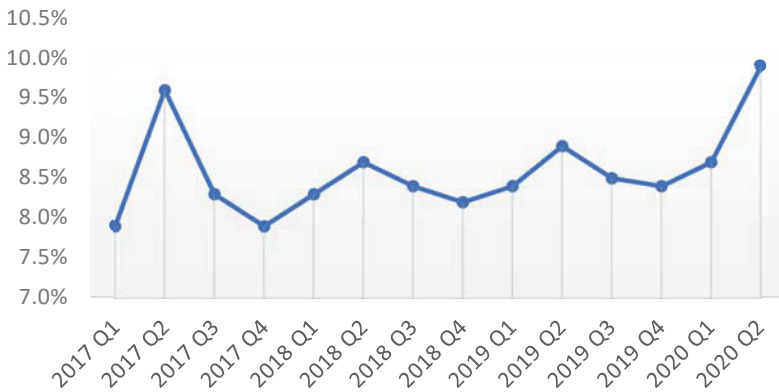


US Student Housing Vacancy Rates



MARKET FUNDAMENTALS:

Vacancy Rates

COVID-19 has had an impact on the US student housing market, and it shows through increased vacancy rates. The vacancy rate increased from 8.7% in Q1 2020 to 9.9% in Q2 2020. This spike can be attributed to COVID-19, but it is also attributed to the spring semester ending and students moving out. Each Q2 since 2017 has seen a spike in vacancy relative to its time period. If schools continue to remain closed into the fall, the vacancy rate can be expected to follow this upward trend.

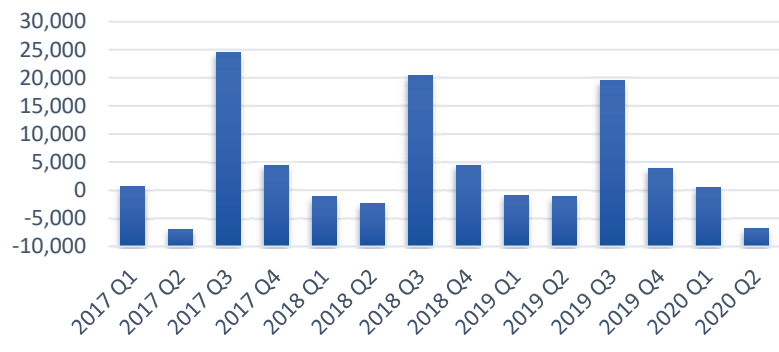
US Student Housing Asking Rental Rates



Asking Rental Rates

The market average price per bed in the US has seen a steady incline since 2017, increasing from \$683 to as high as \$719. However, the incline has flattened and Q2 2020 saw a slight decline for the first time since 2017. In Q2 2020, the market average price per bed is \$718. The uncertainty of how universities and colleges will reopen will directly impact the price per bed, and whether pricing trends move up or down.

US Student Housing Net Absorbption by Units



Net Absorption and Units Leased

Net absorption by units in Q2 2020 for the student housing market finished with -6,817 units, falling from 521 units in the previous quarter. Even though net absorption is negative during this pandemic, this has been a trend that precedes the pandemic. Since 2017, every Q2 has the lowest net absorption for the year followed by a spike in Q3. This is due to the academic schedule because the spring semester ends in Q2 and the fall semester begins in Q3, with students moving out for the spring and new students moving in for the fall. If universities do not lower admissions, this trend is expected to continue.