



BERKADIA STUDENT HOUSING NEWSLETTER 2021

BERKADIA[®]

STUDENT HOUSING

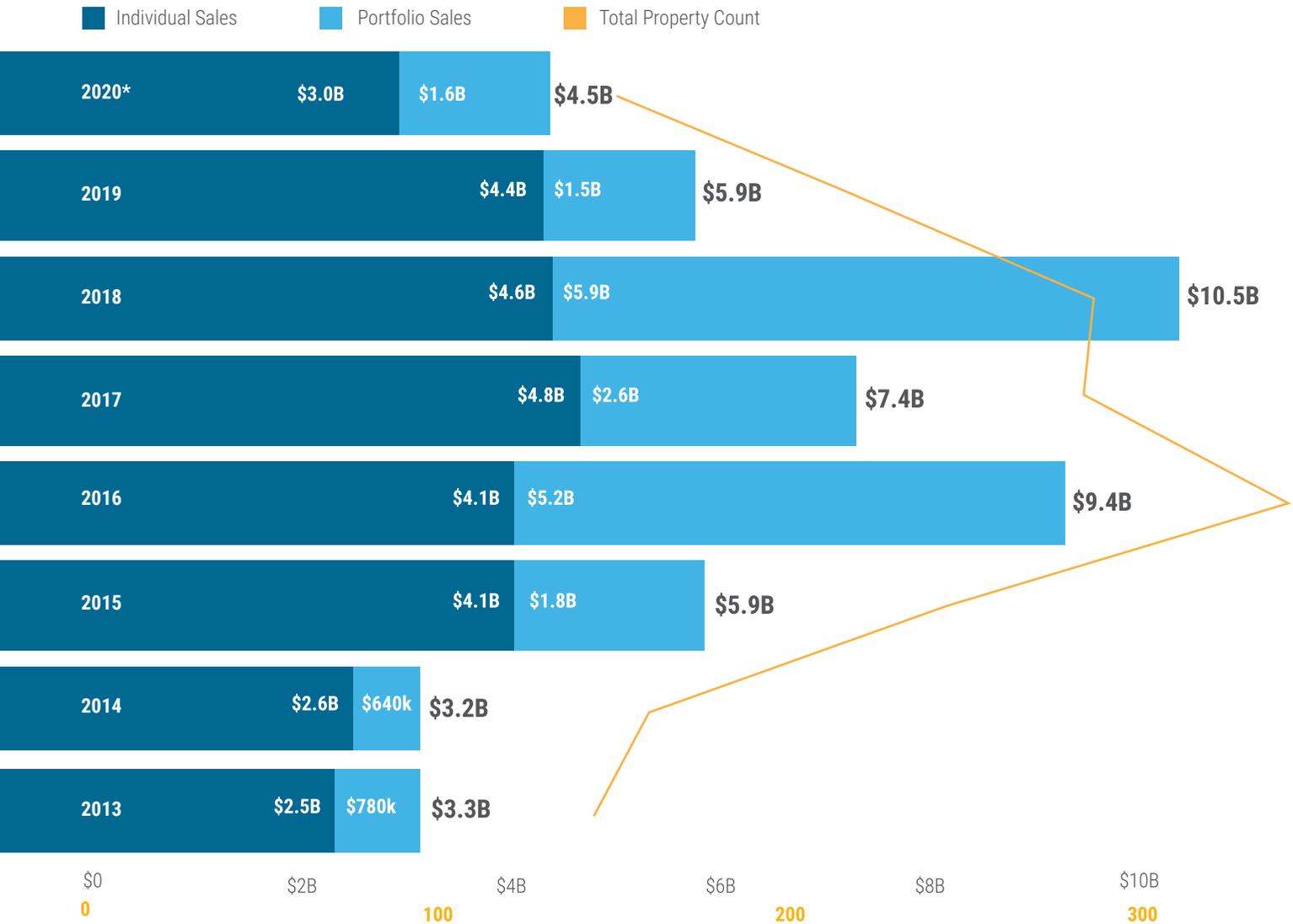
a Berkshire Hathaway and Jefferies Financial Group Company

STUDENT HOUSING SALES

Sales Volume

Sales during the fourth quarter of 2020 accounted for more than half of all last year's transactions and dollar volume. This upswing in activity during the last three months is a positive portent for the future of the student housing sector. The initial decrease was the result of several factors related to the COVID-19 pandemic: early university shutdowns, stringent debt requirements, enrollment shortfalls due to online-learning policies and general uncertainty. The result was the student housing segment decreased 30% in dollar volume and 40% transactionally year-over-year.

As transactions dropped in all product types, the largest pullback was among individual transactions. Student housing portfolio sales in 2020 were up 4.0% from the prior year's dollar volume and accounting for more than one-third of total sales volume. We fully expect the debt markets and sales volume to continue to rebound as in-person learning resumes and economic changes fuel enrollment.



Source: Berkadia; Real Capital Analytics; and CoStar, based on properties and portfolios ~\$2.5mil or greater. * As of February 1, 2021

Average Price Per Bed

The average price per bed increased 7.5% from 2019 to \$77,634 in 2020. This increase was underpinned by 40 transactions where price per bed was more than \$100,000.



Source: Berkadia; Real Capital Analytics; and CoStar, based on properties and portfolios ~\$2.5mil or greater. * As of February 1, 2021

National Price Per Bed by Distance

The overall average price per bed increased in 2020, with a price premium for student housing communities closest to campus. From 2019 to 2020, the average price per bed rose 2.5% among student housing communities within 0.5 mile of a campus. The sharpest increase was among properties located between 0.6 mile and one mile of campus, rising 49.2% year-over-year.

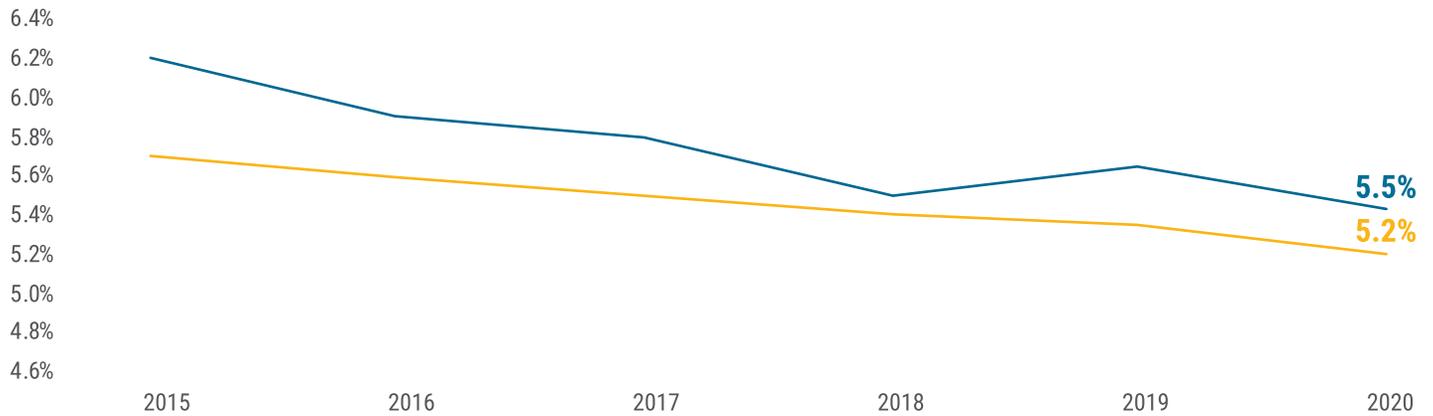


Source: Berkadia; Real Capital Analytics; CoStar; and Google Maps. Sample size 133 properties. * As of February 1, 2021

STUDENT HOUSING SALES | CAP RATE

Cap Rate Overview

The average student housing cap rate decreased 20 basis points (bps) year over year, to 5.5% in 2020. Reflecting a cap rate 30 bps lower than the preceding five-year average. The overall decrease reflected the trend among market-rate multifamily product in 2020. The spread between conventional multifamily and student housing held year over year at 30 bps. For properties located within two miles of Power 5 schools, sales had an average cap rate of 5.35%, more than 10 basis points lower than other student housing properties sold within a similar range of other higher education institutions.



Source: Berkadia; Real Capital Analytics; and CoStar, based on properties and portfolios ~\$2.5mil or greater. Weighted cap rates were not available, so a straight-line average for cap rates was used.



STUDENT HOUSING SALES | TOTAL SALES

By the Numbers

\$4.5b

TOTAL SALES VOLUME

\$194k

AVERAGE PRICE PER UNIT

\$78k

AVERAGE PRICE PER BED

5.51%

AVERAGE CAP RATE

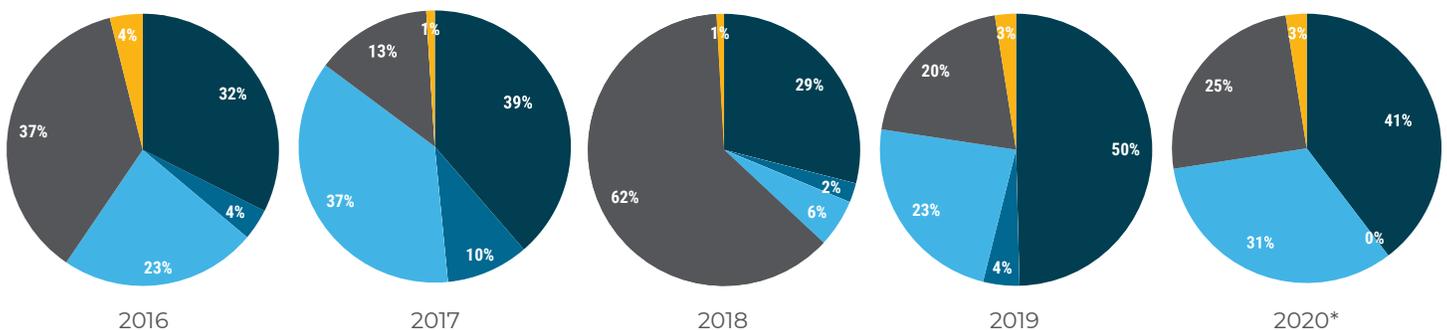
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NUMBER OF PROPERTIES SOLD

Investment Activity

For the second-consecutive year, private buyers comprised the largest share—41%—of acquisition volume in 2020. However, their share is down nearly 9% from 2019 as international buyers and institutional buyers picked up activity in 2020. International buyers' volume is up nearly 8% from 2019, while institutional buyers increased 5%. This upward trend signals a revitalized appetite for the strong yields within the Student Housing industry. Increases in the both the foreign and institutional buyer levels points to a return to normalcy from 2019 shortfalls among international and institutional capital, even amid the challenges faced by the pandemic in 2020.

■ Private ■ Public Listed/REITs ■ Cross-Border ■ Institutional ■ User/Other



Source: Berkadia; Real Capital Analytics; and CoStar, based on properties and portfolios ~\$2.5mil or greater. *As of February 1, 2021

STUDENT HOUSING SALES | TOP BUYERS BY DOLLAR VOLUME

RANK BUYER

1	Global Student Accommodations Group
2	Korea Inv Securities, Landmark Properties, Ocean West, Tiger Alternative Investors
3	TPG Real Estate/Cardinal Group
4	Timberline Real Estate Ventures
5	Greystar
6	Student Quarters

Source: Real Capital Analytics and Co-Star. Based on properties ~\$5mil or greater. * As of February 1, 2021

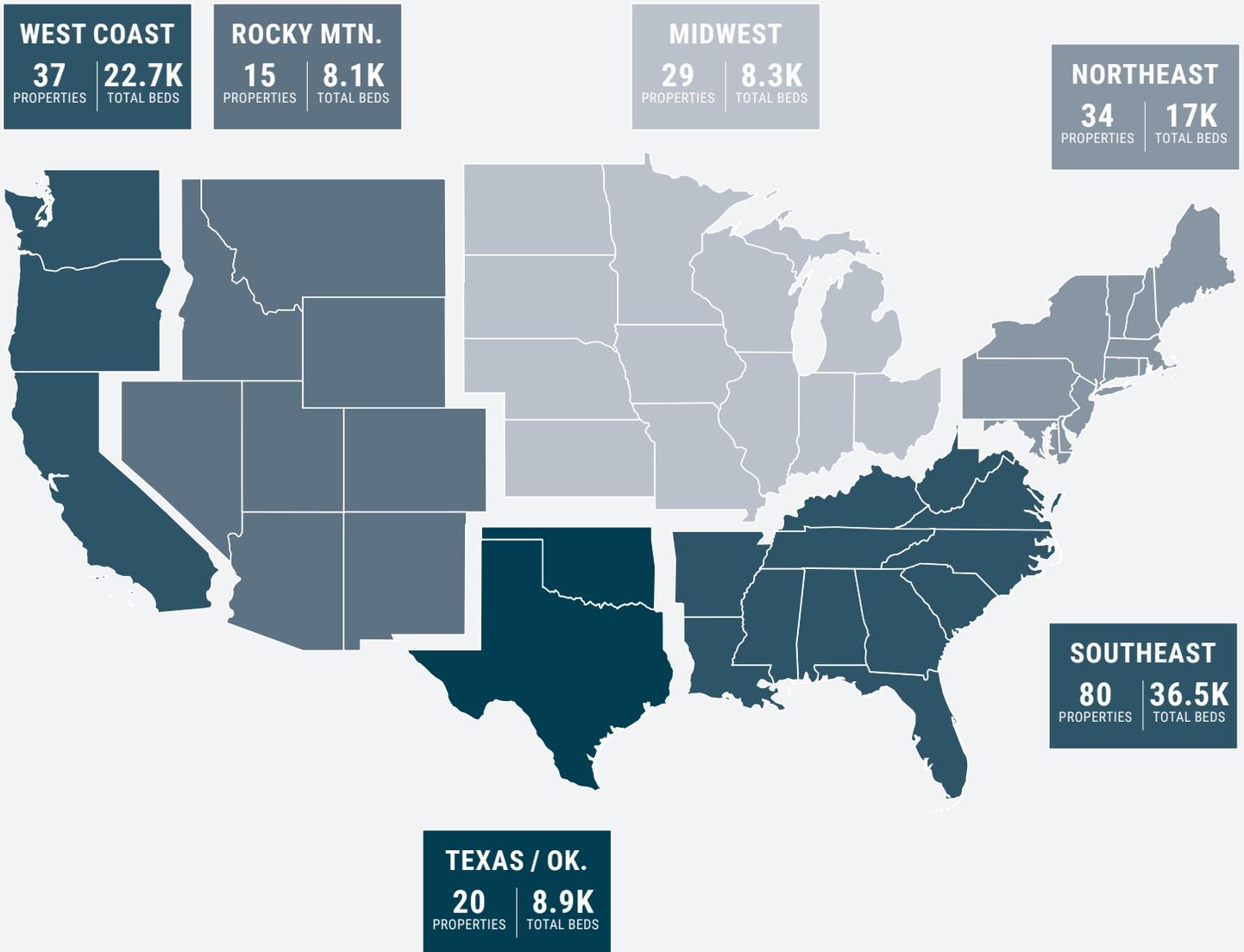
STUDENT HOUSING SALES | TOP INDIVIDUAL

PROPERTY NAME	CITY	STATE	UNITS	YEAR BUILT	BEDS
Sol at West Village	Davis	CA	663	2011	2,289
The Varsity at College Park	College Park	MD	258	2011	901
Retreat at Orlando	Orlando	FL	221	2014	894
Rush	Charlotte	NC	332	2018	887
Northpoint Crossing I & II	College Station	TX	627	2014	841
Quarry Trail	Knoxville	TN	210	2008	840
Stadium Village	Marietta	GA	198	2015	792
Quantum at West Call	Tallahassee	FL	225	2018	752
Heritage Apartments	Columbus	OH	228	1962	685
Tempe Station	Tempe	AZ	400	2000	684
NXNW Tallahassee Florida	Tallahassee	FL	219	2012	679
Skyloft Austin	Austin	TX	212	2018	674
The Dean	Champaign	IL	322	2020	672
Sol	Tempe	AZ	225	2010	640
West 6th	Tempe	AZ	375	2009	629
The Mix Residences	Atlanta	GA	324	2018	604
Latitude	Champaign	IL	324	2016	604
Vertex	Tempe	AZ	220	2015	600
Aspen Heights Auburn	Auburn	AL	208	2012	600
University Park	Boca Raton	FL	159	2015	598
Moontower	Austin	TX	166	2020	567
The Indy	Marietta	GA	172	2019	543
The Standard	Saint Louis	MO	163	2015	465
Lothlorien	Seattle	WA	146	2007	157
The Alabama	New York	NY	98	1903	142



STUDENT HOUSING SALES

NUMBER OF BEDS UNDER CONSTRUCTION | BY REGION



STUDENT HOUSING PIPELINE BREAKDOWN | BY REGION

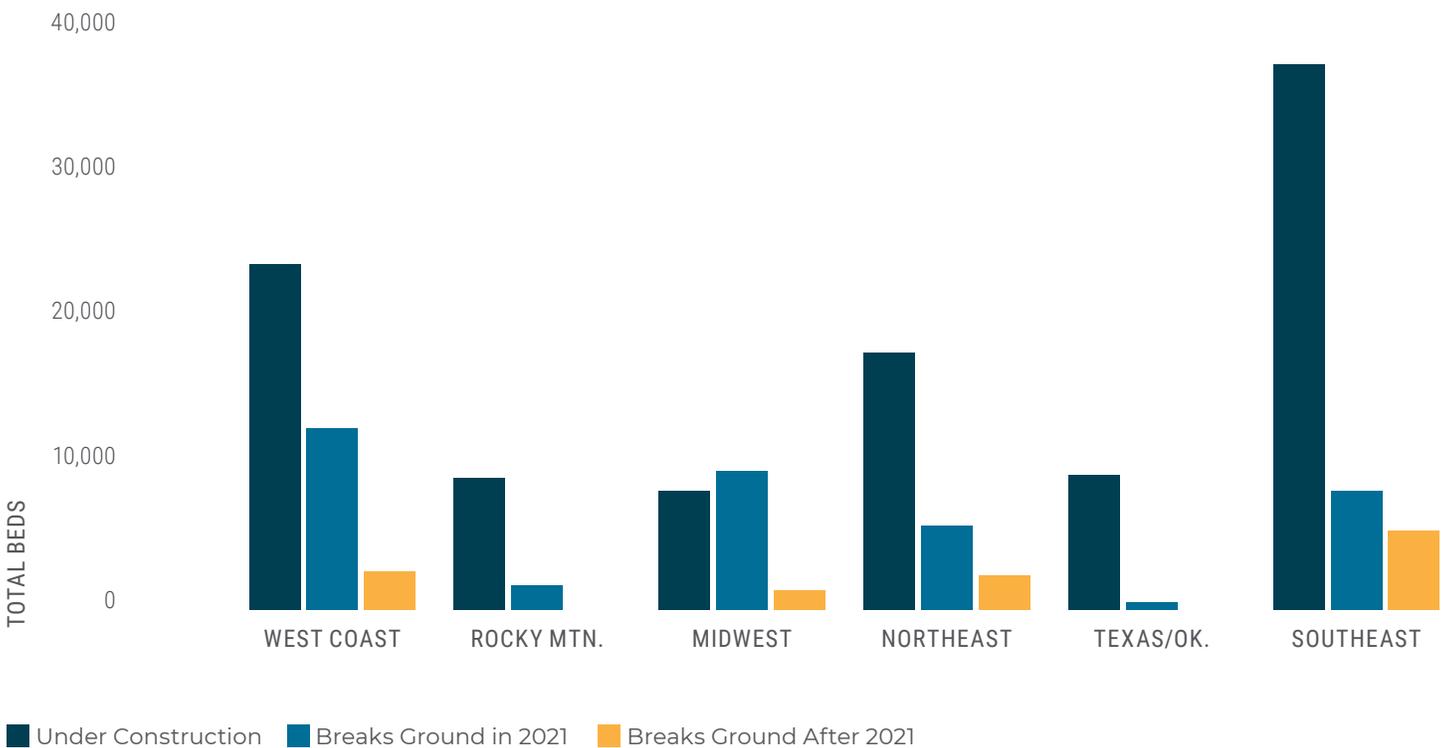
By the Numbers

Pipeline Breakdown Overview

The pipeline for purpose-built student housing consists of 215 properties in all phases of construction. These properties comprise a total 101,470 beds. One year ago, 253 properties representing 99,921 beds were under construction nationwide.

The largest share of properties in the pipeline is in the Southeast region, where 80 properties representing 36,469 beds are located.

Additionally, 78 properties are in various stages of planning / permitting nationwide, representing a total 45,612 beds.



STUDENT HOUSING ON- AND OFF-CAMPUS BEDS+	WEST COAST	ROCKY MTN.	MIDWEST	NORTHEAST	TEXAS/OK	SOUTHEAST	TOTAL
Under Construction*	22,672	8,162	8,299	17,022	8,846	36,469	101,470
Breaks Ground in 2021**	10,067	1,450	8,789	4,396	208	7,435	32,345
Breaks Ground After 2021***	2,858	-	1,072	1,874	-	5,303	11,107
Grand Total	35,597	9,612	18,160	23,292	9,054	49,207	144,922

+Does not include student competitive housing

*Under construction and under construction / lease-up stages

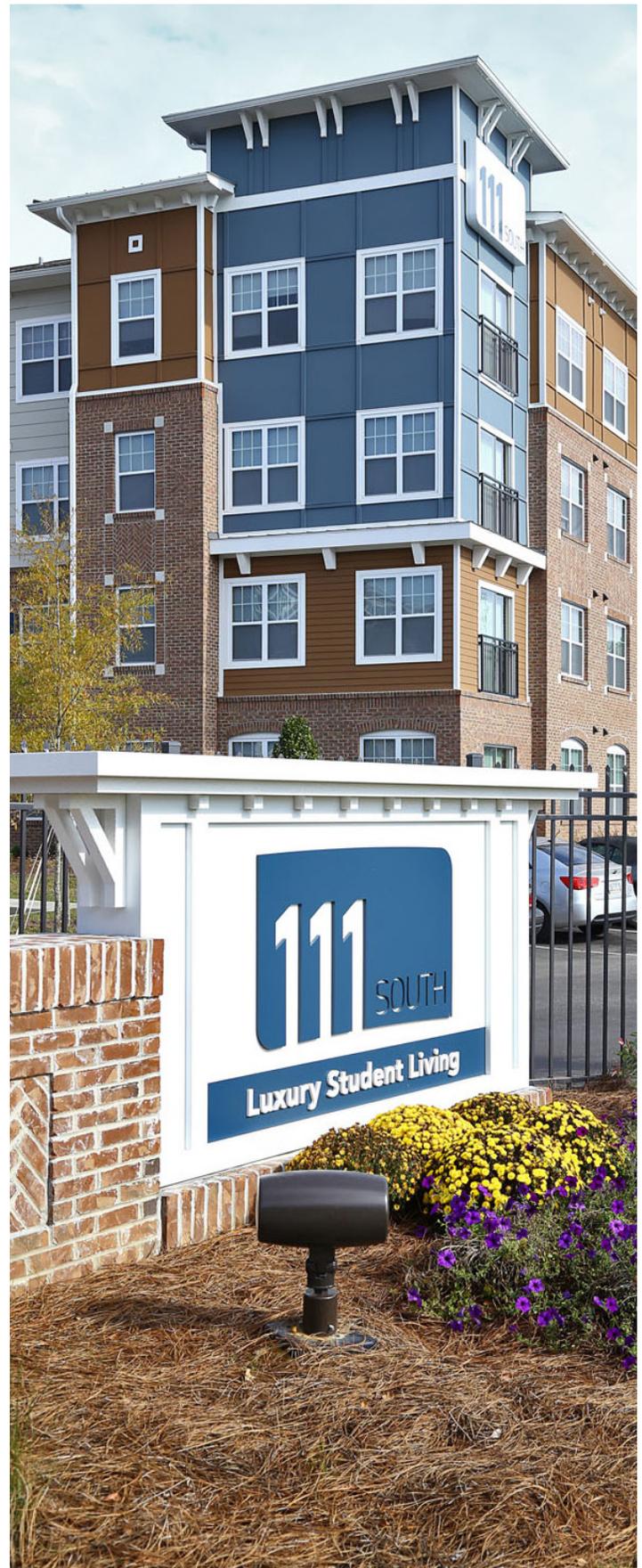
**In planning stage where a start date in 2021 is indicated, according to RealPage, subject to change

***In pre-planning stage where a start date after 2021 is indicated, according to RealPage, subject to change per RealPage, as of February 1, 2021

STUDENT HOUSING PIPELINE | TOP 50

The table below depicts the top 50 universities by bed count with purpose-built student housing projects currently under construction.

SCHOOL	TOTAL BEDS
University of California - Los Angeles	4,060
University of Texas at Austin	3,945
University of California - Davis	3,550
University of Washington	3,459
University of Maryland	2,831
University of Nevada - Reno	2,531
Appalachian State University	2,219
Georgia Institute of Technology	2,066
Cornell University	2,000
Virginia Tech	1,952
University of Florida	1,917
University of Alabama	1,714
University of Illinois - Urbana-Champaign	1,672
University of Georgia	1,555
University of California - Riverside	1,500
Clemson University	1,453
Arizona State University	1,356
University of Arkansas	1,334
University of Oregon	1,308
Rochester Institute Of Technology	1,281
California State University - Sacramento	1,160
University of California - Irvine	1,050
Princeton University	1,020
Stevens Institute of Technology	994
University of Arizona	960
Missouri State University	958
University of North Carolina - Wilmington	948
Western Washington University	913
Louisiana Tech University	912
University at Buffalo - State University of New York	903
University of California - Merced	885
Tulane University	882
Louisiana State University	881
University of Alabama at Birmingham	879
Texas State University	847
George Mason University	825
East Carolina University	804
Michigan State University	792
Washington State University	752
Georgia State University	742
University of Miami	736
University of North Carolina - Charlotte	727
Pennsylvania State University	725
Auburn University	715
Texas A&M University Texas Medical Center	714
Loyola Marymount University	713
Tennessee State University	700
Vanderbilt University	700
Indiana University	693
Kennesaw State University	681



Source: RealPage. Student housing (no student competitive) on- and off-campus under construction or under construction / lease-up stage, as of February 1, 2021.

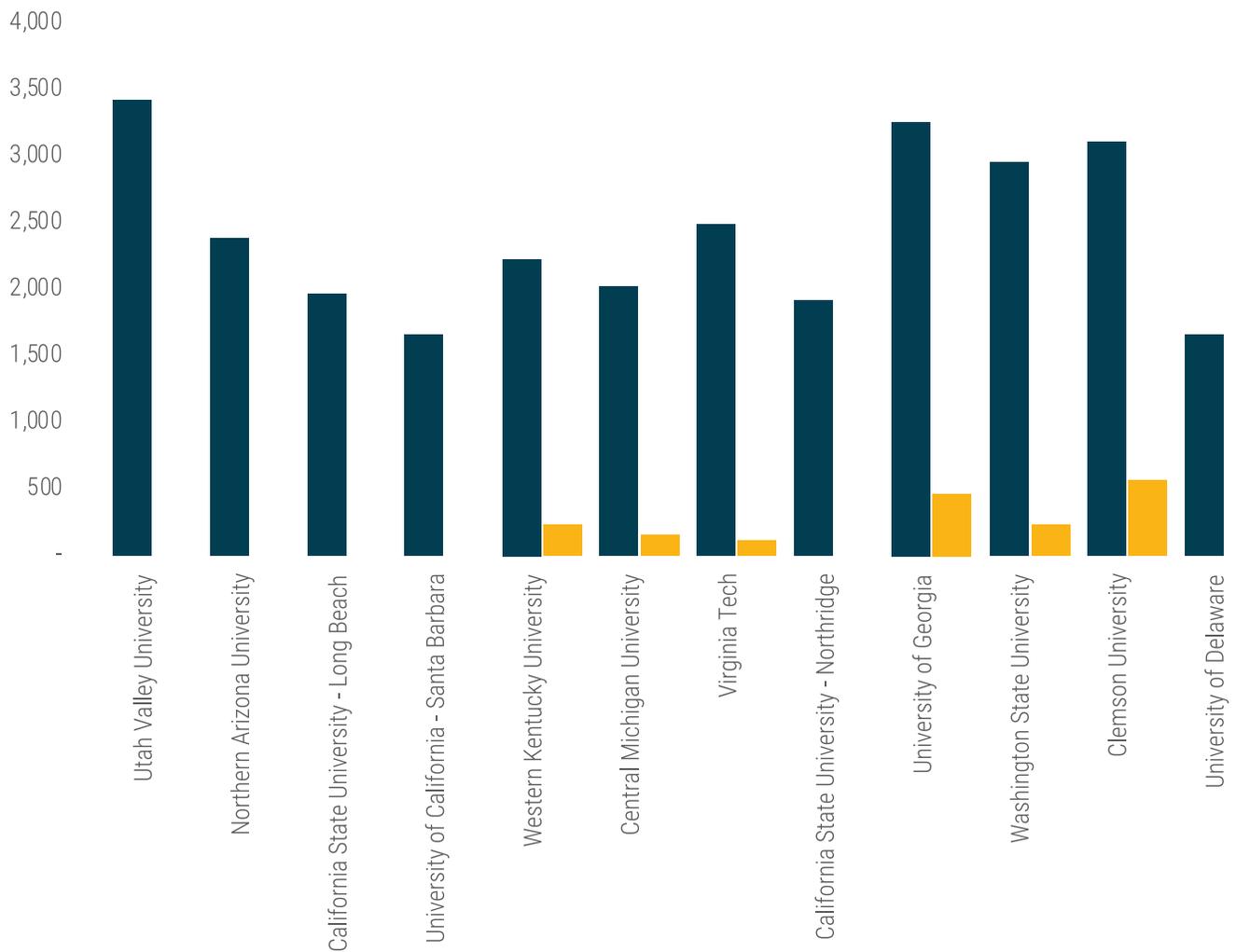
STUDENT HOUSING PIPELINE | ENROLLMENT PROJECTION

The table below depicts the top 50 universities by bed count with purpose-built student housing projects currently under construction.

Enrollment Projection Overview

These 12 universities have the greatest disparity between the projected five-year growth in enrollment and planned new student housing development. There are many local factors that can lead to slowdown in student housing development, such as: temporary moratoriums on development, enrollment decrease, and uncontrollable socioeconomic events. While no attempt is made at estimating the impact of supply-demand imbalances on property values near these or any other universities, investors should be aware of the potential for outsized price appreciation at existing properties near universities where a shortage of student housing is present or expected.

FIVE-YEAR ENROLLMENT CHANGE PROJECTION AND STUDENT HOUSING PIPELINE DISPARITY



Source: RealPage. Enrollment estimates and student housing (no student competitive) on- and off-campus under construction and at various stages of the planning / permitting process as of February 1, 2021. Does not include partially completed properties under lease-up. Total enrollment at some of these universities may include satellite campus and online enrollment.

FASTEST-GROWING FLAGSHIP UNIVERSITIES | 2020

TOP 5

2018-19 GROWTH RANK	SCHOOL	Y-O-Y CHANGE	2018 FALL ENROLLMENT	2019 FALL ENROLLMENT	FIVE-YEAR PROJECTION
1	Georgia Institute of Technology	3,768	32,722	36,490	4,034
2	Kennesaw State University	2,387	35,420	37,807	790
3	University of Illinois - Urbana-Champaign	1,903	49,702	51,605	4,518
4	Utah Valley University	1,797	39,931	41,728	3,667
5	Arizona State University	1,701	51,585	53,286	2,561
6	University of California - Riverside	1,626	23,922	25,548	2,326
7	Florida Atlantic University - Boca Raton	1,624	21,562	23,186	-389
8	University of California - Davis	1,594	38,035	39,629	2,166
9	University of Michigan	1,374	46,716	48,090	3,345
10	Appalachian State University	1,225	18,055	19,280	656
11	Florida State University	1,213	41,005	42,218	706
12	University of California - Berkeley	1,194	42,501	43,695	4,120
13	University of Southern California	1,190	47,310	48,500	4,372
14	Purdue University	1,140	43,411	44,551	2,179
15	University of North Texas	1,105	38,087	39,192	2,176
16	University of Colorado - Boulder	1,102	36,548	37,650	2,509
17	University of Central Florida	951	68,081	69,032	4,483
18	University of Wisconsin - Madison	906	44,411	45,317	-84
19	University of California - Irvine	876	36,032	36,908	4,198
20	Clemson University	871	24,951	25,822	3,080
21	Baylor University	826	17,207	18,033	214
22	North Carolina State University	825	35,479	36,304	-5
23	University of Texas at Dallas	788	28,755	29,543	4,107
24	Louisiana State University	774	30,987	31,761	606
25	University of North Carolina - Wilmington	752	16,747	17,499	1,776
26	Oregon State University	733	30,986	31,719	1,861
27	Boise State University	732	25,540	26,272	1,259
28	University of Massachusetts	711	26,316	27,027	1,273
29	University of Arizona	701	45,217	45,918	2,967
30	University of Nevada - Las Vegas	697	30,474	31,171	2,082
31	University of Cincinnati	691	38,062	38,753	2,951
32	California State University - Long Beach	618	37,457	38,075	2,344
33	University of South Carolina	569	34,795	35,364	2,563
34	University of Tennessee	566	28,894	29,460	1,075
35	University of North Carolina - Pembroke	561	7,137	7,698	684
36	George Mason University	547	37,316	37,863	2,009
37	Jacksonville State University	542	8,479	9,021	6
38	Virginia Tech	536	34,181	34,717	2,470
39	Texas Tech University	533	38,209	38,742	2,910
40	Western Carolina University	528	11,639	12,167	583
41	University of Florida	525	52,218	52,743	3,459
42	San Jose State University	514	32,423	32,937	2,530
43	University of California - San Diego	509	37,887	38,396	4,245
44	University of Miami	480	17,331	17,811	610
45	University at Buffalo - State University of New York	420	31,503	31,923	991

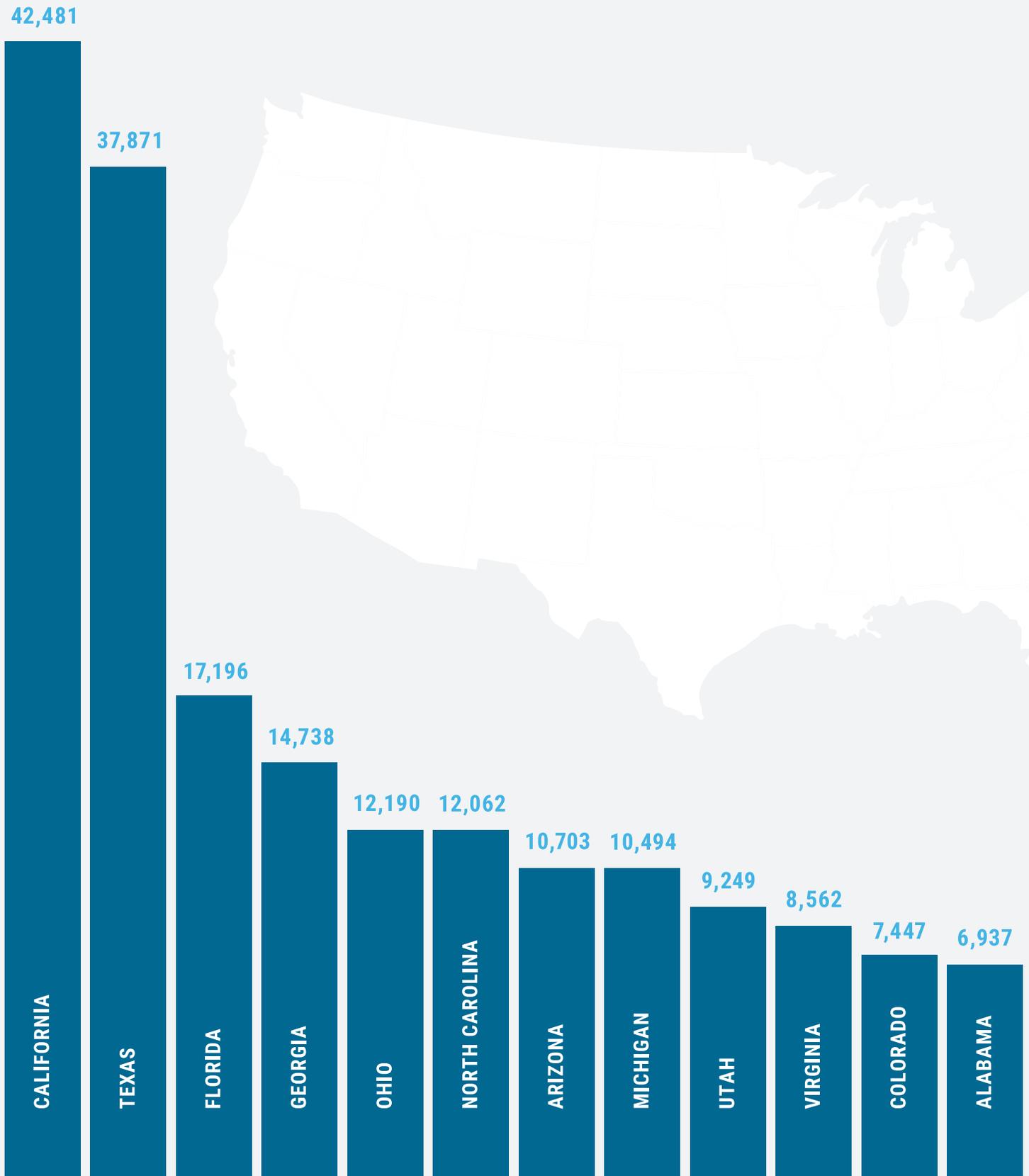
Total enrollment at some of these universities may include satellite campus and online enrollment.

STUDENT ENROLLMENT 5-YEAR OUTLOOK | BY STATE

Five-Year Outlook Overview

These 12 states are projected to have combined enrollment gains totaling 189,900 students in the next five years. Approximately 82,300 of the 189,900 new students are expected to enroll at non-Power 5 schools. This represents 43.3% of total enrollment, a 5.5% increase from last year's projected level of enrollment at non-Power 5 schools.

Source: RealPage University Top 175; projections subject to change.



SUPPLY AND DEMAND VARIATION, TOP 50 SCHOOLS | 2020

RANK	SCHOOL	2019 FALL ENROLLMENT	2020 TOTAL SUPPLY (BEDS)*	HOUSING SHORTFALL	EFFECTIVE RENT**	2019-20 TUITION
1	Utah Valley University	41,728	-	41,728	\$565	\$5,122
2	Arizona State University - Tempe Campus	53,286	14,439	38,847	\$836	\$10,710
3	Florida International University	51,688	16,877	34,811	\$996	\$6,168
4	California State University - Long Beach	38,075	7,178	30,897	\$1,597	\$5,742
5	University of Central Florida	69,032	39,272	29,760	\$800	\$6,368
6	University of California - Berkeley	43,695	15,160	28,535	\$2,223	\$11,442
7	California State University - Northridge	38,391	12,570	25,821	\$1,411	\$5,742
8	University of California - Davis	39,629	15,375	24,254	\$1,071	\$14,490
9	University of California - Los Angeles	45,742	23,118	22,624	\$2,237	\$11,442
10	University of Illinois - Urbana-Champaign	51,605	29,488	22,117	\$641	\$12,036
11	University of Colorado - Boulder	37,650	16,694	20,956	\$1,180	\$10,728
12	University of Iowa	31,240	10,402	20,838	\$643	\$8,073
13	Oregon State University	31,719	11,409	20,310	\$739	\$9,840
15	Pennsylvania State University	47,223	27,627	19,596	\$751	\$17,416
15	Washington State University	31,607	12,030	19,577	\$574	\$9,953
16	George Mason University	37,863	19,610	18,253	\$1,172	\$9,060
17	Indiana University	43,260	25,995	17,265	\$636	\$9,575
18	University of Cincinnati	38,753	21,961	16,792	\$878	\$9,322
19	Brigham Young University	34,317	18,804	15,513	\$471	\$5,790
20	Iowa State University	33,391	17,991	15,400	\$554	\$8,042
21	California State University - Fullerton	38,964	23,595	15,369	\$1,335	\$5,742
22	Ohio State University	61,391	46,246	15,145	\$855	\$10,662
23	University at Buffalo - State University of New York	31,923	17,223	14,700	\$668	\$7,070
24	Boise State University	26,272	12,148	14,124	\$747	\$5,532
25	Kent State University	27,716	13,766	13,950	\$596	\$11,131
26	West Virginia University	26,839	12,998	13,841	\$550	\$8,976
27	University of California - Santa Barbara	26,314	12,494	13,820	\$1,461	\$11,442
28	Purdue University	44,551	30,990	13,561	\$624	\$9,208
29	Missouri State University	23,453	9,991	13,462	\$544	\$6,540
30	San Jose State University	32,937	19,509	13,428	\$1,922	\$5,742
31	Virginia Tech	34,717	21,434	13,283	\$632	\$14,420
32	University of Utah	32,818	19,550	13,268	\$976	\$8,253
33	Rutgers University - New Brunswick	50,175	36,947	13,228	\$1,146	\$12,230
34	University of North Texas	39,192	25,993	13,199	\$689	\$8,403
35	Kansas State University	21,719	8,669	13,050	\$456	\$6,540
36	University of Wisconsin - Madison	45,317	32,751	12,566	\$842	\$10,725
37	Indiana University - Purdue University Indianapolis	29,537	17,206	12,331	\$859	\$8,580
38	University of Memphis	21,685	9,381	12,304	\$512	\$8,208
39	University of California - San Diego	38,396	26,192	12,204	\$1,665	\$12,570
40	University of Michigan	48,090	36,185	11,905	\$967	\$15,230
41	University of Massachusetts	27,027	15,379	11,648	\$807	\$15,791
42	Utah State University	17,279	5,788	11,491	\$460	\$6,549
43	Northern Arizona University	30,736	19,342	11,394	\$824	\$10,650
44	California State University - Sacramento	31,156	20,154	11,002	\$928	\$5,742
45	Michigan State University	49,809	38,891	10,918	\$632	\$14,460
46	Illinois State University	20,878	9,990	10,888	\$552	\$11,524
47	Grand Valley State University - Allendale Campus	24,033	13,190	10,843	\$537	\$12,860
48	University of Minnesota	51,327	40,567	10,760	\$1,152	\$13,318
49	University of Wisconsin - Milwaukee	23,992	13,815	10,177	\$1,097	\$8,091
50	University of Connecticut	22,547	12,509	10,038	\$1,210	\$13,724

*Represents the total of beds in on-campus housing (university owned) and off-campus housing (purpose-built) and student-competitive housing. The bed counts were obtained from Axiometrics sampling of the total number of these apartment communities. Both the total number of apartment communities and the proportion of properties sampled vary by market.

**Weighted average monthly effective rent per bed from September 2019 to August 2020. Only includes off-campus purpose-built (not student-competitive) properties that have been stabilized for two or more consecutive periods.

TOTAL ENROLLMENT AND SUPPLY | BY SIZE OF SCHOOL

Total Enrollment and Supply Overview

Among RealPage's Top 175 universities that have enrollment exceeding 30,000 students, the total of on-campus and off-campus student housing beds typically accommodates approximately 35% of students enrolled, the lowest number among all groups shown in the graph. At Power 5 universities, the housing needs of about 42% of students are met by on- and off-campus housing.

Overall, the greatest disparity between off-campus and on-campus housing is seen at universities with at least 50,000 students. There is an influx of nearly 60,000 off-campus beds at these universities.

These statistics show the maximum number of beds available on-campus and do not account for the dedensification needs brought on by the Covid-19 pandemic. It is likely that some dedensification measures will be permanent, increasing this gap and increasing the off-campus demand.

ENROLLMENT	TOTAL OFF-CAMPUS BEDS*	TOTAL ON-CAMPUS BEDS**	TOTAL ENROLLMENT***	CUMALTIVE COUNT
At least 50,000 Students	145,711	86,283	595,657	10
At least 40,000 Students	270,297	224,578	1,366,670	27
At least 30,000 Students	504,222	450,602	2,742,411	66
At least 25,000 Students	626,386	572,425	3,348,394	88
At least 20,000 Students	723,187	673,852	3,882,523	112
At least 15,000 Students	769,781	740,334	4,181,635	129

*Fall 2020; student-competitive properties not included

**Fall 2020

***Fall 2019 enrollment Axiometrics University Top 175. Some of the top 175 schools had enrollment below 15,000 students.



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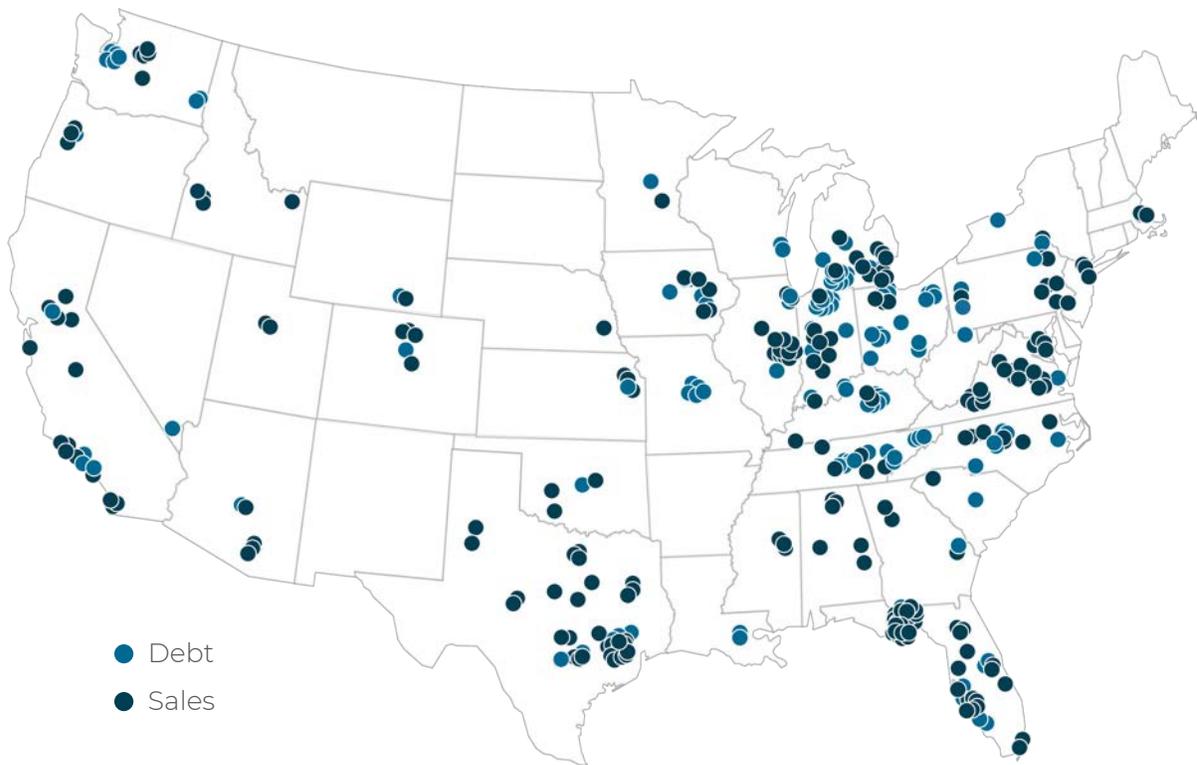
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