

2020-2021

RESEARCH REPORT



2020-2021

MICHIGAN STATE UNIVERSITY

TOTAL ENROLLMENT
↓1.75%

Total enrollment for Michigan State University came in at 49,695 students for the 2020-2021 school year, a slight decrease of 1.75% when compared to the prior year. Enrollment growth has been stagnant at the university as of late, with a hard plateau being reached around the 51,000 level back in 2018.

FRESHMAN ENROLLMENT
↓3.99%

Of course this is likely a result of the circumstances and uncertainty surrounding this school year.

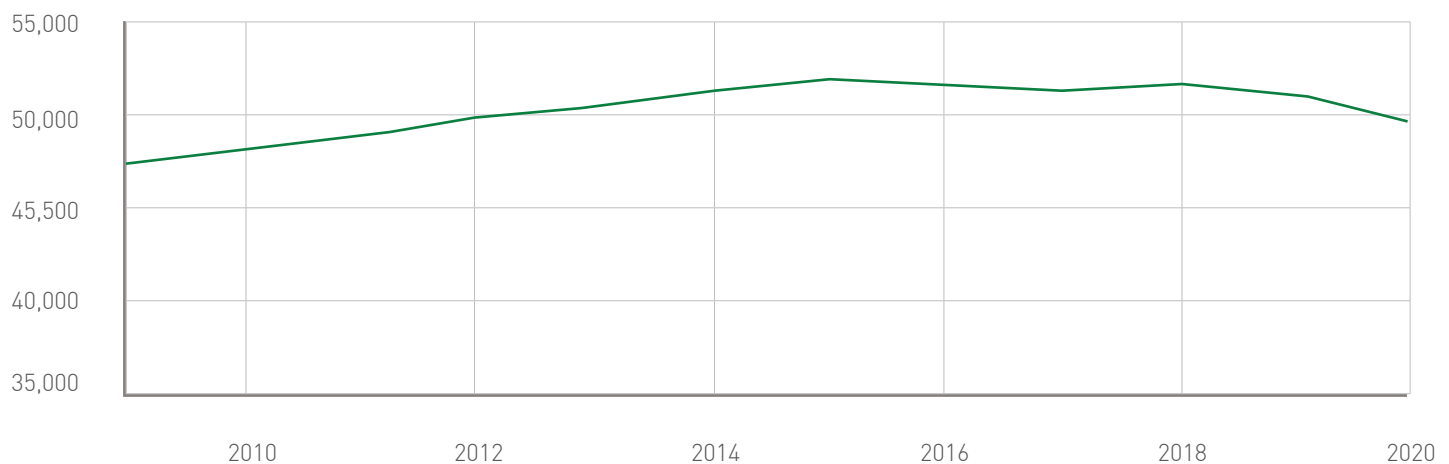
INTERNATIONAL ENROLLMENT
↓20.42%

Since 2018, the university has seen two straight years of enrollment decline largely driven by a declining international population. This year's fall in international enrollment can be attributed to the coronavirus pandemic, as many students were likely hesitant to return to campus given the risk and logistical difficulties involved with travel at the time.

FRESHMAN RETENTION RATE
91%

Despite this year's slight decrease in enrollment, the university is still well within its usual range near 50,000 students, and it still recorded a strong retention rate among its first-year students for the 2020-2021 academic year.

ENROLLMENT GROWTH - 2011 TO PRESENT



10 YEAR ENROLLMENT

ENROLLMENT	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Freshman	7,824	8,201	7,887	7,883	7,967	7,950	8,108	8,442	8,570	8,228
Graduate & Professional	6,012	6,724	7,281	7,750	7,690	7,361	6,922	6,318	5,705	4,540
International	12,258	12,474	12,347	12,191	12,285	12,110	11,875	11,704	11,402	11,204
Undergraduate	36,675	37,454	37,988	38,786	39,143	39,085	38,996	39,423	39,176	38,491
TOTAL	48,933	49,928	50,335	50,977	51,428	51,195	50,871	51,127	50,578	49,695

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2020 YTD OCCUPANCY

95.66%

Michigan State University student housing properties are currently achieving an occupancy rate of 95.66%, up more than 100 basis points when compared with data from the 2019-2020 academic year. Some additional leasing interest has been reported by operators in the area following the closure of residences halls in late August, as nearly 5000 students had been displaced from their dorm rooms. As a result occupancy has held strong at off-campus communities despite a slight dip in enrollment this year.

AVERAGE RENT GROWTH YOY

↑ 5.42%

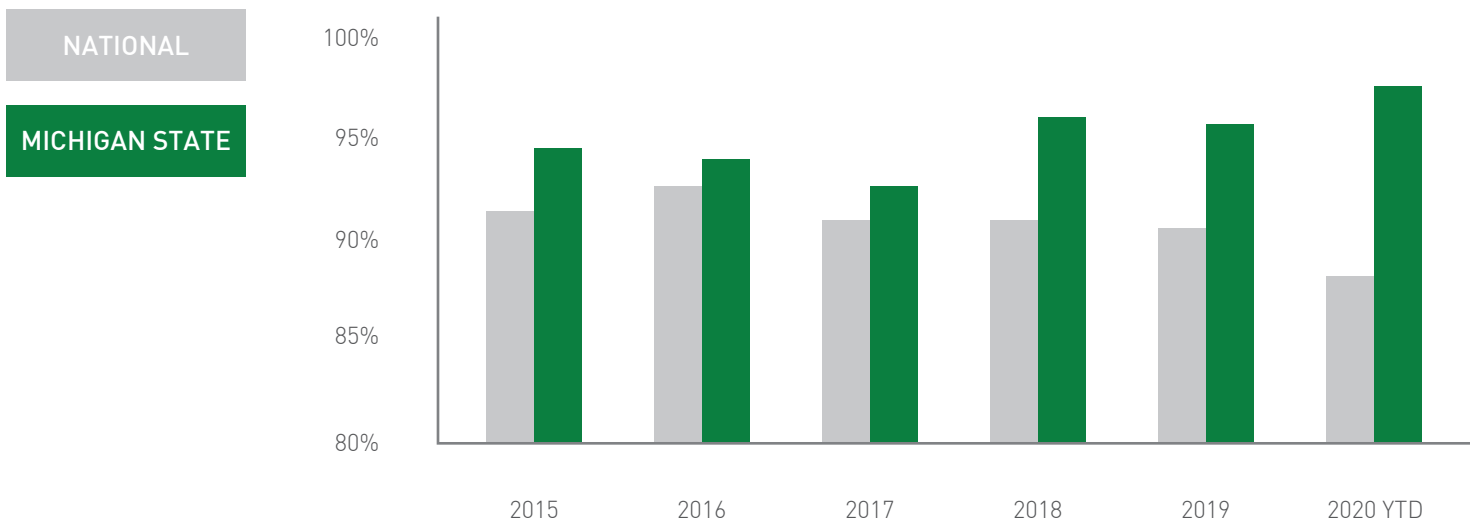
Enrollment growth has hit a hard plateau around 51,000 students and this year's enrollment dipped below 50,000 for the first time since 2012. With more than 2500 beds coming to market since 2015, the supply/demand fundamentals over the short-term remain questionable and we will monitor how the university performs on the other side of the coronavirus pandemic.

TOTAL RENT GROWTH SINCE 2017

↑ 12.39%

Rent growth has remained strong; altogether, it was up more than 5% year-over-year. This growth was led by three bedroom units, which have seen a significant increase in price beginning in 2018 as many studio, one-, and two-bedroom units came to market around that time. Two and four-bedroom units each saw growth at around 4% when compared with last year, and studio/one-bedroom units saw a slight 1.5% decrease with more than 500 units of this product being delivered in 2019 alone.

OCCUPANCY - NATIONAL VS MICHIGAN STATE



AVERAGE RENT PER BED

	2015-16AY	2016-17AY	2017-18 AY	2018-19 AY	2019-20 AY	2020-21 AY
Studio - 1 Bedroom	\$877	\$886	\$888	\$915	\$981	\$966
Two Bedroom	\$542	\$553	\$554	\$565	\$567	\$588
Three Bedroom	\$444	\$449	\$455	\$462	\$492	\$565
Four Bedroom	\$499	\$492	\$489	\$503	\$516	\$540

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MARKET ADDITIONS

There has been some discussion in the past over the necessity of large, new student housing developments in East Lansing. Although, this has not put a hold on new developments being proposed and approved around campus. The Red Cedar Project, a \$256 million mixed-use development has made this clear as it will make use of an under-utilized corridor connecting the Lansing State Capitol and the university. The project will encompass more than 35 acres and bring to market 792 beds of student housing, 181 market-rate units, two hotels, and an assisted living and memory care facility. Construction was slowed as a result of the pandemic and timelines may have changed, but the student housing component of the project was slated for completion in the fall of 2021.

EXPECTED MARKET ADDITIONS

Core Spaces has been working through the city’s approval process for its “Hub 2.0” project that is expected to bring more than 1000 beds to market. The new project would involve two 13-story buildings totaling roughly 550 units, this is down from the initial proposal that included 720 units. Some local residents opposed the plan and the city council has commissioned a \$40,000 study of the plan which has postponed any major decision for now. If approved, this would clearly be a major addition to the market rapidly increasing the number of beds around campus.

University Edge at MSU is expected to deliver in time for a fall 2021 lease-up, offering one-, two-, four-, and five-bedroom floor plans to students along with 45,000 square feet of retail and restaurant space on the first floor. This project will deliver around 200 units to campus, totaling more than 500 beds.

**UNDER CONSTRUCTION
2021 DELIVERY**

500+ BEDS

**PLANNED -
2021 & BEYOND**

1,000 UNITS

**5-YEAR MARKET
ADDITIONS**

2,859 BEDS

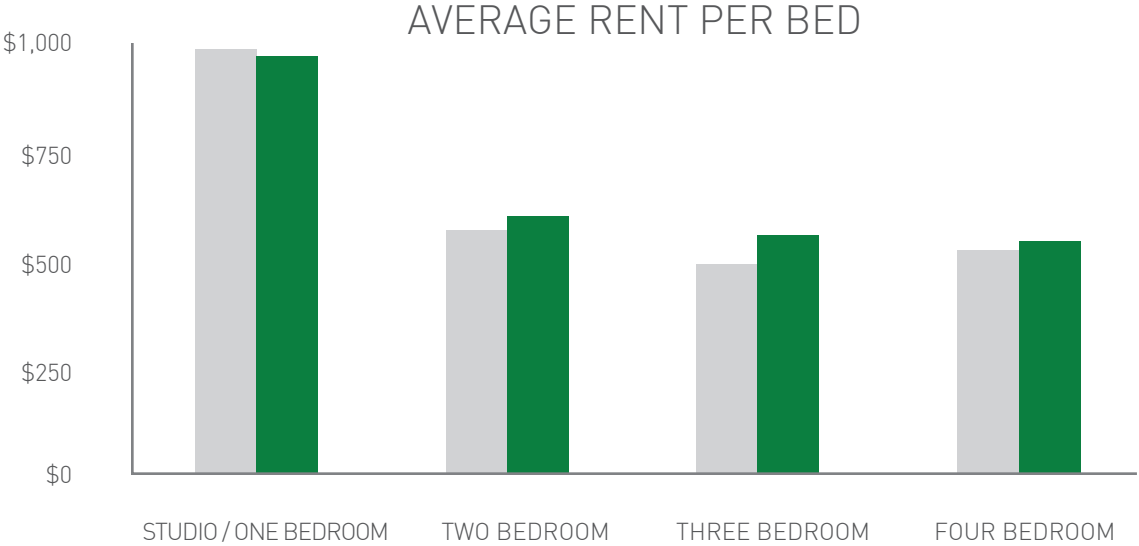


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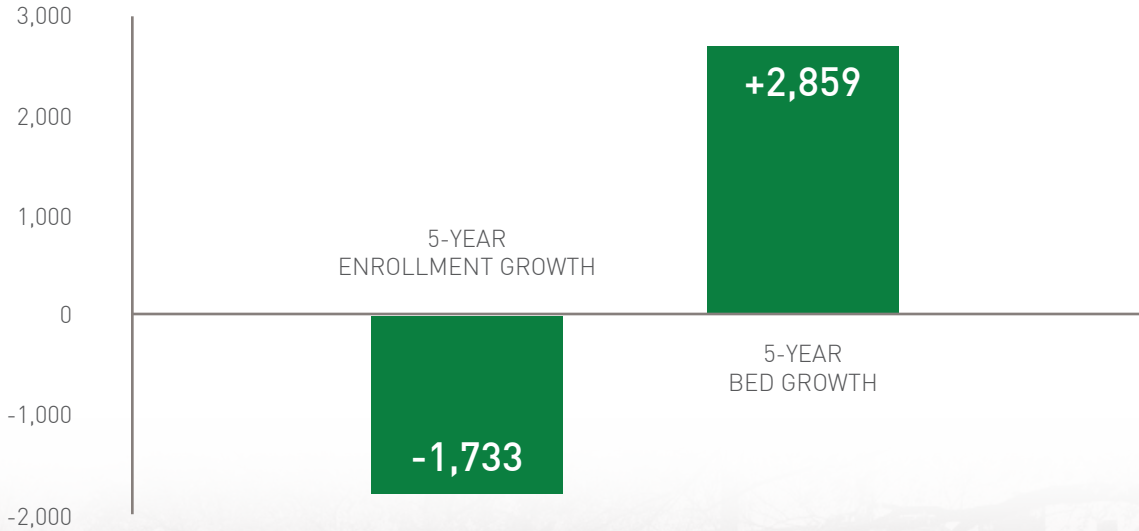
MICHIGAN STATE UNIVERSITY

2019

2020 YTD



2015-2020 ENROLLMENT & INVENTORY GROWTH





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