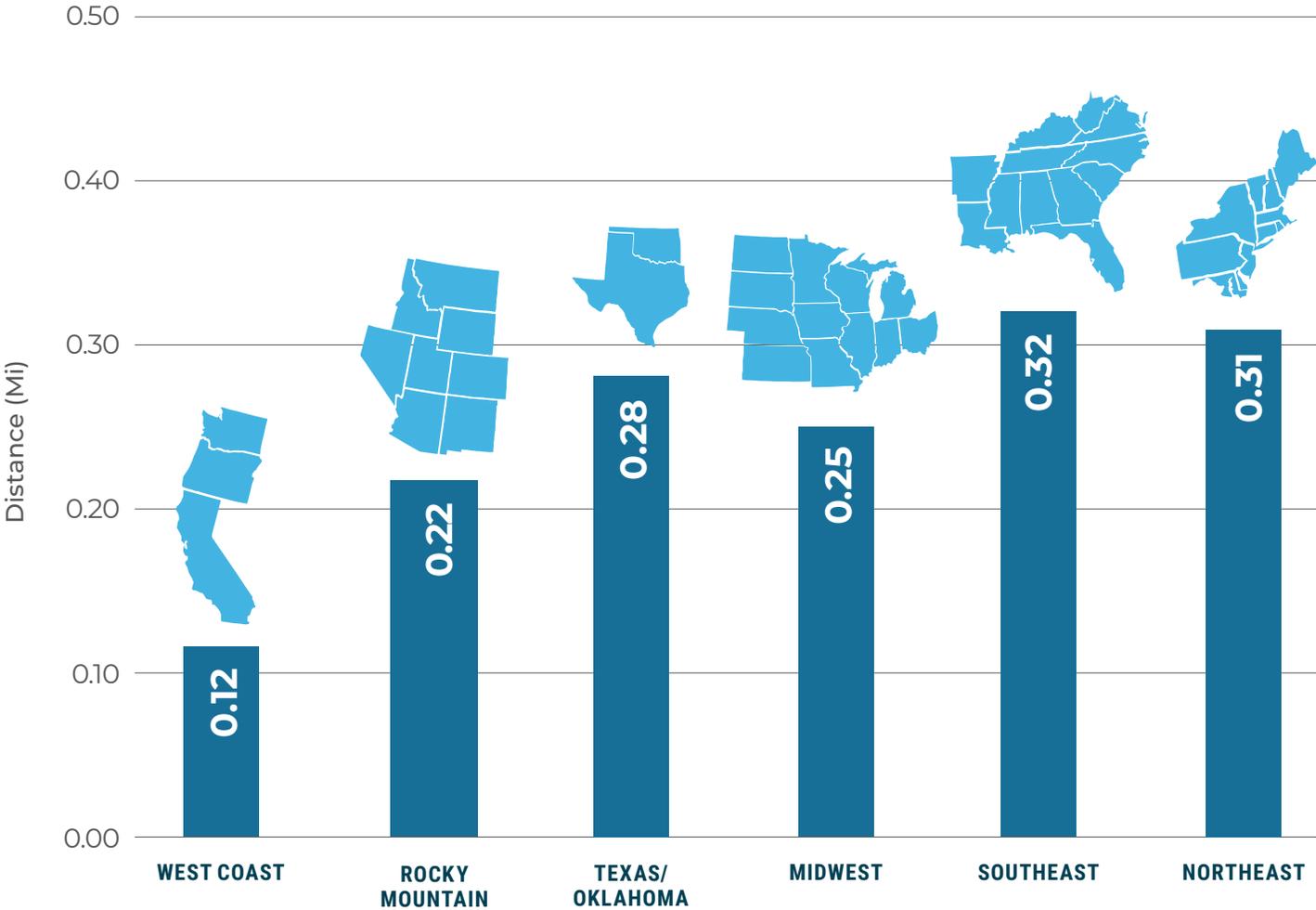
4,358	28.6%
2021	YOY
NEW SUPPLY*	CHANGE
1,215	-72.1%
2022	YOY
NEW SUPPLY**	CHANGE

SOUTHEAST

11,800	-14.9%
2021	YOY
NEW SUPPLY*	CHANGE
11,836	0.3%
2022	YOY
NEW SUPPLY**	CHANGE

OFF-CAMPUS UNDER CONSTRUCTION

MEDIAN DISTANCE OF STUDENT HOUSING COMMUNITIES FROM CAMPUS



Axio 175, off-campus student housing properties with completion scheduled 9/1/2021 to 8/31/2026. Source: Axiometrics; minimum number of beds surveyed: 2,195.

CLEMSON LOFTS
CLEMSON, SC



OFF-CAMPUS SUPPLY PIPELINE

STUDENT HOUSING

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Enrollment **Over** 30,000 Students

UNIVERSITY	OFF-CAMPUS STUDENT HOUSING BEDS GROWTH 2021*	OFF-CAMPUS STUDENT HOUSING BEDS GROWTH 2022-2024**	ENROLLMENT CHANGE 2021-2024***	ENROLLMENT % CHANGE 2021-2024***
University of Washington	1,356	4,802	1,404	2.9%
Indiana University	0	4,193	1,067	2.4%
Georgia Institute of Technology	1,998	3,343	2,821	7.4%
University of Texas at Austin	2,223	2,887	782	1.5%
Georgia State University	0	2,076	1,662	4.7%
University of Maryland	0	1,929	1,425	3.4%
University of Iowa	0	1,825	1,447	4.5%
University of Minnesota	0	1,644	1,207	2.3%
George Mason University	0	1,538	1,402	3.6%
University of North Carolina - Charlotte	727	1,478	1,886	6.2%

Enrollment **Under** 30,000 Students

UNIVERSITY	OFF-CAMPUS STUDENT HOUSING BEDS GROWTH 2021*	OFF-CAMPUS STUDENT HOUSING BEDS GROWTH 2022-2024**	ENROLLMENT CHANGE 2021-2024***	ENROLLMENT % CHANGE 2021-2024***
Clemson University	1167	1,403	2,116	7.9%
University of Nevada - Reno	762	1,391	1,068	5.0%
University of Nebraska - Lincoln	0	1,275	1,035	4.1%
Towson University	442	792	940	4.1%
University of Tennessee	0	712	780	2.6%
University of Oregon	0	608	738	3.2%
University of Alabama at Birmingham	470	409	1,846	8.1%
Utah State University	0	374	524	3.0%
University of Miami	701	326	596	3.3%
Salisbury University	552	300	102	1.2%

As of 9/21/2021

*Estimate, completed between 9/1/2020 and 8/31/2021; subject to change.

**Projected years 2022 to 2024; planned, pre-planned, under construction, or under construction/lease-up stage, with completion date between 9/1/2021 and 8/31/2024; subject to change.

***Projected years 2021 to 2024; subject to change.

Source: Axiometrics' identified supply among Axiometrics University Ranking Top 175.

TOP 10 ENROLLMENT GROWTH

UNIVERSITIES WITH LARGEST
ENROLLMENT GROWTH (2017 TO 2020)

UNIVERSITY	3-YEAR TOTAL GROWTH	3-YEAR % GROWTH
Georgia Institute of Technology	7,844	26.7%
Georgia Southern University	5,844	28.6%
Utah Valley University	4,863	13.0%
University of Central Florida	4,024	6.1%
University of Illinois - Urbana-Champaign	3,905	8.1%
Purdue University	3,334	8.0%
University of Southern California	3,298	7.2%
University of California - San Diego	3,046	8.5%
Texas A&M University	3,024	4.9%
California State University - Fullerton	2,953	8.1%

Source: Axiometrics. Main campus enrollment may include online students.

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STUDENT HOUSING





WOLF RUN PORTFOLIO
RENO, NV



COLLEGE TOWNE
LANSING, MI

UNIVERSITY EDGE
SOUTH BEND, IN



OCCUPANCY & RENT PER BED

BY TOTAL ENROLLMENT

25K+ STUDENTS

SCHOOL	2020 ENROLLMENT	2021 RENT PER BED	2021 AUG OCCUPANCY
University of Southern California	48,985	\$1,277	100.0%
University of Michigan	48,571	\$1,287	100.0%
University of Wisconsin - Madison	45,090	\$1,005	100.0%
Purdue University	44,907	\$711	100.0%
Kennesaw State University	38,185	\$810	100.0%
University of Central Florida	69,722	\$807	99.9%
University of Maryland	40,987	\$1,135	99.9%
University of South Florida	44,673	\$740	99.8%
San Diego State University	34,099	\$1,028	99.8%
Arizona State University	52,386	\$927	99.6%

Minimum 3,000 beds surveyed

15K - 25K STUDENTS

SCHOOL	2020 ENROLLMENT	2021 RENT PER BED	2021 AUG OCCUPANCY
Illinois State University	20,982	\$632	99.9%
James Madison University	22,256	\$545	99.1%
Appalachian State University	19,454	\$704	99.0%
California State University - Fresno	24,332	\$633	98.4%
University of North Carolina - Greensboro	20,257	\$591	98.3%
Baylor University	18,177	\$638	97.2%
Middle Tennessee State University	21,786	\$538	96.4%
University of Toledo	19,822	\$655	95.0%
Western Michigan University	19,143	\$495	94.6%
Grand Valley State University - Allendale Campus	23,913	\$539	93.0%

Minimum 2,000 beds surveyed

UNDER 15K STUDENTS

SCHOOL	2020 ENROLLMENT	2021 RENT PER BED	2021 AUG OCCUPANCY
University of New Hampshire	14,740	\$877	100.0%
Arkansas State University	14,040	\$467	100.0%
University of Wyoming	12,310	\$503	100.0%
Texas Christian University	11,068	\$1,133	100.0%
Prairie View A&M University	8,972	\$679	100.0%
Western Carolina University	12,228	\$665	98.2%
Stephen F Austin State University	12,904	\$643	97.7%
Florida Gulf Coast University	14,620	\$766	97.4%
North Carolina A&T State University	12,644	\$533	97.1%
University of Southern Mississippi	14,204	\$549	97.0%

Minimum 1,000 beds surveyed

Source: Axiometrics; Arizona State University. All universities tracked by Axiometrics; main campus enrollment may include online students. Stabilized on-campus and off-campus student housing properties.

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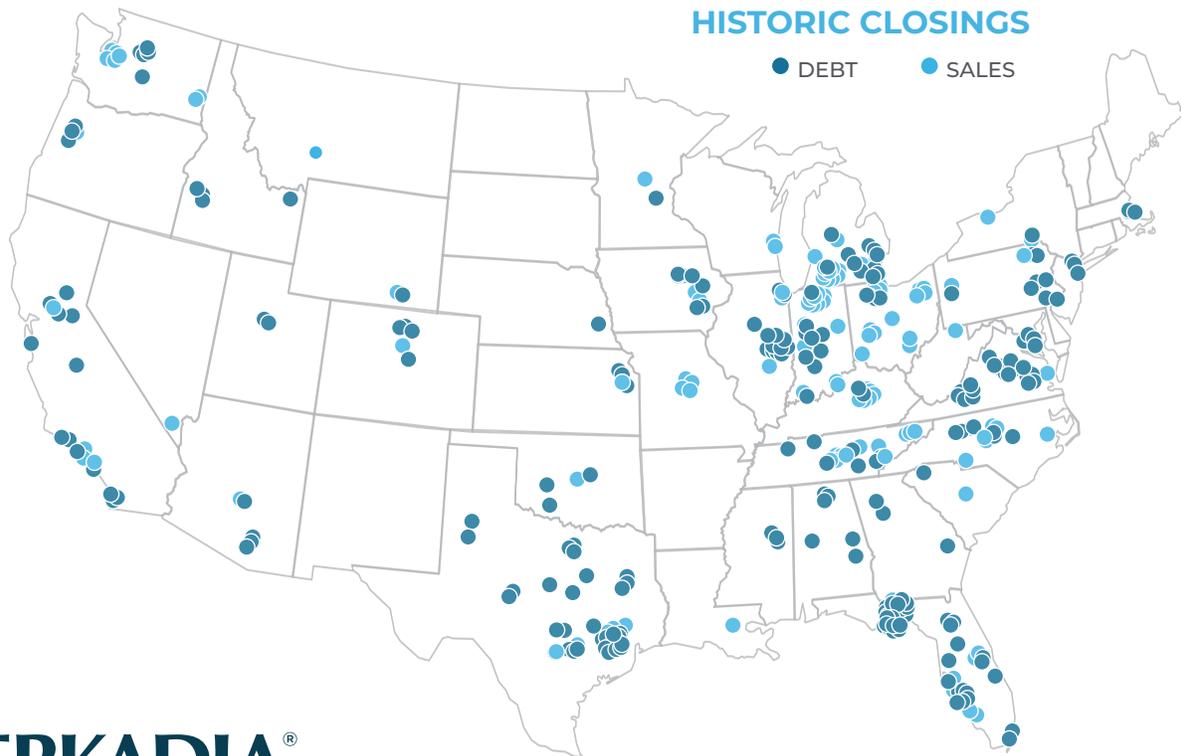
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