

What's New in Student Housing?

Broadband is a significant backbone to many things deemed necessities for today's students, from paperless leasing to smart features and amenities.

By Valerie M. Sargent / *Broadband Communities*

In early October, I explored a specific sector of the multifamily industry: student housing. I attended the 2021 NMHC Student Housing Conference on behalf of **BROADBAND COMMUNITIES** to see what was happening within this segment of the industry as it emerges from the volatility wrought by the pandemic, and to look for any trends or design aspects that might be of interest relative to broadband performance.

STUDENT HOUSING IS BACK!

It was powerful to observe the strong confidence in student housing with an eye toward the future that industry leaders shared with the crowd at the event. After the severe concerns that all multifamily companies struggled with at the start of the pandemic, it was clear to see that despite one reported 20 percent decrease in student housing development (due to the economic slowdown, high construction costs, labor shortage and supply chain issues), management companies were flexible and incorporated creative solutions with resilience during the difficult circumstances of the past 20 months. College campuses have come back in full force, and the college experience continues. Student housing reportedly outperformed every other real estate sector during the pandemic.

Leasing for the fall 2021 semester started slowly but picked up in the second half, according to a RealPage Market Analytics report showing the national month-over-month pre-lease activity. The national occupancy rates have also normalized after the fall 2020 slump. Many

campuses that cut rents last year experienced solid growth this year, and approximately 42,000 new, purpose-built, off-campus beds were delivered. Companies reported outperforming or exceeding projections for the current semester, and students showed that they want the actual college experience, not just a virtual one.

STUDENTS TODAY, RESIDENTS TOMORROW

Why is paying attention to student housing important? Because the students of today are the future residents of tomorrow. The trends and desires currently important in student housing will become the expected norms in conventional multifamily housing in the future. Today's expectations will drive tomorrow's innovation.

Though broadband itself wasn't a big focus at this year's event, it was clear it is a significant backbone to many things today's students deem necessities. COVID-19 accelerated the need for buildings that require new technology, including touchless tech, paperless leasing and payment processes, and tech-enabled campus mail centers with package delivery or lockers. In addition, outdoor spaces and flexible workspaces for students working from home, co-working spaces, flexible design in units, and health and wellness-focused amenities will remain significant in the years ahead.

All this requires seamless connectivity as students move from their rooms throughout the community and access the services they need. From mixed-use to high-density student living, and from off-campus to co-living communities,



dependable, accessible internet connectivity with fast upload and download speeds – typically delivered via bulk internet to help students with pricing – remains of utmost importance to students. Managed Wi-Fi systems are becoming more necessary to control access for all needed procedures.

During 2020 and 2021, the need for online accessibility for new students rose because of pandemic-related issues. One company reported that 70 percent of its students leased online before ever visiting the community. Approximately 80 to 85 percent of the prospects visited the property virtually. Students expect to be able to pay online, view their accounts online, and submit service requests online. Some even expect these services to be connected to social media. Access control with electronic door locking systems related to mobile phones, mobile technology, remote monitoring, and cashless transaction capabilities for accessing student laundry is critical to today's students. Eco-minded students are looking for energy-smart appliances,

LED lighting, solar panels, low-flow showerheads and leak detection systems. These design standards will set the tone when students transition to conventional apartment living.

THE FUTURE IS BRIGHT

This young segment (not just in demographics) of the multifamily industry continues to be robust, with plans for growth in the years ahead. In the July 2021 National Multifamily Housing Council white paper “The Future of U.S. Student Housing Demand,” the student housing market was projected to grow from 8.5 million beds in 2020 to 9.2 million beds by 2031, primarily due to growth in undergraduate beds at public four-year universities (approximately 448,000 beds). Those numbers include additional development for graduate programs (112,000 beds), private four-year universities (96,000 beds), and public two-year universities (79,000 beds), with an overall total of 734,000 beds estimated in student housing growth over the next 11 years, averaging an increase of 0.8 percent per year.

This shows that the industry has demonstrated its maturity to institutional investors. As the baseball legend Willie Stargell said, “That’s where the future lies, in the youth of today.”

After attending this event, I agree. I was happy to see that things are positioned well for strong performance and growth for 2022 and the years ahead. Student housing available today is a far cry from my dorm rooms of yesteryear! It all has me rethinking possible graduate studies ... on second thought, maybe not! ❖



*Valerie M. Sargent is a multifamily speaker, trainer and executive consultant and is the multifamily news correspondent for **BROADBAND COMMUNITIES**.*

Contact her at valerie@bbcmag.com. For more information, visit www.bbcmag.com or www.valeriemsargent.com.