

Student Housing Market Update

March 2026



STUDENT HOUSING MARKET UPDATE - MARCH 2026



Enrollment Growth:

- Fall 2025 national college enrollment: **19.4 million** ▲ 1.0% YoY

Public vs. Private Enrollment:

- Public 4-year colleges: ▲ 1.2% enrollment growth in 2025
- Private colleges: ▼ 1.4% enrollment decline in 2025

High School Graduate Outlook:

- High school graduates peaked in 2025, expected decline over the next couple of decades

International Student Trends:

- F-1 student visas: -22% YoY
- J-1 work/study visas: -13% YoY
- Universities expecting lower international enrollment:
 - 40% expect a decline in **undergraduate** international students
 - 49% expect a decline in **graduate** international students

Demand:

- 52.3% pre-leasing for 2026-2027
- Average Asking Rent: **\$915** per bed
- -0.2% YoY rent growth

Investment Activity:

- **\$1.50B** trailing 12-month sale volume as of 4Q25 ▲ 4.9% from 3Q25

Capitalization Rates:

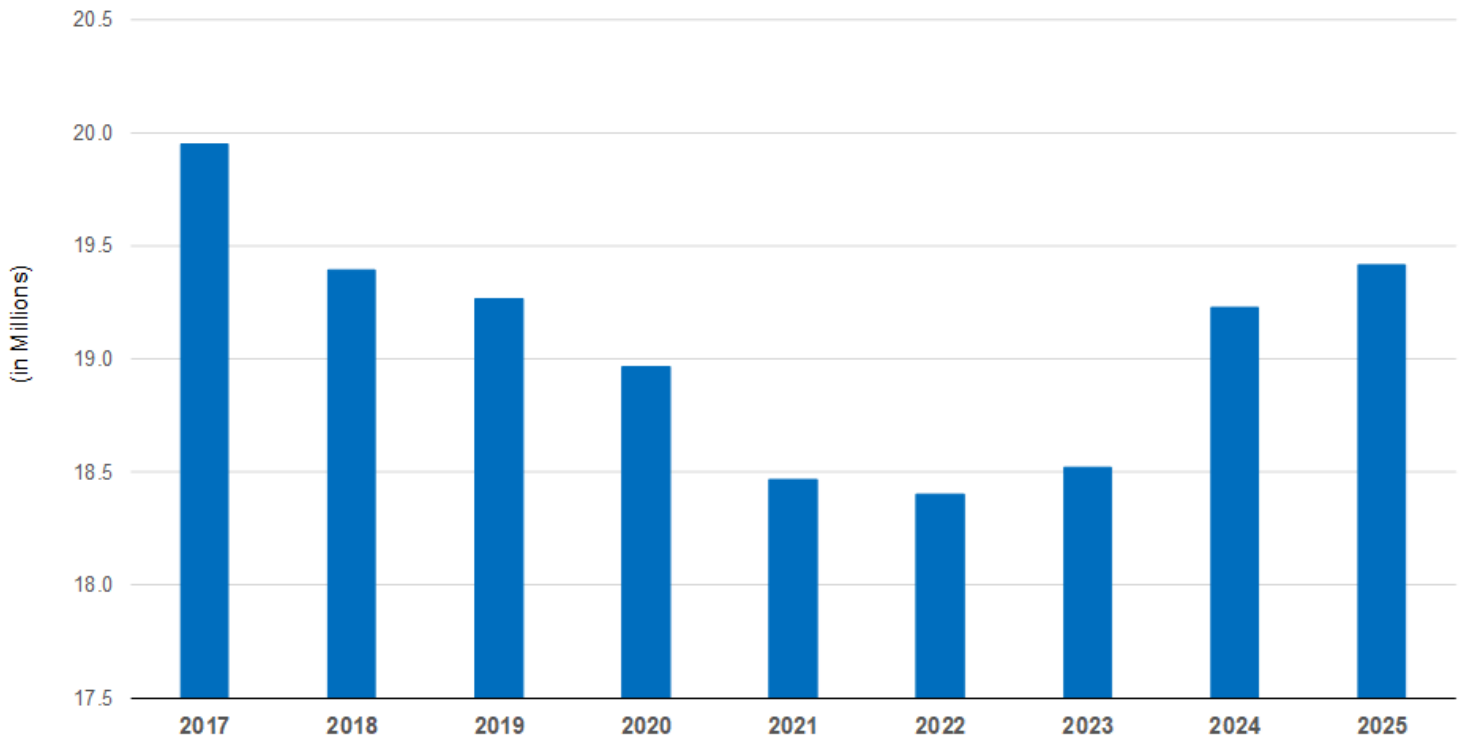
- 5.50% - 6.50% nationally
- Generally **25 to 50 basis points higher** than conventional multifamily



Enrollment

Total national college enrollment increased annually by 1.0% to 19.4 million as of the fall semester of 2025. While not as dramatic as the 3.8% increase in 2024, the current national enrollment number is the highest it has been since 2018.

Total National Fall Enrollment



Source: National Student Clearinghouse Research Center

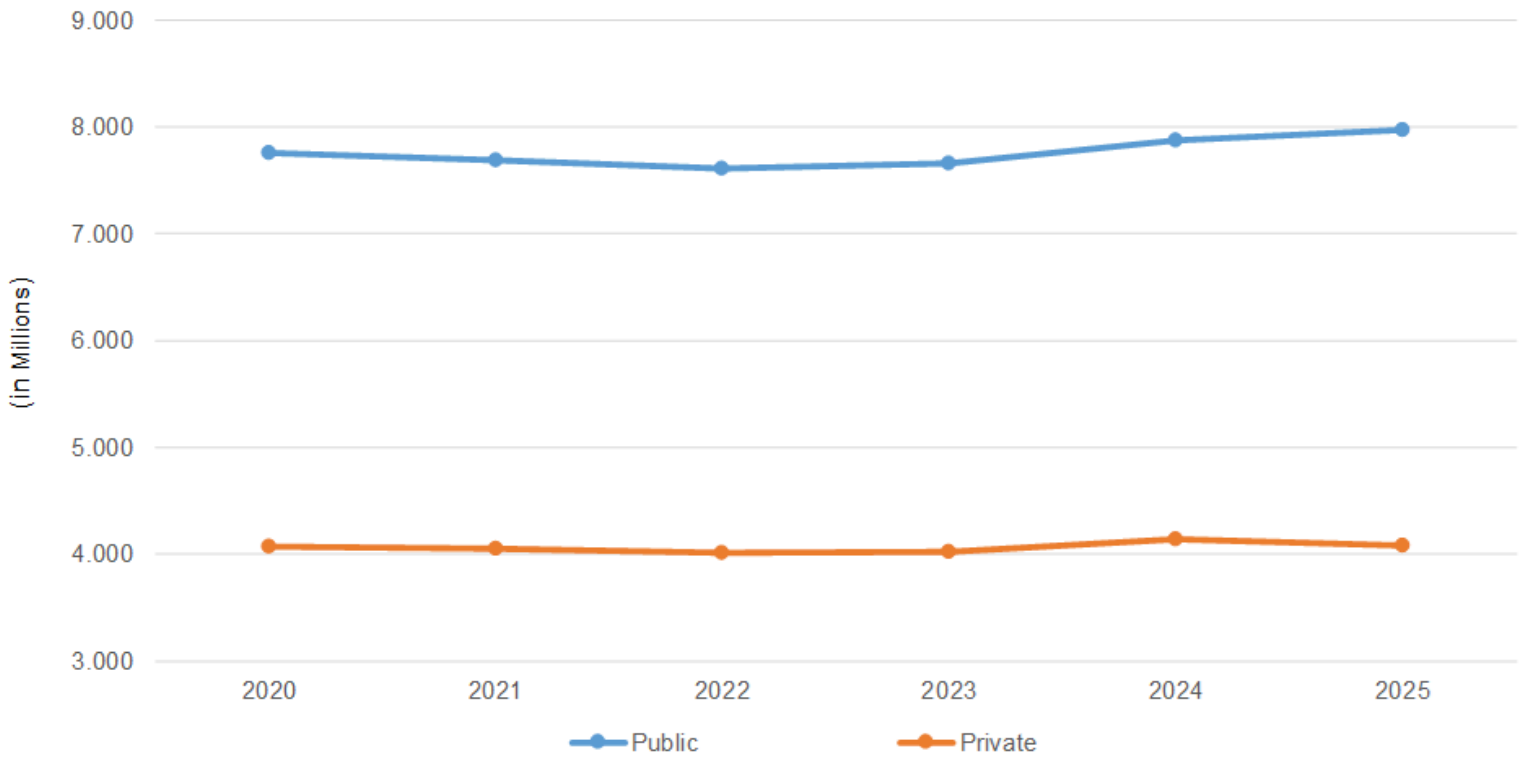
Much of the recent growth in college enrollment has come from positive demographic trends with steady increases in the number of high school graduates since 2020. In addition, current enrollment numbers were further bolstered by a simplified FAFSA (Free Application for Federal Student Aid) application and an expansion of Pell Grants. However, due to the nation's declining birthrate, the number of high school graduates hit a peak in 2025 and is expected to start declining in 2026.

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However, the decline in high school graduates is not expected to be consistent throughout the nation. According to the *Western Interstate Commission for Higher Education*, the western region of the United States is forecasted to see a 20% decline in high school graduates from 2023 to 2041, while the southern region of the United States is forecasted to see a 3% increase.

Recent enrollment growth has not been consistent throughout all types of higher learning institutions. Public 4-year colleges have been driving the increase in enrollment growing by 1.2% in 2025. This came partially at the expense of private colleges who saw their collective enrollment numbers decline by 1.4%.

Total Fall Enrollment: Four-year Colleges



Source: National Student Clearinghouse Research Center

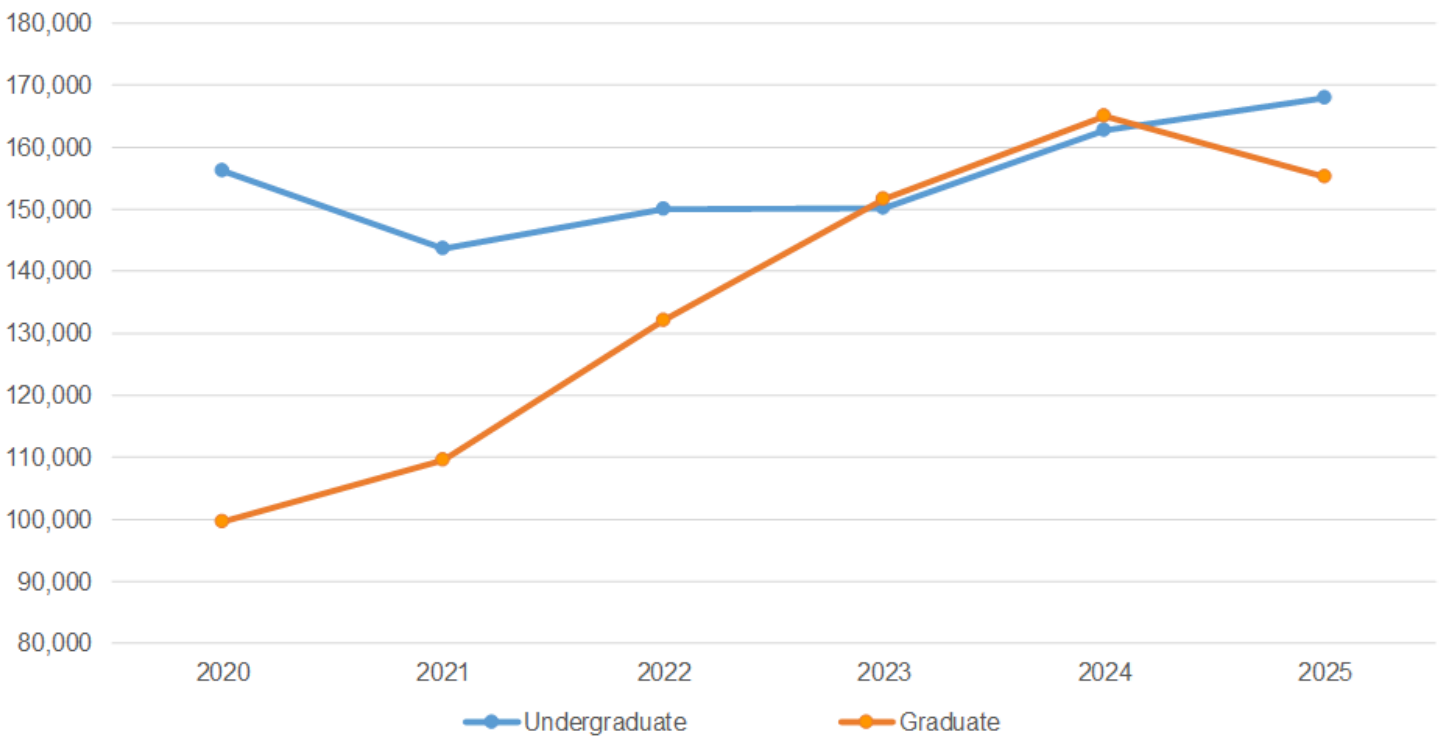
Declines in enrollment and increases in operating costs have caused budget deficits at a significant number of private colleges, negatively impacting the creditworthiness of these institutions. In November 2025, of the private colleges that S&P rates, 14% were rated with a negative outlook. Only 6% of public colleges were rated with a negative outlook.

International Students

There are typically over a million international students enrolled throughout the United States. These students have become an increasingly important source of revenue for universities, because international students often pay full tuition. International students are also helping to bolster enrollment numbers at a time when the number of high school graduates is expected to decline.

However, abrupt changes in policy at the Federal level have disrupted international enrollment. According to the *State Department*, the number of issued F-1 student visas dropped by 22% YoY as of May 2025 and J-1 work/study visas decreased by 13%. A recent survey conducted by *The Institute of International Education* reported that 40% of universities that responded expect a decrease in undergraduate international students and 49% expect a decrease in graduate students. Recent enrollment numbers appear to reflect survey results. As of Fall 2025, following several years of healthy growth, the number of enrolled graduate students declined by 5.9% over the prior year. At the same time, the number of international undergraduate students increased by 3.2%.

Total Fall Enrollment: International Students



Source: National Student Clearinghouse Research Center

Demand Fundamentals

With growing headwinds caused by a declining number of high school graduates, as well as a decreasing number of enrolled international students, current market fundamentals for student housing are mixed. According to Yardi, pre-leasing for the 2026-2027 academic year was 52.3% as of January 2026, up from 45.6% one year ago. However, rent growth turned slightly negative in January 2026 with the average asking rent at \$915 per bed, down 0.2% from the prior year. This was a notable change from the prior two years when rent growth was 3.7% in January 2025 and 6.5% in January 2024.

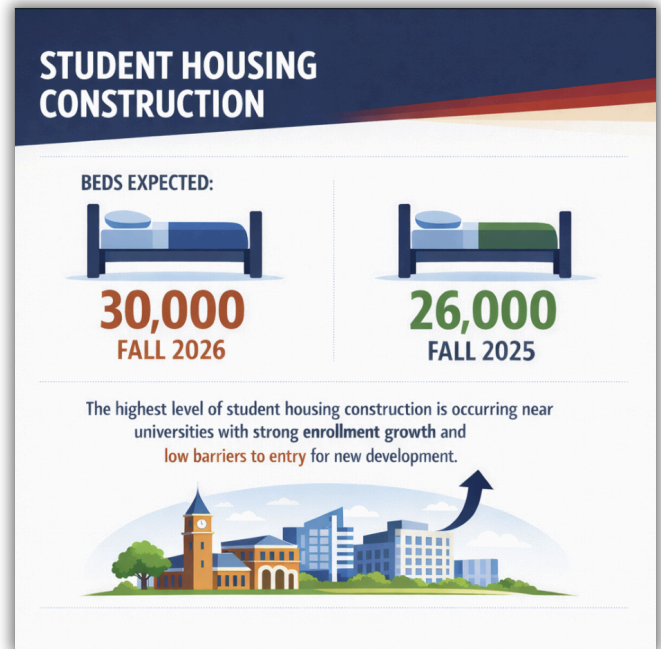
Another notable trend within the sector is the growing divergence between large public universities and smaller private institutions. Enrollment gains over the past several years have been concentrated at major public universities, particularly those in the southern United States, while many smaller private colleges have experienced declining enrollment and increasing financial stress. As a result, demand for purpose-built student housing is becoming increasingly concentrated near flagship public universities with stable or growing enrollment bases. For investors and developers, this dynamic is reinforcing a focus on markets anchored by large, well-capitalized universities with strong long-term enrollment outlooks.





Construction

While up slightly over the prior year, construction of new student housing continues to be modest. According to RealPage, 30,000 beds are expected to be delivered across 37 campuses for Fall 2026, slightly up from an estimated 26,000 beds as of Fall 2025. However, construction projections for the current year are notably down from 35,000 beds in 2024 and well below an average of 50,000 beds delivered annually during the prior decade.



The highest level of student housing construction is occurring near universities with strong enrollment growth and low barriers to entry for new development. As shown in the table below, the vast majority of new student housing construction is occurring in the southern region of the nation.

Student Housing Construction			
University	On Campus Enrollment	3-Year Growth	Under Construction ¹
Florida State University	44,275	2.9%	2,604
University of Tennessee	37,028	15.9%	2,241
North Carolina State University	39,259	7.0%	2,195
Arizona State	65,450	1.1%	2,085
Central Florida	70,658	3.3%	1,944
Wisconsin at Madison	51,822	3.9%	1,859
Texas A&M	43,597	9.8%	1,478
University of Arkansas	30,603	11.7%	1,361

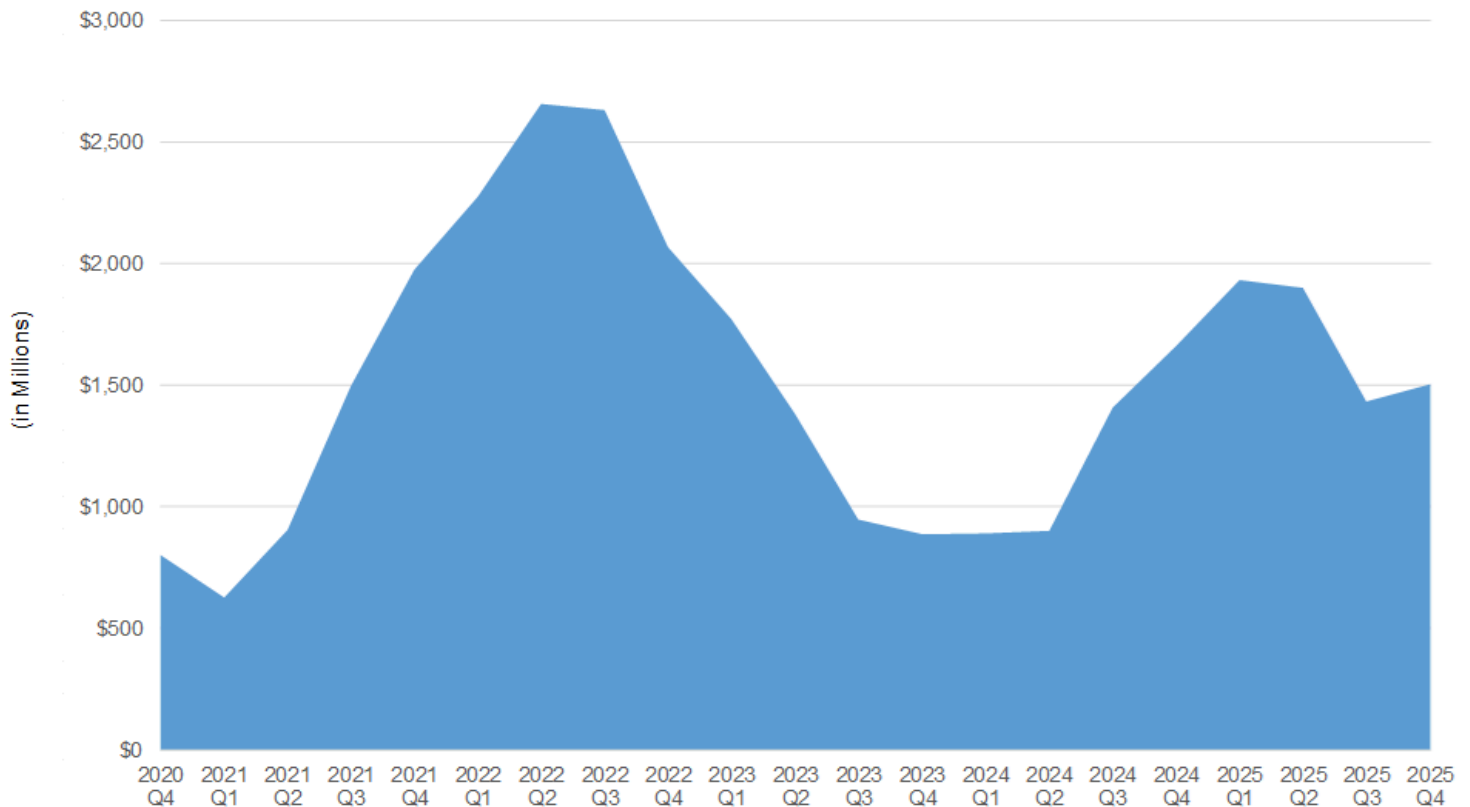
¹ Source: RealPage



Investment Activity

National student housing transaction activity saw a slight increase as of the 4Q25.

National Student Housing Trailing 12-Month Sale Volume



Source: Costar

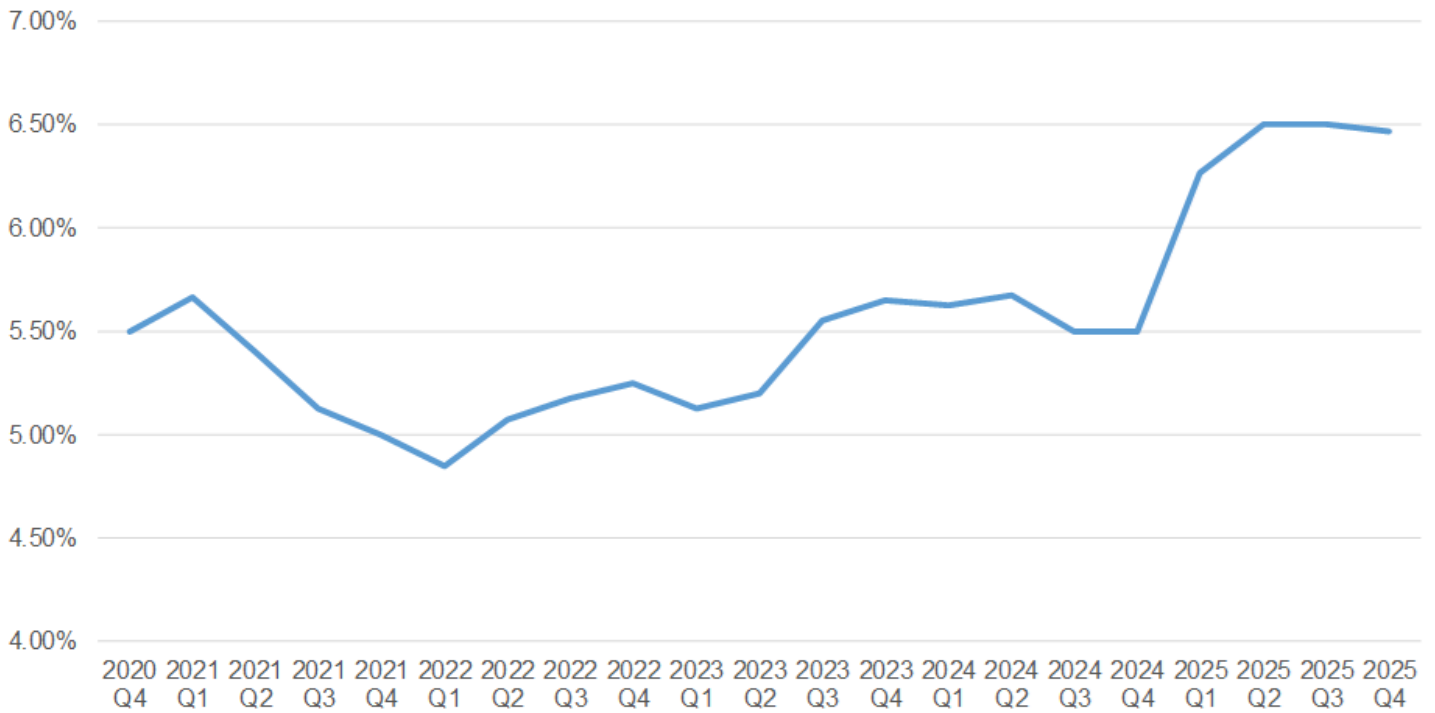
As shown in the graph above, trailing 12-month sale volume of student housing properties totaled \$1.50B as of the 4Q25, a 4.9% increase from the prior quarter, but down 9.4% from one year ago.

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Depending on quality and location, overall rates for student housing properties currently range between 5.50% and 6.50% nationally. Overall capitalization rates for student housing properties are typically 25 to 50 basis points higher than conventional apartment properties due to their exclusive reliance on the universities that they serve. The average overall capitalization rate based on trailing 12-month sale volume as of the 4Q25 was 6.47%, a slight decrease from the prior quarter.

National Student Housing Average OAR



Source: Costar

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Recent notable sales that have transpired over the past 12 months are set forth in the table below. These are large properties of over 500 beds with sale prices over \$100M.

Recent Student Housing Property Sales

Property	University	Sale Date	Year Built	Total Units	Total Beds	Sale Price	Price/Unit	Price/Bed
The Wexler	California State University	Jan-26	2022	223	762	\$115,000,000	\$515,695	\$150,919
The Flats at West Village	University of Virginia	Oct-25	2014	219	622	\$107,000,000	\$488,584	\$172,026
Empire and Park Place Columbia	University of South Carolina	Jul-25	2018	464	1,321	\$159,200,000	\$343,103	\$120,515
Icon Plaza and West 7th	University of Southern California	Apr-25	2012	218	704	\$100,000,000	\$458,716	\$142,045
Merced Station	University of California Merced	Mar-25	2022	270	885	\$110,000,000	\$407,407	\$124,294

In addition to the sales listed above, there was the ADIA portfolio sale of eight properties totaling 6,200 beds that serve Oregon State University, Pennsylvania State University, University of Virginia, University of Florida, Texas A&M University, Kennesaw State University, and North Carolina State University. The portfolio sold to a partnership of Global Student Accommodation UK and Morgan Stanley for a total of \$1.0B or \$161,499 per bed.

Conclusion

Total national enrollment continued its upward trend as of the fall semester of 2025, albeit at a slower pace than the prior year. While enrollment growth continues to drive demand, there are notable headwinds on the horizon. Sudden changes in Federal policy have drastically reduced the number of student visas. In addition, a growing number of private universities are facing financial challenges. Furthermore, the number of high school graduates hit a peak in 2025 and will start declining over the next couple of decades starting in 2026. However, the decline in high school graduates is not uniform across the nation and, in the south, the number of high school graduates is forecast to grow. This is reflected in strong enrollment growth, and elevated student housing construction, at some of the largest public universities throughout the south.

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National student housing transaction activity is up slightly, and the average overall capitalization rate has remained stable over the past few quarters. Finally, throughout much of the nation, housing of all types continues to be undersupplied, and the pipeline of new student housing deliveries is down significantly from the prior decade. With the level of new supply expected to remain under control for the foreseeable future, prospects for the national student housing market remain positive, despite headwinds to demand.

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For more information on the student housing market, please reach out to:



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